

REVOLUTIONIZING PACKAGING PRACTICES

PRESENTER Robert Sepanik

2025 MEMBER MEETING

February 24-26 | Truist Park, Atlanta GA

INTRODUCTIONS

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ABOUT ME



Robert Sepanik Sales Director, National Accounts Pregis

Robert Sepanik brings 18 years of expertise at Pregis to his role as Director of National Accounts, partnering with leading brands to deliver tailored solutions that enhance efficiency, reduce costs, and drive sustainability. With a Computer Science degree from the University of Texas, Robert approaches each project with a unique analytical lens. His deep industry knowledge and commitment to innovation help clients achieve their business goals while navigating the complexities of today's packaging landscape.



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AGENDA

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SESSION OBJECTIVES

1. **Operational Excellence:** Fast-Track Improvements with Low Investment
2. **Sustainability:** Achieving Green Goals Through Smarter Packaging
3. **Customer Experience:** Elevating Brand Perception with Packaging Strategies

MARKET THEMES IMPACTING FULFILLMENT OPERATIONS



Business Growth: The Need to Scale is Real!

Global ecommerce sales continue to grow; Omnichannel ordering leads to more pressure on fulfillment processes and systems

60%

of consumers have used multiple channels to shop online

–McKinsey, 2023



Sustainability: It's a Must for Your Business

Growing regulatory implications taking shape while consumers pressure to adopt sustainable practices are on the rise

73%

of consumers willing to pay more for products with sustainable packaging

–McKinsey, 2023



Operational Challenges: Labor Is Harder to Come By

Labor shortages and rising wages are causing disruption in fulfillment processes and lower throughput for manual processes

5-10%

decrease in throughput for manual processes

- Packaging World



Customer Experience: High Levels of Service

Market pushing for faster delivery of goods and easy returns

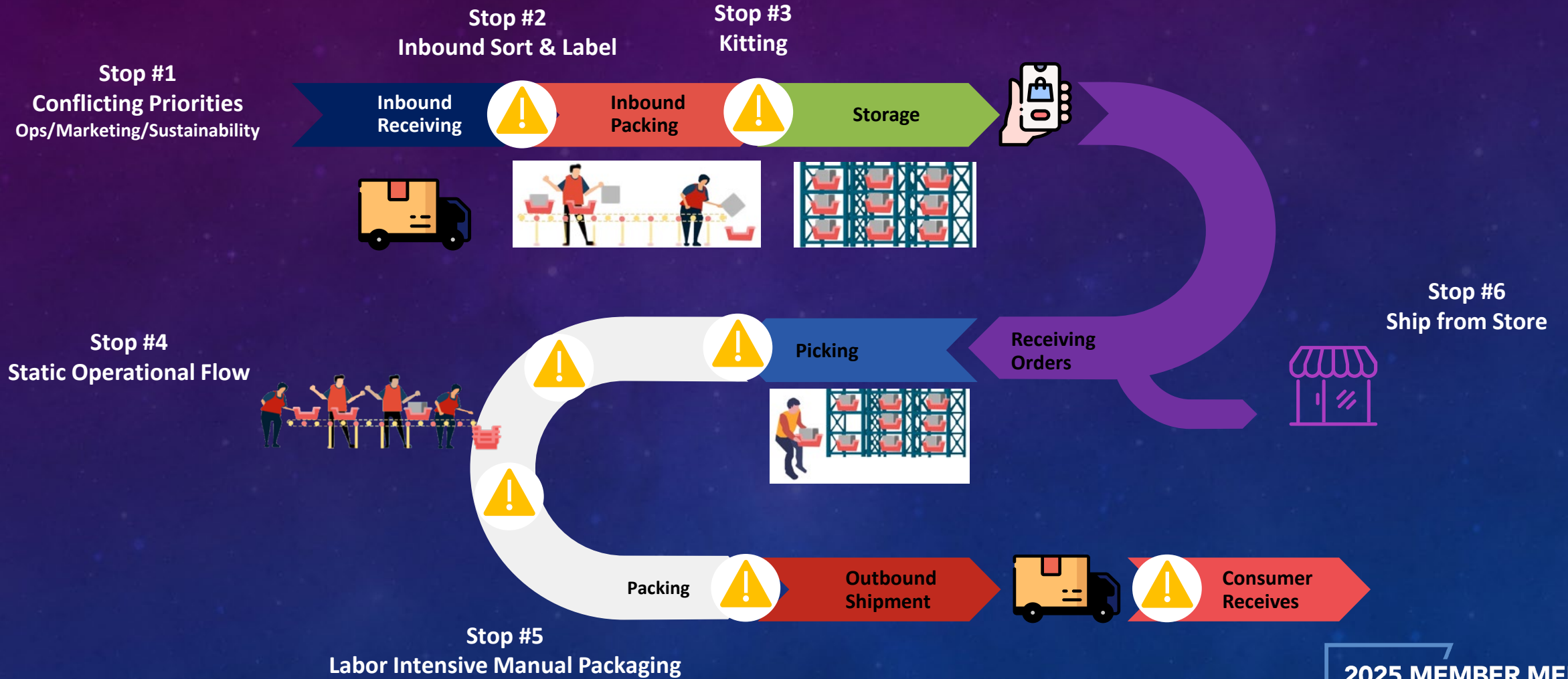
58%

customers expect 2 day delivery – Retail Dive

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OPERATIONS 1.0



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OPERATIONS 2.0



Stop #1
Clear Strategy
Ops/Marketing/Sustainability

Stop #2
Auto Bagging

Stop #3
Auto Bagging

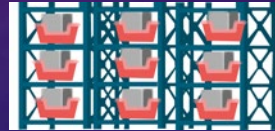
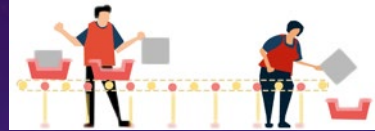
Inbound
Receiving



Inbound
Packing



Storage



Stop #4
Dynamic Diverts

Baggable

Standard Box

High Value

Box On Demand



Picking



Receiving
Orders

Stop #6
SFS Designed Platforms



Packing



Outbound
Shipment



Consumer
Receives

Stop #5
Automated Packaging



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Operations: The Upgrade

1.0

Manual Kitting and Pre-Pack

**Static (single-solution)
Fulfillment Processes**

Labor Intensive Pack Outs

2.0

Inbound Automated Bagging Integrations

- Product information and labeling

Dynamic Process Diverts

- Baggage, Non-Conveyable, Premium, SIOC

Outbound Packing Automation

- VLMS
- Box on Demand
- Auto Void

The Technology is Here. The Time for Operations 2.0 is NOW.

SUSTAINABILITY 1.0

What does sustainability mean? Where do you fall?



Sustainable Strategy Sophistication Spectrum

Sustainability: The Upgrade

1.0

No Clear Strategy

Opposing KPIs

Hesitancy to use sustainable alternatives

Unleveraged Partners

2.0

Establish a strategy with a team of stakeholders

Buy in is KEY!

Align on company sustainability goals to reduce confusion

Well communicated across entire organization

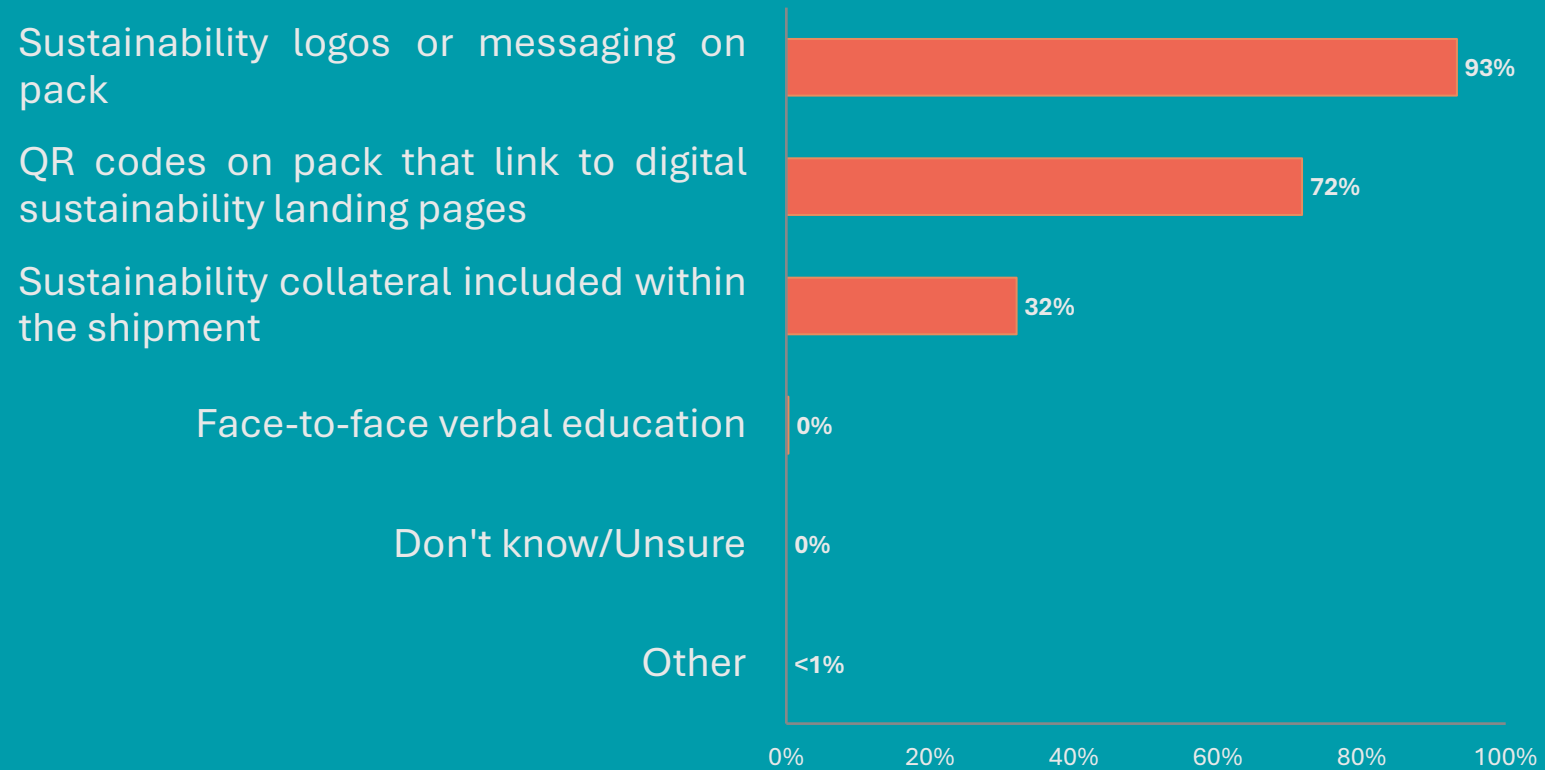
Implement innovative materials

Sustainable materials have come a long way and premiums aren't what you think they are

You need an agreed upon plan now. Stick to it.

CUSTOMER EXPERIENCE 1.0

PREFERRED SUSTAINABILITY CLAIM COMMUNICATION METHOD



Customer Experience: The Upgrade

1.0

The Stock Print Problem
No Memorable Brand Story
Lack of Consistent Experience
Without ties to Operational Process

2.0

Maximize custom print opportunities for little to no extra cost

- Color, print, QR codes

Strengthen brand loyalty with your stories!

- Explain your sustainability choices

Utilize your internal processes to drive repeat purchases

- Premium vs. Standard experience diverts

Tell your story FOR FREE!

Bringing It All To Life

CUSTOMER

- Online Pet Care – Single Packs

GAPS

- Small Box High Cost
- High Labor Cost per Pack

SOLUTION

- Auto Bagging System
- Eliminated Small Boxes
- Increased Throughput to 8 per minute
- BONUS – PIR and Paper Bags
- EXTRA BONUS – Custom Print w/ messaging

Operations Win!



Automated Outgoing Bagging

Sustainability Win!



PIR Recycled Content

Customer Experience Win!



Custom Print with QR Code



Bringing It All To Life

CUSTOMER

- Luxury Department Brand

GAPS

- Marketing wants a tiered experience
- Sustainable messaging needs to make it to consumers

SOLUTION

- “High Value” Divert
- 80% PCR Pillow
- Custom Color Matte Black



**Operations
Win!**



Diverts for Standard/
High-Value Orders

**Sustainability
Win!**



80% PCR Plastic

**Customer Experience
Win!**



Custom Color and Sustainability
Messaging

TAKEAWAYS

- Start a revolution by optimizing your operations, sustainability initiatives and customer experience
- **Operations:** The time to bring automation into your processes is now. Don't be scared, just do it
- **Sustainability:** Getting your organization on the same page will make it easier to move into innovative sustainable alternatives
- **Customer Experience:** Don't miss the opportunity to communicate with customers with customization

**Remember, Comprehensive Solutions Bring
Comprehensive Results!**

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PA MEMBERS

RESOURCES & TOOLS



Pregis

INNOVATION HEADQUARTERS

- Packaging Design
- Distribution Testing
- Drop Testing
- LCA



Certified Package Testing Lab



APASS Member

- ISTA Certified Lab
- Amazon APASS Certified
- Cold Chamber Testing
- Custom Design
- Prototypes
- Custom Samples

DROP TEST REPORTS

Data Driven Solutions

- Packaging Design
- ISTA Drop Test
- Material Specs
- APASS Certifications
- Life Cycle Analysis




Pregis i INNOVATION HEADQUARTERS
Packaging Analysis

Customer: Gibson Guitars
Pregis Contact: Rob Sepank
Pregis Engineer: Sydney Brabaw

MAJOR PASS

PROJECT SCOPE
Test Gibson prototype guitar ISTA-6FedEx with current packaging Performance Plus.

CURRENT PACKAGING VS. PROPOSED PACKAGING



Pregis HC-24 SML Performance Plus
- 17 sections total

Shipping Weight (lbs.): 26.40
Product Weight: 25.40
Case ID (in.): 17.000 x 6.750 x 43.500
Case Type: FOL 44 ECT C Knit
Product OD (in.): 16.250 x 4.750 x 43.000
Shipping Method: Single Parcel

Pregis i TESTING RESULTS & ANALYSIS
Result of Lab Testing: **MAJOR PASS**

Definition of Results:

- MAJOR PASS** The specimen **PASSED** testing and exceeds requirements of the customer.
- MINOR PASS** The specimen **PASSED** testing and meets just the minimum testing and the customer. Minor issues may still be present.
- MINOR FAIL** The specimen **FAILED** testing. The item fails to meet the customer expectations. Requires minor improvement.
- MAJOR FAIL** The specimen **FAILED** testing. Unacceptable result customer expectations and requires considerable improvement.

PACKAGING SCORE

Category	Score
CURRENT PACKAGING	
DAMAGE REDUCTION	N/A
MATERIAL USE	N/A
SHIPPING COSTS	N/A
APPLICATION SPEED	N/A
SUSTAINABILITY	N/A
CUSTOMER EXPERIENCE	N/A
TOTAL SCORE	0

What your score means:

- 20 and above = Exceptional packaging
- 15 to 19 = Above average, very few issues present
- 10 to 14 = Meets customer minimum expectations, minor issues
- 0 and below = Poorly executed packaging solution that will require rework

Summary & Recommendations:
The pack method currently in use is efficient in protection.

TESTING DETAIL

Testing Procedure: ISTA 6-FedEx A Standard Modified Test

Drop Sequence: 10 drops from 30 in. No further testing

- Most fragile corner (2-3-5)
- Shortest edge from corner (2-5)
- Medium edge from corner (3-5)
- Longest edge from corner (2-3)
- Smallest face (5)
- Other smallest face (6)
- Medium Face (2)
- Other medium face (4)
- Largest face (3)
- Other largest Face (1)

No further testing

PRE-TEST INSPECTION

Product Condition: No damage observed

Package Condition: Customer provided packaging, minor degradation prior to testing

PDI: Customer has defined the damage tolerance

Inspection Method: Visual inspection

Lab Conditions: 72.0 °F 50% RH

Total Test Samples: 1

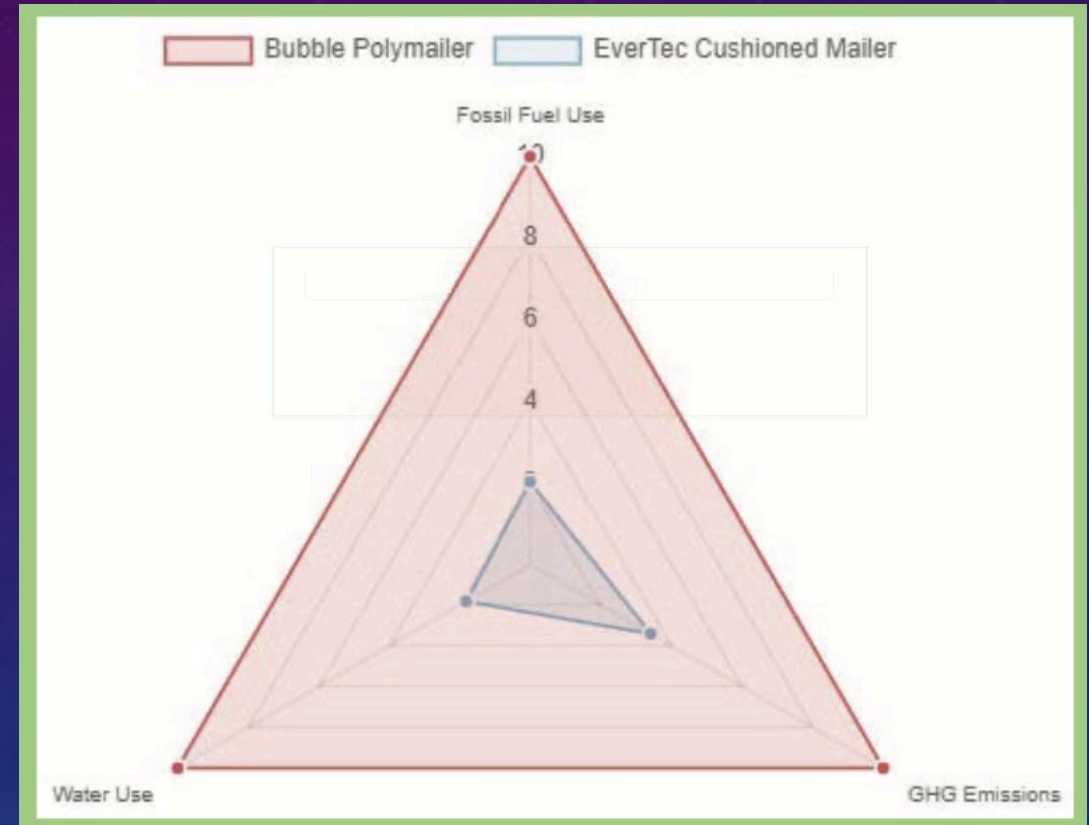
LCA REPORTS

Data Driven Environmental Business Case



Material 1 v. Material 2

- **79%** Decrease in Fossil Fuel Usage
 - **164** Barrels of Oil
- **65%** Decrease in Greenhouse Gases
 - **13,600** liters of gasoline
- **81%** Decrease in Water Usage
 - **8,300,000** Gallons
- **21,551 Lbs.** of Waste Reduction



End of Life (EOL) Recycling and Waste Potential

Product	Total Weight per Product (lbs)	Annual Volume Compared	Recycling Potential (lbs)	Waste Potential (lbs)	Recycling Potential of Package (%)
Paper	506880	11,520	446,054	60,826	88
Renew Airpillows	44649	1553 rolls	5,804	38,845	13

2024 PA Members by The Numbers

12

MEMBERS ENGAGED

18

ONSITE DISCOVERY

21

ISTA DROP TESTS

7

ACTIVE PROJECTS

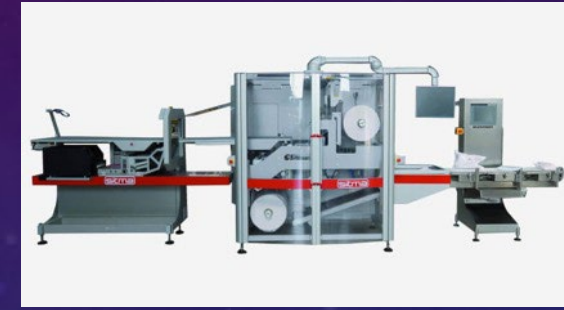
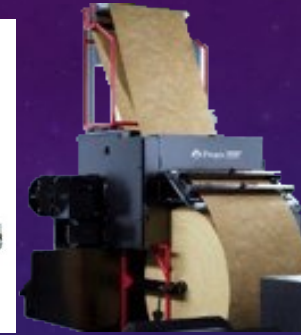
\$2.77m+

*DOCUMENTED SAVINGS

2025 Headline News

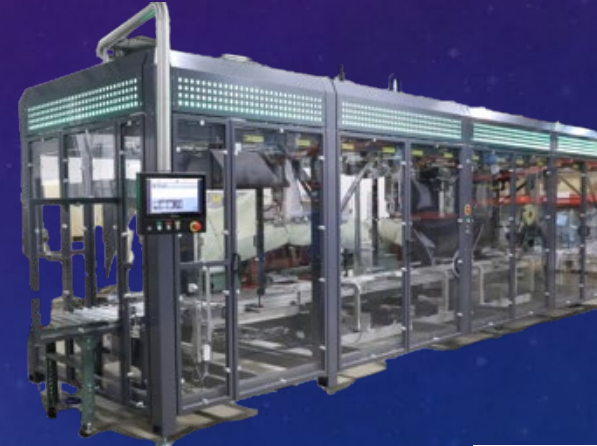
Variable Length Mailing Systems

- Now you can be like Amazon!
- Various Investment Levels
- Various Material Substrates



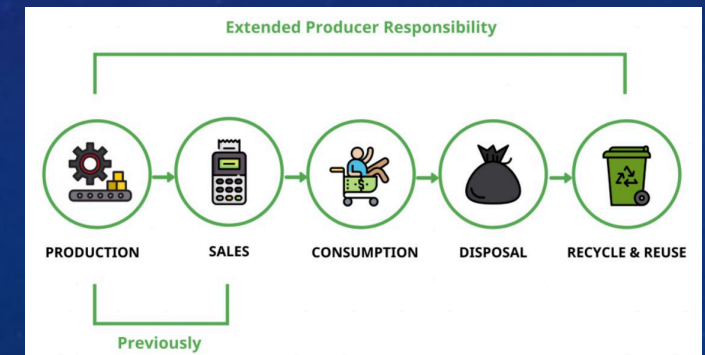
Box on Demand

- Right Size Standard Cartons
- No Fan Fold



Extended Producer Responsibility – Are you Registered?

- Fees are due next month for Oregon
- Let us help you prepare



QUESTIONS

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THANK YOU



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