

# Top 4 problems when packaging industrial service parts

**Main causes and solutions**

## Causes and solutions

Your industrial service parts almost always need to be shipped to your customers urgently. Because somewhere in the world, an expensive machine is standing still because one or more parts need to be replaced. And that downtime costs your customer money! Not only are your shipments almost always marked 'urgent', you also often have to deal with the 'high mix/low volume' issue. Your shipment contains a wide variety of products, each with its own fragility.

It is your challenge to get every shipment to your customer as quickly as possible and in optimal condition. The right packaging is essential for this. And that is where things often go wrong...

# 1. How do you identify packaging problems in your supply chain?

At Faes, we talk to many companies that encounter a wide range of packaging problems. In these practical examples, we recognize four clear signs.



## Signal 1: a proliferation of packaging

There is no uniformity in the shipping method. You receive the same service part at different times in different packaging. And then there is with quite a bit of empty space in the packaging. Are you going to repackage these service parts or send them on to your customer as they are? How uniform is your own packaging policy? How wide is your range of packaging? And how much packaging do you really need?



## Signal 2: a jumble of labels on the packaging

The label on the packaging is often chosen completely at random and stuck in a random position, depending on who the packer or sender is. Packages with an old label are sometimes delivered to the wrong address. Or they have to be quarantined because the destination is unclear. Your customers are obviously not interested in such delays.



## Signal 3: a lot of repackaging in the chain

In 90% of cases, the larger the supply chain, the more repackaging takes place. This may be because the packaging is damaged or has too many shipping labels. Or because the supplier's packaging does not meet the company's own standards. As a result, companies throw away a lot of packaging unnecessarily and create unnecessary handling. This is not in line with the 'lean process' philosophy. Furthermore, when repackaging, it is not always easy to find an identical box. However, this is sometimes desirable, especially when packaging a sensitive product with a custom-made interior. After all, the interior must fit the box perfectly in order to maintain its protective function.



## Signal 4: damage when returning service parts

Incorrect return packaging causes service parts to become (further) damaged during return shipment. The cause of the defect can then no longer be traced and may even cause environmental damage. At the same time, the trend is that defective service parts are being returned more and more often. This may be because you want to check exactly what went wrong or because you are responsible for the proper disposal of the service parts.



## 2. What are the causes of these packaging problems?

Let's take a closer look at the causes behind these signs.

### Reuse of supplier packaging

Your supplier will generally not give much thought to your service logistics when choosing packaging. And you can't blame them. They are choosing packaging for transport to your company, not for transport to the next links in your supply chain.

So ask yourself whether your supplier's packaging is suitable for further transport in your supply chain. Especially if you deliver worldwide. Your supplier will usually opt for shipment by truck, as this is the least risky option for them. Is the product adequately protected in the supplier's original packaging against influences during transport such as:

- impacts and vibrations from material handling systems
- impacts at transfer points
- vibration from aircraft or sea containers
- climate changes (especially with sea freight)

### Unclear, missing, or outdated packaging instructions

The best instructions are provided via videos and animations; people are visual creatures, after all. What's more, today's technology and internet speeds make it easier to distribute them. Nevertheless, most companies probably still work with written instructions, accompanied by a single photo.

But let's be honest: who reads such instructions anymore? At most, a fanatical newcomer. The development of smartphones, tablets, and computers has made written instructions even less appealing.

It is also common for there to be no instructions at all, for example about the type of label required or where it should be placed. Both packers and transporters are not always adequately informed about this.

Another familiar phenomenon is that it is difficult to keep paper instructions up to date. This applies to your own company, let alone the entire supply chain. There is therefore a good chance that the once carefully instructions are now outdated. And have ended up somewhere at the bottom of a drawer.

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### **Time constraints in the packaging department**

Packers usually don't have time to carefully search for the ideal packaging for a service part. So they generally choose the box that is closest at hand, as long as it is large enough. This often does not benefit the uniformity of shipments.

Training new employees also takes time. Time that is not always available. Turnover is high in the packaging department, especially on busy days when temporary workers are called in. But without clear instructions, it is unrealistic to expect new employees to package your service parts as optimally and uniformly as possible. The time you invest in packing instructions is guaranteed to pay for itself.

### **No packaging agreements within the supply chain**

The problem with a large supply chain is that each company optimizes its own processes. The manufacturer or supplier chooses packaging that is optimal for their use, but further down the supply chain, this can turn out to be completely different. This results in damage to the product or unnecessary repackaging.

### **No return process in place**

For a safe return shipment, your customer needs packaging that is suitable for this purpose. However, customers usually reuse the shipping packaging for this purpose, even though it is not intended for this purpose. With a well-designed return process, you can prevent unnecessary damage. So make sure your Field Service Engineers think this through carefully in advance.

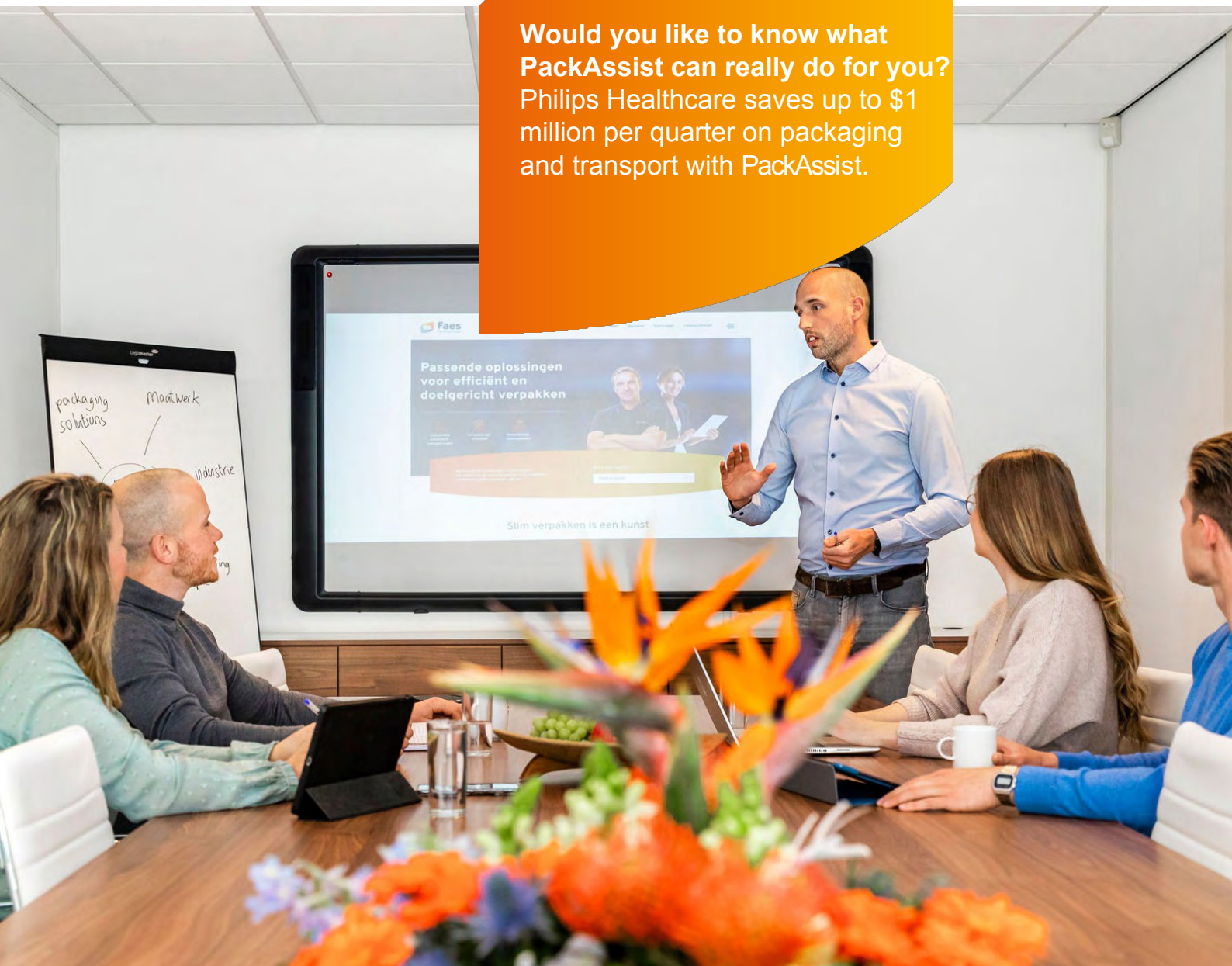


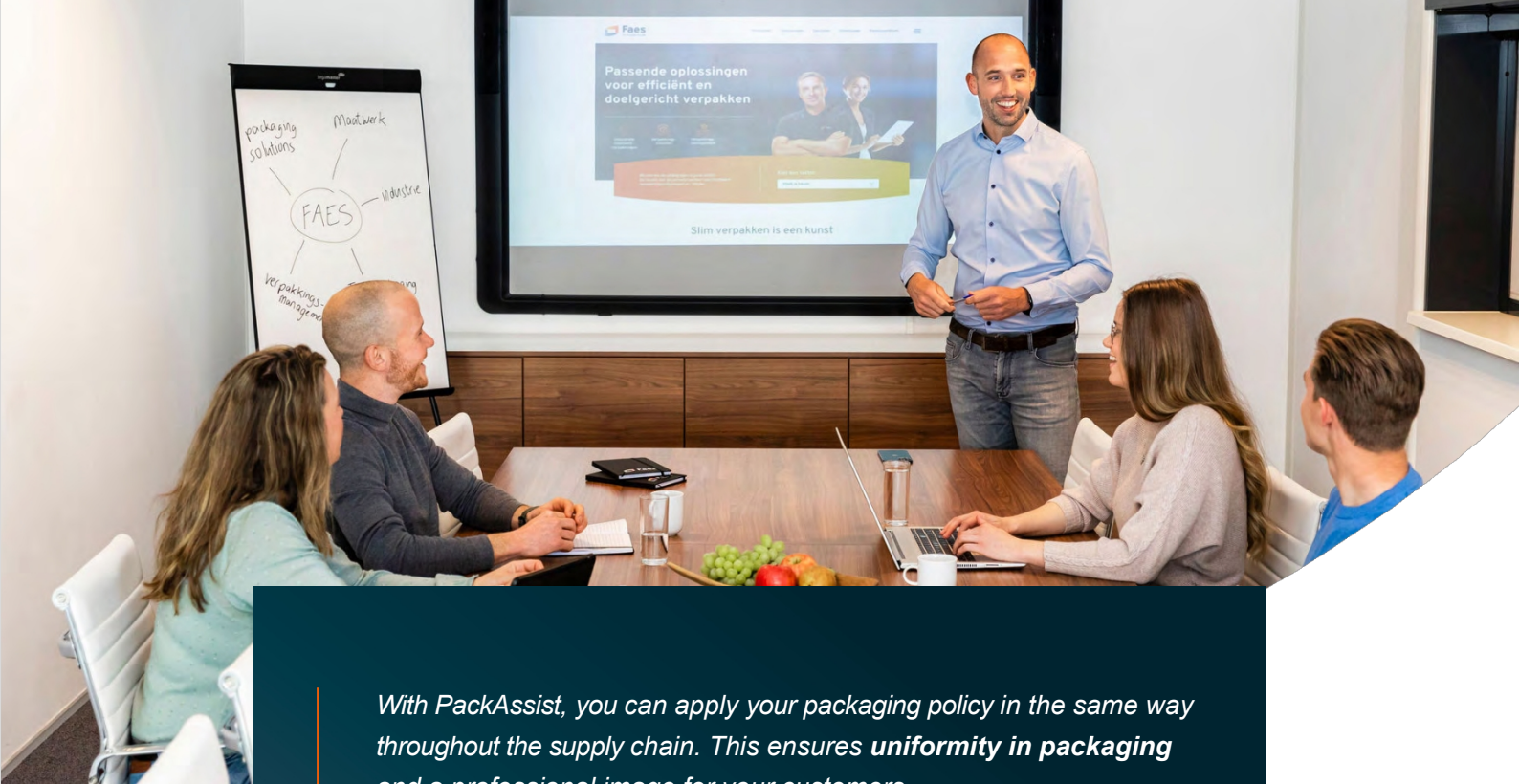
### 3. The solution: optimal uniformity with PackAssist

The packaging of your service parts is the first thing your customer sees. Uniformity in this packaging gives your company a professional image. It also prevents damage and errors during shipping. Many companies believe that a uniform packaging policy throughout the entire supply chain is impossible to achieve. At Faes, we know that it is possible.

**And we are happy to help you with PackAssist.**

Would you like to know what PackAssist can really do for you? Philips Healthcare saves up to \$1 million per quarter on packaging and transport with PackAssist.





*With PackAssist, you can apply your packaging policy in the same way throughout the supply chain. This ensures **uniformity in packaging** and a professional image for your customers.*

*With PackAssist, operator-dependent choices are a thing of the past. That's because PackAssist looks across the chain and makes packaging choices that are optimal for the entire chain. The result is **fewer errors and less damage**.*

*PackAssist matches your products with the most suitable packaging. This **reduces your transport volume and therefore your transport costs**.*

*PackAssist manages the packaging policy for the entire chain, from suppliers to customers. **You are in control and can make controlled packaging agreements within your supply chain.***

## Would you like to know more?

Are you curious about how PackAssist can solve the packaging problems within your supply chain? Then contact us today.

