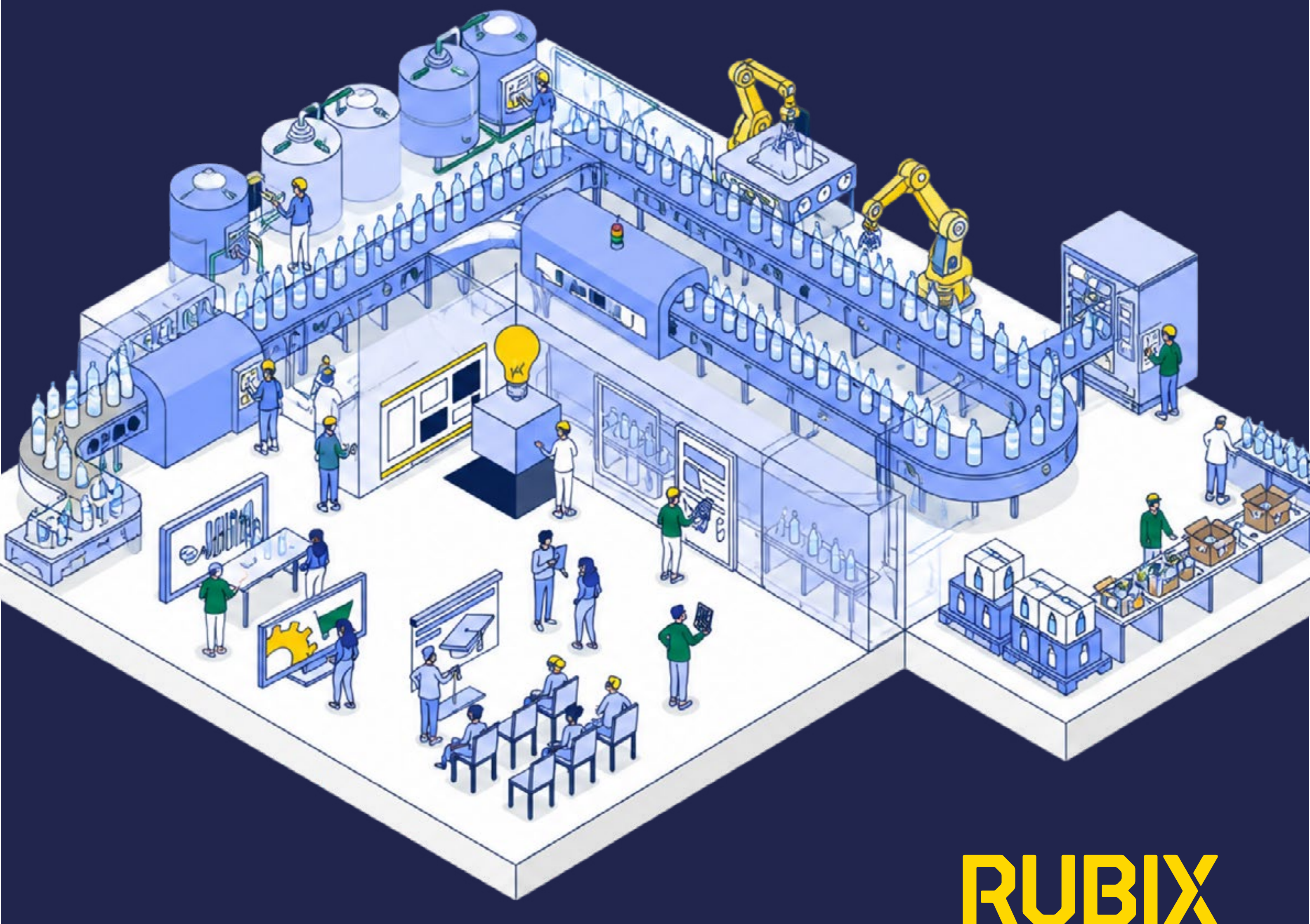
Packaging under pressure:

5 challenges for manufacturers



RUBIX

The case for supplier rationalisation in European packaging manufacturing

PROBLEMS IN PACKAGING

The challenges keep appearing for packaging. Rising costs, disrupted supply chains and faltering consumer demand have all intensified.

Regulation and sustainability requirements, like the Packaging and Packaging Waste Regulation (PPWR), are adding complexity and cost. Sustainability and reporting demands from customers are equally hard to manage.

Energy prices in Europe are more than double what they are in the US and China, and key input prices have risen sharply this year.

Ongoing volatility has driven significant merger and acquisition (M&A) activity and market consolidation. Acquisitions come with their own headaches, as companies often struggle to harmonise operations and coordinate and control MRO spending across multiple sites. The problems continue to stack up with no obvious end in sight.

A complex cocktail of challenges

Individually, any one of these areas presents a difficult problem to solve. Together, they present an unmanageable set of challenges all landing at the same time.

In today's volatile world, the current maintenance, repair and overhaul (MRO) models most companies use are no longer fit for purpose.

To survive and thrive, companies must change their response. This paper outlines the five key challenges that packaging companies must win in today's market to stay ahead, and why a consolidated MRO partner relationship is now the only viable way forward.

Five key challenges

Pinpointing the problems facing packaging today illuminates the best way to solve them. One clear theme is emerging. As challenges become more complex and interconnected, working with a single MRO partner that can see the bigger picture, simplify operations and offer a single, connected solution across every site is increasingly important. It is that multi-site complexity that tops our list of the battlegrounds facing packagers today.

Challenge 1:
Multi-site visibility

The conundrum of consolidation

The packaging sector has seen significant M&A activity in recent years. Yet consolidation has not been followed by operational harmonisation. Dealing with multiple sites, each with different approaches to MRO, facing different regulations, languages and cultures, can stand in the way of achieving operational harmony.

While areas like CAPEX are relatively easy to centralise, MRO is often left to individual sites and their incumbent local suppliers.

Local headaches

Giving sites control over MRO and purchasing allows them to meet needs as they arise. Local teams often resist central oversight, aiming to protect the parts they rely on and the local suppliers they've always worked with. It makes sense at a local level, but it comes with significant costs. Duplicate stock, uncontrolled purchasing and unnecessarily high stock holdings are all commonplace.

Purchasing and storing duplicate bearings, seals, drives, pneumatics, tools, PPE and consumables ties up working capital. Ordering many small, low-value MRO items places an administrative burden on teams and costs money in logistics. Inefficiencies start to mount.

When sites run their own MRO systems, accounting, stock visibility and cost control are also difficult.

Regional managers struggle to gain item-level data across their sites, often only seeing supplier-level data.

It also means that businesses are failing to take advantage of economies of scale, leveraging fewer high-value relationships to drive costs down. This misses one of the key benefits of consolidation.

Simplify to succeed

Any MRO solution must therefore address both the group's need for better visibility and the local engineer's need for confidence.

Partnering with the right supplier – one with the infrastructure to span different territories – can unlock a unified purchasing approach and improve visibility, while ensuring local teams get the parts they need.

A European food-packaging manufacturer operating 50 facilities recently achieved 20% SKU-level savings after supplier consolidation and Invend™ deployment.

Vendor Managed Inventories (VMI), consignment stock and Invend™ can all help to reduce working capital while protecting product availability and fill rate.

A partner operating at pan-European scale can give group procurement the visibility and standardisation it needs, while keeping support close to the shop floor so sites still get the parts they rely on.

CASE STUDY

PAPER MONEY

Poor stock visibility and controls can cost big. Here's how we helped a French paper and board manufacturer rationalise its MRO and make significant savings.

THE PROBLEM

Carrying an MRO stock value of €3.3 million, this paper and board manufacturer was significantly over-weighted and poorly organised. Their stores lacked structure. The min/max levels on key stock items were unreviewed, leading to both overholding and unavailability of important parts. And the business had no clear visibility of which stock items were genuinely necessary.

THE RUBIX SOLUTION

Rubix conducted a full stock audit, identifying 65% of duplications rationalised the inventory. We determined the optimal min/max stock levels, resulting in 15% fewer orders and reducing supplier numbers by 20%. A dedicated stores manager was placed on-site via the Rubix Insite service, leading to a full reorganisation, rationalisation and ongoing management of stock.

CUTTING THROUGH COSTS

Starting from a €3.3M MRO stock base, the programme delivered €500,000 savings over three years.

Store operations were fully restructured, transforming a reactive, over-stocked function into a lean-managed asset that gets the parts needed when they're needed without waste or duplication of effort.

This French paper and board manufacturer was wasting cash on just a single site. Think about how much could be saved by coordinating MRO across multi-site businesses with a similar approach.

Challenge 2: Regulation

Counting the cost of red tape

Changes to European and national regulations are frequent and add cost. Each change can mean retooling production lines, reorganising operations, sourcing new equipment and supplies or meeting more onerous customer demands and reporting requirements.

Repackaging recyclability

Most recently, the European Union introduced new "PPWR" legislation in February 2025. It becomes fully applicable in August 2026. By 2030, companies must eliminate any packaging sold in the EU that doesn't meet stringent recyclability requirements. This is not just a compliance box to tick. It is a condition of selling that all packaging companies need to address today.

PPWR impacts some businesses more than others. Flexible laminates, food-contact rigid plastics and PFAS-treated paper are the packaging products most exposed. Materials with more mature recycling systems, like aluminium, glass, steel and corrugated formats, are less impacted. But all businesses face new data, labelling and Extended Producer Responsibility (EPR) requirements, which push up costs for everyone.

Further layers of complexity are added by national regimes like the UK's EPR requirements and Germany's LUCID/VerpackG legislation. Eco-modulation systems in France and the Benelux reward companies for using sustainable, recyclable, and reusable materials while penalising those who use hard-to-recycle or environmentally disruptive components.

❯ Unified MRO

Complying with the reams of regulation across multiple sites and different jurisdictions is complex and costly - and the rules are constantly shifting. These pressures hit multiple functions simultaneously: engineers retooling lines, procurement sourcing compliant materials and managing data, and plant management absorbing throughput risk during compliance trials.

Partnering with a single, pan-European supplier that understands your needs and can keep you compliant while delivering pan-European consistency and minimising costs is what's required to meet today's stringent regulations. Local distributors servicing one plant in one market simply can't deliver this. Rubix can.

Rubix has the technical breadth across a range of product and service categories to ensure you remain compliant. We can provide visibility and standardisation across sites to reduce costs. As regulations change, we can make sure every site remains compliant and ahead of the curve, while minimising disruption to your ongoing operations.

Challenge 3:
Sustainability audits

Cleaning up our reporting

If the demands coming from regulators weren't enough, customers bring requirements of their own. As brand owners seek to boost the sustainable performance of their products and meet their own ESG and Corporate Sustainability Reporting Directive (CSRD) reporting duties, they are piling pressure onto their packaging suppliers.

Packaging is a focus for brands seeking to improve sustainability, particularly in sectors like FMCG, food and beverage, pharmaceuticals, and retail's Scope 3 footprints. Brands often use sustainability claims to help market products and drive sales. Packagers must move with the times.

A 2025 report by management consultants at McKinsey identified six barriers to wider adoption of sustainable packaging:

1. **Affordability:** sustainable packaging often costs more than existing choices.
2. **Performance:** from preventing spoilage to offering quality cues or creative options, sustainable options sometimes come with sacrifices.
3. **Unclear definitions:** understanding what truly constitutes "sustainable" packaging creates confusion in sourcing.
4. **Evolving regulation:** long-term planning is difficult with rapidly changing regulations
5. **Unreliable supply:** limited or unreliable supplies of sustainable materials create barriers
6. **Incomplete knowledge:** an understanding of what sustainable options are available is often patchy

Packaging companies must work more closely with brands to explore possibilities, keep ahead of shifting regulations and find innovative ways to solve creative and commercial challenges sustainably.

Demanding data

The McKinsey report also highlighted that broad sustainability claims are no longer enough for brands. Customers want data-backed answers at pack or even SKU level. New CSRD reporting requirements now mean packaging manufacturers face contractual demands for data from their customers.

Packaging companies must rapidly improve visibility and data across their operations. While most packaging plants can demonstrate what they've done to improve, they can't easily produce the auditable evidence chain that brand owners now demand.

A measurable difference

Rubix helps close that gap, converting operational improvements into documented sustainability outcomes. From our dedicated sustainability manager service to energy audits, air-leak surveys, repair programmes, condition monitoring or attaining EcoVadis and Sustainable Manufacturing Mark recognition, we have a broad suite of services to help.

Working across different sites, we develop the reliable, comparable, cross-company data that your customers demand, while improving visibility, sustainability and efficiency across your business, helping to cut costs in the process.

CASE STUDY

SMALL PARTS. BIG PROBLEM.

When a French packaging production line went down over the weekend, our 24/7 emergency service helped get production up and running again within hours.

THE PROBLEM

Small parts can cause big problems for manufacturers, and often at the least convenient time. So, when
two thrust bearings and one bush bearing failed on a French packaging production line on a Saturday afternoon, it brought operations grinding to a halt. Parts were needed urgently, but with standard supply routes unavailable over the weekend, the business was at risk of suffering prolonged downtime and significant costs.

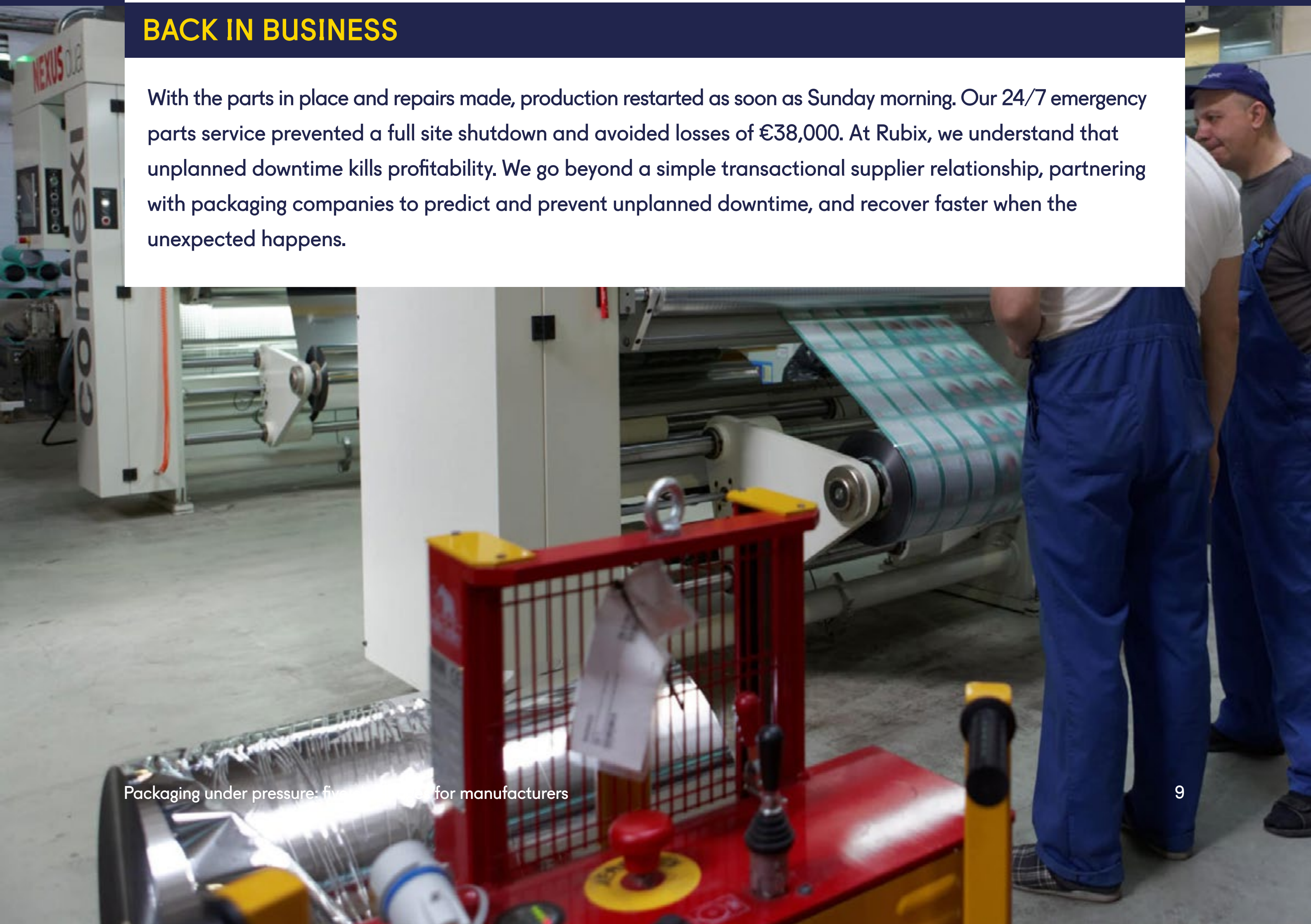
THE RUBIX SOLUTION

When it comes to downtime, time is of the essence. Our 24/7 delivery service exists to get spare parts where they're needed when no other suppliers can. We activated our 24/7 emergency service, dispatching two emergency courier deliveries on Saturday afternoon to get the parts to our customer's site before the end of the day.

€38,000 losses avoided
and lines restarted on Sunday morning

BACK IN BUSINESS

With the parts in place and repairs made, production restarted as soon as Sunday morning. Our 24/7 emergency parts service prevented a full site shutdown and avoided losses of €38,000. At Rubix, we understand that unplanned downtime kills profitability. We go beyond a simple transactional supplier relationship, partnering with packaging companies to predict and prevent unplanned downtime, and recover faster when the unexpected happens.



Challenge 4:
Uptime and downtime risk

No space for waste

Packaging plants are most profitable when their production runs are long, fast and stable. Downtime is expensive. If a single machine goes down, it can impact an entire production line. A stopped corrugator starves downstream converting processes. A malfunctioning BOPP (Biaxially Oriented Polypropylene) line wastes web, resin and energy. When a metal can line goes down, a packager loses large volumes of saleable products by the minute. Companies must respond quickly to minimise downtime, or better yet, avoid it entirely.

> "A die-cutter stops for all sorts of reasons - the board, a jam, a component letting go. But the mechanical failures are the ones you can see coming, weeks out, in the vibration data. The question is whether anyone's watching the parts that fail predictably and still get run to failure."

Wolfgang Rupp-Goldgruber
(European Key Account New Business Director, Rubix)

Marginal gains

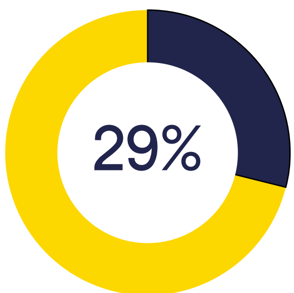
As costs climb and margins are squeezed, the price of downtime increases. The efficiency gap between where most plants are and where they could be presents an opportunity to protect profitability.

It's not simply a case of having same-day parts availability. Ready access to spares matters only if you have engineers on site who know how your assets work and can fix them quickly. The best companies predict problems and schedule repairs before downtime occurs. Rubix helps you develop a proactive approach to maintenance.

Uptime is king

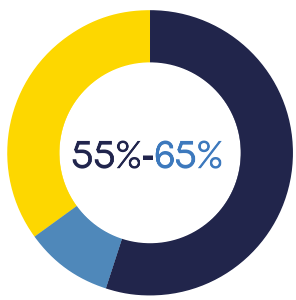
From vibration analysis and thermographic audits to air leak detection and lubricant testing, our condition monitoring services put precision tools to work on your production lines. Providing new levels of data, insight and visibility, we create a predictive approach to your maintenance needs, minimising unplanned downtime, improving efficiency and cutting costs.

Rubix Insite puts one of our branches on your shop floor, providing immediate supply of essential spare parts and uninterrupted access to our technical expertise. Our 24/7 emergency logistics service supplies urgent parts whenever you need them. And our vendor-managed inventories, consignment stock and industrial vending solutions help cut complexity and release cash flow, while ensuring you can access the supplies you need to keep production lines running with maximum efficiency.



Mechanical failures account for nearly a third of all downtime events.

The median changeover for restoring production in the event of downtime (Guidewheel)



Average packaging-line overall equipment effectiveness (OEE), against a world-class benchmark of 85% (OxMaint)

CASE STUDY

A PRESSING CHALLENGE

When a Hungarian packaging line was leaking costs, our compressed air survey identified the source of the problem and made swift repairs to improve efficiency and help our client start saving.

THE PROBLEM

Although it is invisible, compressed air leakage is one of the main causes of production line energy inefficiencies for packaging companies. It had been identified as a source of significant energy waste and cost at a Hungarian packaging facility. Understanding the exact scope and location of leaks requires specialist equipment and systematic monitoring before any repairs can be made.

THE RUBIX SOLUTION

Rubix conducted a full ultrasonic leak detection inspection on-site. Our technical report identified leakage points which were marked and quickly repaired to restore efficiency to the line and start saving energy costs.

€51,352

Total energy efficiency savings

CLEAR SAVINGS

Total energy efficiency saving of €51,352 was documented and signed off by both the technical and commercial customer representatives at the customer's facility. It's not only improving the customer's bottom line but providing clearer visibility and measurable benefits across the business.

Challenge 5:
Energy and feedstock volatility

Pressure rising

The final challenge the packaging sector faces is perhaps the most pressing: rising energy and feedstock prices. Persistent inflation has put pressure on costs, eroding already tight margins.

European packaging companies face some of the highest electricity prices in the world. At €0.199/kWh in 2024, it was more than double that of the US (€0.075/kWh) and China (€0.082/kWh). Disruption to global energy supplies pushes prices higher.

Key raw material prices, like resins, are also rising. HDPE rose +12%, and LDPE +16% in Q1 2026. Europe's share of global plastics production has fallen from 22% in 2006 to 12% in 2024. The continent is now a net importer (Plastics Europe).

Glass, metal, paper and board all face their own challenges as supply lines are disrupted. What's common across all forms of packaging, is that energy intensity is high and margins are paper thin.

With EBITDA typically ranging from single to low double digits, every inefficiency or price increase immediately hits the bottom line. These cost pressures are not just temporary spikes. They are a structural cost disadvantage that will last for the long term. Waiting it out is not an option. Packaging companies must become much leaner, more efficient businesses to shoulder high costs and compete in the face of volatile prices.

Finding new efficiency

Rubix finds savings all over the shop floor. Our compressed-air leak surveys, for example, find 45 leaks per site on average, representing €50,000 in wasted energy and 130 tonnes of CO_2e per site annually (Rubix ESG Report 2023). At one packaging customer, our interventions delivered €79,000 and 98 tonnes of CO_2 in savings over twelve months.

From motor and drive upgrades to pneumatics, hydraulics and condition monitoring and repair-and-remanufacture services, we delve into the performance of your production lines to identify the best ways to find savings.

We go beyond simple supply and servicing, embedding ourselves deep in your business to find practical levers to drive efficiency. We deliver real and measurable savings that not only benefit your bottom line but also improve visibility and sustainability reporting across your company.

Five pressures, one common thread

Across the five challenges we have identified, the same underlying reality keeps appearing. Regulatory, customer and sustainability ambitions all eventually land on real equipment, run by real people, supplied by real parts. The strategic pressures at the boardroom and group level become engineering, procurement and maintenance challenges at the plant level. Rising costs driven by external forces are asking teams on the shop floor to achieve more with less.

The thread connecting all five areas is growing complexity. And this complexity means that the model most manufacturers are using to manage their operations is no longer fit for purpose.

The fragmented network of local, transactional suppliers was adequate when each plant operated independently, and the pressures were manageable in isolation. That world no longer exists.

A new way of working

A local distributor servicing one plant in one country can fill an order. But it can't deliver pan-European and cross-site MRO visibility. It can't conduct energy audits that produce measurable, documented sustainability data. And it can't guarantee same-day emergency parts availability from over 2.7 million SKUs, embed engineers on-site to understand asset needs, or provide the item-level spend data that group procurement needs.

What's needed isn't more suppliers, it's fewer. Deeper relationships with partners who are embedded in your operations, rather than servicing it from a distance, can unlock new ways to meet today's challenges, improve efficiency and keep machines running.

It's about having the ability to act when it matters: on a Saturday afternoon when a production line stops, on the day of a brand-owner sustainability audit, or when a new regulation requires a line modification across eight facilities simultaneously.

The case for consolidation

Consolidation creates a competitive advantage

Manufacturers making this shift are finding that it doesn't just reduce cost; it changes what's possible. When MRO is managed as a strategic category rather than a collection of site-level purchasing decisions, both procurement and maintenance teams can see tangeable benefits.

When energy interventions are documented as part of an ongoing programme rather than one-off projects, sustainability teams gain evidence they can use with brand owners. With effective condition monitoring and spares available before they're needed, rather than being rushed in after failure, maintenance teams gain the margin for planned intervention.

Compliance burden, when managed through the right partnership, becomes a demonstration of operational maturity. The companies turning PPWR, brand-owner audits and energy volatility into advantages aren't doing it with better internal processes alone. They have a partner embedded in the operation with the technical breadth, pan-European footprint and data infrastructure to make it happen.

Rubix: the complete package

At Rubix, we partner with you to meet the realities of a changing world. We go beyond a transactional relationship, embedding our teams and services within your business to help you adapt, drive efficiency and work with agility to maintain uptime and grow your margins.

With a truly pan-European footprint, we understand the different markets you operate in and can help you join the dots to help harmonise your business, simplify operations and cut costs.

We have a pan-European footprint, offering more than 2.7 million SKUs, with stock availability exceeding 95%. In total, we hold over €500 million of inventory across 22 distribution centres, as well as our extensive network of branches and technical centres.

The vast majority of this stock is available for next-day delivery, and all teams across Rubix can access inventory held anywhere within the Group through our dedicated internal order management system

From putting Rubix Insite branches on your shop floor, to condition monitoring, automation, we have the tools, products and services to maximise machine uptime, improve sustainability, to meet your reporting requirements and help you compete and thrive in an increasingly challenging world.

Isn't it time you consolidated your suppliers and partnered with us?

Ready to fix the gaps in your MRO strategy?

Talk to Wolfgang Rupp-Goldgruber, European Key Account New Business Director, about how consolidation could help your business. wolfgang.rupp@rubix.com