

# THE SPARK

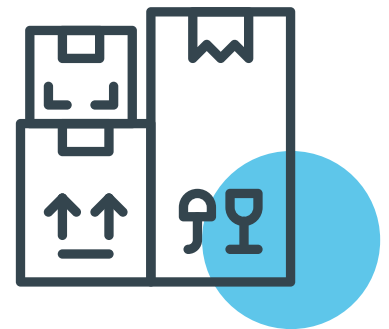
## Sourcing and Procurement Flash Report

MARCH 2021



PACKAGING

### *Pandemic Packaging: Finding Opportunities in the Chaos.*



The pandemic has created an e-commerce revolution that is changing the way businesses, consumers, and suppliers conduct their operations. We can see the evidence all around our neighborhoods. Piles of assorted boxes, mailers, padded, packed, and taped packages have become a permanent fixture on doorsteps everywhere. This surge in online purchasing among consumers has impacted the supply and cost of packaging materials.

Sourcing this array of now-costlier packaging inevitably falls on Procurement. What is your plan to find packaging savings in this new—and possibly permanent—purchasing environment? You can't change the volatility of raw materials, so how do you find savings when prices keep climbing and the supply chain is constantly in reactive mode? Remember, chaos can translate to opportunity, and perhaps more importantly, necessity is the mother of invention. **Use this chaos as your chance to get creative.**

First, increase collaboration to eliminate sourcing redundancies. Visibility is key. When different teams or departments make purchasing decisions independently, the organization loses opportunities to leverage suppliers and volumes. Take a holistic view of packaging across the organization. Identify areas of shared packaging and align your requirements. In doing so, you're sure to find a cost-effective solution that services one and all.

For this to work you need to challenge the status quo. Common reasoning that 'it's always been done this way' or you are 'knee deep in day to day operations' won't improve the bottom line and must be challenged. The pandemic has taught many of us to view life through a different lens. Who knew you could be just as productive in sweats as a suit? Why not apply this mindset within the organization? Is there a different package or material that provides the same result and also improves the bottom line? Take the time to look at things differently. If you don't, you run the risk of stagnant processes and your organization is subject to cost volatility on packaging that might not fit your business in 2021.

Don't assume that your current rates for packaging and related materials are the best you can do in a volatile market. You can find savings amidst this chaos. Or, more precisely, innovation and adaptation in response to chaos may have changed what's possible. As an example, material innovations in resins have created much stronger stretch films at lower gauges, resulting not only in unit savings, but significant savings in roll usage. Boxes can be redesigned to eliminate tape or improve assembly efficiencies. Dunnage options exist that are sustainable and cost effective. By exploring new options, you have the opportunity to also create operational efficiencies that will sustain savings for the longer term.

The pandemic and resulting increase in e-commerce growth has forced a new look at how packaging functions in partnership with the rest of the organization. It's more important than ever to bridge the gaps across the organization and foster optimized buying practices that pay off in both cost and operational savings.



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**We want to hear about your business challenges.**

Contact [thespark@logicsource.com](mailto:thespark@logicsource.com) to start the conversation.

