



Case Study: Switching from a bottom gusset to a side gusset saved \$7.8 million!

Frozen food packaging is undergoing a transformation—from pillow pouches and cartons to stand up bags and steamable packaging. This shift away from the industry standards can be confusing and definitely is more of a journey than a destination. In one case, the journey just took an advantageous turn...

Background:

A privately held company was selling a frozen meat item that was packaged in a bottom gusset bag. The product stood up well, displayed the graphics clearly and looked great on the shelf. The product was such a success it was selling over 25 million pounds annually.

Challenges:

Regardless of the strong sales, there were inefficiencies with the bottom gusset bag. The biggest challenge was the inefficient way the product nested in the shipping case which caused the carrier’s truck to reach capacity before maximizing its weight limits. This is referred to as a truck “cubing out” rather than “weighing out.”

Opportunity:












Using ThreeSixty, LLC, the privately held company’s packaging issues were evaluated and addressed. One simple solution was identified that impacted the whole supply chain.

Switching from a bottom gusset package to a side gusset the impact was dramatic:

- Less packaging film was needed per package
- Bags nested together so the case could hold more
- Fewer cases meant fewer pallets
- Trucks could weigh out and transportation costs dropped
- Retail stores had greater pack out on the shelf

Results

\$7.8 million of hard dollar savings and 3.5 million pounds of greenhouse gases were saved on an annualized volume of 25 million pounds.

Efficiency	Bottom Gusset	Side Gusset	Savings
Packaging efficiency	 426 sq. in. package	 263 sq. in. package	1.2 million lbs less packaging \$543,000 savings
Corrugated efficiency	 10 pk/24 lbs cases	 16 pk/32 lbs cases	27,000 lbs less corrugated \$5.0 million savings
Pallet efficiency			16,000 less pallets \$100,000 savings
Transportation efficiency			709 less truck shipments \$2.0 million in savings
Handling efficiency			255 less labor hours \$6,000 savings @ \$25/hr
Store efficiency			<ul style="list-style-type: none"> • Provides 6 more facings per door • 66 additional units per door • Less cost to produce • Fits customer’s freezer better