

# How Shorr Packaging Has Helped a Major e-Tailer Drive Growth

**CASE STUDY**



Over the past decade, a top 20 e-tailer specializing in apparel, electronics, toys, home furnishings, and beauty has been focused on growing its ecommerce business while improving its operational efficiency. The company has partnered with Shorr based on Shorr's customer focus and problem-solving approach.

Working together, Shorr has helped this e-tailer achieve significant ecommerce growth by using automation, which allowed the company to ramp up volume without adding labor, leading to decreased costs per order.

This story is indicative of Shorr's consultative approach of working with each customer to understand their specific challenges, then developing customized solutions that best meet the customer's needs.

## From Leading Retailer to Leading e-Tailer

More than a decade ago, a major brick-and-mortar retailer recognized that ecommerce was the growth platform of the future. While ecommerce was still in its infancy, the company began learning its way into the business, initially fulfilling all orders from one midwestern distribution center.

To deal with its rapidly growing ecommerce volume, the company was focused on how to allocate and deploy its resources—especially its workforce—in the most efficient and effective way. The company realized that as its ecommerce volume continued to grow, just adding more people was not a viable, scalable solution.

Based on one manager's previous relationship with Shorr Packaging, and based on knowledge of Shorr's reputation as a solution-oriented organization, this e-tailer invited Shorr in to help address a specific, pressing problem.

## Getting Started: Filling a Void

At the time, this company was having issues with "void fill," which is filling the voids in packages to prevent product damage. The company was using paper for void fill, which was resulting in problems.

Shorr took the time to ask questions, understand the issues, consider various alternatives, and ultimately recommend an ambient air solution. This solution was tested in trials and worked well. It was then implemented and continues to be in use today, years later.

Not only had Shorr impressed the e-tailer with its solution, but the company liked Shorr's thorough problem-solving approach.

## Helping This Customer Take the Next Step

While working on the void fill problem and the ambient air solution, Shorr personnel were regularly in the ecommerce company's midwestern distribution center. In observing the company's growth, its existing operations, and its challenges, Shorr had ideas for ways to help this company improve and take the next step in its ecommerce evolution.

### Step 1: STAMP™ Analysis

Shorr proposed a STAMP analysis, which stands for Shorr's Total Approach to Managed Packaging. A STAMP analysis is a thorough evaluation and assessment of an organization's operations, processes, packaging materials, and labor—looking for all issues and opportunities for improvement.

**“Our intent is to understand what the challenge is and then go find the right solution.”**

Joe Searcy, VP, Business Development,  
Shorr Packaging



## Step 2: Training

One finding from the STAMP™ analysis was that some employees, especially temps, were not using the packaging equipment and materials correctly. The solution was a training program, including a video and training reinforcement placards, on how to pack out shipments correctly. This program resulted in quickly decreasing the e-tailer's 15% damage rate to about 3%. Over time, it has decreased to less than 1%.

## Step 3: Automation

Another finding from the analysis was the high number of human touches for each order. The number of touches was hurting productivity, adding expense, and making it difficult to continue to grow rapidly. Shorr convinced the company that just adding more bodies was not a scalable solution; a more effective solution involved process improvement and automation.

- **Process improvement:** Shorr's STAMP™ analysis found that about 70% of orders—typically those for apparel—involved filling soft bags, while the other 30% went in boxes. Previously, orders were filled as they came in—one might go in a bag, the next one in a box, and so on. Shorr recommended separating these orders and developing focused processes just for filling bagged orders and just for filling boxed orders. By focusing and improving processes, and by having employees who were trained and focused on specific operations, the distribution center became far more efficient.
- **Automation:** For the bagged orders, Shorr recommended that the company shift from its manual approach to an automated approach using a customized version of a bagging system from Sharp Packaging Systems by Pregis.



This bagging system, configured by Shorr to meet the e-tailer's specific needs, allowed for a 4X efficiency gain per packaging associate, producing a dramatic decrease in cost per unit while opening up capacity for continued growth. This enabled the company to increase its number of orders from the same DC without adding people.

After an initial prototype was developed and successfully tested, within about nine months the company had 25 of these bagging systems in operation.



## Growth and Continual Improvement

Implementing the initial set of bagging systems was just the beginning. Over several years the following has occurred:

- **More facilities.** As ecommerce has boomed and as e-tailers have wanted to be even closer to their customers, this company has expanded from one DC filling ecommerce orders to six DCs. At each of these DCs, the automated bagging solution developed by Shorr has become the standard practice. The result is 400 bagging systems across these six DCs and far fewer employees at the newer, more modern DCs doing far greater volume.
- **Increased efficiency.** Shorr has worked with this ecommerce giant to constantly improve the processes and the speed of the automation equipment. While initial implementations may have been viewed as “simple automation,” over time the focus has been on “faster automation.” This has been a collaborative process of continuous refinement and improvement. Results have included constant increases in the number of orders filled per minute, from 4-6 orders per minute in the early days to more than 12 packs per minute now.
- **From bagging to boxes.** With automation working effectively on the 70% of orders that ship in bags, Shorr worked with this e-tailer to also apply automation to the 30% of orders that ship in boxes. This was more complex, as there are different sizes and shapes of boxes. But Shorr continued to have its engineers and vendor partners work on solutions until it found an efficient, cost-effective solution.
- **Ship-from-Store (SFS).** As the e-tailer continued to evolve, it realized a solution was necessary to ship to customers not only from its warehouses but also from its stores. Shorr worked with the company on an SFS solution for its more than 1,000 stores. This involved creating solutions for filling orders and shipping 4 types of flat mailers, 6 different boxes, and 1 bubble mailer. It also involved developing processes for emergency orders and orders “pushed” to a store by the corporate headquarters. The SFS program is working well, delivering extremely high volume.

## Results

During the past decade, while Shorr worked closely with this e-tailer, the company’s ecommerce business has grown exponentially, helping the company become a top 20 ecommerce firm. The company’s distribution centers across the country, and its stores, now fill millions of orders per day, achieving this growth by relying on automation. As volume and revenues have increased, due to automation and continual process and technological improvement, the cost per order has decreased.

Also, the company achieved this growth without having to add to its number of engineers. Instead, the company was able to take advantage of Shorr’s engineering, expertise, and knowledge of vendors and technologies. This helped the company grow without adding headcount.

**“We customize everything because no two customers have exactly the same problems.”**

David Bowen, Senior Account Executive, Shorr Packaging

## Lessons Learned

Through its experience working with Shorr over multiple projects over many years, this major ecommerce company learned the following lessons:

- **Build long-term collaborative partnerships.** The relationship with Shorr isn't transactional. Shorr has been a partner that is constantly looking to improve the company's operations and processes. Shorr comes to the table with ideas and opportunities and is focused on constant improvement. The relationship has been mutually beneficial.
- **Find a partner that provides customized solutions.** Shorr doesn't provide standard, off-the-shelf solutions. Shorr realizes that every customer and every situation is different. This mindset leads Shorr to take a consultative approach, explore each customer's challenges, and devise solutions that meet each customer's needs. This has meant having different solutions at each of the ecommerce company's distribution centers, if necessary.
- **Look at the total cost of ownership (TCO).** Shorr doesn't just look at saving two cents on a bag; it looks holistically at total costs, which can involve damages, hiring and training workers, and more. This TCO approach helps lower overall costs.
- **Be tapped into vendor innovations.** The equipment manufacturer ecosystem is constantly developing new technologies and solutions. Shorr helps customers stay up to date by regularly speaking and meeting with vendors. (For every one meeting with a customer, Shorr meets with approximately 15 vendors.)
- **Identify and address barriers.** Initially the IT function at this ecommerce company was overwhelmed and looked at projects at DCs as a low priority; lack of IT support was a barrier that could delay implementation. Shorr understood this barrier and worked to address it, earning the trust of the IT function.

## Conclusion

By taking a consultative approach, Shorr was able to understand this growing company's business, operational, and fulfillment challenges. Shorr didn't provide a turnkey off-the-shelf solution; it recommended a customized, configured, automation solution to meet this customer's specific needs. This solution—which has become standard practice at the company's DCs and which has been continually improved—has enabled the company to rapidly grow without adding labor or costs.

This customer example is representative of how Shorr works: taking a consultative approach, focusing on the customer's specific needs, looking at TCO, and working with a customer over a sustained period to continually improve and refine the solution, constantly bringing new ideas and solutions to the table.



**SHORR PACKAGING** is an industry-leading, award-winning distributor of packaging products, equipment, and services. Shorr represents the best-known packaging product manufacturers and brands in the industry and is one of the largest independent packaging distributors in the nation.

Founded in 1922, Shorr is an established, employee-owned company with a long history and success record, all attributed to one simple principle—listen to the customer.

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