



SUCCESS STORY: DRIVING PACKAGING IMPROVEMENTS AND COST SAVINGS AT A UK AUTOMOTIVE OEM

INTRODUCTION

HSSMI helped an automotive OEM obtain full packaging control, increase packaging quality, prove supply chain savings and reduce environmental impact.

HSSMI's expertise in packaging design and engineering guided the OEM to completely reassess their suppliers' packaging and integrate new packaging solutions, in addition to becoming more sustainable.

THE CHALLENGE

The OEM was a UK vehicle producer, receiving parts from all over the world. Some of the packaging suppliers' designs were not optimised for the OEM's product or the supply chain.

Around 75% of the packaging was expendable which led to excessive waste per vehicle produced and additional costs for the OEM throughout the entire supply chain. High amounts of packaging also meant poor utilization of container and truck space. The quality of the packaging was also inconsistent.

THE SOLUTION

The solution proposed by HSSMI included:

Our technical team reviewed the customer's packaging to identify opportunities for improvements and cost savings. Our recommendations included decreasing the number of carton packaging units, optimising packaging size, and simplifying over-engineered packaging.

New collapsible packaging designs were created with more suitable packaging materials, which we projected would result in packaging and overall supply chain optimisation.

As a result of our proposed changes to engine and battery packaging, the following savings and impacts were calculated:

	ENGINE PACKAGING	BATTERY PACKAGING
Unit Cost Reduction	The cost of the unit was reduced by 22%.	The cost of the unit was reduced by 35%.
Freight Savings	36% fewer ocean containers.	7% fewer ocean containers.
Space Reduction	21,8% reduction in floor space.	18% reduction in floor space.
Environmental Impact	30 tonnes of CO2 reduction on sea freight due to more compact and lighter packaging.	11 tonnes of CO2 reduction on sea freight due to more compact and lighter packaging.
	Total savings estimation of £190,000 in 2020.	Total savings estimation of £593,000 in 2020.