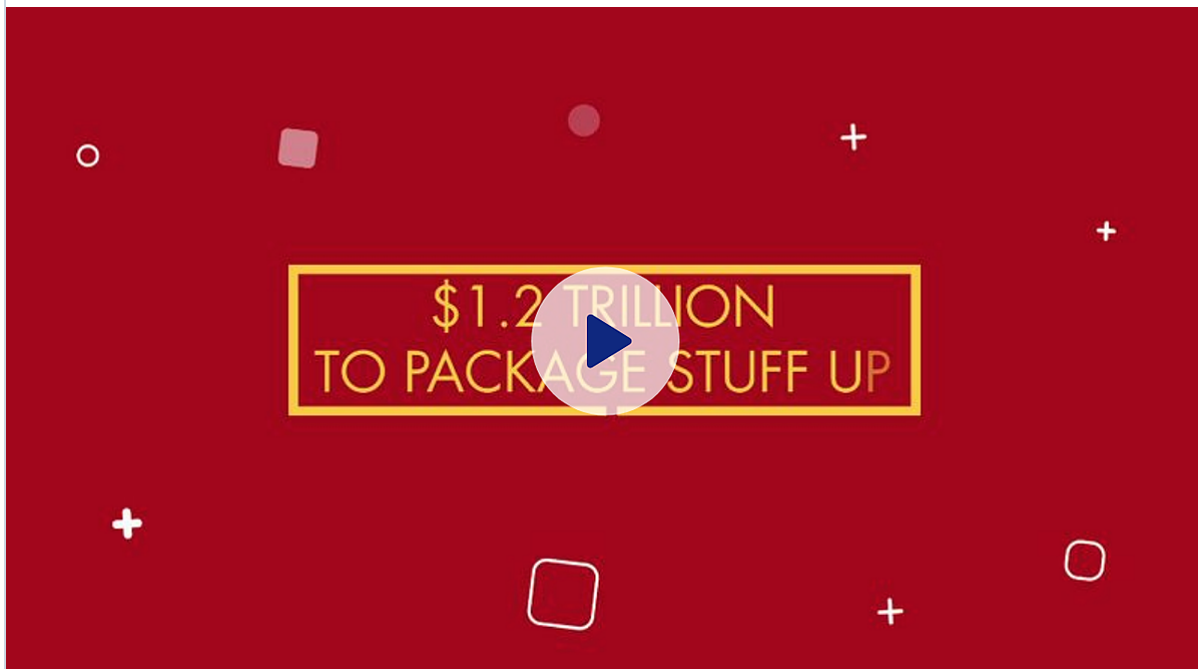


RGM NEWSLETTER

RITA GUNTHER | MCGRATH

Packaging: A \$1.2 Trillion Sector Going Through a Rethink

November 2019



Dear colleagues,

We want it personal, digital, flexible, and eco-friendly, and we're starting to turn away from plastics, but none of this is easy. As e-commerce continues its penetration into every corner of our commercial lives, the packages that land on our doorstep have a lot more work to do than ever. The massive amounts of packaging that have accompanied the digital revolution and a surge in single-use products such as Starbucks coffee cups are starting to draw critics' attention.

Out With Analog, In With Digital, and Not Just for Replacing Printing

Although digital technologies for producing labels and other printed messages on packaging containers have been around for some time, the last few years have seen an inflection point in producers' preferences. Sales of conventional analog "flexo"

printers have been declining, while sales of digital printers are enjoying double-digit growth. As it does in many other industries, digital is enabling entirely new kinds of connections with end users by making small print runs affordable. One outcome is a rise in the amount of personalization that organizations can offer and that consumers increasingly expect.

Shapes Nature Never Designed—Flexible Packaging on the Rise

With advances in materials, it's now become possible to use flexible packages — pouches, wraps, bags, envelopes, and many more form factors — instead of rigid boxes or cans. Flexible packages allow brands to indulge consumers' desires for re-sealable, easy to carry and store, lightweight packaging to complement on-the-go consumption. Manufacturers are figuring out how to use flexible packaging to help with the reduction of food waste, carbon footprint, and shipping damages in a variety of formats that go beyond bottles and cans.

Moving Toward the Circular Economy?

I've written before about Tom Szaky, the former Princeton student who founded Terracycle with the mission of eliminating waste. The company got going by using the university's cafeteria waste to farm worms, then selling the...um...product as fertilizer. "Worm poop" was a memorable way to describe what the company did in its early days. Szaky has recently edited a book that takes the "no waste" manifesto directly to packaging. Called *The Future of Packaging: From Linear to Circular*, he seeks to replace the one-way take-make-waste process of packaging with a circular design, drawing the analogy to skins that protect fruit but which can be easily recycled.

Among the more interesting innovations emerging from the concern over packaging waste is the Loop™ system being piloted by a consortium of brands, inspired by — you guessed it — Tom Szaky, who used the World Economic Forum meetings in Davos to talk leaders of major multinational brands into supporting the idea. Combining a digital platform with a completely different approach to packaging, the system echoes the return of the milkman, as an observer pointed out. The idea is that consumers place orders online for products from trusted brands, which are delivered to them in purposely-designed refillable containers. When the product is used up, the consumer returns it to the Loopstore, which it gets refilled and re-delivered. I have to say, the thought of getting brownie mix and Ranch dressing in re-usable containers has a certain appeal.

[Read more](#)

Seeing Around Corners



I'm incredibly honored that [*Seeing Around Corners: How to Spot Inflection Points in Business Before They Happen*](#) has been named one of the Best Business Books of 2019 by [strategy + business](#). (What a wonderful early holiday present!)

I've also enjoyed spotting *Seeing Around Corners* in bookstores and on bookshelves over the past few months. Thank you to everyone who has shared pictures—like the one above from [@ChrisRangen](#). If you spot my book out in the wild, I'd love for you to share it with me on Twitter or Instagram. Even better: Tag it with [#SeeingAroundCorners](#) and let me know an inflection point you've spotted recently.

Reading List

A curated roundup of interesting articles and videos to get you thinking:

- **The New Barriers to Entry: Why Strategy Assumptions Need to Change in an Era of Ecosystems.** We're witnessing a weakening of many traditional barriers and simultaneously the emergence of very powerful new barriers that institutions are struggling to figure out. ([Drucker Forum](#))

- **The \$900 Billion Reason GE, Ford, and P&G Failed at Digital Transformation.** Two-thirds of businesses recognize they must digitize by 2020 in order to stay competitive—so why are so many transformation efforts failing, even at some of the world's most innovative organizations? ([CNBC](#))
 - **Big Tech Has Moved From Offering Utopia to Selling Dystopia.** Those "scrappy, garage-based innovators" have grown up to become "surveillance capitalists"—and the tide is finally starting to turn. ([Financial Times](#))
 - **The Past, Present, and Future of Innovation.** At the Business of Software Conference, I sat down with Alex Osterwalder for a conversation about how innovation in large organizations is changing. ([YouTube](#))
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Upcoming Events

November 20-22: [Global Peter Drucker Forum](#) (Vienna)

The 11th Drucker Forum will enlighten and equip leaders across economic sectors facing the growing opportunities and challenges of business ecosystems.

December 11: [CB Insights The Collective](#) (New York)

The Collective is the world's largest community of corporate strategy, innovation, M&A, and corporate venture practitioners coming together to learn from each other, academics, authors, and executives about how to drive transformational growth.

Interested in having Rita speak at your organization or event?

[Learn more](#)

In the Press

- How to Survive Waves of Change in a Fast-Paced Industry ([Big Think](#))
- This Volatility Expert Wants to Help You See Around Corners ([Fast Company](#))
- Tech Treadmill Wears Firms Out ([Wall Street Journal](#))

- Examining Facebook and the Case for Privacy ([Big Think](#))
- Best Business Books 2019: Strategy ([Strategy + Business](#))
- What Xerox Could Get Out of a Deal with HP ([Marketplace](#))
- The End of Competitive Advantages ([Business Model Sandbox Podcast](#))

Where there is uncertainty, there is also opportunity.



Here's to your next advantage! - Rita

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