



Officeworks

Procurement guidelines for
private label products



Procurement guidelines for private label products

Officeworks is taking a proactive approach to improve the packaging of their private label products. The Sustainable Packaging Guidelines (SPG) are being adapted to meet the needs of Officeworks' buyers and their global suppliers.

This case study highlights

- The importance of involving internal stakeholders in the assessment process
- How to identify preferred packaging solutions and develop procurement guidelines
- Opportunities exist for importers of product with limited influence over design

About the company

Officeworks is a leading retailer and supplier of office products and solutions for home, business and education needs. The company was established in 1994 and now has 152 stores around the country. In 2007 Officeworks joined Wesfarmers Limited. Officeworks has direct influence over the packaging of their private label products, and this is the focus of their design activities for the Australian Packaging Covenant (the Covenant).

The case study

In December 2013 a three-hour workshop was held at Officeworks in Melbourne with an internal team including members from sustainability, global sourcing, brand, furniture buying teams, and representatives from the Covenant Member Services team. The objectives of the workshop were to:

- agree on a process to integrate the Sustainable Packaging Guidelines (SPG) into Officeworks' procurement processes; and
- undertake an assessment of office chair packaging.

The team started by discussing the most appropriate way to group packaging for assessment purposes, and to guide internal decision making. A process to integrate the SPG into procurement was also discussed. Finally, a trial packaging assessment was undertaken for one of Officeworks's most popular furniture items, an office chair, to inform the development of packaging guidelines for furniture. This case study documents some of the outcomes from the workshop.





Grouping packaging for assessments

The first step was to draw up a preliminary list of existing packaging categories (Table 1, below). These will be used to develop a schedule for packaging reviews against the SPG and to develop tailored packaging guidelines for each category.

Primary Packaging Category
1. Furniture
2. Technology
3. Pack-post-send
4. Art and craft
5. Paper and notepads
6. Safety
7. Impulse
8. Pens and glue sticks
9. Fashion stationery
10. Filing

Table 1: Draft categories for packaging assessments





Integrating the Sustainable Packaging Guidelines into procurement processes

Workshop participants mapped out the procurement process within Officeworks, which involves interaction between the marketing team responsible for private label brands, the buyers for each product category, and the global sourcing team (procurement). It was agreed that the SPG should be adapted to meet Officeworks' needs. A two-page set of guidelines will be developed for each of the categories listed in Table 1. These will:

- use the SPG as the starting point to ensure that all relevant issues are considered;
- focus on the key issues for each product category, such as material efficiency and recyclability for distribution packaging;
- be customised for each product category so that buyers and suppliers understand their relevance and how they can be applied; and
- provide clear and direct instructions where relevant, so that suppliers know exactly what is expected (for example 95% of packaging materials to be recyclable in the kerbside recycling bin).

Buyers will give suppliers a copy of the relevant packaging guidelines. Suppliers will be required to sign off to say that they have met the guidelines, or provide a rationale if they have not done so. In the longer term the guidelines will be integrated in style guides that are being developed for private label brands.

Trial packaging assessment

One of Officeworks' best-selling furniture items is the 'Bathurst' office chair. This is imported as a kit that is assembled at home by the customer. Currently most of the components are individually packed in plastic film, bubble wrap or cardboard packaging, and then packed together in a large corrugated shipper.

Prior to the workshop packaging examples which were considered best-in-class were also identified and discussed. These examples were evaluated and key features documented as potential improvement options.

The primary objectives of the assessment were to identify opportunities to reduce packaging and improve recyclability, so that these could be converted into generic furniture guidelines. Ideas that were discussed at the workshop included:

- ensuring that corrugated shippers contain 100% recycled content;
- designing 'origami-style' folded cardboard inserts that would eliminate the need for plastic film, bubble wrap and separate pieces of cardboard. This would also improve quality control if the inserts clearly show where each component belongs (ensuring that nothing is left out of the box during the packing process);
- packing components tightly together to reduce movement (and potential damage) inside the shipper. This will also enable the size of the box to be reduced;
- replacing the non-recyclable blister pack for loose components (e.g. screws and end caps) with a simple plastic bag;
- printing the instruction sheet double-sided rather than on two separate sheets; and
- adding a recycling label to the shipper.





Figure 1: The opened shipper showing some of the inner packaging

Furniture guidelines

Following the workshop, generic packaging guidelines were developed for furniture. These include most of the ideas suggested at the workshop, as well as additional requirements to improve safety and transport efficiency. They also include features that were identified following a review of the best-in-class packaging solutions.

Lessons for other Members

1. Integrate the Sustainable Packaging Guidelines into existing business processes

In the past, Officeworks has specified its product requirements, but packaging design was largely left up to the supplier. The Sustainability Manager is now developing a packaging procurement process in consultation with the marketing and buying teams, to reduce the environmental impacts and improve performance of packaging. Over time this will be integrated into existing business processes to ensure that sustainability is considered alongside all of the standard procurement requirements including cost, quality and supply.

Members are encouraged to integrate the SPG into existing business processes. For Officeworks this means including packaging sustainability requirements in style guides, product specifications and sourcing briefs.

Other Members can follow a similar course of action by:

- mapping existing design and procurement processes; and
- identifying key leverage points in these processes – in other words, where the SPG can be considered to ensure that they are considered in the most efficient and effective way.





2. Review the market and identify best-in-class solutions

A review of the packaging used by industry peers and products with similar packaging formats can provide great insight into potential packaging solutions.

To identify potential opportunities, list the key features of the identified packaging examples, take photos and gather samples. Use these to guide discussions with suppliers, as inspiration for packaging designers and marketers, and as a way to drive discussions about future change.

3. Provide simple and clear instructions to suppliers

The SPG are detailed and non-prescriptive to ensure that they can be applied to a wide range of products and circumstances. They include questions rather than instructions that can be used to generate ideas or to identify issues that need to be investigated in more detail.

Officeworks has decided to convert the SPG into simple and clear instructions for each product category because this approach will be the most effective for their buyers and global suppliers. A similar approach could be followed by other Members. Reviews of existing packaging can inform the development of customised guidelines that are relevant to their products and supply chain.

Next steps

Officeworks buyers will consider the generic packaging guidelines for furniture in future procurement of all new products. Furniture buyers are already investigating opportunities to improve packaging of the 'Bathurst' chair along the lines that were identified in the workshop.

The sustainability team is also developing a series of packaging guidelines for each of the other product categories in the Officeworks private label range. These will be integrated into procurement processes to ensure that packaging sustainability is considered by suppliers through a formal 'sign-off' process.



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