



## Low Hanging Fruit Why You Should Implement a Generic Case Program

It does not take a fleet of engineers, packaging consultants or a million dollar capital budget to harvest the benefits that derive from implementing a generic case printing program.

It takes common sense and a leader willing to adopt the philosophy “ when you change the way you look at things, things will change the way they look”. This means focus on the core issue that forces pre-print corrugated inventory to be so costly and tough to manage, and make a change.

The core, problematic issue is ordering pre-printed skus based on either a production schedule or production forecast. Maintaining this purchasing policy will cost you dearly. You will hemorrhage cash daily and negatively affect the bottom line. You will also place an undue burden on your employees, with frustration levels running high and customers eventually affected with late deliveries. It is not a good long term purchasing strategy to maintain.

If you “look at things differently”, you will want to change your focus to managing generic case inventories rather than individual pre-print skus. Previous Iconotech White Papers have discussed this in detail. Today, we will talk about harvesting (cost justifying) the project by looking at three main areas of expected cost savings. One of these areas is sure to pay for the Iconotech Digital Case Printer in the first year, and position you to reap the benefits for years to come.

Lets look closely at three main areas where companies typically save huge bundles of money.

***Consolidate and buy more of less:*** Your corrugated suppliers already provide you with a mechanism to reduce costs significantly. No uncomfortable face to face negotiations needed. By consolidating all of your pre-print skus with common case sizes into one generic plain box, the economic result is magic. What you really do is amortize the set up costs over a larger purchase of generic cases. For example, instead of buying 10 pre-print skus with volumes ranging from 1,000 to 5,000, order 20,000 of the one generic case size. Saving 10 % to 40 % is common. ***The key: go generic and print with Iconotech.***

***Avoid costly rubber print dies:*** Traditional flexo rubber print dies can cost as little as \$ 250 and as much as \$ 3,000. If you have an active marketing department that needs to make changes, or you have a growing company with an expanding product line, this should be an area of concern for you. It does not take much to rack up annual rubber print die costs of \$ 10,000 to \$ 50,000 or more. ***The key: go generic and print with Iconotech.***



**Obtain competitive bids:** If you are like most companies, competitive bidding your pre-print skus is something you would like to do, but just can't seem to find the human resources or time to do it. You know you can find savings, but is it worth the effort ?

If you "think differently" and move to generic, you will have two key elements on your side:

- 1) With a generic case program you only concentrate on the 10 to 20 genric case sizes and historical usage, not the complex maze of information and data that surrounds hundreds to thousands of pre-print skus.
- 2) Since you no longer require rubber flexo print dies, they will not cloud your decision to change to a more competitive vendor.

Many companies have secured another 10 % to 25% corrugated savings by competitive bidding. ***The key: go generic and print with Iconotech.***

A project leader can usually justify a project from one of these three key cost savings areas. After implementation it is amazing to see the overall effect upon an organization by moving to a generic case printing program. Here are additional areas of cost savings you should expect to find as you move to full implementation:

**Warehouse space:** Generic case inventories require a fraction of the space previously allocated to pre-print inventories. Close down expensive outside warehouses. Opening up in-house warehouse space may be just what you needed to add that much needed production line. ***The key: go generic and print with Iconotech.***

**Production line interruptions:** Some have calculated the hourly cost of production downtime at over \$ 10,000 per hour. How many hours have your lines remained idle simply because you could not find the pre-print cases or cases were never ordered due to the needlessly complex purchasing process?

Try explaining to your customer the reason the order was not produced or shipped because the boxes were not available. That will be a real confidence booster. ***The key: go generic and print with Iconotech.***

**Scrap corrugated:** Have you ever wondered why your pre-print book inventory never seems to agree with your perpetual inventory ? Two reasons why this is so.

- 1) With all the pre-print inventory in the warehouse, the blocked aisles, the double and triple stacking of bundles, you count team quite possibly missed it.
- 2) Another reason is pre-print inventory can find its way to the dumpster without drawing much attention. Lets face it, pre-print cases that sit for prolonged periods can warp and bow, causing huge scrap rates when run through automated packaging equipment and formers. ***The key, go generic and print with Iconotech.***



**Obsolete corrugated:** Pre-print cases many times contain nutrition and ingredient statements as well as time sensitive information. Raw materials may change and time may run out for the case to be used. As hard as you try, pre-print inventory can become obsolete.

What will you do if you report for work one day to find your company has been sold ? All of your pre-print cases have the wrong company name and logo. Now what are you going to do? Continue to run out the old pre-print, hoping no one will notice ? Will you consider hand over labeling all of the wrong information ? What about the cost and logistical nightmare of fixing all the flexo rubber print dies ?

You will not have these problems with a generic case printing program. *The key: go generic and print with Iconotech.*

**Streamline and simplify your process:** Managing a generic case inventory is really simple. For the person who previously purchased the multitude of pre-print skus, monitoring many fewer generic sizes makes life much simpler. No more requests to the warehouse to cycle count the inventory everyone in the plant is already feverishly trying to find. No more heart pounding confrontational calls to your corrugated supplier, trying to convince them your company is the greatest and deserves special treatment to replace the pre-print boxes you can't find. You know the speech, I need the boxes here by 4 pm today, and this will not happen again. Go generic and make this a reality.

Out in the warehouse life is also streamlined. Generic cases arrive on a scheduled truck during regular working hours, rather than on an emergency shipment coming in at midnight. Space is allocated for the 10 to 20 generic case sizes, and a simple walk through the warehouse each morning can alert you to any stock issues. Since you have assigned space, and you have planned deliveries, you can actually rotate the older stock to the front and properly place the fresh inventory to the rear. Wow, this is a concept normally lost to chaos.

The bottom line, streamlined processes require less labor to accomplish greater results. *The key: go generic and print with Iconotech.*

**Safety is job # 1:** Many pre-print case inventories are warehoused in areas they long ago outgrew. Corrugated warehousing usually finds itself pushed to remote areas of the building. Many companies are reluctant to fund the cost to open outside warehousing. The result, pre-print corrugated inventories are stacked with storage as the # 1 goal, not safety.



How many warehouses have blocked aisles and passage ways ? In case of a fire, these may be the only routes out of the building. Are you ready for your annual fire inspection?

How many warehouses utilize unsafe stacking heights ? Double and triple stacking can be unstable. How much will it cost if an employee is injured or killed?

As discussed previously, generic case inventories require a fraction of the space. Make safety a priority again.

*The key: go generic and print with Iconotech.*