



Top 5 Considerations When Choosing a Contract Packager

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Over the years, the outsourcing of packaging services has become commonplace in many industries.

So whether you are a start-up company or a Fortune 100 Consumer Packaged Goods (CPG) company, there are several key factors you should consider when selecting the right contract packaging partner.

The contract packaging industry addresses wide-ranging needs, including primary and [secondary packaging](#), food and non-food certifications and liquid-fill versus dry-fill solutions. The supplier landscape is diverse and fragmented with specialists operating in each area.



Understanding not only the 'tangible' assets of a particular provider, but also a packaging company's 'intangible' contributions will help you weigh your options as you select a packaging partner.

Your goal is to ensure your supplier possesses the qualifications, certifications, production capabilities and attention to detail required to make your packaging project a success.

There are always exceptions, but the priorities listed below, in order of significance, should hold true for nearly every contract packaging project – regardless of its scope or size. The best providers should be prepared to effectively address each of these packaging concerns.

For the most successful packaging relationships, strive to work with partners possessing the following traits.

#1 – Resourcefulness

#2 – Capability

#3 – Flexibility

#4 – Location

#5 – Affordability

#1 - Resourcefulness

Confidence comes with assurances your packaging partner is a problem solver and innovator as well as a competent co-packing practitioner.

There is more to the industry than laborers and high-tech machinery.

- Are you looking for package design support?
- Do you need help sourcing or procuring raw materials?
- Do you need an expert with knowledge of film structure, pallet optimization, box store requirements or third-party logistics services?

At opposite ends of the continuum of packaging services comes “tolling (labor) only” on one end, and full-service “turnkey” operations on the other.

The latter has experience managing projects, including comprehensive understanding of the supply chain, selecting materials and getting the most return for investment at each stage of the [packaging process](#).

As the packaging industry gets more complicated with mandated certifications, labeling specifications and retail packaging requirements, it is best to work with a full turnkey specialist or one who fully understands every phase of the process from package design to drop shipping of your finished goods.

#2 – Capability

While it may seem obvious that the packaging company you have connected with needs to maintain the machinery, personnel and workspace required to complete your order, these things should not be taken for granted.

It is not unreasonable for you to ask a contractor what equipment would be used for your project and request a walk-through of each stage of the process they'd recommend.

Your commitment to a particular provider should always wait until you are comfortable that they have the means to handle your program timely and efficiently.

Make sure your needs fall within a provider's "sweet spot" reflecting core specialties of the operation rather than something that is a "reach" beyond the scope of what they normally do.

For further feedback, seek references about projects similar to yours, to assess how well they turned out.

Business references provide further insurance, enabling you to confirm performance and verify past successes.

#3 – Flexibility

Changes are inevitable in the contract packaging industry and working with a “nimble” partner can help guarantee their ability to respond quickly and change course in the middle of a packaging project, if needed.

“Last minute” changes in details can cause planning, scheduling and management conflicts that can impact timelines and worst case, line shutdowns, which can derail even the most organized operation.

Make it a priority to fully understand how the company would meet these challenges on your behalf while remaining fully vested in the complete and total success of your packaging project.

Many packaging companies will up-charge for rushed projects or for small pilot or pre-production runs. This should be expected. Stay focused on the long term benefits of the relationship versus the short term costs of smaller runs.

Look for a “whatever-it-takes” culture and a management style that cares about overcoming obstacles, which are common in the contract packaging world.

Solid communication with production plans and goals for your project is critical. Learn and understand who the point person will be for your project. Spend time talking with them on a personal as well as business level until you

feel comfortable that your assigned account manager will be 100% accountable to you and to the project.

#4 – Location

Being headquartered in close proximity to where your packaging project will run may seem important, but it can often be more beneficial to select a location which is closer to your ingredients, raw product, end-customer or distribution center.

To optimize shipping efficiency, be sure to account for the size of the end product you will be packaging.

Most companies realize that the finished goods will cube out much greater than its individual components so be mindful of the less costly location based on total cube and shipping routes.

For example, with smaller or “lighter” products, cross-country shipping costs might be insignificant so the most resourceful, capable, flexible and affordable co-packer may still be a valid consideration despite a further distance.

On-site visits for a job start-up is always recommended and will help solidify relationships and expectations for the project. The cost of an airline ticket is money well spent once you realize someone is babysitting your “child”.

If you stick to these guidelines and decide to be involved in the early stages of your project, any competent contract packaging operation will be able to handle your project remotely, especially with the technology and mobility devices available in today's business environment.

#5 – Affordability

Though cost furnishes an important consideration, it is not the primary factor influencing a successful packaging effort.

A rule of thumb for a retail item is to budget 10% of the total cost for packaging. Be mindful of this budget up front when selecting your materials as well as your service vendors.

Contract packaging is a “custom” business so each opportunity for a copacker comes with a unique customer personality, specific assembly instructions and random needs. The best “general contractor” is not always the one with the cheapest labor but the one with the best “laborers”. Like building a custom home, it's the experience of the sub-contractors and the quick turn-around and overall efficiencies that help increase profits and ultimately save you money by building the “perfect house” the first time.

For complete packaging success, consider the other four factors, then negotiate your price with the contract

packager that you feel is the most reliable, resourceful and responsive solution in meeting all of your needs.

The Bottom Line

It is clear that your choice of contract packaging has a dramatic effect on your product's profitability.

The right turnkey packaging expert will reduce costs and improve efficiency in every link in the supply chain.

By using the criteria outlined above to evaluate and compare your potential vendors, finding the true leaders to help guide your efforts should become clearer for you.

You need a contract packaging partner you can trust with the experience, resources and ability to custom-fit your needs with a solution. If you do, your business trajectory and profit margins will be rewarded handsomely.



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