

# What are the practical steps of a packaging audit?

## 1. Processes

- ▶ Map out your current packaging processes.
- ▶ Capture the main issues that you experienced in the previous 12 months e.g. significant wastage, packaging shortages, machine breakdowns etc.
- ▶ Review your expansion plans for the coming 12-24 months. List your packaging process needs to reflect this growth.

## 2. Materials

- ▶ How sustainable are your current packaging solutions?
- ▶ Are there new, more sustainable options available?
- ▶ Are these solutions reliable for your product? e.g. can they keep your product protected and fresh?
- ▶ Consider what your competitors are doing differently e.g. shelf ready packaging or sustainable packaging.

## 3. Costs

- ▶ Consider the cost of packaging per product/carton/pallet/container. Is the cost per unit excessive in relation to the total cost of your product?
- ▶ Audit how much stock you hold in storage. Is this the optimal amount? Can your cashflows continue to absorb these levels? Alternatively, do you need to increase stock holdings as supply chains get more volatile?
- ▶ Use the *ifac* Packaging Cost Calculator to understand your packaging unit costs.

## 4. Team

- ▶ Consider the staff requirement for your packaging processes. Are there automation efficiencies that can be made?
- ▶ Understand the downtime of machines between and during production runs – are there opportunities for your team to add value elsewhere in the business?
- ▶ Can packing times be improved? Even small differences, can have a big impact at scale.
- ▶ Actively review your packaging suppliers – are they reliable? Can you negotiate better terms?

## 5. Branding

- ▶ Critically review your current packaging design. Consider its role as your silent salesperson. Does it have the ability to stand out on the digital and retail shelves?
- ▶ Consider what your competitors are doing differently. Are there learnings you can use?
- ▶ Identify ways that packaging can work harder for your business to communicate your brand values. In particular, consider the role packaging can play for home deliveries.