

## UPS And Sealed Air Showcase Fulfillment Of The Future With New Packaging Innovation Center

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UPS and Sealed Air Corporation (NYSE:SEE) today announced the opening of a Packaging Innovation Center in Louisville, Kentucky on the UPS Supply Chain Solutions campus, near the Worldport® facility, which is the UPS Air Group's global headquarters. The center will help solve the packaging and shipping challenges of e-commerce retailers, and companies in many other industries, by maximizing efficiency, minimizing waste, reducing shipping costs, and increasing brand affinity.

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This is the next step in a strategic partnership between the two companies [announced in November 2016](#) designed to help businesses prepare for the future of supply chains, fulfillment, and packaging to enable global e-commerce success.

“One of the biggest challenges UPS customers have with e-commerce, and across other industry segments, is that they struggle to create efficiencies and enhance profit margins while still improving consumers' perception of their brand,” said Alan Gershenhorn, Executive Vice President

and Chief Commercial Officer, UPS. “UPS customers don't just need supply chain innovation. They also need packaging innovation. Our partnership with Sealed Air, and the new Packaging Innovation Center, will allow UPS to bring a more complete set of solutions as we help customers re-imagine their entire supply chains, including packaging.”

Brick-and-mortar supply chains have been designed to move in a linear fashion with standard-sized packaging sent from a supplier to a warehouse. From the warehouse, products are sent to a store, where they are unboxed and placed on shelves. In this model, consumers never see secondary or tertiary packaging. In the new e-commerce world, everything is upended and consumers now see, touch and need to dispose of packaging on a more regular basis. As a result, what consumers think about a brand increasingly starts with their experience with a product's packaging.

“The at-home delivery experience is more important than it has ever been. Consumer expectations for fast, free, on-time delivery leave businesses and retailers with very little room for error,” said Jerome Peribere,

President and Chief Executive Officer of Sealed Air. “The partnership between Sealed Air and UPS allows us to combine our decades of expertise and innovation to help our customers create those exceptional delivery experiences from the point of manufacturing all the way through to the last moment of truth in front of the consumer.”

E-commerce sales between 2015 and 2020 are expected to grow a cumulative 128.9 percent. Worldwide retail e-commerce sales are projected to top \$4 trillion by 2020, according to eMarketer.<sup>1</sup> At the same time, the change in dynamics with e-commerce logistics and packaging are creating big opportunities to drive new efficiencies. Some of these areas of opportunity include:

- o A need for packaging innovation due to inefficient use of labor resources
- o Excessive waste of packaging materials
- o Keeping costs down and customer satisfaction up despite increasing complexity
- o A need for three times the logistics space compared with brick-and-mortar operations<sup>2</sup>
- o Vast proliferation in the number of ways that fulfillment gets done
- o Increased pressure on existing labor resources to produce more, at higher speeds and lower costs, in more complex operational environments
- o Eliminating the risk of damage and spoilage
- o Deploying automation solutions that

can not only scale up, but can also scale back down when needed

The partnership between UPS and Sealed Air is designed to help customers in each of these areas, and more. Occupying 6,000 square feet in the UPS Supply Chain Solutions facility, the Packaging Innovation Center houses a wide array of Sealed Air’s cutting-edge packaging solutions.

The selection of packaging technology on display includes an automated system that eliminates the need for outer cartons, which can reduce dimensional weight by as much as 87 percent; an automated right-sizing system that eliminates empty void space in each box by as much as 60 percent; and a portfolio of packaging work-cell solutions that improve labor productivity, reduce product damage, and create a consistent, enhanced experience for the end consumer.

UPS and Sealed Air will also use the Packaging Innovation Center to provide consulting services, including package performance analysis to ensure that companies are using the minimum amount of packaging needed to achieve maximum product protection. Customers can schedule meetings at the center to see the solutions in action and request a packaging analysis based on their specific e-commerce business needs and goals.

As part of the partnership with UPS, Sealed Air is participating in the UPS [Customer Technology Program \(CTP\)](#), providing packaging systems and materials. CTP is a customer loyalty program that connects businesses with best-in-class vendors of hardware, software, peripherals – and now packaging – to help them gain efficiencies



across their business and enable growth.

In addition to this partnership, UPS also provides solutions to customers using its Package Design and Test Lab, helping protect packages before they ship. With high tech equipment that creates varying levels of temperature, air pressure, shock, compression and vibration, the lab can simulate moving a package throughout an

entire supply chain. These real world experiences provide valuable data that helps UPS custom-design solutions for specific packaging needs. Testing is a compliment to the innovative packaging options that are offered through the Sealed Air / UPS partnership.

Source: [UPS](#)

