

ECO OPTIONS ALL WRAPPED UP

Mike Robey, retail programme manager for home improvement at WRAP (Waste & Resources Action Programme) introduces the commercial power of packaging optimisation for the home improvement sector.

As the nation's environmental conscience grows, consumer perception and enhanced reputation will become increasingly powerful drivers for firms to make a clear commitment to a sustainable way of working.

Innovation in sustainability is already paying dividends for major names in the sector with DIY retailers featuring highly in business league tables such as The Observer's 2008 Good Companies Guide.

While the home improvement sector is already part of the sustainability solution – providing products such as insulation, water efficient technology and low-energy appliances for example – it can also encourage significant change through its own supply chain activities too. Packaging optimisation in particular holds real potential for minimising waste to landfill and cutting the carbon emissions associated with transportation.

We know that in the year ahead the retail sector will be bracing itself against the full force of recession, with the BRC's latest data showing the value of total retail sales falling for two consecutive months, for the first time in fourteen years. However, looking ahead, those companies willing to innovate and fully embrace opportunities for cost efficiency in all areas of their supply chain could see 2009 become a year of progress too.

So how can this be addressed? A

first step is to eliminate unnecessary layers of packaging. For a home improvement company this might mean checking how your retail customer is replenishing stores from its distribution centres. Where stores can call-off stock at a single unit level there are opportunities to remove secondary packaging cases, for example. Similarly, there are opportunities to optimise packaging formats by weight and volume – which could enable more products to be delivered per shipping container or per pallet.

Another crucial area, particularly as margins are squeezed further, is the reduction of product damage. Is packaging working hard enough to enable product returns to be resold as prime stock? Can packaging be re-closed and the product re-sold where consumers have opened products but then not purchased? When conducting product and packaging reviews, stock loss and damage data captured by type and cause should be analysed and packaging enhancements considered.

Solely by altering the packaging on its kitchen worktops B&Q saved an estimated £300,000

Once all opportunities for packaging minimisation have been explored, steps can be taken to increase recycled content in products and packaging – closing the loop from recycling collections and creating market opportunities for recycled materials. This could be supported by methods to promote efficient recycling by consumers. Using packaging materials that are clearly marked with relevant recycling information is an obvious benefit here, plus using materials which are widely collected and easy to separate and sort for recycling.

Finally, retailers should consider where a 'return loop' system could be viable, developing reusable packaging for transit of products within the supply chain or home delivery services where applicable.



The Carrierpac bags, trialled by B&Q in 2007, can be re-used up to 18 times and 'significantly reduce' product damage, meaning an impressive financial saving

In 2007, B&Q worked with WRAP to undertake a re-usable packaging trial aimed at reducing primary and single-use transit packaging waste associated with the delivery of kitchen worktops.

The 'Carrierpac' bags developed by supplier Storsack Dorton Ltd could be re-used up to 18 times, saving the retailer an estimated £300,000 per year in packaging costs alone. The trial also demonstrated that the re-usable bags can significantly reduce product damage and the costs associated with product replacement such as raw materials, processing and transportation. Waste management costs, customer dissatisfaction and staffing to manage returns were all minimised too – again limiting costs.

During 2008 WRAP called for funding proposals to support further innovative reusable packaging trials across a range of business sectors. In the home improvement sector a number of new trials are now getting underway, including work on design concepts for clam packaging which is often used for retail display due to the product visibility it offers.

However, clam packs pose many problems both for consumers and the sector – such as difficulties in opening and then disposing of the packaging, bulkiness in transport and on-shelf display. The new design concepts will illustrate alternative options for sector take up.

So while individual action on

packaging optimisation is already starting to achieve some significant results for home improvement companies, collective action could amplify these successes even further. This would see best practice being shared beyond single supply chains, providing a substantial boost to the sustainability of the sector as a whole.

WRAP has first hand experience of what can be achieved when UK industry pulls together to take collective action across the supply chain. Working closely with the grocery sector over the past three years, WRAP and more than 36 retailers and brands were able to announce in July 2008 that they had stopped the trend of packaging growth in the UK.

This significant achievement came in the face of a sharp increase in sales and population growth. The group – brought together under the Courtauld Commitment voluntary agreement – is now continuing to work together to achieve absolute reductions in household packaging and food waste by 2010.

There is huge potential for the home improvement sector to take a lead from these examples and further embrace packaging optimisation. Members of the WRAP Retail Team will be meeting with key retailers, trade associations, brands and suppliers in the coming months to identify sector priorities and opportunities for collaboration that could significantly benefit the sector as a whole. **DIY**



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