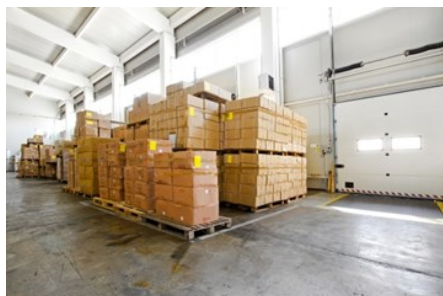


NETWORK® CASE STUDY

IMPROVING WAREHOUSE PACKING AND SHIPPING OPERATIONS WHILE LOWERING TOTAL OVERALL COSTS

BUSINESS NEED:



In 2011, this large industrial manufacturing company was seeking improvements in its picking, packing and shipping processes, while also increasing customer satisfaction and reducing total overall spending across the company's multiple distribution facilities.

The company had previously standardized a number of its packaging products and processes throughout its distribution system, however, each distribution center independently sourced its own corrugated cartons and interior carton packaging. The core interior packaging materials were sheet paper torn from rolls inserted in the packing line before cartons were sealed and labeled. This operator-driven system made it difficult for the company to standardize the per-carton paper usage.

Additionally, feedback from some of the company's customers, many of which receive multiple carton shipments weekly, indicated that the paper interior packaging materials were excessive, requiring extra labor and costs to dispose or recycle it.

The company needed a solution that improved overall packaging processes and customer satisfaction while reducing costs. The corporate direction allowed for the consideration of capital expenditures to yield improved processes and lower overall spending.

• INDUSTRY

Industrial—Manufacturing

• PRODUCTS

Industrial Packaging Supplies

ABOUT THE CUSTOMER:

- Large industrial manufacturing company based in the Midwestern United States
- Over \$3 billion in annual revenue
- S&P 500 company
- Serves customers in over 130 countries around the world
- More than 11,000 associates worldwide
- 11 US Distribution Centers



SOLUTION:

NETWORK and its local distributors reviewed the company's current processes and process redesign goals with the Distribution Group Senior Management staff.

NETWORK then engaged with industry-leading packaging manufacturer, Sealed Air, to work with NETWORK and the company to evaluate solution options.

A series of site surveys and time studies were conducted. This thorough analysis included photos of the facility, and measurements of packaging materials and corrugate cartons used.

A new air-fill system was created for the company that custom fills corrugated boxes of different sizes with a wide range of air packaging options, and carton sealing capabilities built right in.

RESULTS:

After an extensive four-month beta test in one distribution center, the solution was implemented across the company's remaining distribution centers over an 18-month period. The company has realized a number of benefits:

- **Increased customer satisfaction**
 - Reduced waste at customer locations
 - Labor savings for customers unpacking boxes
- **Distribution center labor savings**
 - Packing lines could operate with fewer staff
 - Carton sealing staff reduced
 - Packing lines were reconfigured to increase staff efficiency
- **Overall operational improvements**
 - Speed of packaging and throughput were increased
 - Total cost of interior box packaging and labor was reduced by over 15%
 - Standardized packaging supplies across all distribution centers resulting in better visibility of throughput and total costs
 - Capital spending payback period of 11–18 months, depending upon individual site volume of cartons
 - Additional cost saving opportunities and process improvements were identified and are being addressed by the NETWORK and Sealed Air teams



// We are thrilled to be able to provide value beyond just delivering supplies.

We strive to increase customer satisfaction, identify labor savings opportunities, and drive other operational improvements for our customers.

ERIC HANSEN
Executive Director,
NETWORK Packaging



ABOUT NETWORK SERVICES COMPANY:

NETWORK® is the flexible, integrated distribution solution that improves supply chain efficiency and drives business success. For corporate accounts in commercial printing, commercial real estate, healthcare, foodservice, industrial, and the public sector, NETWORK offers deep experience, vast infrastructure, customizable programs and best-in-class products in our core categories of printing papers, janitorial supplies and equipment, foodservice disposables, packaging supplies and equipment. Our system blends single-source convenience with true local market presence on an international scale. Centralized account management provides greater control, while our network of distributors delivers the flexibility, accountability and category expertise you need to stay ahead of the competition. You'll call this a better way to do business. We call it Distribution by Design®. For more information, visit www.networkdistribution.com or call 800.683.0334.