

# Packaging Damage Guidelines for IBM, our Business Partners, and Customers

# Packaging Damage Guidelines for IBM, Our Business Partners, and Customers

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# Packaging Damage Guidelines for IBM, our Business Partners, and Customers

## Foreword:

In the event a customer or end user is concerned about product quality due to damaged packaging, this presentation has been compiled to educate them about the protective nature of packaging. This document also categorizes types of packaging damage that are the result of normal wear as opposed to damaged which may impact product quality or compromise protection afforded during subsequent shipment. While cosmetically damaged packaging may cause some customers concern, it should be noted that IBM products are package tested to vigorous standards, to ensure delivery of a defect free product.

IBM, IBM Business Partners, and Customers should feel free to distribute this document as necessary alleviate customer concerns that a cosmetically damaged package will yield a damaged product. With the goal of a customer understanding that a damaged packaging will very seldom yield a damaged product.

## Product Damage vs. Packaging Only Damage:

There are many reasons why customers become concerned with packaging damage. The primary one is that they are worried that the product has been damaged. Recipients should understand the rigorous unpackaged and packaged verification testing each product completes for qualification to be sold and distributed by IBM. These tests include severe vibration and numerous impacts to all sides, corners, and edges. While an outer carton may look like the product is damaged, the overwhelming majority of products are completely unharmed and remain in factory fresh condition despite the packaging condition.



**Server Product Before Testing**



**Packaging Condition Before Testing**



**Packaging Condition After Drop Testing**  
(10 drops from 76 cm)



**Packaged Product After Drop Testing**  
(Result: Pass. No physical or functional defects)

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**Product Inspection (New vs. Used):** The primary criteria to determine a new system is the tamper evident “padlock” label which is used to seal the product inside of its bag. If the label and bag are still intact (not cut, torn, removed, etc.), the product is still considered new. The IBM logo tape on the outside of the product’s primary box can indicate whether the product is new if it is uncut, however, if it has been cut and resealed, it does not indicate a ‘used’ product and the BP / customer does not have to take ownership. This information is printed on the outside package box of the products affected.

This criterion gives each IBM Business Partner (BP), and customer the flexibility to open a damaged outer carton for an IBM server, and inspect the product for possible damage. If you receive a damaged outer carton, and suspect product damage, you are encouraged to open the outer packaging (keeping the bag and padlock label intact) and inspect the product rather than return it.

If you do receive a product that has been damaged, you can file a Risk of Loss Claim (ROL) and return the product through the normal damage channel for your IBM product.

Physical damage to products manifest themselves through physical damage to the outside “case” or chassis of the product. Bent covers, broken bezels, unseated hot-swap hard drives or blades, as well as other damage can be visually inspected through the sealed bag of the product. If the product does not show physical manifestations of damage, you can rest assured that the product is intact and in fully working order.

**NOTE:** This does not apply to MESs and FRUs, which use the outside tamper seal as the primary form of tamper evidency.



**Internal Padlock Label Sealed**



**Padlock Label Removed**

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## Packaging Only Damage:



There are certain circumstances when damaged packaging warrants a return:

1. The package is damaged to the point where the product cannot be safely shipped to its destination.
2. The packaging is damaged to the point that the customer would refuse the package due to major concerns of product quality.
3. The packaging is damaged to the point where unpacking the product would propose a safety concern (Broken pallets / ramps for Rack products).

In these cases, the product can be returned under the normal packaging damage returns process. Illustrations of types of packaging damage and suggested disposition are listed below (see “Criteria for Determining Unacceptable Packaging Damage”). However, prior to returning systems for damaged packaging, you are encouraged to consider the following:

***Help Reduce Environmental Impact:*** *Rejecting defect free products because of cosmetic packaging damage has a negative environmental impact. Returning these products contributes to more greenhouse gas emissions (through transit and manufacture of new packaging to replace the packaging), additional use of raw materials and natural resources, as well as introduction of unnecessary packaging materials into the waste stream. Customers as well as individual consumers are quickly becoming aware of environmental issues and are expecting more environmentally friendly solutions. Expecting 100% pristine packaging and the benefits of source reduction for environmental gains are mutually exclusive goals. The most environmentally sound package is one that has provided enough protection such that the product functions as it was intended when it is installed. IBM’s packaging, even when severely abused, will protect the product in the vast majority of cases. IBM does exhaustive transit testing to ensure that the products will arrive defect free, with the highest level of quality that our customers have come to expect from us.*

*IBM does not sell through the retail sales environment, therefore the packaging look or condition does not influence the sale of the product, as it does on a retailer's shelf, where a customer is prone to avoid the “the dented can” (or damaged package). While the goal is still to provide perfectly pristine packaging, the shipping environment is such that, there is no technical justification for it. While some customers may still reject products due to damaged packaging, this can be reduced through education that industrial grade, business to business packaging (such as what is used by IBM), is serving its intended purpose when its appearance is sacrificed for the benefit of the far more important and valuable product packaged within it.*

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**Consolidated & Palletized Products:** Consolidated products which travel on pallets tend to be handled differently than single shipped products. Because each product is package tested and verified to be shipped individually, the chances of an entire pallet load of product being damaged due to rough handling is extremely remote.

If you receive a pallet load of product, and one or more packages are unacceptably damaged, remove the damaged ones from the pallets and return them to IBM, or file a ROL claim for any damaged products. Do not return the entire pallet load back to IBM, as the rest of the products in the load should be undamaged.



**Single Damaged Product on Pallet**

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## Criteria for Determining Acceptable and Unacceptable Packaging Damage

Packaged products will fall into one of two basic categories:

4. **Acceptable:** While the goal for any packaging is a factory fresh outer carton, the global distribution environment is such that not all products will arrive in pristine looking packaging. The main purpose of the outer box is to protect the product, so a damaged box has done its job when the product remains undamaged. Action: The product should not be returned, and should be shipped on to the customer.



5. **Unacceptable:** Package is damaged to the point that the system can no longer be shipped safely or where it is already evident that the product is damaged. **Inspection of the product is highly recommended.** If the product is damaged, a Risk-of-Loss (ROL) claim must be filed, otherwise the product should be returned through the damaged packaging returns process.

It is impossible to provide an exact definition of damage that will be agreeable to all customers and apply to all situations. What may be acceptable on an inexpensive part may be unacceptable on an expensive server. Therefore, some reasonable judgment must be applied. IBM reserves the right to update these guidelines as needed to ensure customer satisfaction and we welcome constructive feedback from all affected entities.

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# Packaging Damage Guidelines for IBM, our Business Partners, and Customers

Description	Photographic Examples
<p><b>Acceptable</b></p> <p><b>1A. Dented corner &lt;25mm depth(Minor)</b></p> <p>The corner on this outer box has been dented; however, not to the point that the outer box integrity has been compromised. Please note, in many cases the corners are vacant of cushioning inside. This is so that the box can absorb the shock of a drop instead of the cushioned product, which increases protection for the product. Remember, a damaged box has done its job by absorbing the impact and protecting the product from damage.</p>	 <p>A close-up photograph of a cardboard box corner. The corner is slightly dented, but the box structure remains intact. A red timestamp '15 8:03 PM' is visible in the bottom right corner of the image.</p>
<p><b>Unacceptable:</b></p> <p><b>1B. Corner Damage &gt;25mm depth(Major)</b></p> <p>The box has been crushed in the corner to the point that the box integrity is compromised, and the product may have been damaged.</p> <p>Inspection of the product for damage is highly recommended, and a ROL claim should be filed if the product is damaged.</p>	 <p>A photograph of a cardboard box corner that has been severely crushed. The box is flattened and distorted, indicating significant damage to its integrity. The word 'stems' is visible on the side of the box.</p>

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# Packaging Damage Guidelines for IBM, our Business Partners, and Customers

## Acceptable

### 2A. Creases in box material due to impact or compression < 25mm depth (Minor)

Typically blemishes of this kind due to compression or impact will not result in a damaged product. The product's cushions should absorb and dissipate this kind of event with no damage to the product inside.



## Unacceptable:

### Final Destination Acceptable – Inspect

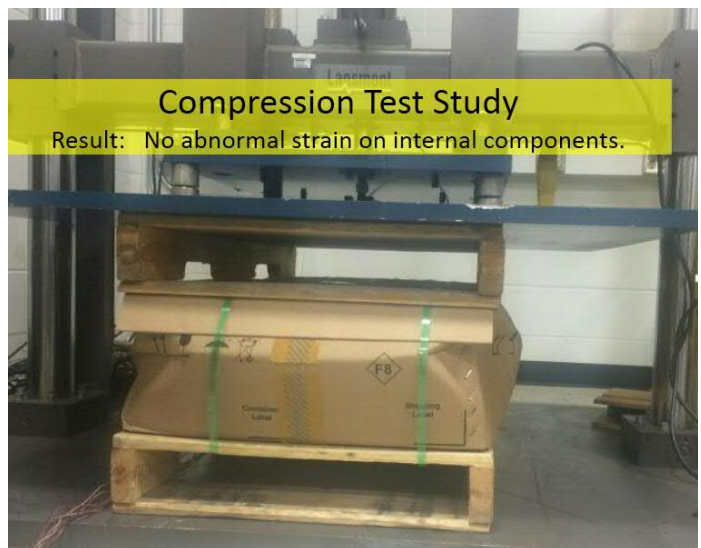
### 2B. Compression Damage <25mm depth (Major)

The box integrity here has been compromised, and further damage is imminent for subsequent shipping.

If the product is being received at the final destination, damage is unlikely, and the product should be completely undamaged. Open and inspect the product for physical damage.

#### NOTE:

*As a result of package compression studies using strain gauges inside of products, compression failure of the package DOES NOT translate into product damage. The cushions inside of the package compress and protect the product against the compressive strains of the other packages stacked on top in transit.*



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# Packaging Damage Guidelines for IBM, our Business Partners, and Customers

## Acceptable

### 3A. Scuffs / Abrasions / Torn liner / Surface punctures (Minor)

As you can see in this illustration the exterior liner of the box has been abraded, torn, and punctured, however, none of these have gone all the way through the box material. The product has been protected.



## Unacceptable:




### 3B. Ripped or missing panels (Major)

Here the box integrity has been compromised, and the product can no longer be shipped without exposure to damage. Also, the quality of the product would be suspect.





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<p><b>Acceptable</b></p> <p><b>4A. Small Punctures less than 20mm in diameter</b></p> <p>This small puncture is not large enough to cause problems. If there is a concern about the product inside, opening the package and inspecting the product is highly recommended.</p>					
<p><b>Unacceptable</b></p> <p><b>4B. Fork-Lift Holes and Holes Larger than 20mm (Major)</b></p> <p>A fork truck has speared the product packaging, damaged the outer box, and perhaps penetrated far enough to contact the product. This is one of the most common causes of carton damage.</p> <p>Inspection of the product for damage is highly recommended, and a ROL claim should be filed if the product is damaged.</p>					
<p><b>Unacceptable:</b></p> <p><b>4C. Punctures or Tears (Major)</b></p> <p>These punctures are such that the package integrity has been compromised, and the products inside may be damaged. Product inspection is highly recommended.</p>					
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<p><b>Acceptable</b></p> <p><b>5A. Light Dirt / Water stains (Minor)</b></p> <p>In some cases, dirt and water may come in contact with the package. As long as the dirt and water are not excessive (covering or soaking the entire carton), this should be acceptable. Warehouses tend to be dirty places and dust and soot will settle on the boxes over time. This looks bad but has no effect on the product inside.</p>	
<p><b>Unacceptable:</b></p> <p><b>5B. Dirt and Water Damage (Major)</b></p> <p>In this case, excessive water has soaked the packaging and is evidenced by the discoloration of the box and also the major de-lamination of the plies of corrugated paper. It is possible that the product got wet also and therefore may have become damaged.</p>	

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<p><b>Acceptable</b></p> <p><b>6A. Torn Hand holes (Minor)</b></p> <p>The hand hole of this box has been torn as a result of improper handling. The contents are still intact, and the product remains unharmed.</p>	
<p><b>Acceptable</b></p> <p><b>7A. Banding Creases (Minor)</b></p> <p>Typically banding at IBM should be applied using an edge board, however, if there are times when the banding digs or buckles the outer container. The product inside should be undamaged.</p>	
<p><b>Acceptable</b></p> <p><b>8A. Peeling Tape or Labels (Minor)</b></p> <p>Tamper labels and IBM Logo Tape are used to provide visibility to customers identify product packaging that has been opened deliberately. However, sometimes due to excessive humidity or if tape was applied to a dusty carton the tape may peel or lift up. This by itself should not be a criteria for return.</p>	

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# Packaging Damage Guidelines for IBM, our Business Partners, and Customers

## Acceptable

### 9A. Other Acceptable imperfections

- Excessive Labeling:**  
 Unfortunately, at each step of a global shipment, carriers may be applying a label for their own purposes. Sometimes this can give the package a cluttered appearance. We cannot control this.
- Abraded or Torn Labels:**  
 Provided that the information is still legible, the label is still functional.
- Hand writing on boxes by carriers:** Just like with added labels, sometimes carriers hand write on the packaging or labels instead. This too cannot be controlled.



## Acceptable

### 10A. Damaged Palletization materials

The purpose of the palletization materials (edge boards, stretch wrap, banding, etc.) is to protect the pallet load of products. If the palletization materials are damaged, but the product is not damaged, the products should not be returned.

Sloppy looking stretch wrap or banding which is clearly not doing the job anymore and is recommended to be removed and replaced for subsequent shipment.



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# Packaging Damage Guidelines for IBM, our Business Partners, and Customers

## Acceptable

### 11A. Damaged Overpacks, Secondary Packages, or Unit Load Shippers (pallet sized packages).

Because this type of packaging is not part of the primary packaging for the product, damage only to secondary packaging should not dictate a return.

This layer of packaging is considered “sacrificial” and can be removed or replaced before shipping to end customers.



## 13A. Acceptable

### Rack Pallet Damage (Minor)




The pallet may have sustained some damage, but not to the point where the product would be unsafe to unload or transport.

In the case depicted, the pallet has only minor superficial damage, which does not affect ease of shipping or unloading the product.



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<p><b>Unacceptable:</b></p> <p><b>13B. Rack Pallet Damage (Major)</b></p> <p>If the Pallet for a rack has been damaged to the point to make it difficult or unsafe to unpack or transport the product, the rack should be returned.</p> <p>In the case depicted, the pallet has been damaged at the point where the ramp attaches making the product difficult to safely unload the product</p>					
<p><b>Acceptable</b></p> <p><b>14A. Mixture of excessive tape, labeling and so on (Minor)</b></p> <p>In this example, it appears that someone used tape to bundle a load instead of using stretch film which would have been better. Despite this, the damage to the packaging will have no effect on the products.</p>					
<p><b>Unacceptable:</b></p> <p><b>14B. Overall Poor Package Quality, Excessive Wear, etc. (Major) of the PRIMARY PACKAGE</b></p> <p>In some cases, a large number of problems with a package will constitute a totally unacceptable appearance. While individually these problems may not constitute a return, cumulatively they do.</p> <p><b>NOTE: This pertains to the primary package, not overpacks.</b></p>					
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# Packaging Damage Guidelines for IBM, our Business Partners, and Customers

## Acceptable

### 15A. Minor Damage to Crates: Broken braces, Scuffs, Abrasions, Wear

Wooden crates currently provide the highest-level protection, and are designed to take high amounts of mishandling while still protecting the product.

All but the most severe damage to wooden crates should be accepted, as the product inside will be undamaged, even in the event the crate does show visible signs of handling.

### 15B. Wood Imperfections, Cracks, Dents, and Holes less than 20mm Diameter in Crates

While these imperfections may not be cosmetically pleasing, the crate's ability to protect has not been compromised.

The crate's function is to take this abuse so the product will be protected. As long as the damage to the crate has not compromised its structural integrity (i.e. Completely crushed or large holes), the crated product should be accepted.



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## Unacceptable:

### 15C. Major damage to Wooden Crates. Smashing, holes larger than 25mm, damaged pallets, etc.

In these cases, the crate is so damaged that it is evident that the product could be damaged, or the product may not safely be shipped to its final destination.

Large holes, missing blocks and stringers on pallets, opened crates are all signs that there might be damage to the product. It is recommended that the contents be examined. If the product is packaged in its own box inside the crate, it is acceptable to remove the crating material and ship the product to its destination.



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## Closing Comments:

Clearly, the judgment of when carton damage reaches a degree such that the product is no longer marketable is a very subjective topic and varies depending on who is the observer of it. It is our intention to provide guidance in this document that will give our clients greater confidence in the quality of the IBM products inside packaging which may have sustained some abuse in handling. This is not intended to diminish our focus on delivering truly pristine packaging to our clients, as this will always be our goal. However, a key point to remember is that the function and purpose of industrial grade packaging is to absorb external forces which are unavoidable in a global transportation system.

Similar to “crumple zones” in cars which deliberately crush to protect the vehicle’s occupants, so too is the purpose of the transport packaging to protect the product inside. If we made the package so rigid so as to never sustain any cosmetic damage we would likely increase the incidence of real concealed product damage since the packaging will not be absorbing the impacts and would instead be transferring the impacts to the product. We also know from experience that packaging that “looks like a brick will be treated like a brick,” and will have a higher risk of mishandling during shipment.

We welcome your thoughts and feedback on how to improve this document for the collective benefit of all parties to our global integrated supply chain. Together we can learn how to continually improve our shipping system without needlessly returning perfectly good products and without needlessly adding packaging materials, costs, and adverse environmental impacts.

Thank-you for your time and attention.

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