

Case Study

Steel Distributor Achieves Major Cost Savings with Alternative Materials

The Challenge

A major steel distributor and leader in the industry was using standard packaging materials to ship their products but wanted to uncover cost savings to grow as an industry leader.

Goals:

- Find areas to reduce packaging costs
- Keep products protected

The Rocket Solution

By providing information on the benefits of switching from steel banding to poly banding, such as injury reduction and cost savings, the customer was eager to change their banding material. A battery-powered handheld bander was also recommended to update the manual process to a semi-automatic process, improving employee ergonomics.

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Results

- \$135,000 annual cost savings
- Increased employee safety

By using poly banding instead of steel, material costs are reduced by \$23,000 per year. On average, 2 steel banding injuries happen annually, costing \$21,000 each. It is likely that poly banding will eliminate these 2 injuries, resulting in a \$42,000 savings each year in injury costs. Updating void fill from Kraft paper to air pillow film resulted in a cost savings of \$70,000. Overall, we were able to implement changes that resulted in over \$135,000 in cost savings annually for this steel distributor.

