

EUROPEAN FOOD RETAILER ASSUMES STRATEGIC APPROACH TO SUSTAINABLE PACKAGING

Together with Capgemini Invent, the organization began the optimization of its private-label packaging to drive clean growth, satisfy new packaging laws and meet increasing consumer expectations

Empowering consumers to make sustainable choices

Packaging sustainability is no longer a niche concern, but has become a major matter of debate on the global stage and a decisive issue within media, society and legislation. Increased media coverage has heightened consumer sensitivity to sustainability issues, leading to unprecedented scrutiny regarding the impact of the consumer goods industry on the environment. Consumers are also increasingly motivated to be more environmentally conscious and are demonstrating their concerns through shifts in their shopping habits. To address these concerns, as well as answer to stricter legislative requirements, retailers and consumer product manufacturers are taking meaningful action to optimize their product assortment.

In 2018, one of these companies, a leading European food retailer, had already launched several lighthouse initiatives focusing on sustainable packaging for its private label products. Yet without any measurable goals, KPIs, processes or tools in place to coordinate the various projects, it became clear that the organization

Overview

Client: European food retailer

Industry: Retail

Location: Germany

Client Challenge:

A European food retailer required a comprehensive sustainable packaging strategy for its private-label product assortment, as well as the corresponding organizational structures, clear processes and suitable tools in order to systematically improve the environmental friendliness of its private-label packaging

Solution:

Capgemini Invent worked hand in hand with the organization to define its vision and strategic orientation before adapting its operating model and processes to pursue clearly established sustainable packaging targets. In the year following the project start, more than 200 tons in plastic savings per year were realized.

Results:

- Packaging optimization of 25% of private-label articles, equal to 50% of the annual quantity
- Strategic organization and toolkit for the future
- Improved transparency and understanding of packaging KPIs



required a more strategic approach to effectively orchestrate change. Building on a track record of successful projects and a long-standing working relationship, Capgemini Invent was selected as a transformation partner to facilitate the transition period to sustainable packaging.

Alignment of strategy and operations

Capgemini Invent conducted extensive screening and analysis of packaging laws, consumer preferences, industry trends, packaging innovations and international best practices. The resulting insights and know-how enabled the partners to together define a clear strategic orientation and ambition based on concrete, medium-term objectives, which served as guidelines for prioritizing processes and future projects. Careful stakeholder management ensured all integral members of the organization shared the same end vision.

The next step was to operationalize the strategy by aligning ongoing operations to achieve set goals. After a comprehensive analysis of the full private-label assortment with regards to relevant packaging dimensions, such as material composition, components, weight and format, all private-label stock keeping units (SKUs) were clustered according to their potential for various packaging improvements (e.g. plastic reduction, recyclability optimization, etc.). The top 20 suppliers of the products with the highest optimization potential were then chosen to partake in extensive interviews to collaboratively explore packaging optimization levers and support the implementation of pilot projects together with the purchasing departments.

At the same time, Capgemini Invent worked together with the client to develop the necessary structural and procedural prerequisites to permanently anchor new sustainability measures within their organization. This included the development of necessary tools, templates and packaging evaluation guidelines to empower employees to further drive the implementation of projects for more environmentally friendly packaging. As part of this process, Capgemini Invent also supported in the definition of a new KPI logic, set-up of concept monitoring and reporting and IT concept development for better systemic integration.

Initial results pave the way for continuous improvement

Based on the analysis initiated by Capgemini Invent, the food retailer was able to identify and launch more than 100 pilot projects to optimize private label packaging. Within 18 months, the packaging of 25% of private-label articles, equal to around 50% of the annual quantity, could be improved

The definition of a strategic ambition resulted in a clear roadmap with the following targets:

- 100% recyclable plastic private label packaging by the end of 2025
- 20% less plastic in private label packaging by 2025
- 100% certified paper private label packaging by 2020

Having established a solid foundation for the future, the organization will continue to strive towards its targets using the provided tools and IT systems. Calculations based on the new roadmap indicate even further potential savings beyond the approximately 200 tons of plastic saved during the initial stage of the project. A KPI monitoring concept, complete with a central cockpit and standardized data structure, facilitates reporting transparency across the supermarket group.

Following Capgemini Invent's guidance, the food retailer will continue to leverage best-practices, unlocking the potential for even further change. Already, consumers can enjoy a wide range of their favorite products in packaging that does more to protect the environment.

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