

Packaging Scorecard

A method to evaluate packaging contribution
in the supply chain

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Convincing method helps the industry

This report presents a new method, the Packaging Scorecard, which is developed to evaluate the packaging contributions in the supply chain. The pilot companies that took part in our study were satisfied with the results. The results from the Packaging Scorecard will help to improve the packaging system in the supply chain.

It is sometimes hard to convince the production and marketing managers regarding the weaknesses in our packaging system for the supply chain.

The primary packaging is normally well optimised, but the other packaging in the system is not always to our satisfaction. The Packaging Scorecard can help to inform and create better packaging solutions says packaging and purchasing manager at Cerealia who was one of the pilot companies in this report.

In today's supply chain environment, there is one generally accepted fact: the customers expect increasingly more from their suppliers. To fulfil the high expectations, more and more corporations are working closely together. A study of packaging logistics carried out at Packforsk showed that an efficient packaging system is a catalyst to fulfil the supply chain efficiency. The flows of goods and related information depend strongly on external as well as internal factors.

Our general idea is to study the overall packaging implications for all partners in the supply chain by using a systematic method, which we call the Packaging Scorecard.

Purpose

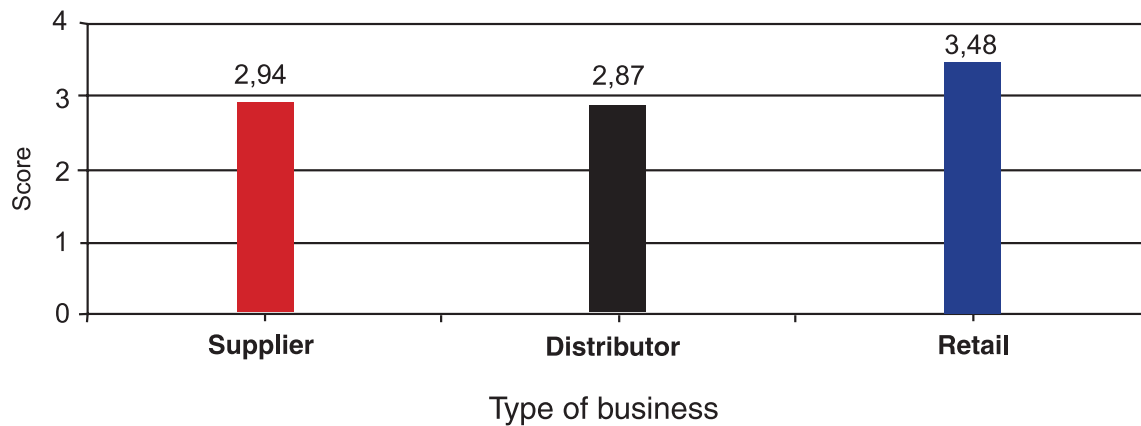
The purpose of this report was to develop a systematic method that will evaluate how the packaging system is performing in the supply chain. The method of the Packaging Scorecard will help the trade and the industry to increase supply chain efficiency and thus the competitive edge of trade and industry.

The method of Packaging Scorecard is based on the theories of the Balanced Scorecard, Efficient Consumer Response (ECR), as well as studies and application of in-house knowledge about packaging and the Packaging Logistics. The method is designed to enable support of ECR implementation.

The method is tested in two different types of packaging system selected for the Fast Moving Consumer Goods sector.

The selected packages are cardboard containers for breakfast-cereals and a plastic re-fill package for jam. Score indicates how well these packaging systems are performing.

Collective Scorecard for cardboard container packaging system



The diagram is a concluding evaluation scores for the cardboard container packaging system. The average score for the cardboard packaging system is 3,1. Retail one of the participants in the supply chain for fast moving consumer goods has the highest score in this supply chain - 3,48 and distribution the lowest.

The Packaging Scorecard for cardboard container

The diagram on the next page is a concluding evaluation scores for the cardboard container packaging system. The average score for the cardboard packaging system is 3,1. Retail, one of the participants in the supply chain for fast moving consumer goods, has the highest score in this supply chain - 3,48 and distribution the lowest.

The summary scorecard shows that the packaging system is not perfect, analysing the scorecard will help the product supplier to identify the problem criteria, be it in their own part of the chain or later on, where efforts to optimise the packaging system should be put.

Conclusions

The results from the case studies show that the Packaging Scorecard method is useful for the participants in the supply chain. The method consolidates the requirements in the supply chain. The results also show that the method will help product suppliers to understand and create new packaging solutions. The results indicate that the Packaging Scorecard method is useful, but to prove, more extensive research has to be carried out.

Target groups

The report is a platform for everyone involved in strategic business development such as supply chain managers, product managers, marketing managers and those in the managers who are involved in the supply chain.

Suggestion for future research

The Packaging Scorecard points out the strengths and weakness of a packaging system. It does not suggest any solutions. More continued research should concentrate on: what are the cost implications of different score levels for various criteria, a definition of what characterises score implies for different criteria at packaging levels and verify the usefulness of the method for other sectors than FMCG.

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