



Maximize your return on investment with Packaging-as-a-Service

Pay per use eliminates capital requirements
and makes your packaging process
more sustainable

Packaging-as-a-Service

Packaging and load carriers for the manufacturing industry are often expensive - unnecessarily. An ineffective packaging strategy also has a negative impact on your carbon footprint.

By choosing to rent rather than buy packaging you're able to reduce your supply chain costs and lower your capital requirement.

You will benefit from relying on the expertise of a professional Packaging-as-a-Service (Paas) provider who will help you design an effective and sustainable packaging process. But what exactly is PaaS and in what other ways can you benefit from it? We'll tell you more in this whitepaper.

Costs and capital expenditure

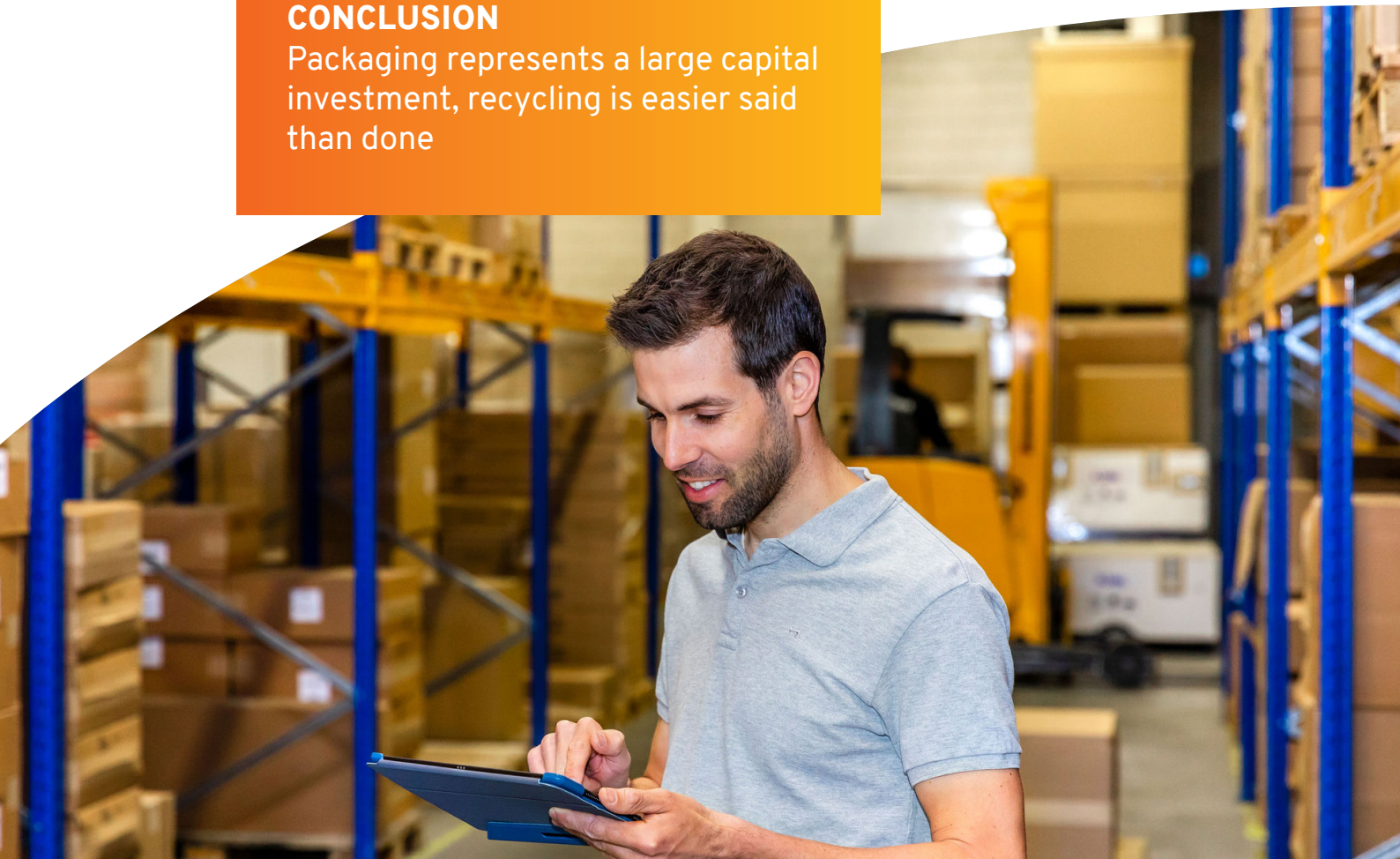
The Dutch manufacturing industry produces top quality products. In order to get these products to the customer in excellent condition, it is essential to transport them in the right type of packaging with the correct level of protection.

For example, fragile machines and spare parts have to be transported in premium shock-proof packaging - sometimes even equipped with high-tech measuring and recording instruments. The cost of packaging an industrial machine starts at a few hundred euros and can run up to 25.000 euros.

Because of these high costs it's only natural that companies intend to reuse their customized packaging by setting up their own packaging pools. But this also involves a lot of money - sometimes up to millions of euros in working capital. Moreover, building a return system to collect packaging from your globally spread customers and refurbishing packaging for reuse is complex and takes a lot of time and money. Not to mention the warehouse space that is needed to store used packaging.

CONCLUSION

Packaging represents a large capital investment, recycling is easier said than done



Environment and carbon footprint

Packaging is considered an important cause of the waste problem and environmental pollution. The industry uses an excessive amount of packaging materials such as boxes, 'padding' and plastic foil. Who guarantees this doesn't end up in our rivers and oceans and adds up to the 'plastic soup'?

Companies that take social and environmental responsibility have already started using packaging made from sustainable, recyclable materials that have far less of an environmental impact. Up until this point however, a lot of industrial manufacturing companies still haven't committed to this fully yet. It's rarely a high priority on their agenda's. But this is bound to change.

Nonetheless, governments have set the goal to become fully circular in 2050, and countries will keep each other to that promise. They will have to change their ways in the short term, by expecting them to retrieve packaging and dispose it sustainably. Currently the way we handle packaging waste is opposite to circular thinking. Whether packaging is disposed in an environmentally friendly way is up to the customer.

This attitude has to change, companies have to take responsibility and set up closed packaging chains and optimal return processes for packaging to 'return to the source', instead of being disposed in nature.

CONCLUSION

Manufacturing companies are increasingly required to take back and sustainably dispose of packaging

That screams outsourcing

No primary process, no policy, no focus, no expertise, and at the same time high costs and a large capital outlay: these are the typical symptoms of a business activity that is crying out to be outsourced. In sectors outside the manufacturing industry, this is already happening. In the agricultural sector, for example, pallets, crates and roll containers are more often rented than bought and are owned by an external 'pool operator'. In production companies where this development has yet to get off the ground, there are great opportunities. We introduce the concept Packaging as a Service for this purpose. With Packaging as a Service (PaaS) you place the ownership of the packaging entirely with the PaaS provider.

At Faes, we imagined this would be a feasible solution for manufacturers as well. This is why we introduce to you: 'Packaging-as-a-Service'. With PaaS you hand over the ownership and responsibility of packaging management to your PaaS provider partly or entirely.

- Pay-per-use: the capital invested in packaging is removed from your balance.
- Ensuring availability of the right packaging at the right time is our business.
- You can focus on key competences and grow your business.
- Your carbon footprint will drop (packaging efficiency).

An important step towards a future-proof company, by 'closing the loop' of your packaging chain.

CONCLUSION

Outsourcing makes your packaging chain CO2-neutral and takes expensive packaging off the balance sheet.



How does Packaging-as-a-Service work?

Packaging-as-a-Service models are offered in numerous variants. For your company you choose the one that suits you, with a customised package of services that your PaaS supplier provides.

The most '**basic**' version is a rental model. You give your PaaS provider a call when you need packaging for soon to be shipped goods. After delivery you arrange return shipment to your PaaS operator, who is mainly responsible for maintenance, repair, preparation for reuse and environmentally responsible disposal at the end of the life cycle. You are however still responsible for managing the packaging pool.

If this works for you, great! If you need more support, choose a more **advanced** model - based on Just-In-Time delivery principles. Your planning system is linked to your PaaS providers' system, they'll know exactly when to deliver the right packaging at the right time.

Superior to this model is a PaaS agreement where your provider not only arranges JIT deliveries, but coordinates the complete return process of your packaging. Using RFID or a Real Time Location System (RTLS) they are able to locate and gain information about the status of the packaging and its contents anywhere and anytime.

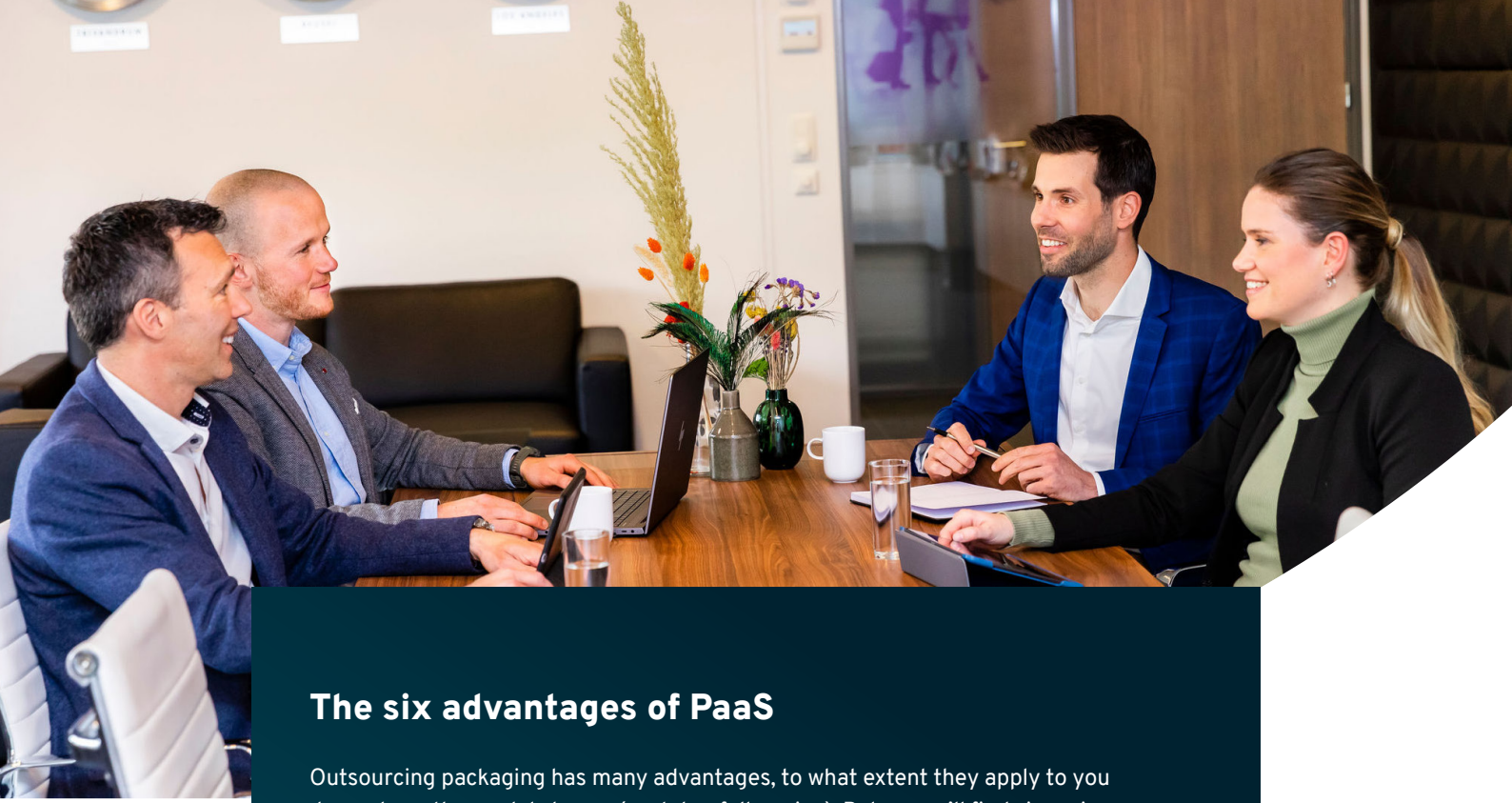
At Faes we are not only packaging experts and manufacturers, we also offer business solutions that help you manage your (packaging) supply chain. We offer you a basic or advanced (fullservice) Packaging-as-a-Service model that fits your exact needs.

Want to know more about the possibilities and opportunities of PaaS? Give us a call! Our experienced 'Packaging People' will answer your questions.



CONCLUSION

The PaaS model has several variants, choose the roadmap that suits you



The six advantages of PaaS

Outsourcing packaging has many advantages, to what extent they apply to you depends on the model chosen (rental or fullservice). Below you'll find six main advantages:

Advantages

1. Less capital requirement
Packaging (pools) are no longer on your balance sheet
2. A circular packaging process
Reuse of packaging and a sustainable end-of-life.
3. Lower your carbon footprint
Outsourcing your packaging management and services is highly efficient
4. Reduce warehousing costs
Save space, time and costs
5. Transparency in costs
Pay-per-use without administrative hassle
6. Flexible
The right type of packaging is always available when you need it.

Pay-per-use in packaging – the future?

Renting or leasing consumer goods in stead of buying them has become more conventional over the years. For millennials and next generations owning a car, bike or tools is no longer the status quo. Upcoming platform companies such as Snappcar, Swapfiets or Boels are the proof of that. In a property-free economy or circular economy, consumers do not pay for possession but for use.

In the business-to-business world pay-per-use is becoming more common as well. For example, companies do not buy photocopiers but pay per copy. Extreme examples of pay-per-use are revolving doors that are being paid for per rotation, or lighting that is paid for per month or by the hour.

By leaving the ownership and responsibility of business assets with the supplier, you only pay for the use and therefore for the performance and value of the product.

Will packaging outsourcing be the next trend in pay-per-use? We believe so.



Want to learn more about PaaS?

Join our online knowledge event

Unlocking working capital, reducing your carbon footprint, better supply chain performance and less hassle? How can you resist that? Are you curious about this new concept of Packaging-as-a-Service? That is why we would like to invite you to an online, interactive knowledge event in which we will further explain our PaaS model. In an online interview, our experts will elaborate their vision on PaaS and explain what this could mean for your business in practical terms.

Want to participate? Then go to www.faes.nl and contact us.



Faes
The Packaging People