

ECRA SRP Financial and Sustainability Business Case Tool Instructions

About the Tool

The tool is a Microsoft Excel based modelling tool developed by industry participants under the stewardship of ECRA to assist users in capturing and calculating the financial and environmental impacts of different SRP choices they may make.

It is intended that the tool can be used internally or in collaboration with trading partners to provide an end-to-end value chain view of the impacts. It is also intended to provide users support to be able to establish the requisite information so that they will be better able to work from fact bases in discussion with trading partners and deliver best practical mutual outcomes as a result.

Financial Business Case

The tool is structured to allow a build of each different cost driver (which could be positive or negative in impact) across suppliers and retailers for costs inside and outside of Cost of Goods Sold (COGS), and then for this to be considered alongside profit impacts (positive or negative) from sales growth/decline attributable to the SRP.

Advice is provided to users in regards definitions, considerations and measurement methodology for each cost driver, without being overly prescriptive as ECRA recognise different businesses will have different approaches and capabilities in regard to data management.

The tool provided summed net results at various degrees of granularity through the end-to-end cost considerations against the drivers.

Sustainability Business Case

The tool is structured to consider different sustainability issues from the Australian Packaging Covenant within grouped impact categories. This helps users identify key areas of strength as well as emerging issues in regards to different aspects of SRP solutions under consideration.

Similarly to the financial drivers, advice is provided to users in regards definitions, considerations and measurement methodology for each sustainability impact driver.

The tool outputs provide for both a visual and weighted 'points' based perspective of the overall impact on sustainability of the proposed SRP being evaluated.

How to use the Tool

The tool is simple to use. It contains links to further information as well as 'open' cells (boxes) within which users can enter their information. All other cells are locked to ensure data cannot be lost.

Financial Business Case

In the second column each driver has a hyperlink available. Clicking on the hyperlink will provide access to definitions, considerations and measurement methodology for the cost driver being considered.

ECR Australasia Shelf Ready Packaging Financial and Environmental Business Case Tool		
Click on links in Column C for information on each Impact Item including how to measure, then enter your results in the white boxes in Column D (and E for Environmental Impact Items)		
COST IMPACTS ATTRIBUTABLE TO SRP - Enter cost impacts at SKU or product family level as appropriate		
Manufacturer - Cost Impact of SRP		Enter results in this column
Impacts of SRP on Cost of Goods Sold (COGS)	Drivers of SRP Impact on COGS (Click on each driver for information about the driver and how to measure)	Annual \$ Cost Impact (+/-)
Impacts on Materials Costs	Packaging materials Costs resulting from conversion to SRP	
Impacts on Manufacturing Costs	Line speed/efficiency impacts resulting from conversion to SRP	
	Line speed/efficiency impacts resulting from SKU Proliferation	
	Manufacturing/Co-packing labour impacts resulting from conversion to SRP	
Impact on Distribution Costs	Transport efficiency impacts resulting from Vehicle Fill rates	

Review this information and undertake measurement using internal databases and other information as available and then enter the annual cost impact in the appropriate box in the third column (i.e. the box to the right of the hyperlink). The tool will then calculate the net annual costs automatically in the appropriately noted boxes.

The most accurate results will be achieved where trading partners work together to complete the tool as each party will have more precise data relating to its own business drivers. Where this is not practical efforts should be made to estimate the impacts using the definitions, considerations and measurement methodology for guidance.

Sustainability Business Case

In the second column each driver has a hyperlink available. Clicking on the hyperlink will provide access to definitions, considerations and measurement methodology for the sustainability impact driver being considered.

SUSTAINABILITY IMPACTS ATTRIBUTABLE TO SRP - Colour code SRP impact to environment at SKU or product family level as appropriate		Step 1. Assign SRP Impact to Environment - highlight cell and choose from drop down menu	Step 2. Weighting - Allocate 100 points across all areas based on relative importance
Driver - SRP Impact on Sustainability (Click on each driver for definition about the driver and how to measure)			
Manufacturer - Sustainability Impact of SRP	Minimise materials		
Packaging	Use recycled materials		
	Use renewable or recyclable materials		
	Maximise water and energy efficiency		
Low-impact materials	Minimise use of toxic and hazardous materials		
	Use materials from responsible suppliers		
Vehicle fill	Design for transport		
	Design for accessibility		
Packaging Disposal	Design for reuse		
	Design for recovery/appropriate disposal		
NB - Points allocated by user must total 100.		Allocated	0
User weighted score - when total points allocated has reached 100 score shown will be valid (min = -100 and max = 100):		Score / 100	0
ECRA Default Score using preset weighting rather than user weighting (min = -100 and max = 100):		Score / 100	0

Review this information and undertake measurement using internal and other information as available and then choose from the drop down menu accessed by clicking on the boxes in the third column (under 'step 1') to show whether the SRP has a positive, negative or neutral impact on sustainability for the given driver.

The tool also allows users the opportunity to weight different impact drivers as they see fit by allocating 100 points across the drivers in the fourth column (under 'step 2'). The blue box below this section keeps track of how many points users have allocated so far. When this reached 100 the yellow box below will provide a 'score' ranging from -100 points (where all impacts are negative) to +100 points where all impacts are positive. ECRA has also loaded a generic point-score for reference in the orange box below.