

WHAT IS MODULARISATION?

Modularisation is about finding more effective ways to package units to aid more efficient shipping.

More broadly, modularisation is about making things fit. It allows companies to organise items in a way that allows for greater flexibility while at the same time reducing the negative impacts currently being experienced.

And, for our project, it is about utilising modular packaging to drive efficiencies across the supply chain and using packaging as a way to meet changing consumer demands. Smaller stores and transport units combined with smaller shipping sizes are the key drivers for modularisation. In addition, cost for automation is declining steadily, making investments more viable. The clear advantages of a modular approach are:

- Increased speed to market (efficient process allowing for more complexity)
- Improved shelf availability; and
- New ways to present things (to the consumer).



WHY IS THIS IMPORTANT?

It will help companies reduce waste,

improve speed-to-market and increase transportation efficiency.

Different packaging sizes lead to lost opportunities in maximising the use of space. Inefficient use of this space results in fewer units taking up more pallets and, therefore, more containers. This leads to rising expenses, increased time to market and negatively impacts a company's environmental footprint.

Today's inefficiencies can also mean that certain products need to be re-packaged when fed into new systems (automatic warehouses) and store formats; again increasing costs and time to market. It also increases waste.

Modularisation can not only help reduce waste, by reducing the need for units to be re-packaged, it can also reduce a company's all-important environmental footprint by improving stackability. This helps increase the number of units transported in a journey, reducing the number of "empty miles" and increasing transportation efficiency.

By working on this modularisation project, members of The Consumer Goods Forum can help bring about the global roll out of modularised packaging, supporting visible trends like ecommerce, automation, omnichannel and traceability, as well as meeting increased regulatory compliance.

As such, the project will focus on seeking value creation in managing more complexity in the supply chain, secondary packaging, fill levels, waste and standardisation of end-of-line automation.

WHAT IS THE CGF'S ROLE?

In short, we will help in the global roll out and standardisation of modularised packaging.

Those companies looking to get in on the ground level and join the Project Taskforce can help define the initial scope of a project that would test the benefits of sharing modularised packaging across the consumer goods industry's supply chain.

More specifically, the Project members will help develop a project plan that when executed would:

- Identify the feasibility of product categories and flows or geographies as well as sufficient participants and volumes.
- Map operational and cost/benefits to manufacturing operations as well as the costs of conversion required by existing equipment pooling providers.
- Examine the social costs/benefits due to e-commerce and from the generation of secondary packaging by private households.
- Build on existing industry experience and findings to identify potential proof-of-concept tests for manufacturer-retailer collaborations.

WHAT WILL THIS PROJECT ACHIEVE?

Our vision is to enable a seamless (automised) compatibility and interoperability of logistical services like packaging, shipping and storing.

Through the CGF's work on Modularisation, we will improve supply chain efficiency and build improvements that can also produce benefits for other areas of interest, like food safety and environmental

sustainability, by connecting with our work on Transparency & Traceability and Waste.



WHERE TO GO FOR MORE INFORMATION?

Further information on this project, visit www.theconsumergoodsforum.com.

For those interested in learning about the CGF's role, and for those who want to join the project, contact Ruediger Hagedorn at the CGF: r.hagedorn@theconsumergoodsforum.com.