



Case Study - CableWrapper Packaging Solution for Home Depot

Version 3.1

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Solution offering	On demand packaging solution for selling wires & cables
Project name or title	CableWrapper

Customer profile

Customer name	Home Depot
Division	N/A

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Company profile

Home Depot operates as a home improvement retailer in the United States, Canada, and Mexico. The company operates The Home Depot Stores that offer an assortment of merchandise and services, including building materials, lumber and millwork, plumbing, electrical and kitchen, hardware and seasonal, paint, flooring and wall covering products, generators, and furnace and central air systems, as well as provides installation services, such as carpeting, flooring, cabinets, countertops, and water heaters.

Business situation

Home Depot, along with many of its competitors such as Lowes, Ace Hardware and Orchard Supplies, sell cables and wires for construction and home improvement. They either sell cables wires in pre packaged spools in a variety of lengths or through the cable dispenser racks which allow consumers to purchase cables and wires in custom lengths (see picture 1.1).

The process of selling cables and wires through dispenser racks is currently very inconvenient for customers, inefficient and outdated.

The process:

- 1) Customer specifies the length of the cable and wire that he/she wants to purchase.
- 2) A Home Depot employee feeds the cable / wire through a meter onto a spool designed by Olympic Instruments* and locks in place and reels the cable/wire
- 3) When the coiling is done, the spooler collapses inside and releases the looped cable/wire
- 4) Employee secures the looped product with a piece of electrical tape, records the specific length and price on a separate piece of paper and hands the paper and the product to the consumers

Problem

- 1) Recording the information on a separate piece of paper – risk of losing or misplacing the information
- 2) Securing the looped cable/wire with a piece of electrical tape – time consuming and inefficient
- 3) Tangled up cable/wire – consumer spend valuable time untangling the cable/wire
- 4) Not utilizing the power of branding and advertising after the cable/wire is sold

Solution

The CableWrapper (see picture 1.2) provides a cost effective and on-demand packaging solution of cable/wire sold through cable dispenser racks in hardware stores.

By using our spool adapter designed in conjunction with Olympic Instruments (see picture 1.3), retailers can utilize the CableWrapper to package and sell the cable/wire with an optional packaging solution to consumers.

CableWrapper:

- a) Cost effective and useful product
- b) The product comes with a unique design to lock the cable/wire in place before and after coiling to avoid tangled up wire/cable
- c) Corrugated cardboard can be written on – employee can record the length and price of the cable/wire on the CableWrapper in the specifically designated area instead of using a separate piece of paper
- d) CableWrapper can be imprinted with any advertising message to reinforce branding

Benefits

The CableWrapper is easy to use, cost effective, provides a value added packaging solution, and reinforces branding.

Opportunity for Distributors and Home Depot

Distributors

- Distribute an on-demand packaging solution
- To advertise and to reinforce branding - ideal packaging solution for cable and wire manufactures supplying hardware stores

Home Depot

- Offer value added product for customer convenient and satisfaction
- Efficient and time saving product

Assumptions and facts:

- Assumptions are based on the number of stores and estimated number of customers that purchase custom length cable/wire of off the cable dispenser racks at the following hardware stores – Home Depot, Lowes, Orchard Supplies, and Ace Hardware.
- The cost of the CableWrapper can be justified through value added packaging solution and advertising. Suggested retail price \$0.45
- The cost of the adapter manufactured by the Olympic Instruments is approximately \$50.

	Sugg. Retail Price /unit	Estim. costs per /unit
CableWrapper	\$ 0.45	\$ 0.20

Customers	Qty/day	Qty Ann	Num. of Stores	QTY a Year		Mon. Sales	Ann Sales	Manuf. Costs /year	Profits per/year	Spooler cost
				All Stores						
Home Depot	10	3650	1800	6570000		\$ 246,375	\$ 2,956,500	\$ 1,314,000	\$ 1,642,500	\$ 90,000
Lowes	5	1825	1000	1825000		\$ 68,438	\$ 821,250	\$ 365,000	\$ 456,250	\$ 50,000
Ace	5	1825	1000	1825000		\$ 68,438	\$ 821,250	\$ 365,000	\$ 456,250	\$ 50,000
Orchard	5	1825	800	1460000		\$ 54,750	\$ 657,000	\$ 292,000	\$ 365,000	\$ 40,000
								\$ 2,336,000	\$ 2,920,000	\$ 230,000

Picture 1.1



Picture 1.2



Picture 1.3

