The Labor Shortage

In today's e-commerce driven world, shippers are under pressure to be more efficient.

ONLINE FULFILLMENT REQUIRES A LEVEL OF FLEXIBILITY TO BE PROFITABLE AS SHIPPERS MANAGE VOLUME DEMANDS, ESPECIALLY AS COSTS INCREASE AND LABOR BECOMES MORE DIFFICULT TO FIND AND RETAIN.

While every facet of the fulfillment process is under scrutiny, labor issues often dominate the conversation due to scarcity, unreliability and cost pressures. In addition, with employee turnover, absenteeism, and repetitive, non-value adding tasks driving staffing frustrations, many companies are struggling to keep up with changing customer behaviors and surges in demand.

[1] Source: Inbound Logistics: Warehouse Labor Performance

The need to increase productivity is reaching new heights.

IN MOST CASES, ORDER PICKING, PUT WALLS AND SHUTTLE SYSTEMS ARE THE ONLY AREAS ANALYZED TO DISCOVER LABOR AND COST SAVING OPPORTUNITIES. BUT IN REALITY, PARCEL PACKAGING CAN BE THE MOST MANUAL AND LABOR-INTENSIVE PART OF THE FORMULA, LEADING TO HIGHER OVERALL COSTS.

How do businesses keep up when faced with labor shortages and limitations?

Automating your packaging process can give you an immense competitive advantage, as shippers can reduce and reallocate labor, improving overall profitability.

Labor Barriers

NEXT TO INVENTORY, LABOR COSTS ARE TYPICALLY THE LARGEST EXPENSE IN ANY WAREHOUSE FACILITIES OPERATING BUDGET.

With a heightened need for warehouse and supply chain fulfillment staffers due to the e-commerce boom, labor issues are often the first place companies experience signs of strain.

In today's accelerated warehouse environment, getting more packages out the door with a smaller footprint and less labor is critical.

Today, other factors driving labor shortages include employee benefits, safety protocol concerns, technology performance and pathways for promotion.

[2] Source: Modern Materials Handling
[3] Source: Harvard Business Review "The connected workforce report."

E-commerce Growth

LABOR TALENT FOR SUPPLY CHAIN AND LOGISTICS HAS BEEN IN SHORT SUPPLY FOR YEARS, BUT OF LATE, EXASPERATED WITH THE EXPLOSIVE GROWTH OF E-COMMERCE.

In a constant struggle to meet packing order demands, shippers must struggle with an aging workforce, as well as difficulty recruiting and retaining skilled workers.

In addition, peak seasons are no longer predictable, leaving companies struggling to get packages out the door as they feel the pressure to find temporary workers and meet demands.

[4] Source: https://which-50.com/global-parcel-volume-exceeds-100-billion-for-first-time-ever/
[5] Source: https://www.digitalcommerce360.com/article/us-ecommerce-sales/

How effective is your parcel packaging process?

EVALUATING THE EFFECTIVENESS OF YOUR PACKAGING PROCESS IN TODAY'S LABOR MARKET IS ESSENTIAL FOR IMPROVING FLEXIBILITY, RELIABILITY AND PERFORMANCE WHILE DECREASING COSTS.

5 QUESTIONS FOR EVALUATING YOUR PACKAGING PROCESS:

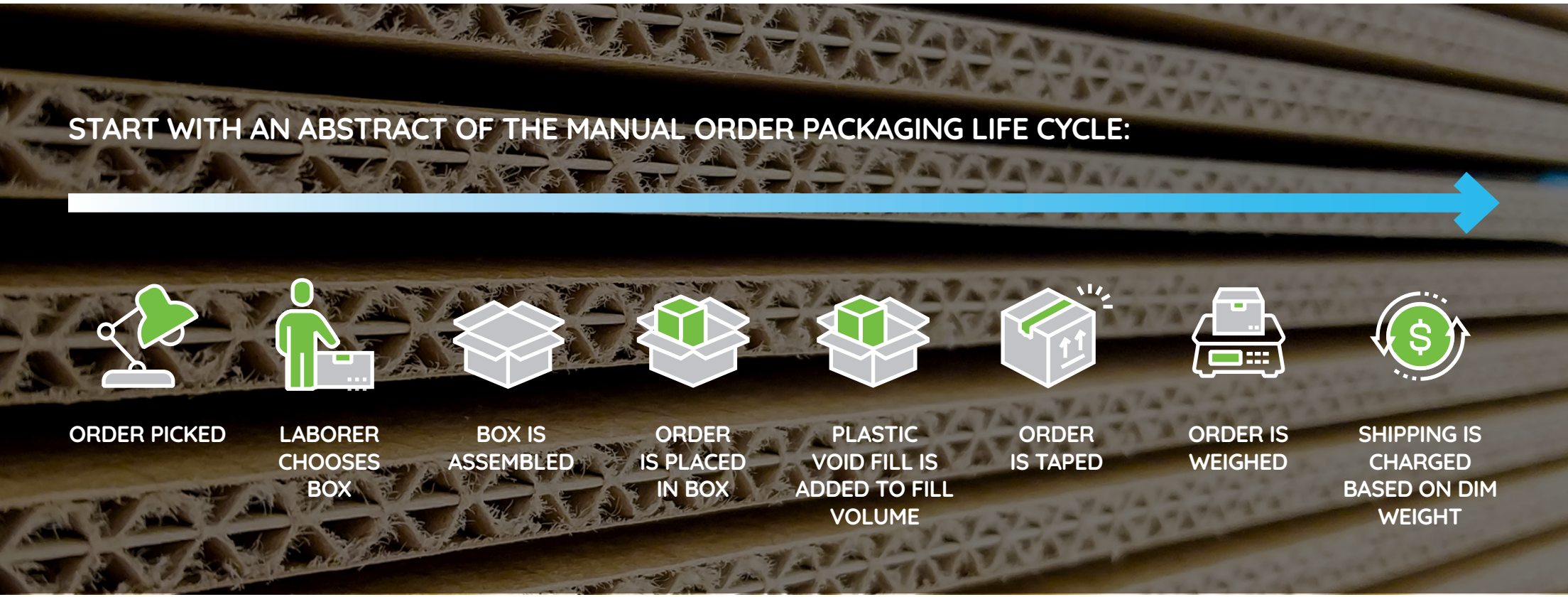
1. Is your packaging process slow, inefficient and costing you money?
2. Is your parcel packing labor in short supply?
3. Is your parcel packaging workforce unpredictable?
4. Are you satisfied with your orders packed per hour rate?
5. Do you struggle with fulfillment during the unpredictable peak periods?

Manual Packaging vs Automated Packaging

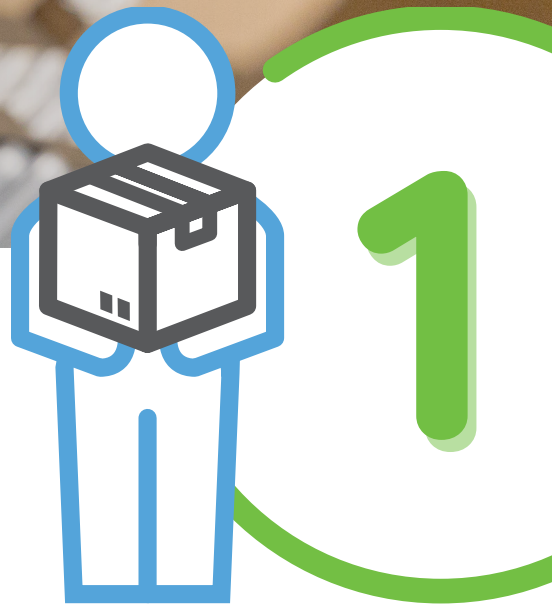
WHILE THERE ARE VARIOUS VOLUME REDUCTION PACKAGING SOLUTIONS, AN AUTOMATED PROCESS IS THE ONLY ONE WITH SIGNIFICANT LABOR COST REDUCTION ADVANTAGES.

Manual packaging requires companies to train associates to choose the smallest box and pack the parcel safely and cost effectively.

Automated packaging solutions streamline and optimize order fulfillment by packaging contents with variable dimensions into custom, right-sized boxes within seconds. Labor requirements are reduced dramatically with equipment that complements the work of multiple manual packing stations, boosting productivity.



5 Benefits of automating your packaging process



Lower Labor Costs

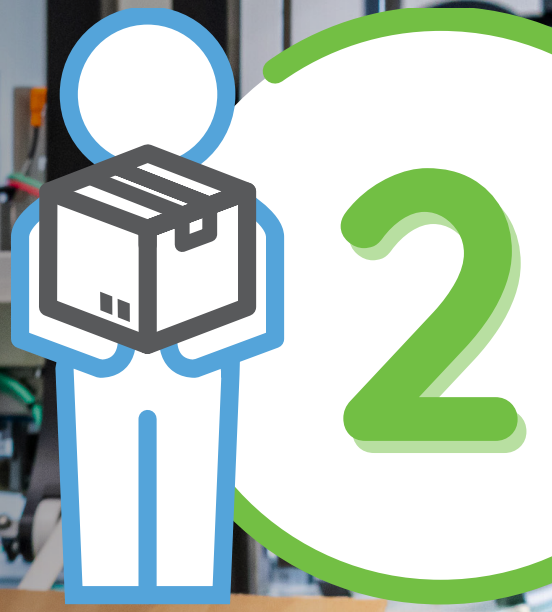
AN AUTOMATED PACKAGING SOLUTION LIKE THE CVP CAN SIGNIFICANTLY REDUCE YOUR LABOR CONSTRAINTS AND COSTS, ESPECIALLY WHEN YOU CAN'T CONTINUE TO ADD MORE LABORERS.

With only one or two operators required, you can replace an average of **8 to 20 packing stations and save an average of 88% in labor costs.** This means a labor reduction of staff, supervision, recruitment, training and human resources costs—all while generating a higher production volume and greater accuracy with a smaller footprint.

NINE TO ONE

ON AVERAGE **LABOR COST REDUCTION**

Navigate Peak Seasons with Ease



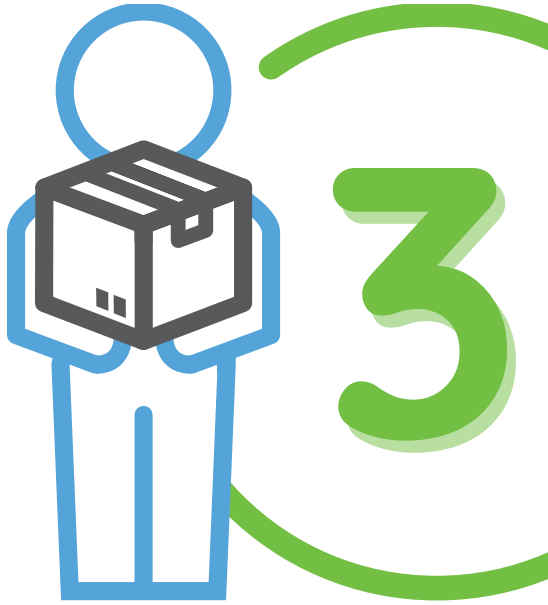
2

PERIODS OF PEAK STRESS THE WHOLE FULFILLMENT AND DELIVERY PROCESS, AND NOWHERE IS THIS MORE ACUTELY FELT THAN IN THE PACKING AREA.

Good, quality help is hard to find when trying to quickly adjust to fluctuations, not to mention a shrinking labor pool. When looking for a peak labor strategy, an automated packaging solution that will scale with growth is an ideal solution.

Automation runs 24/7 and doesn't take a vacation or sick day, minimizing labor requirements and giving you room to meet peak demands. Automated packaging has a high uptime rate, making it extremely reliable with service and support you can count on.

Accuracy of Process



RELIABILITY IS A HUGE ADVANTAGE OF AUTOMATED PACKAGING. HUMAN ERROR IS NATURAL, ESPECIALLY DURING REPETITIVE TASKS. AN AUTOMATED PROCESS ENSURES THAT PACKAGING THROUGHPUT REMAINS CONSISTENT, WITH A CUSTOM RIGHT-SIZED BOX BEING MADE EVERY TIME.

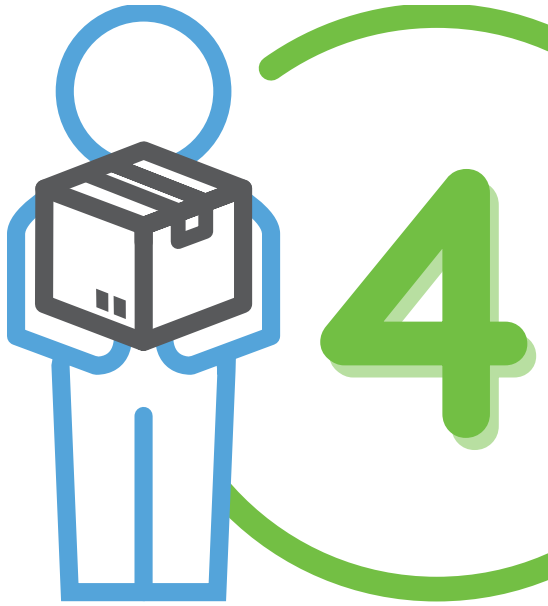
Greater control and consistency also ensures constant uptime and that every action is performed identically, for high quality, reliable results and a more positive customer experience.

Less Inventory Management

DEMAND FROM E-COMMERCE IS ONLY INCREASING, FORCING SHIPPERS TO MANAGE NOT ONLY THE WORKFORCE, BUT STOCK BOX INVENTORY.

Automated solutions like the CVP utilize fanfold corrugate, eliminating over dozens of box inventory SKUs which frees up valuable warehouse space.

Fit-to-size packaging will use an average of 29% less corrugate material and can save you an average of 38% less in material costs, eliminating the need for void fillers.



More Efficient Use of Employee Time

WITH PACKAGING PROCESS AUTOMATION, EMPLOYEES ARE NOT BOGGED DOWN BY ROUTINE, TEDIOUS TASKS. YOU CAN AMPLIFY THE VALUE OF THEIR EXPERTISE BY FREEING UP THE EMPLOYEE TO FOCUS ON HIGHER VALUE WORK.

Overall, automation allows roles and processes to be redefined and maximized for optimal efficiencies, increased production and employee satisfaction.

Steps for Implementing on Automated Packaging Solution

Evaluate

your current packaging process to make sure it is structured for optimal productivity during peak and non-peak periods.

Identify

other savings opportunities such as DIM weight, shipping, and material costs.

Consult

with an automated packaging expert to determine which solution is right for you and its associated ROIs.

Adopt

a strategy to implement auto-boxing technology for a streamlined process and significant labor cost savings.

The Labor Shortage

TODAY'S INCREASED E-COMMERCE DEMANDS REQUIRE BUSINESSES TO WORK SMARTER WITH EFFICIENT, RELIABLE FULFILLMENT. PARCEL PACKAGING IS LOGISTICALLY CRITICAL AND WITH THE CURRENT LABOR SHORTAGES, SUCCESS IS DIRECTLY RELATED TO FULFILLING ORDERS IN A TIMELY, COST-EFFECTIVE MANNER WHILE CREATING BETTER WAREHOUSE EFFICIENCIES.

An automated packaging solution can transform your fulfillment strategy by reducing parcel packaging costs, ensuring all steps of the process are optimized, even when laborers are hard to find. The CVP Automated Packaging Solutions will help you box smarter while increasing productivity and improving overall profitability.

packaging by Quadient

Learn more **678.819.1599**
or sales.packaging@quadient.com

packagingbyquadient.com/us