

Full Cost Accounting

May Lead to the Cubitainer Combination Package

The selection and use of flexible packaging like the Cubitainer® Combination Package in place of rigid packaging such as pails, bottles and drums delivers its owners from both the negative environmental impact and higher costs associated with using rigid packaging.

There are any number of factors that determine the product package that's right for your company: performance issues; market dynamics and industry packaging standards; regulatory; and, perhaps, even aesthetic factors play into the ultimate packaging choice that's right for you.

If you are presently using some form of rigid packaging and are reviewing available options for an existing product, or contemplating other options for a new product still in development, a "full cost accounting" (FCA) approach to the package selection process might be advantageous. Full cost accounting takes in a broad range of factors in considering the package option that's right for your company. The FCA method goes beyond just the purchase price of a

package or container. Rather, it seeks to calculate the cost impact of that item throughout its existence, factoring in such costs as contingency, remediation, environmental and social. For instance, such criteria may include:

- Is the "spent" package safe enough?
- Will the spent package cost the end user more money to discard?
- Will the spent package cause health or safety concerns after its use and if not properly discarded?
- Will other companies in your industry gain a competitive edge by using environmentally friendly packaging that is also easier and cheaper to discard and limits, if not eliminates, the safety concerns of the end user and the surrounding community?
- Can your company gain a competitive edge by switching to packaging that reduces waste, reduces costs associated with

waste control, and provides greater safety to the end user and the community after the package's contents have been used?

An integral part of the full cost accounting process is to identify the "stakeholders" in such decisions. These stakeholders are both within and outside the structure of your organization and include management, procurement, sales and marketing, package engineering and production. Other stakeholders may include the company's distributor network, as well as end users and the



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communities in which your products are used. All these disparate groups share the common trait of benefiting from the right selections your company makes about its packaging choices.

When investigating the packaging options available to your company, is there one right package that fulfills the needs and special interests of the various members both within and outside your organization that will come into contact with the product package you select? In this day and age when both environmental and profitability considerations are uppermost in the minds of the people making packaging decisions, there is a belief that the answers can be found within the realm of flexible packaging options such as the Cubitainer.

The Cubitainer Combination Package is industry's original, flexible, low-density polyethylene insert in a box. Cubitainer offers package source reduction and cost savings to manufacturers, distributors and end users throughout the world and in an array of industries, including paint and coatings.

Hedwin's Cube[®] Insert is a blend of linear low and low-density polyethylene manufactured in the form of a cube-shaped liner, and designed for use with a corrugated overpack. The natural-color Insert is manufactured by the Cube[®] Process, with a seam located along the diagonal periphery. The top face of the Insert is typ-

ically designed to accommodate either a 38- or 63-mm screw cap opening. A reversible well design permits the Cube opening to be raised or depressed for pouring and storage. Other closure options are available as well.

Cube is designed to collapse as product is dispensed. The non-glug design assures product flows from the Cube in a continuous, uninterrupted stream. The Cube Insert's unique self-collapsing design means no need for troublesome or invasive dip tube technology that may only work intermittently. Cubitainer meets UN Packaging Type 4G and is authorized for Packaging Group II and III liquids.

While the know-how to produce the Cubitainer has been in place for a half-century, the technology behind the package is constantly moving forward and also includes added features to accommodate the broadest possible range of applications. Alternative resins and treatments such as fluorine and oxygen permeation barriers to contain the broadest range of product contents, as well as an impressive range of corrugated options are available to meet any aesthetic or working environment demand.

Another aspect of the Cube Process that has gained notice throughout the years is that the process used to make a cube-shaped container can also be utilized to make an incredible assortment of custom size and shape containers. These can be used in conjunction with any number of differently designed dispensing systems, equipment and machinery. Further, the Cube Process is capable of making small, open-head "cups", inserts and vessels to work in a multitude of applications where rugged, yet cost-effective poly liners are needed.

The Cube is not just a cube; custom shapes, sizes and value-added features are readily available. Unlike "bag-in-box", this flexible insert offers true design versatility and ruggedness. Further, the cost of designing and producing a Cube mold is typically one-fourth that of a blow-molded or injection-molded container of similar size and shape.

The investigation of flexible packaging options versus rigid packaging options such as both open- and tight-head plastic pails includes practical considerations: Can Cubitainer be filled on existing filling lines without the need for major equipment overalls or vast capital expenditures? For convenience and cost-efficiency, the answer is yes. Cubitainer can use existing filling equipment and can be purchased in small quantities that favor the smaller requirements of a test market scenario or the beta testing of new products and

systems prior to larger-scale product rollouts.

The Cubitainer package has the unique quality of being advantageous over both rigid packaging and other forms of flexible packaging such as the bag-in-box. Some of the most prominent advantages include:

- Cubitainer saves versus rigid options. There are lower packaging, freight, warehousing and disposal costs with Cubitainer.

- Cube insert reduces plastic content by 85% or more.

- Cube design promotes total emptying. Bags with folds or flimsy construction collapse on self, trapping product inside, reducing value for the end user.

- Cube seam is formed during the molding process for maximum package integrity and security. Cube is best for the environment with an SPI Code 4 for easy recycling versus Code 7 (for “other” materials), as is typical with bags.

Earlier, this article noted a variety of internal departments and external stakeholders that are affected by the decisions your company makes related to packaging. A change to flexible packaging brings each of the internal and external stakeholders’ advantages including:

- The opportunity for savings that benefits procurement and boosts profitability is an across-the-board advantage for the organization and its management.

- The vast reduction of packaging waste and optimization of package source reduction is a win-win for end users and the communities in which they operate.

- Packaging that decreases costs associated with discarding packaging waste and boosts profitability for the end user is a sales and marketing winner. It further helps to solidify the view of the company as an industry leader and innovator, a concerned corporate citizen, and shows sensitivity to the needs of the company’s customers and the community at large.

If you’ve decided that the time is right for a move into flexible packaging for some or all of your product line, and you’re ready to investigate your strategic partnering options, your viability study should also include the following important considerations.

- Does your potential supplier and strategic partner in this packaging initiative offer your packaging team a solid resource in package design?

- Do they have the experience and expertise to, in essence, become an extension of your internal packaging resources?

- Can your supplier offer your company a trusted resource as it relates to the technical aspect of packaging your products?



- Does your supplier have a solid background and track record in producing packaging for regulated products, and can they lend assistance in all facets of packaging and shipping product throughout your distribution chain?

- Is your supplier committed to the safe handling and use of your product by your personnel and that of your customers?

- Does your supplier adhere to a quality program that is committed to ensuring its customers will have a Total Quality experience with its products and services?

While there are many reasons to “stay the course” as it relates to the packaging choices your company currently makes, there are some very good reasons to investigate your packaging options now. They include:

- Learn more about the perceptions and preferences of the marketplace with test marketing.

- Prepare your organization for future challenges related to packaging and the environment.

- Gauge the return-on-investment and savings potential that a switch to flexible packaging can bring.

- Create a solid option in the face of withering price hikes in rigid packaging due to increased resin costs.

- Test the product and service capabilities of flexible packaging manufacturers. Find a strategic packaging partner your team can be comfortable with and in a time frame and manner chosen by you and not forced upon you by circumstances beyond your control. ☉

For more information about Cubitainer Combination Package and the advantages of flexible packaging, contact Hedwin Corporation, 800/638.1012, or visit the Web site at www.hedwin.com.



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