

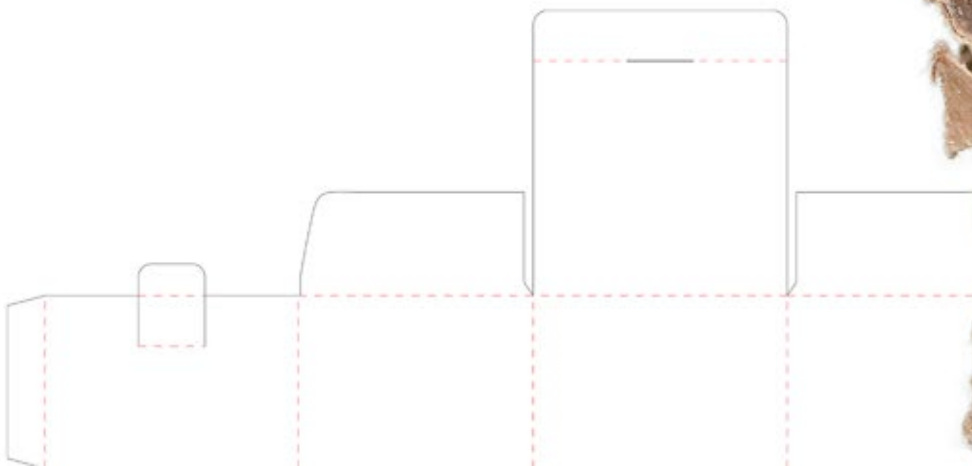


CORRUGATED BOXES:

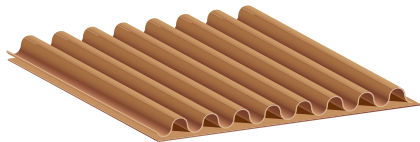
Upcoming Trends



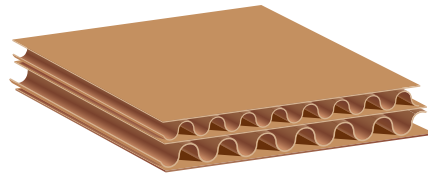
One Reliable
Procurement Strategy



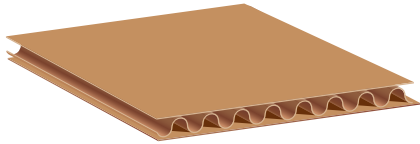
WHAT IS A CORRUGATED BOX?



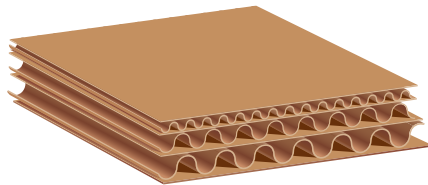
Single face board



Double wall board



Single wall board



Triple wall board



Corrugated cartons are boxes made up of a few layers of material rather than just a single sheet. The three layers include an inside liner, an outside liner, and a medium that goes between the two, which is fluted.

WHY IS CORRUGATED BOX A GOOD CHOICE FOR PACKAGING?



Strength

(a triple-walled box can hold 240-300 lbs in item weight)



Durability

(shelf life ~ 90 days)



Lightness



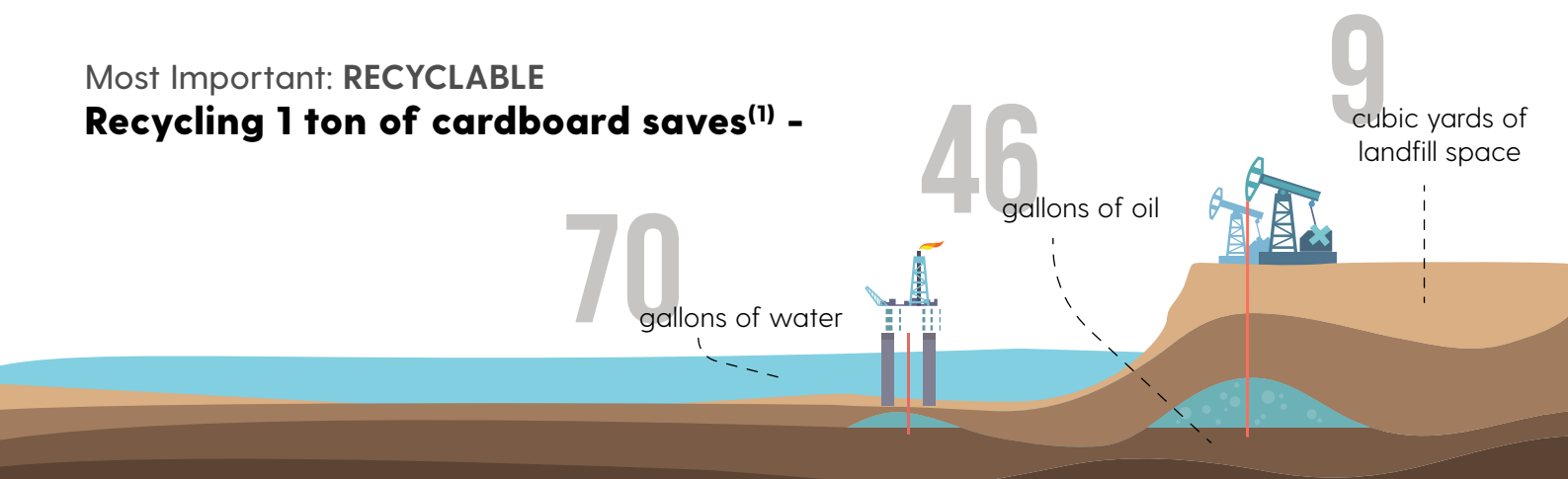
Printable/Customizable



Cost-effective

Most Important: **RECYCLABLE**

Recycling 1 ton of cardboard saves⁽¹⁾ -



Nearly **80%** of the corrugated boxes sold in 2018 were made from recycled material. Demand for recycled corrugated boxes is estimated to grow annually at 4.4% in 2019.

CORRUGATED BOXES ARE THE FUTURE!!

[1] Assured Self Storage, (2014). Cardboard Boxes By The Numbers – Recycling Stats from <https://visual.ly/community/infographic/environment/cardboard-boxes-numbers-%E2%80%93-recycling-stats>

MARKET GRANDEUR



Global ▶

“The corrugated boxes market is projected to generate revenues worth over US\$ 116 billion in 2019 with sales of 176 million tons,” says FMI.

Nearly 170 million tons of corrugated boxes were sold in 2018, equaling a market value worth US\$ 112 billion. A new study by FMI estimates that the corrugated boxes market will grow at a 3.9% y-o-y in 2019.

34% of the global packaging industry is dedicated to paper and board products. (Ernst and Young)

Did you Know??

Just **1.1%** of the corrugated boxes which are manufactured each year are used for a **purpose other than packaging.** (Statista)

MARKET GRANDEUR



India ▶

Indian corrugation market will grow by CAGR of 15% on the existing market of roughly 34,000 crores fuelled by growth in end-user segments like FMCG, consumer durables, pharma, E-comm & QSR.

Currently, India is 4th largest producer of the corrugated box in the world(10%) & expected to be 2nd largest by 2021.

After China, India is estimated to account for the largest incremental corrugated output in the coming years. Existing per capita consumption is 1/4th of the Asian average & 1/7th of the Chinese average.

Did you Know??

Bizongo is the **8th largest corrugated box supplier** in India.

ONE PROCUREMENT STRATEGY

Hundreds of Successful Businesses

Corrugated box market in India is highly fragmented with the presence of around 18,000 organized and unorganized players.

To provide an unforgettable consumer experience, consolidation of the packaging sector is imperative.

BUYER MARKET

- >3L Buyers in Industry
- Scattered across Different Industries
- Very Large Buyers In FMCG & Food Industry
- Procurement Spend by Industry Ranges From <0.2K Cr To >25K Cr.



SELLER MARKET

- >10K Sellers in Industry
- Scattered in All Ranges of Turnover From <1Cr. To > 100 Cr.
- Of the 10K Seller Market, ~5% Sellers are Very Large
- Avg. Revenue Per Seller Is Approximately Rs. 4.2 Cr/Year.

THREE KEY PILLARS OF THE PROCUREMENT STRATEGY



Cost Reduction

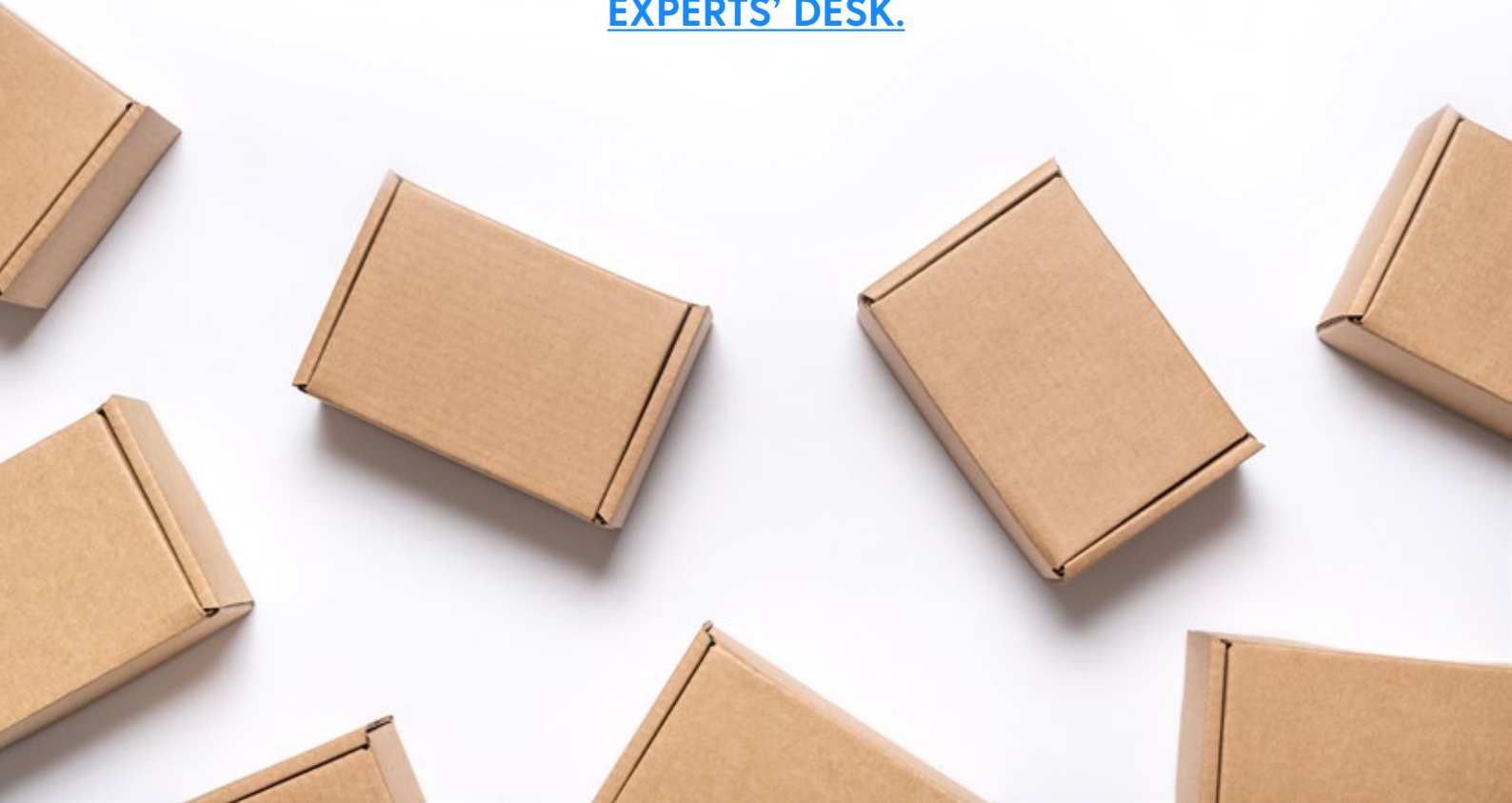


Value Engineered Solutions



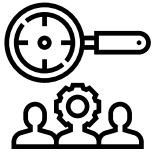
Optimized Supply Chain And Logistics

Know how you can apply these strategies to your business from the
[EXPERTS' DESK.](#)





COST REDUCTION



RAW MATERIAL SOURCING

- Source paper within 300 km to optimise incoming transport cost.
- Optimise pricing & supply by routing transactions through distributors and maintaining a relationship with mills.



SCALE OF PURCHASE

- Negotiation for 3-4% savings with manufacturers on the rate of paper.
- Bulk purchase and planned inventory management.



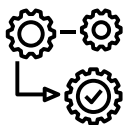
AUTOMATION

- Automatic plant for larger volume (5+ Tonnes for an SKU).
- Relatively economical by 3-4% compared to semi-automatic plants.



MANUFACTURER CAPACITY UTILIZATION

- Current Utilization - 50% to 60%
- 2-3% improvement in price realization with around 10% improvement in utilization.



SCALE OF OPERATIONS

- 5,000 TPM plant over 1,500 TPM plant for 2-4% of increased efficiency.



WORKING CAPITAL

- Utilize 70-80 % of CC limits.
- Early payments help invest money, generating incremental returns after 2-3% discounts.



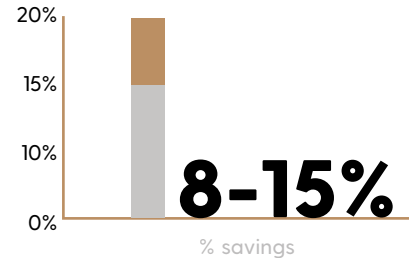
VALUE ENGINEERED SOLUTIONS

VALUE ENGINEERING

- ▶ Optimization of Specifications
 - Re-designed box from 7 ply to 5 ply for a global industrial tools manufacturer
 - Proposed 3 ply in place of 5 ply for leading retail conglomerate

DRIVER OF COST SAVINGS

Reduction in paper consumption

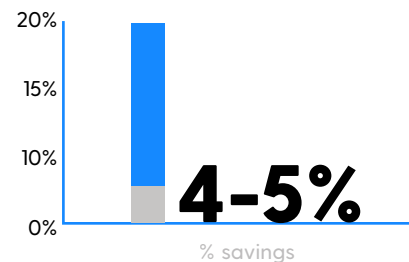


STANDARDIZATION

- ▶ Standardization of boxes / Harmonization
 - Harmonized corrugated Boxes for 180 SKUs from 44 to 17 for a global automobile accessories manufacturer

DRIVERS OF COST SAVINGS

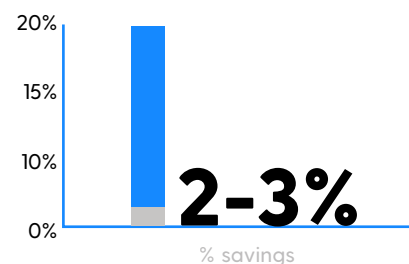
Increase in total volume, Long run of machine



- ▶ Specification Standardization
 - Rationalised total ply combinations from 34 to 19 for more than 400 SKUs for a global industrial tool manufacturer

DRIVER OF COST SAVINGS

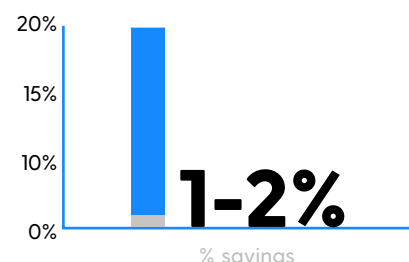
Increase in volume of raw material purchase



- ▶ Deckle Standardization
 - Standardised deckle width from 1020mm deckle to 1880mm deckle for 25 SKUs into 12 standard deckles for an Indian FMCG client

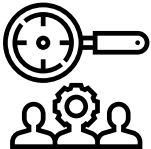
DRIVERS OF COST SAVINGS

Faster machine changeover, Lower wastages



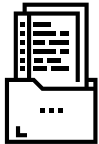


OPTIMIZED SUPPLY CHAIN AND LOGISTICS



LOCAL SOURCING

- Limit radius of sourcing to 200 - 300 KM to minimize transport cost within 5% to 7%.



MULTIPLE SOURCES OF SUPPLY

- Develop alternative suppliers to mitigate risk, drive leverage, optimize SKUs and manage supplies.



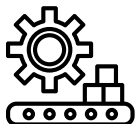
COST OF COMPLEXITY

- Multiple SKUs, suppliers and plant locations leads to additional time and resources spent in managing complexity.



DEMAND AGGREGATION




- Reduce TCO by 1 - 2% through Supplier rationalisation, transportation aggregation & warehousing for timely availability.



INDUSTRY EXPECTATIONS

- Migrate gradually from OTIF to “available when required” - major opportunity for Auto-replenishment basis inventory and consumption patterns.

BIZONGO'S VALUE OFFERINGS THROUGH THIS STRATEGY

	WITHOUT BIZONGO	WITH BIZONGO
 OPTIMIZED COST	Tough Supplier Discovery Limited Price Benchmarking High Total Cost of Ownership	2-5% Reduction in Total Cost of Ownership
 OTIF DELIVERY	Delayed Deliveries Mediocre Quality	~15% Increase in OTIF Deliveries
 IMPROVED VISIBILITY	~20%	~4X Improvement in Visibility

Did you Know??

Since inception, Bizongo has supplied 1,000+ unique SKUs aggregating more than 12,000 tons across 273 locations across industries in India.

SOME CORRUGATION SOLUTIONS PROVIDED THROUGH THIS STRATEGY

SIMPLE AND SUSTAINABLE SOLUTIONS ARE THE WAY TO GO

BIZONGO SOLVED THE FOLLOWING PROBLEMS FOR LEADING MNCS

INDIA'S LARGEST AUTOMOTIVE LIGHTING EXPORTER

BEFORE



Scratched lamps due to rattling.

AFTER



Added sections to prevent the lamps from coming in contact.

INDIAN MULTINATIONAL PAINT COMPANY

BEFORE



Rusty & damaged tin containers due to rattling & high absorbency.

AFTER



Self-locking partition & material intelligence eliminated the damage

INDIA'S RENOWNED STATIONERY BRAND

BEFORE



Broken pencil tips during transportation.

AFTER



Added flutes to separate the pencils, hence preventing damage.

FIND YOUR PACKAGING SOLUTIONS AT BIZONGO



REACH US
bizongo.com



SEND US AN EMAIL
marketing@bizongo.com

Our Offices

Mumbai | Delhi | Bengaluru

