

**MPkgS Webinar - Is Knowledge
Power? - Commercial
Excellence in the Packaging
Supply Chain**

Date: 22nd January 2026

Profit, Planet and People Positive:
Making Difficult Decisions Easy With Good Data



What is Commercial Excellence?

For Buyers

- Well managed price with transparency, enabling clear communication & justification within the business when costs fluctuate.
- Ability to track the cost fluctuations of raw materials and other key cost drivers, against industry standards
- Clear methodology for budgeting and forecasting
- Robust strategic relationships allowing for mutually beneficial cost savings and investment for growth.
- Best practice specs and process rolled out within the group

For Convertors

- Good visibility of prices proposed across the group.
- Standardised offer templates and pricing strategy with clear margin expectations within company market segmentation
- Good data analytics for success and failure and general activity
- Trust in the sales team commercially, such that they have the autonomy to manage profitability
- Good customer experience, such that a clear concise approach is delivered aligned with common goals



How is Cost Modelling Used

For Buyers

- A means by which to manage price
- Ability to track the cost fluctuations of raw materials and other key cost drivers
- A useful tool to use during budgeting and forecasting
- A method to assess the competitiveness of a tender submission and alternative specifications to standards
- Should Cost Modelling is the process to using, industry average costs for manufacturing and raw materials and making an assessment as to what a product 'Should-Cost to produce.

For Convertors

- A means by which to submit prices
- Ability to track the cost fluctuations of raw materials and other key cost drivers
- A useful tool to use during budgeting and forecasting
- A centralised method which can be used to manage key account pricing across multi site supplied customers



Let's Look At Some Examples

Not just restricted to Paper v Plastic, but here are a few examples



Key Take Away

Data needs to be.

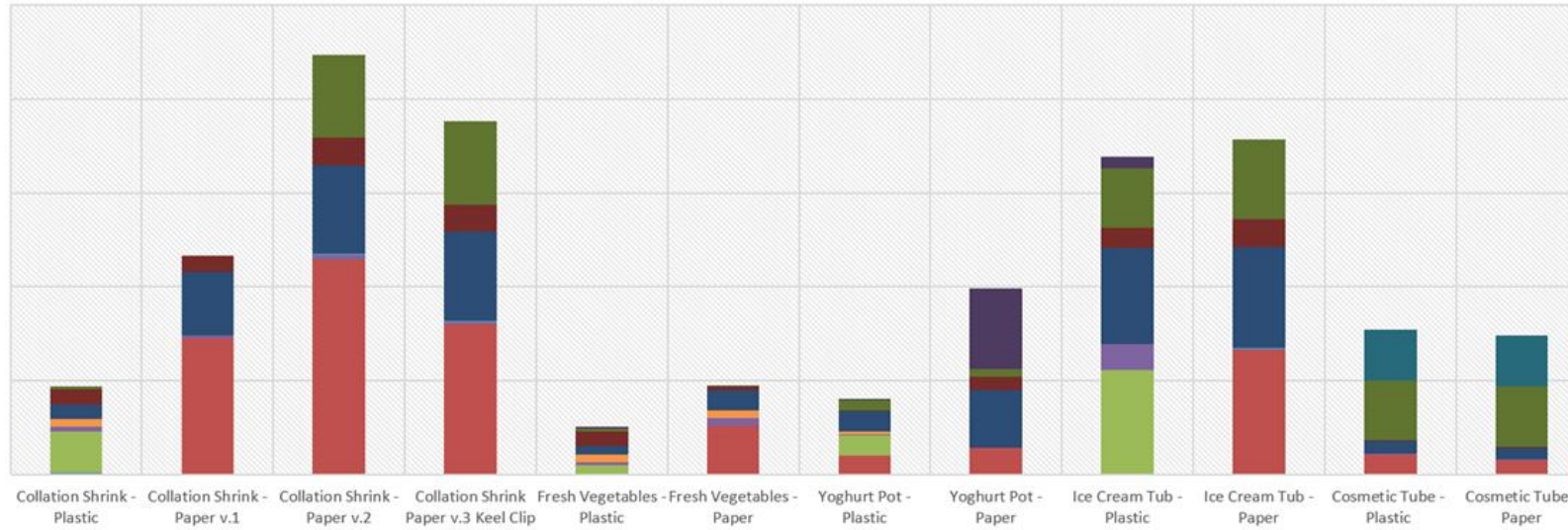
- Granular
 - Accurate
 - Transparent
 - From an authentic source
- To enable an informed decision

Full case study of Wipes packaging is also available to download via our website:
<https://www.benchmark-consulting.co.uk/c02e-case-study-carbon-footprint-modelling/>

BENCHMARK[®]
CARBON TRANSPARENCY & COST ACCURACY

Cost €/1000imps

Cost €/1000imps

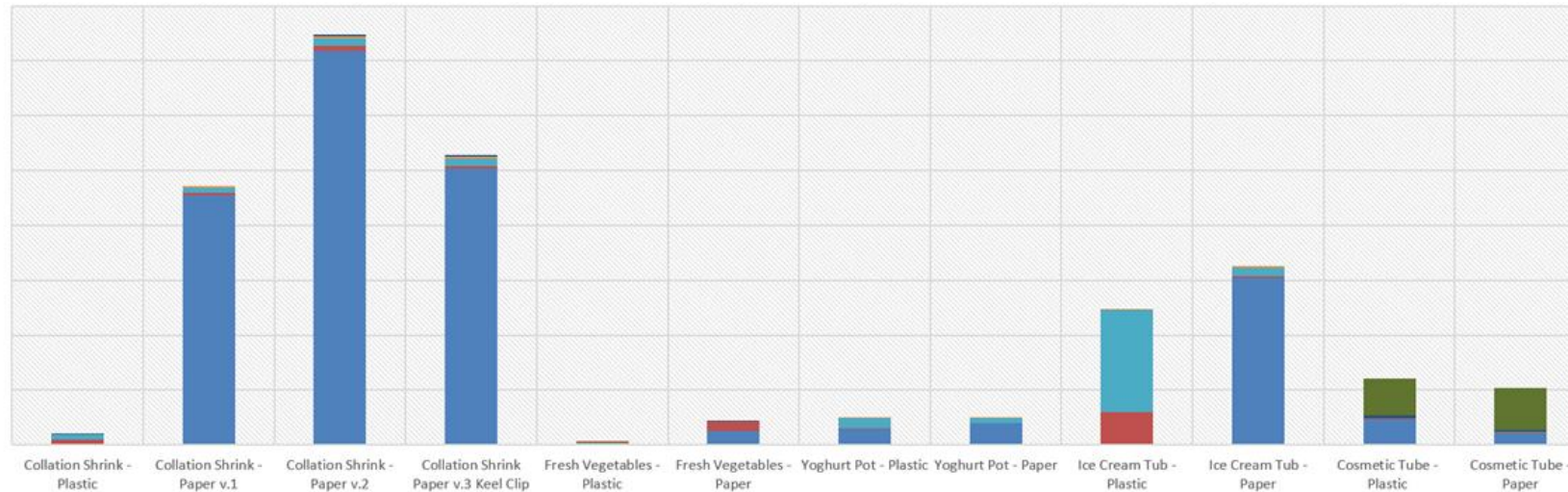


- Packing
- Shoulder & Cap
- Process 4
- Process 3
- Process 2
- Process 1
- Plates
- Glue
- Ink
- Resin
- Raw Mats

Where there is a commercial cost

kgCO2e /1000imps

CO2e kg/1000imps



- Packing
- Shoulder & Cap
- Process 3 Cost
- Process 2 Cost
- Process 1 Cost
- Plates
- Glue
- Ink
- Raw Mats

there is also a cost to the environment (CO2e)

Global Best Practice Market Intel Feeds Benchmark

ecoinvent

PLATTS
McGRAW HILL FINANCIAL

I.C.I.S
Independent Commodity
Intelligence Services

Fastmarkets

Wood
Mackenzie

leda

BENCHMARK[®]
CARBON TRANSPARENCY & COST ACCURACY

Update
Costs

Update
SKU's

(Fully automated
in Phase 2)



Search Benchmark
For Pre-Loaded
Product

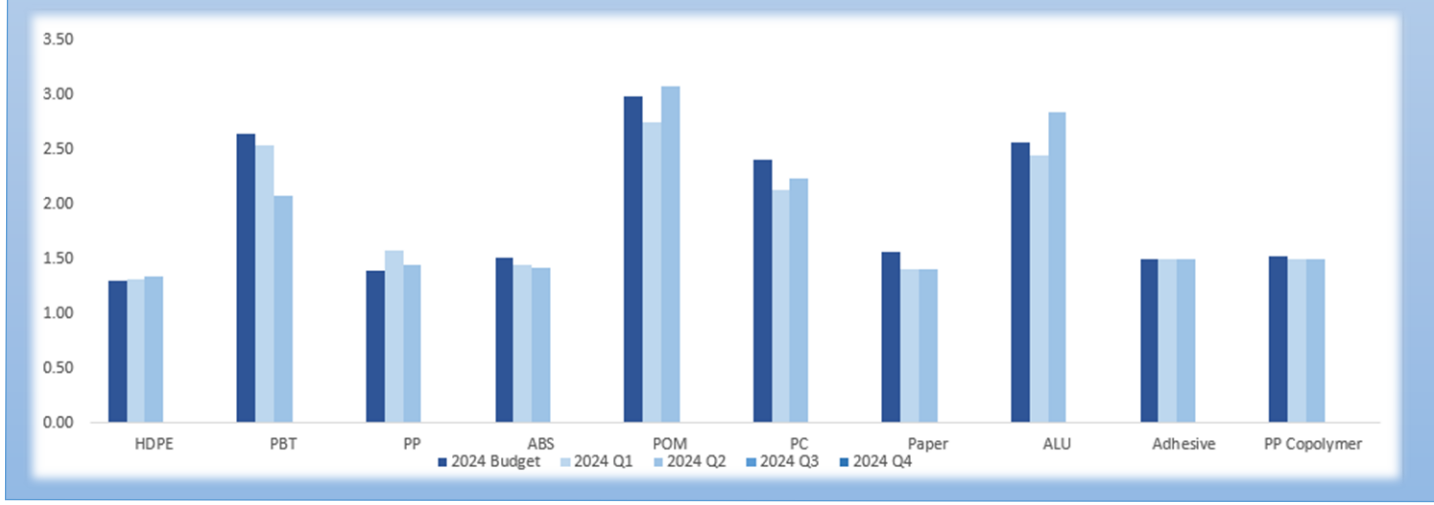


Select Changes For Cost Model

	Inks	Spec	Width (mm)	Length (mm)	NOQ ('000pcs)	AOQ ('000pcs)
Carton	4	GD2 340gsm	160	160	1,000	8,000
Sachet	1	15µALU // 50µPE	220	55	2,000	8,000
Blister Base	0	200PVC	110	55	2,000	8,000
Blister Lid	1	17µALU + HSL	110	55	2,000	8,000
Leaflet	1	140GSM	210	270	500	8,000

	Inks	Spec	Width (mm)	Length (mm)	NOQ ('000pcs)	AOQ ('000pcs)
Carton	4	GD2 300gsm	160	160	2,000	8,000
Sachet	1	15µALU // 50µPE	200	55	2,000	8,000
Blister Base	0	200PVC	110	55	2,000	8,000
Blister Lid	1	17µALU + HSL	110	55	2,000	8,000
Leaflet	1	120GSM	210	270	500	8,000

Run
Model



RM Index Check

Run Model

Budgeting, Forecasting & Negotiation Prep

Spend Analytics

UOM

1000impression

Order/ Annual Qty

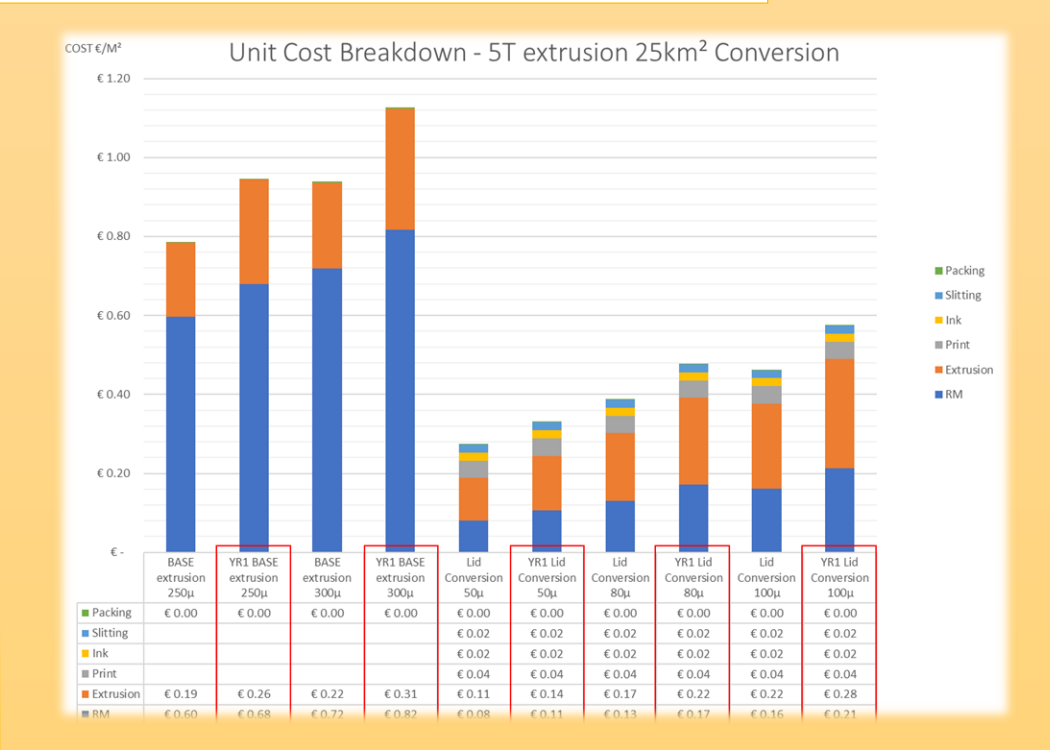
Annual

Currency

EUR

Financial Summary

	2024 Q2			2024 Budget				
Annual QUANTITY	200,000	EUR per 1000impression	% Sales	200,000	EUR per 1000impression	% Sales	Variance	Variance %
Sales Value	40,036,539	200.18	100%	40,627,267	203.14	100%	590,728	1.5%
TOTAL NET SALES	40,036,539	200.18		40,627,267	203.14		590,728	1.5%
Raw Material Total Costs	8,414,683	42.07	21%	8,987,081	44.94	22%	572,398	7%
Inks	133,217	0.67	0%	133,211	0.67	0%	-6	0%
Other Costs	1,360,825	6.80	3%	1,360,825	6.80	3%	0	0%
Packaging	8,619,269	43.10	22%	8,619,227	43.10	22%	-42	0%
TOTAL RAW MATERIAL COST	18,564,929	92.82	46%	19,137,200	95.69	48%	572,271	3.1%
MARGIN ON RAW MATERIALS	21,471,610	107.36	54%	21,490,067	107.45	53%	18,458	0.1%
Maunfacturing Costs								
Energy	6,481,797	32.41	16%	6,482,087	32.41	16%	290	0%
Labour	8,905,589	44.53	22%	8,913,466	44.57	22%	7,878	0%
Overheads	1,839,913	9.20	5%	1,849,892	9.25	5%	9,978	1%
Financing	216,191	1.08	1%	218,895	1.09	1%	2,704	1%
Other	1,195,484	5.98	3%	1,192,430	5.96	3%	-3,054	0%
Production Costs	18,638,974	14.16	46.55%	18,656,770	14.17	46.60%	17,796	0.1%
Freight	0	0.00	0%	0	0.00	0%	0	0%
Total Costs	37,203,904	106.99	92.92%	37,793,970	109.85	93.03%	590,066	1.6%
Margin	2,832,635	14.16	7.08%	2,833,297	14.17	6.97%	662	0.0%



Cost Modelling Pitfalls

Issues Observed with Legacy Cost Models

- Not secure, particularly with Excel based solutions
- Not be updated annually in line with budget process
- Not be updated in line with raw material cost movements
- No longer be supported by the person who designed the solution
- Duplicate copies or different methodologies at multiple sites, leading to potential inconsistencies
- Run and maintained by one individual and not accessible to all commercially responsible colleagues
- No governance or approvals procedure
- May not be able to calculate large scale tenders accurately & efficiently
- May not accurately represent P&L down to EBIT level
- Never been independently audited there have numerous calculation errors
- Lack of trust by sales team, therefore only used as a guide, if at all.



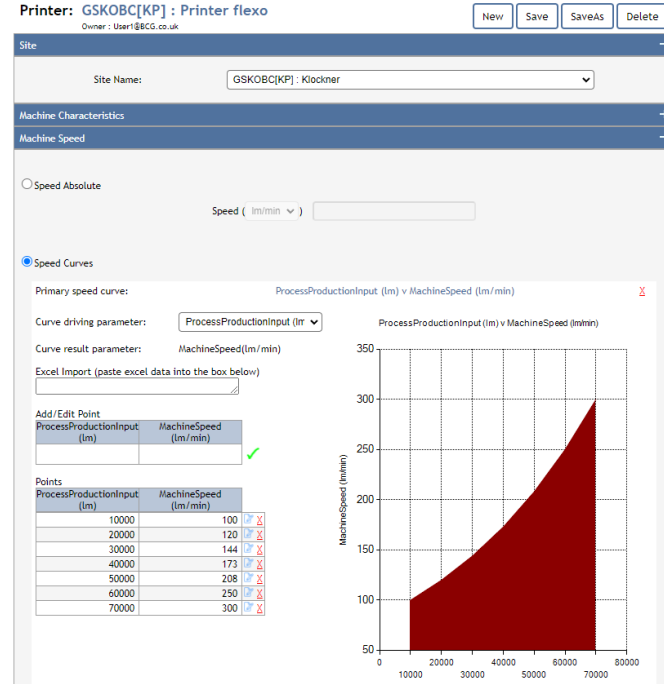
Sophisticated Data Capture

Machine performance data can be a simple average to multiple curves to accurately represent your operation.

Palletisation, Storage and Delivery costs uniquely designed to ensure both flexibility and accuracy.

Ensure data definitions are consistent within the group to ensure price consistency at the customer

Ease of data update and accountability of data maintenance. All data in Benchmark can be updated via Excel or EDI & monitored with activity logs.



Delivery: GSKOBC[KP] : Delivery Cost / Cost per Pallet
Owner: User1@BCG.co.uk

Site Name: GSKOBC[KP] : Klockner

Machine Characteristics

Maximum pallets per load: 26

Maximum weight per load(kg): 25000

Currency for costs: GBP - Pound Sterling

Minimum Charge (Cost): 0

Cost per km

Delivery cost driver: pallet

Delivery matrix value type: Cost/Unit

Destination	1	2	3	4	5	6	7	8	9	10	11	12	13
Barnard Castle	0.5	0.6	0.72	0.864	1.0368	1.24416	1.492992	1.7915904	2.14990848	2.579890176	3.079890176	3.579890176	4.079890176
Dunganvan	0.5	0.6	0.72	0.864	1.0368	1.24416	1.492992	1.7915904	2.14990848	2.579890176	3.079890176	3.579890176	4.079890176
Lincoln	0.5	0.6	0.72	0.864	1.0368	1.24416	1.492992	1.7915904	2.14990848	2.579890176	3.079890176	3.579890176	4.079890176
Memphis	0.5	0.6	0.72	0.864	1.0368	1.24416	1.492992	1.7915904	2.14990848	2.579890176	3.079890176	3.579890176	4.079890176
Ware	0.5	0.6	0.72	0.864	1.0368	1.24416	1.492992	1.7915904	2.14990848	2.579890176	3.079890176	3.579890176	4.079890176



0000003v001, Glaxo Smith Kline
User:BBCG.co.uk

Create Estimate Create Version Create Object Update Object Spreadsheet PDF Composite Clear

Quantity: kg 1000 2000 5000 10000

Specification

Admin Site: GSKOBC[KP] : Klockner

Model Output: Cost X

Production Sites: GSKOBC[KP] : Klockner X

Business Category: New

Customer: GSKOBC[KP] : Glaxo Smith Kline

Spec and Product Codes: Demonstration

Spec for PDF:

References:

Construction Type: Not Used

Production Process 1: Print

Production Process 2: TwoPlyLaminate

Production Process 3: Slit

Production Process 4: Not Used

Add Process

Machines: GSKOBC[KP] : Laminator SL X GSKOBC[KP] : Printer flexo X
GSKOBC[KP] : Slitter X

Annual Quantity:

Output UOM: kg

Output Currency: GBP - Pound Sterling

Dimensions

Width (mm): 250

Cut-off (mm): 100 PDF Cut-off (mm):

Impressions Across: Auto

Production Route Options

	1000kg	2000kg	5000kg	10000kg
Printer flexo, Laminator SL, Slitter, Palletisation, Storage, Delivery	4,045.54	7,347.59	17,257.87	33,880.96

Commercials

	1000kg	2000kg	5000kg	10000kg
Cost (GBP/kg):	4.05	3.67	3.45	3.39
Margin/Markup(%):	0	0	0	0
Upcharge(%):	0			
Price (GBP/kg):	4.05	3.67	3.45	3.39
Price (GBP/1000kg):	4,045.54	3,673.80	3,451.57	3,388.10

Cost Breakdown (GBP)

	Per kg	Per Order
Material Costs:	2,388.03	4,594.76
Ink Costs:	599.61	1,139.73
Adhesive Costs:	288.73	560.11
Palletisation Costs:	23.86	43.66
Delivery Costs:	1.00	1.50
Outsourcing Costs:	0.00	0.00
Machine Costs:	192.19	266.84
Labour Costs:	69.15	99.81
Factory Overheads:	341.43	477.65
Storage Costs:	32.00	54.00
SGA Costs:	0.00	0.00
Origination Costs:	109.54	109.54
Other Costs:	0.00	0.00
Total Cost:	4,045.54	7,347.59
Margin Cost:	0.00	0.00
Upcharge Cost:	0.00	0.00
Total Price:	4,045.54	7,347.59

Estimating and Large Quotations

Ensure ease of use for estimating such that new colleagues can adapt quickly and the risk of errors are reduced.

Ensure customised templates remove repetitive work filling out customer pricing templates.

Ensure enquiries process is linked to estimating in order to track progress, team performance and reduce duplicate entry.

Ensure accurate campaign run benefits are represented within the cost model. This can be the difference between success and failure in large tender events.



User Access level 3 – Full Access

Home Administration UOM Converter Quotations Machines Materials Consumables Financial Other Data

- ▶  GSKOBC[BCG] : Benchmark
- ▶  GSKOBC[GSKOBC] : GlaxoSmithKline
- ▶  GSKOBC[KP] : Klockner

User Access level 2 – Remove Machines & Other

Home Administration UOM Converter Quotations Materials Consumables Financial

- ▶  GSKOBC[BCG] : Benchmark
- ▶  GSKOBC[GSKOBC] : GlaxoSmithKline
- ▶  GSKOBC[KP] : Klockner

User Access level 1 – Only Quotations

Home Administration UOM Converter Quotations

- ▶  GSKOBC[BCG] : Benchmark
- ▶  GSKOBC[GSKOBC] : GlaxoSmithKline
- ▶  GSKOBC[KP] : Klockner

Server Host
UKFAST
Part of ANG

Penetration Tested



User Access and Security



Limit the visibility of confidential company data.



Ensure duplication of data is minimised within the process.



Escalation and approval process, coupled with target margin setting, ensure target margins are achieved for every estimate.



Ensure the cost model is protected by advanced SSL certificates and web application firewalls, in line with corporate security policy.



Commercial Excellence

What might commercial and CO2e excellence look like?



- A full enquiry facility on every SKU
- As it calculates the price it also calculates the CO2e
- A multi level safe and secure system
- Supported professionally
- Low cost subscription model means kept up to date with regulations
- Maintenance of data is easy
- Access levels to manage workflows
- Accurately represent every SKU at the EBIT level
- Able to calculate 1,000's SKU's in a minutes
- Transparent reporting back into spreadsheets
- Linking sales, estimating, finance & operations
- Automated Indexation
- Pre and post calculation checks via analytics package
- Escalation and approval process
- Target margin setting by product group or specification
- A multi level safe and secure system
- Market intel data gather when estimates are lost
- Track success and failure of estimates and other KPI's instantaneously

Questions?