

A low-angle, first-person perspective shot of a hiker's legs and feet. The hiker is wearing olive green shorts and tan and grey hiking boots with black soles. They are standing on a rocky, pebbly shore next to a calm lake. The background features a dense forest of evergreen trees on the left and steep, rocky mountains with patches of snow or light-colored rock on the right. The sky is clear and blue. The overall scene is bright and sunny, suggesting a clear day in a mountainous region.

Footwear Packaging and Ecom

October 2018 - FTDC

Introduction

- Ecommerce channels
- Platforms and packaging efficiency
- Transportation testing for ecom
- Ecom packaging important features
- Designs
- Sustainability
- Effect of eliminating over pack



“The Last Mile”



- ⑤ Movement of goods to consumer from the distribution center:
 - Amazon Locker
 - UPS Store
 - Delivery Truck
 - Retail Store
- ⑤ The hot topic in Supply Chain conferences in 2019
 - Demand for free and fast shipments is increasing
 - Last mile is complex

“Channels” in your Ecom Supply Chain

- ⊗ Wholesale – Stores not owned by the Brand
 - › Brand’s DC to Retailer’s DC
 - › Retailer fulfills to their ecom consumer, ie. Dick’s Sporting Goods
- ⊗ Stores owned by the Brand
 - › Pick up in store
 - › Using stores as “last mile” hubs to the consumer
- ⊗ Owned .com
 - › Fulfillment direct to consumer from your own DC
- ⊗ The Platforms – Amazon, Walmart

Platforms and Packaging Efficiency

- ④ Amazon recently began providing incentives for packaging certifications
 - › FFP (frustration free packaging) certified
 - › SIOC (ships in own container) certified
- ④ Walmart Packaging Scorecard – well established and effective
 - › Efficient materials and size
 - › Sustainability
- ④ Packaging ratio of space to outside dimensions



By Lisa McTigue Pierce (<https://plus.google.com/101540047912101795696>) in Sustainable Packaging (/taxonomy/term/388) on September 18, 2018

Transportation Testing for Ecom

- ④ ISTA (International Safe Transit Association)
- ④ Testing series for different situations
- ④ Tests for Ecom and footwear
 - › ISTA 3 – small parcel environment – simulates last mile carriers
 - › ISTA 6 AMAZON (SIOC) – simulates the Amazon system and is a way to be certified SIOC (APASS) [Amazon Packaging Support & Supplier Network](#)
 - › ISTA 6 AMAZON (Overbox) – This is a test for when product are overboxed

Ecom Footwear Packaging needs to be

- ⊗ Protective – packaging's job #1
 - › Very important in the small parcel last mile world
- ⊗ Brand building
 - › Enable returns (functional, enable "try me on features" and returns)
 - › The consumer experience with your brand is when they receive their product in the mail
- ⊗ Sustainable – Freight optimized and made from sustainable materials
- ⊗ Cost effective – Design packaging specifically for the supply chain and the last mile

Ecom Carton Designs

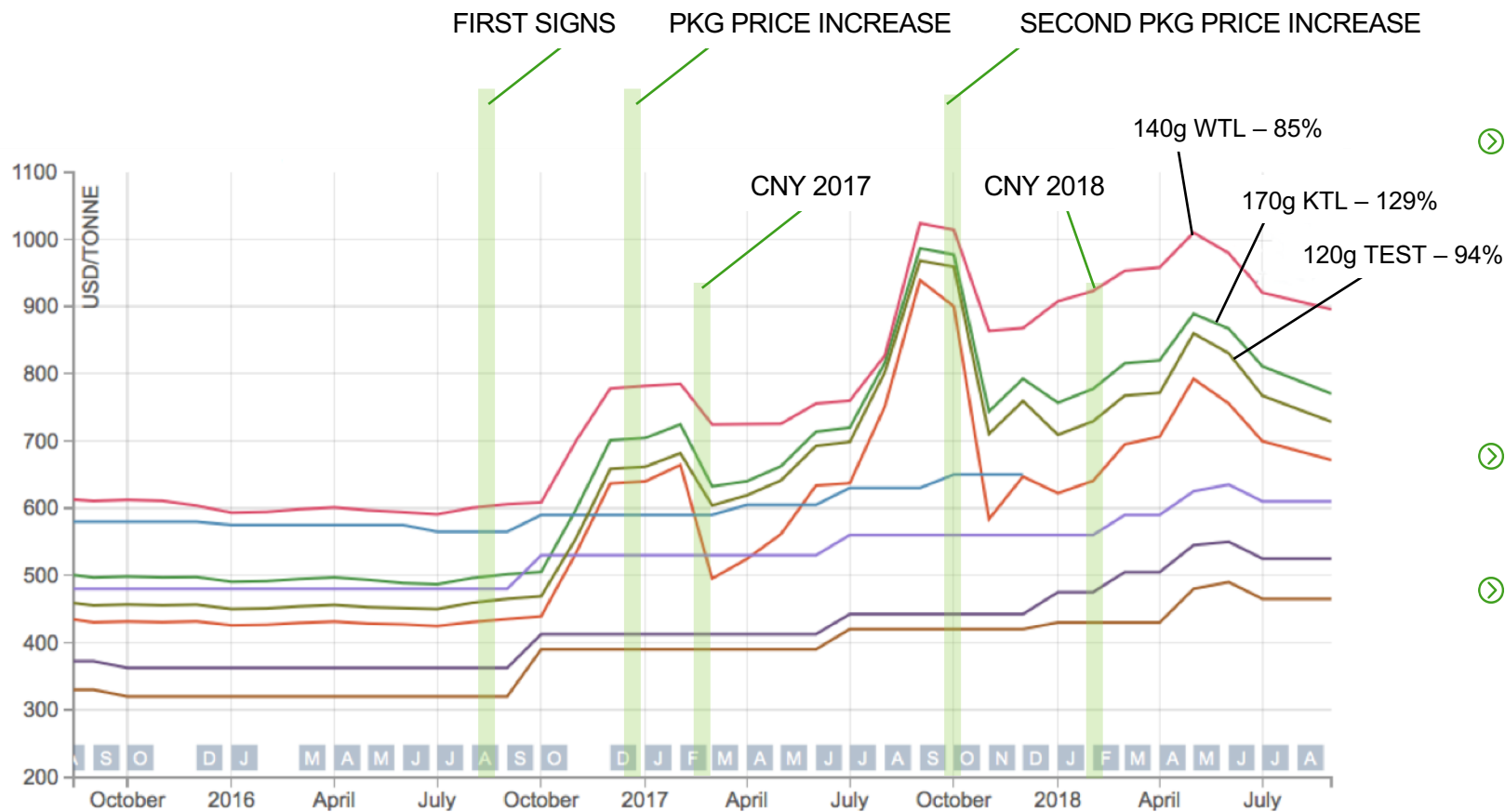
- ④ Efficient fit to product
- ④ Branded and brand building, but anti-theft
- ④ Cost effective SIOC
- ④ Reuseable and made from recyclable and renewable materials
- ④ Facilitates returns



Sustainability

- ④ Optimize the various supply chain segments (or channels) specific to your supply chain
 - › Use packaging designed to lower your overall cost
- ④ Establish a process for ensuring good fit to product – style, size and carton assignment
 - › Modify your system to issue PO's with this information
 - › Verify and impose chargebacks for improper carton use
- ④ Materials
 - › Strong, lightweight materials that can increase yield
 - › FSC certified

Paper price disruption



- In 2016 and 2017 there were sharp increases in paper prices for a variety of reasons:
 - Chinese government policies
 - Ban on recovered paper
 - Environmental reasons
- Prices seem less volatile following CNY this year when compared to previous
- China's need for recycled fiber will drive the market

Dim Weight Effect

- The dim weight effect is significant*
- Variance is just shipping cost – does not include the cost of the over pack materials

		Overpacked – 7lbs	SIOC – 4lbs	Savings
Portland OR to Los Angeles CA	UPS Ground	\$15.77	\$14.11	\$1.66
	UPS 3 Day	\$26.71	\$20.98	\$5.73
Portland OR to Rochester NY	UPS Ground	\$19.64	\$16.57	\$3.07
	UPS 3 Day	\$44.15	\$33.04	\$11.11

* Based on our rates and we are not volume shippers with ANY carrier

BillerudKorsnäs by the numbers

Net sales approx.

2.6

Billion USD



A focus on
customer value,
innovation and
sustainability

Operating profit
approx.

244

Million USD



4,400

Number of employees



8

Production units

Beetham
Frövi
Rockhammar
Gruvön
Gävle
Karlsborg
Pietarsaari
Skärblacka

Business areas



Corrugated
Solutions



Consumer Board



Packaging Paper

Global Offices

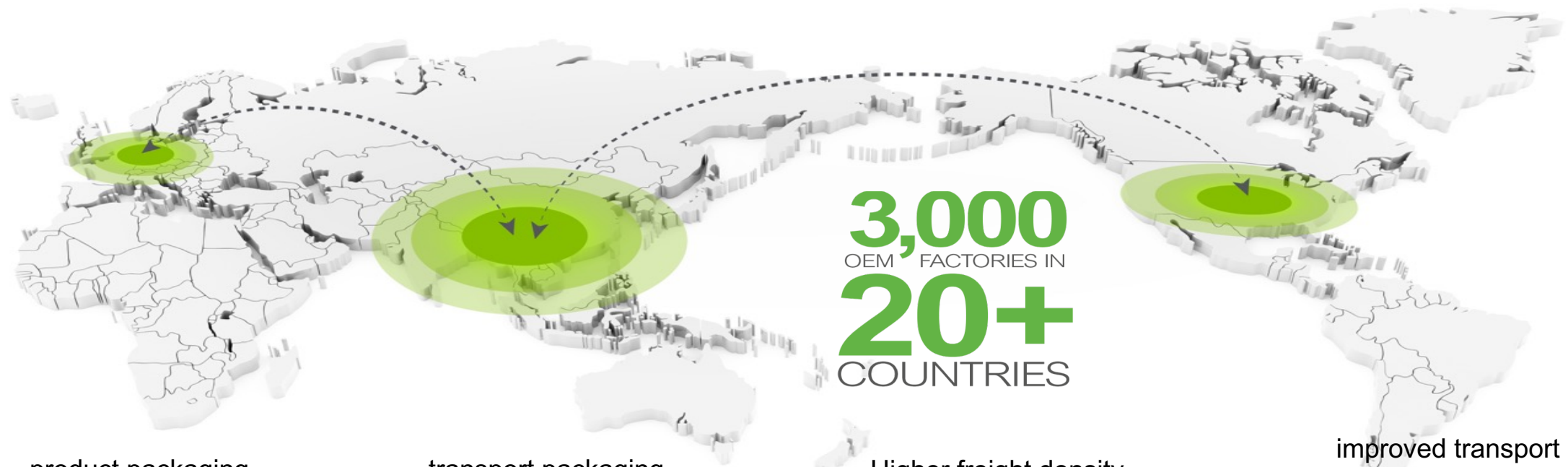
United States:
Portland, Chicago,
Miami

Europe: Sweden,
Germany, Italy, France,
UK, Spain

Asia: China, India,
Vietnam, Cambodia,
Bangladesh, Indonesia,
Thailand

Managed Packaging Solutions

We manage and control your packaging supply chain so you don't have to



product packaging



transport packaging



Higher freight density



improved transport
through supply chain



Sustainability credentials

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM 

September 13, 2018:

Each year over 3,400 public companies around the world are analyzed, the top 10 percent are included in the Dow Jones Sustainability World Index. This year BillerudKorsnäs is the industry leader in the category Containers & Packaging and achieves industry top scores for its climate strategy, customer relationship management, supply chain management and talent attraction & retention.



ADVANCED
LEVEL

