

# Case Study: Sweet Success



## CHALLENGE

During a project review meeting with a national dessert company, the account team from Tray-Pak heard an all too familiar frustration from the customer – raw material costs are on the rise, and so is packaging. With a relationship that has spanned over 2 decades, the dessert company felt comfortable sharing candidly with the group from Tray-Pak, but was not necessarily expecting a response from Tray-Pak that conveyed such a willingness to help with the cost issue.

## SOLUTION

Upon hearing that even a slight cost savings would make a difference to the dessert company, one of Tray-Pak's experienced New Product Development (NPD) Managers went to the drawing board. A re-design of the packaging was not an option because that would lead to subsequent changes to the paper packaging. Instead, the NPD Manager presented cost-savings concepts that included material and production modifications. By decreasing the gauge for some trays and switching to an alternative, more sustainable material for others, significant cost savings was possible. Also, Tray-Pak suggested increasing the tooling gang to improve yield and labor costs for specific projects.

## OUTCOME

Tray-Pak presented the customer with a detailed analysis of at least three cost savings options for six separate projects. The fact that the Tray-Pak team had a comprehensive understanding of fluctuating resin costs and other market factors proved to be an asset for the organization when examining the options for this project. After careful consideration and trials, the customer chose alternatives to material, material gauge, or tooling for three of the six projects. The remaining three projects will be upgraded in the early part of 2012.

### **After the three successful implementations, the customer:**

- Has saved over \$70,000
- Off-set the cost of updated tooling within the first part-run
- Reduced scrap material
- Can promote the fact that proactive measures have been taken to reduce the environmental impact of its product packaging
- With the help of Tray-Pak, continue to constantly improve and update the materials and methods used to manufacture its plastic packaging

### ***Project A***

***19% COST SAVINGS***

***YIELD IMPROVEMENTS FROM TOOL MODIFICATION***

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### ***Project B***

***13% COST SAVINGS***

***30% MATERIAL REDUCTION & DESIGN MODIFICATION***

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### ***Project C***

***6% COST SAVINGS***

***14% MATERIAL REDUCTION & DESIGN MODIFICATION***

