



Introducing

THE CHIEF PACKAGING OFFICER

Why Global Organizations Must
Elevate Packaging to a Leadership
Role to Compete in the 21st Century



Packaging for global brands, private label retail and regulated industries offers big opportunity and substantial risk for value creation. Innovation, scalability and process are three keys to success. Now, more than ever before, the need to rethink the packaging function as a senior, strategic corporate role. This white paper presents the case for the Chief Packaging Officer.

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INTRODUCING THE CHIEF PACKAGING OFFICER

Today, senior business leaders increasingly recognize packaging's impact on innovation and growth in global markets amidst growing competitive and regulatory demands.

Innovations in the field of packaging have made possible contemporary marketing and distribution, and laid the groundwork for many of the modern conveniences nearly everyone takes for granted today. Savvy managers understand that packaging cannot be simply viewed as a necessary evil, needed to make product accessible to consumers. Packaging touches almost every function within today's global organizations. It is often the first thing that consumers or end users notice about a product, and it offers abundant opportunities to the intelligent marketer.

While packaging offers great rewards, such as top line revenue and ROI impact from shorter time to market, packaging failures can be costly in both dollars and brand reputation... not to mention the cost of delays and the risk of losing shelf space at retail locations. In an era of increasing federal regulatory action, errors and recalls also carry steep costs. In fact, research has shown that a company's stock price declines as much as 22 percent within two weeks of a recall announcement. While recalls are most often associated by the public with product failure, errors in packaging can be just as devastating to a company's reputation as faulty safety features in construction of a product. Packaging has a sustainability mandate, too.

Packaging's impact on revenue, profit and thus stock price is greater than many companies know or care to admit. It is a management decision to invest resources in creating a sustainable, world-class packaging organization dedicated to innovation and execution. Striking a balance between quality process on one hand and innovation on the other is the key to success and requires leadership. In many organizations, current marketing processes are fragmented with many different people sharing accountability for the entire packaging sub-process. Instead, a more efficient and effective paradigm would make one senior manager, with the necessary skill, leadership ability and knowledge of the company's long-range strategy and branding intentions, responsible for packaging.

The Chief Packaging Officer is a role for the 21st century, envisioned as a senior brand marketer who would report to the CEO or CMO. He or she would be responsible for realizing the brand and revenue potential at every physical touch point of the packaging process. And even if "Chief Packaging Officer" is not yet a job title, it is certainly a heroic concept or ideal to achieve.

Kodak has a rich history of helping packaging heroes achieve their goals through innovation and realization. The company understands how packaging innovation and success extend from execution on the brand side to prepress production and printing—and ultimately to the consumer. More importantly there is great respect for all the dedicated people working



at customer and partner companies, who Kodak sees as “Packaging Heroes.” They get the job done regardless, and they are truly inspiring. Kodak sees firsthand how important the contributions of these individuals are and knows how much more they might offer if their functions were led by a Chief Packaging Officer.

IS THERE REALLY A NEED FOR A CHIEF PACKAGING OFFICER?

A centralized leadership position with a direct line to the senior management team, would elevate packaging to a strategic level and offer tangible benefits to brands. The changing nature of consumer behavior, the need for innovation and new sources of revenue, fragmentation of distribution channels, and safety and regulatory challenges provide a solid rationale for the emergence of the Chief Packaging Officer.

With each new packaging innovation, “Packaging Heroes” become increasingly important to the overall success of brands with consumers. The traditional view that product packaging is an area in which to simply cut costs is outdated. Rather, there is increasing recognition of packaging’s top-line influence; after all, consumers see packaging all around them. Some companies are beginning to view the function more strategically to meet global growth and innovation goals.

The Chief Packaging Officer’s impact spans from consumer products and private label retail to pharmaceuticals and medical devices. The industry landscape is global, increasing the complexity and scale involved with bringing products and associated packaging advancements to market.

In such a dynamic world filled with competitors vying for the very same customers treading water doesn’t cut it. Consistently innovative, error-free packaging separates the best of breed from the rest, packaging a powerful resource for those who excel.

World-class packaging execution requires input from many parts of the organization and thus needs strong leadership. Marketing, product development, branding, nutrition, sustainability, manufacturing, finance, legal and compliance are all factors to ensure quality. Vendors and partners are also part of the mix. Poor systems pose bottlenecks as packaging goes through all the necessary iterations on the way to market. Thus, the Chief Packaging Officer acts as a partner to retain the close bond that currently exists between marketing and packaging, while realigning the functions of the packaging process that operate far from marketing – legal and compliance, for example. Who better to get control of the resources and capitalize on the opportunity than the Chief Packaging Officer?

Just How Strategic Is Packaging?

Does the packaging world need a Chief Packaging Officer? Because today's packaging is more strategic than ever before, the more relevant questions might be: What opportunities are missed? And how much more value can be created if the role of packaging is elevated?

- Well-designed, innovative packaging can increase sales of existing products and create entirely new revenue streams.
- The packaging is integral to the product. (What differentiates one olive oil from another?)
- The visual and tactile representation of the brand is a principal function of packaging.
- Packaging creates an experience for the consumer that carries the brand to the point of purchase.
- The technology of a package is a critical factor in determining shelf life and susceptibility to breakage.
- Distribution fragmentation means that package customization is needed to get a uniquely specified product on retail shelves.
- Recalls are costly, hurt brand integrity and tarnish corporate reputation.
- Product mislabeling can create significant liability.
- Packaging techniques can minimize counterfeit products.
- Reduction in redirecting products to unauthorized markets.
- Regulatory compliance is a substantial part of the packaging process.
- Packaging contributes to sustainability and environmental initiatives.
- Legal review of packaging is a key component of risk management in getting products to market.

PACKAGING INNOVATION & AUTOMATION INCREASE NEED FOR CHIEF PACKAGING OFFICER

The packaging industry has come a long way since the introduction of folding cartons in the 1800s. New materials and technologies have pushed packaging advancements to the front lines in the war for consumer attention. Chief among these are innovations that address growing environmental concerns, from new materials that use less and protect more to recycled and environmentally friendly packaging, like bioresins and post-consumer recycled material.

Specialized printing technologies can help to further differentiate brands on a crowded shelf with QR codes that provide special content. Other new technologies like TFT, 3D and hologram, allow for more attention-grabbing packaging as brands fight for shelf space. "Smart packaging" innovations like RFID can aid companies with inventory and quality control.

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Today's industry leaders have to automate to innovate, but all of this change and technology adds to complexity that can stifle innovation. However, roadblocks can be overcome by investing in automation of front-end processes and streamlining downstream activities in the packaging supply chain. For example, industry leaders are beginning to abandon the spreadsheet as the primary means of managing the packaging process. Packaging-specific digital asset management and workflow technologies support innovation and cost reduction while reducing errors and overhead. The workflow extends out to production and printing suppliers to increase efficiency and accuracy of labeling, tying diverse elements of packaging together into a more seamless process.

Automation of manual packaging production processes cuts across the organization for more seamless management. But implementing technology requires buy-in across business functions and strong executive leadership. Individuals with such wide purview and authority within their organizations often do not exist in the current packaging infrastructure.

Centralizing digital assets and workflow in databases will only add value if the effort increases brands control and enables oversight of all the input and approvals across a distributed packaging network, thus increasing accuracy, collapsing timeframes and efficiently utilizing organizational resources. The need for a Chief Packaging Officer's role to be carved out and implemented by management is becoming increasingly clear.

WHO IS THE CHIEF PACKAGING OFFICER?

The Chief Packaging Officer role requires a leader. Without strong leadership, backed by a knowledgeable creative team, companies cannot expect to have a coherent, disciplined, yet innovative system for creating packaging that will enhance their brands, minimize errors and maximize profitability.

The Chief Packaging Officer will think strategically on behalf of the organization, exploring opportunities for cost cutting, risk management and innovation to increase sales. Executive focus, therefore, must be on decision-making based on data to establish control over the company's entire packaging ecosystem. Automation and streamlined communication across the entire packaging process are essential.

The Chief Packaging Officer will also serve to enforce core brand values, align the various stakeholders in the packaging development process and create targeted solutions to increase sales, lower costs and create value. He or she must be familiar with the latest packaging innovations and understand the cost/benefit of approaching retailers with added packaging requirements. The Chief Packaging Officer will also understand that the federal and global regulatory landscape extends into many areas, some of which have little to do with what is conventionally considered "the packaging process."

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Given the cumulative impact of all areas of the packaging process, the contributions of all packaging heroes can be greatly amplified if their functions are viewed as a strategic discipline and led by the Chief Packaging Officer.

Historical Precedent

Managing packaging as a strategic discipline can provide a competitive advantage for organizations—just as a similar approach to information technology has become essential over the last 20 years. Although IBM did not coin the term “Chief Information Officer,” for decades the company demonstrated to the world the necessity of this role as a strategic corporate function.

Initially, with the title of Director of Data Processing, the role developed in concert with the ascent of the computer industry, starting in the 1950s. Computing grew in importance as mainframe-based systems expanded from accounting into engineering, manufacturing and marketing.

The breakthrough came in the mid-1980s with the emergence of personal computing. CEOs began to include the newly elevated Chief Technology Officer (CTO) into executive discussions. In the 1990s, Chief Information Officers (CIOs) emerged as strategic leaders by guiding their organizations to incorporate the Internet into game-changing business models. Today, technology pervades every aspect of business data sowing the seeds of competitive advantage. The CIO who can meld business strategy with flexible technology platforms and the information necessary to execute the plan is more critical to the CEO than ever before.

And when it comes to technology and communication, consider the recent emergence of the Chief Digital Officer (CDO) role. A few years ago it did not exist. But with sea changes in the way that stakeholders interact with companies—proactively and online—certain forward thinkers in marketing and technology began putting forth the idea that the times require a new strategic role to manage all things digital that interface with an organization’s publics.

Their drive has paid off. In 2014, a number of Chief Digital Officer Summits were held around the globe to bring together the rapidly emerging new CDOs as a professional group. Organizations as varied as Harvard University, the State of New York and BBC Worldwide have restructured their org charts to define and add Chief Digital Officers to their management teams.

It is interesting to note that creation of this new role hasn’t interfered with existing leadership roles. CMOs and CIOs are still critical, active participants in the success of their companies. Likewise, with the emergence of a Chief Packaging Officer role would not cause disruption of the status quo – except in a positive way that makes processes more efficient and productive.

CONCLUSION

In today's globally competitive market context, allowing the critical packaging function to fall to disparate areas of the organization risks costly failures and ignores incredible potential. Thus, the need for a centralized packaging function with a voice at the boardroom table.

The central role of the Chief Packaging Officer, regardless of how it is executed, offers brands a way to streamline communication and exert control over the downstream packaging supply chain. Driving innovation across the entire ecosystem requires both technical knowledge and good, functional management. Enhancing the level of coordination to get everybody working together requires leadership. The Chief Packaging Officer must master timelines and build rapid consensus.

The role of the Chief Packaging Officer is unique, strategic, multidisciplinary—and makes good business sense. The ultimate goal is to balance innovation with well-executed packaging ideas to offer brands expanded top-line revenue opportunities, cost containment and risk mitigation for the benefit of customers and shareholders.

PACKAGING IS A DYNAMIC FIELD, MORE INNOVATIVE AND STRATEGIC THAN EVER BEFORE.

That's why we've created Chief Packaging Officer just for you and launched it with nearly 200 pieces of content. Our aim is to keep today's packaging heroes on top of the latest industry trends, while providing the tools and thought leadership to inspire the packaging heroes of tomorrow. Here's how you can be one of them:

- Download resources like our Technology Readiness Checklist
- Attend webinars that help you stay on the leading edge
- Stay up on the latest industry news and trends
- Gain insight and thought leadership from the blog
- Plan for industry events
- Contribute to the conversation with your ideas

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