



SUCCESS STORIES

INDUSTRY CASE STUDY

Private Label Contract Manufacturer of Medical, Personal Care and Household Products

CLIENT PROFILE:

A leading North American contract manufacturer of private label products. They develop and manufacture over-the-counter medication, prescription pharmaceuticals, personal care, beverage and household products.

CHALLENGE:

The private label contract manufacturer secured a new customer, under the condition that they could deliver a specific new product order in ten days time.

Their sales department made a promise to a potential customer that they would meet this delivery time period. With their current folding carton vendor, they were not confident that they would be able to keep their promise.

In order to secure a significant new business opportunity, they needed to find a reliable folding carton vendor. If they did not, they would lose the new business and it would negatively impact their bottom line profitability.

MOD-PAC enables Private Label Contract Manufacturer to secure new business, providing guaranteed on time delivery.

With a recent gain in market share, a contract manufacturer needed large volumes of folding cartons in a short period of time. In order to secure a new customer, the manufacturer's sales department promised them that they could deliver within ten days time. However, their current folding carton vendor could not meet the tight deadline.

The private label manufacturer partnered with MOD-PAC Corporation, a custom folding carton supplier. By taking advantage of MOD-PAC's quick order turnaround, they were able to deliver to the new customer by the agreed upon time.

This enabled them to secure new business, increase market share and ultimately improve bottom line profitability.



In addition to meeting the one time order, MOD-PAC became the contract manufacturer's supplier of choice as they were able to help the manufacturer streamline their supply chain. Previously, the private label contract manufacturer used a consignment program, where their vendor kept a four to five month inventory. Their previous vendor was unreliable and had long lead times. This program created obsolescence and negatively impacted bottom line profitability.

MOD-PAC assured the contract manufacturer that they only needed one month's worth of inventory. MOD-PAC proceeded to reduce their inventory from 90 days to 45 days and then eliminated their need for folding cartons in their warehouse altogether. Instead of producing four to five months of inventory requirements in one order, they now break them into smaller, more frequent orders.

Customer Benefits:

- Gained new business and increased market share
- Utilized warehouse space for other business purposes
- Reduced obsolescence
- Significantly decreased lead times; to as little as 48 hours
- Eliminated inventory, positively impacting bottom line profitability