



Smurfit-Stone cuts costs and pollution, too

By [Christopher Boyce](#)

ST. LOUIS POST-DISPATCH

08/03/2007

As popular as it is for corporations to be eco-friendly, it's rarely cheap. Some companies have been willing to dump millions of dollars into planting trees to help neutralize their own carbon dioxide emissions.

But in a twist, one local company found a way to help the environment while searching for a way to save money.

Packaging manufacturer Smurfit-Stone Container Corp. simultaneously is shrinking costs and its carbon footprint — or the level of carbon dioxide it puts into the air.

The packaging manufacturer, which has dual headquarters in Creve Coeur and Chicago, will save about \$8 million in shipping costs this year over last year, and about \$34 million in 2009 over 2006, by using software to cut the number of trucks used in shipping.

The effort began in August 2005, when the company, with \$7.1 billion in annual sales, was looking to cut \$500 million in expenses by 2009.

Through a series of brainstorming meetings, company officials realized that software Smurfit-Stone had been using for years was not being fully utilized.

The software, called CAPE Pack, or computer-assisted packaging evaluation, was being used for its primary purpose — designing its fold-flat boxes. But the program also was built with a component that scripts the best way to stack and ship the boxes to customers based on the box size and the space in a semi-trailer.

Think of it as advanced Tetris for fold-flat, corrugated boxes.

Even though the company owned a license to use all aspects of the software, the box-stacking portion went unused until Smurfit-Stone started searching for savings.

The company has been slowly rolling out its plan, called Load Max, to facilities as employees are trained how to use it. To lead the program, Smurfit-Stone hired Charlie Black as its director of transportation and distribution in the container division. Black has 17 years of experience in transportation and distribution with Union Pacific Railroad, Chevron Phillips Chemical Co. and most recently Georgia-Pacific Corp.

The calculations performed by CAPE Pack couldn't be done by hand, Black said.

"We have thousands of products, so using a general rule of thumb got you close, but if you look at individual products, you get more exact," Black said.

The result is more boxes are packed into the same space, and 18,100 fewer trucks were on the road in the first five months of 2007 over the same period last year. Smurfit-Stone said that adds up to 909,000 fewer miles driven, 151,015 fewer gallons of diesel fuel and a reduction of 3.4 million pounds of carbon dioxide.

"We knew there was this financial impact," Black said. "For us, in terms of the environmental impact, we're certain we'll be able to conserve, and we're happy there is this environmental impact."

The shipping initiative has the potential to have an impact on the entire container industry, or so hopes Kim Karl, customer service manager for Cape Systems Group Inc., the New Jersey-based maker of the CAPE Pack software.

"A good number of corrugated box companies in North America are already using our software, but not for this," Karl said. She added that the company probably will encourage its other customers to buy expanded licences to unlock the full capability of the software.

Also because of the Load Max initiative, Smurfit-Stone no longer ships with trucks that are less than full. Instead, the company now opts to pack orders from multiple companies into a single truck.

Black said the company is learning to lean on logistics by combining orders of varying sizes and shipping them to customers that are close to one another.

For more information on CAPE PACK software, please contact:

CAPE Systems
1-800-229-3434
sales@capesystems.com
www.capesystems.com