

CASE STUDY: A quest for cookie packaging that won't crumble profits



A major U.S. cookie company required specific packaging and regularly had to buy more than they needed from their supplier. They turned to a U.S. supplier to help reduce inventory and improve both cash flow and profits.

Who doesn't love cookies? From childhood, most of us are wired to enjoy some version of this tasty treat. The passion for sweet, small and flattish, baked-crisp delights has never been stronger, measured by the ¹current estimate of \$28 billion in

cookie sales worldwide – a figure that is projected to grow by more than 4% over the next five years.

However much we love our cookies, we prefer them whole. A damaged cookie is just sad.

A certain manufacturer – a western U.S.-based, national cookie baker and supplier to numerous super markets of seasonal specialties – depends on solid, competitively priced packaging to get their cookies to market in good shape and at a reasonable profit.

And do they deliver! Their premium sugar cookies and sugar animal cookies have made them one of the country's leading cookie concerns.

The Business Packaging Problem

But they had a problem: their overseas packaging manufacturer required them to purchase multiple large containers of their specially-sized, six-compartment packaging. Because of the seasonal nature of their business, that meant **a lot of cash was tied up in inventory that wasn't needed for weeks, or even months.**

“Though demand for our cookies is always strong, it can vary quite a lot,



¹ Ref: <https://www.mordorintelligence.com/industry-reports/cookies-market>

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and too often we found ourselves purchasing far more than we needed, creating both storage and cash flow issues,” said the company owner. “We had to find a better overall solution.”

How Nuconic Responded to the Problem

Nuconic’s Director of Operations and Engineering, Francisco Diaz, further elaborated: “The main priorities for this cookie baker were to keep the same design, to manufacture in more reasonable quantities, and to shorten the time between order and delivery of packaging,”

With decades of experience in product and tool design and engineering, and regularly working with customers to develop customized solutions to suit specific packaging needs, Francisco continued, “We were able to replicate their original design, and our new thermoforming and extrusion equipment really made the rest work smoothly. We made prototypes that worked towards finding a solution to fit two different size cookies—which solved their initial problem.”

The ability to even out both inventory and cash flow, plus the advantage of a shorter time-frame for ordering product, has the baking company’s Purchasing Manager smiling: “You know that old saying, ‘That’s how the

cookie crumbles?’” said the manager. “Well, Nuconic’s packaging does a good job of making sure our cookies don’t crumble – and because we don’t have to buy more inventory than we need, and we get it when we need it, neither do our profits.”

“We’ve built our company to serve customers with a wide range of issues, including this one,” said Alan Franz, President and CEO of Nuconic Packaging (nuconicpackaging.com). Nuconic is a premier supplier of rigid 100% recyclable PET plastic packaging to food processors in North America – including fresh produce, snack foods, confectionery and baked goods.

Franz added, “We helped our customer respond to opportunistic situations; one time, we offered a new 6-cell container design (six-Compartment Tray with label) for holiday cookies - shallower (by ½”) that would hold less product. We down-sized the volume for them while helping them maintain the profit margin--originally stacking 4 cookies high, now the container stacks 2 -3 cookies high.

In Year One of doing business with Nuconic, the baking company received:

- Product that was able to be shipped with 2 days’ notice instead of 6 weeks’ notice.

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- **The ability to order smaller quantities.**
- To make up for short-comings that might occur such as when they did not purchase the correct amount, **Nuconic would produce on demand (off-peak times).**
- The ability to even-out inventory.

How Nuconic Collaborated to Create a Winning Solution

The company has confidence in their new supplier. After all, Nuconic operates a first-class production facility that has consistently received an “A” rating from its BRC food safety audits.

Nuconic’s deep knowledge and understanding of the physical properties of 100% recyclable PET

plastic, the functionality of automated packing lines and equipment, transportation and storage requirements and costs are factored into Nuconic design and production recommendations. Even the most fragile cookies can arrive at the market in one piece. Today, Nuconic produces 1 million tubs per year for this seasonal cookie line.

Placing reorders for four holiday seasons in a row, the buying team communicates, “Nuconic, you’re the best. Hands down, you’ve got some of the best people to work with, always accommodating, responding promptly and precisely. So simple to work with. You make sure deadlines are made. You prioritize production for us. You really work with us.”

