KEELVAR ›

Packaging Sourcing

Simplify bidding and analysis on packaging costs, materials, service, and more.

Many individuals see the packaging industry as straightforward. However, those working closely with it understand this is one of the more challenging areas of spend because there are so many different types of packaging categories that serve different functions in relation to a brand and its products.

Packaging Sourcing Complexities

The sourcing of packaging materials represents a crucial, high-stakes category for many manufacturers, ranging from food to pharmaceuticals. Subcategories like bottles, vials, labels, folding cartons, corrugate, flex films, rigid plastic, glass, and metals, are commonly sourced examples. Procurement decision-makers must consider many price and non-price factors – and corporate initiatives in sustainability and CSR commitments drive even more challenges and competition.

Some common pain points we hear from manufacturers that source packaging include:

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"Suppliers have varying units of measures for different products"

"Suppliers have different packaging sizes for the same product"

"Suppliers have varying minimum order quantities"

"Suppliers have multiple capacity constraints by product and location"

"Suppliers want to provide volume and bundle discounts"

"Do suppliers have alternatives designed beyond my specification?"

"We need to award multiple and backup suppliers to fulfill capacity commitments"

"Different plants have different supplier preferences"

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Where Sourcing Optimization and Automation Come In

Optimization and automation sourcing solutions can help teams eliminate the aforementioned pain points and help packaging buyers make optimal decisions given a range of category-driven price and non-price inputs, including:

- Wide-ranging supplier options and number of invited suppliers
- Required number or types of suppliers by item
- Number of items and specifications
- Alternative materials and specifications
- Sustainable & Corporate Social Responsibility (CSR) sourcing factors
- Varying units of measure

- Varying minimum order quantities
- Varying capacity constraints by location
- Discounts by volume and bundled offers
- Detailed pricing breakdowns and tiers
- Supplier preferences (by plant, item, incumbency, etc.)
- Contract term options
- Size of spends: strategic, mini-tender, or tail spend

Why Keelvar for Packaging Procurement?

Keelvar's solutions are designed for ease of use to help buyers get more value while streamlining the process. Our intelligent automation and optimization help packaging buyers deal with vast complexity and potential high volumes of bids, delivering:

- Ease of event creation from the upload of existing packaging RFPs/bid sheets
- Advanced, robust cost modeling
- Supplier bid data validation
- Supplier traffic light feedback
- Flexible bid data collection
- Ease of event lifecycle management and auto-piloting
- Easily model complex requirements in structured events
- Optimal solutions and comparison of award scenarios

UP TO 50% REDUCTION IN SOURCING CYCLE/ NEGOTIATION TIME

3-10% INCREMENTAL SAVINGS

Boost Efficiency and Innovation

Complexity is not just about the size of the sourcing event. When comparisons between suppliers diverge from the 'one size fits all' due to different values assigned to their bids and business characteristics, it can be difficult to compare without advanced analytics.

Keelvar's robust cost modeling capability can handle complex Total Cost of Ownership (TCO) formulas and cost breakdowns. For example, a buyer might be collecting information for an on-spec design for a folding carton as well as an alternative specification from suppliers.

These specifications might have different cost elements and, in addition, different pricing associated with incoterms, print method, contract length, volumes, etc. Our optimizer can take into consideration varying supplier minimum quantities, capacity constraints on the item and on a higher level (e.g. country or region), as well as volume and bundle discounts.

Competitive Bidding Via Traffic Light Feedback

Keelvar allows buyers to turn on real-time "traffic light" feedback to automatically keep suppliers informed on how competitive their bids are. This feature gives guidance on items where there is room to improve and yields impressive price compression.

Unlock Price and Non-Price Opportunities

Sourcing Optimizer drives the most value when running a sourcing event in Keelvar. It allows the user to create powerful scenarios based on "what... if" and "if... then" logic in the form of configurable scenario rules.

For example, there could be "I want to award a maximum of X suppliers" and "at least this amount of business must be awarded to Y" but "the same supplier should also win Z" and "I only want suppliers who can meet my quantity requirements".

More than anything else, you can apply any number or combination of rules and our optimizer will calculate through thousands of possible combinations to come up with the most optimal solution. But an optimal solution does not simply mean the lowest cost; the scenario rules, capacity limitations, supplier discounts, and bundles will all be taken into consideration as well.

About Keelvar

Founded in 2012, Keelvar is moving procurement forward with our best-in-breed SaaS software for intelligent sourcing optimization and automation, designed for easy adoption, scale, and productivity.

Contact us for pricing and a demo: **www.keelvar.com**