



SUZANO PAPEL E CELULOSE

TRANSFORMING LOGISTICS PROCESSES TO MEET DEMAND SURGE

QUICK FACTS

Industry

Mill products – pulp and paper

Revenue

US\$2.2 billion

Employees

3,540

Headquarters

São Paulo, Brazil

Web Site

www.suzano.com.br

SAP® Solutions and Services

Process transformation using the SAP NetWeaver® Process Integration offering

Implementation Partner

CPM Braxis

Suzano Papel e Celulose, a leader in Brazil's pulp and paper industry, knew it was about to experience explosive growth. To increase efficiency and avoid bottlenecks in its supply chain, Suzano completely transformed its logistics processes. The SAP NetWeaver® Process Integration offering helped Suzano integrate new technologies and establish centralized management for the improved processes, exponentially impacting the whole logistics chain.

Key Challenges

- Cope with growth rates of more than 200% without disruption to the business
- Impart scalability to logistics processes to satisfy new volume and complexity requirements
- Integrate core SAP® software with multiple new technological solutions

Implementation Best Practices

- Obtained agreement from all technology partners on complete landscape of applications before commencing project
- Followed ASAP methodology and best practices
- Established a change management unit to prepare the company for the new business process framework

Financial and Strategic Benefits

- Project payback within 12 months after implementation
- Better overall logistics management
- Integration of business processes and complete visibility into them
- Online data reporting and control

Why SAP Was Selected

- Native integration with SAP-supported business processes
- Ability to integrate with a large number of technological solutions using standard connectors
- Ability to orchestrate business processes with security, robustness, and control
- Rich and competent pool of business partners for consulting and systems integration

Low Total Cost of Ownership

- Completed project on schedule and within budget
- Eased the integration of new technologies such as GPS and RFID
- Substantially reduced total cost of ownership

Operational Benefits

Key Performance Indicator	Impact
Cost of idle time	-80%
Trucks' waiting time in warehouses	-29%
Rework	-95%
Logistics cycle time	-20%
Cost of 3rd-party carriers	-10%



“With our SAP solutions, we can control and manage processes in an integrated way, anticipate ways to make further improvements, reduce the risk of accidents, and mitigate the impact on localities.”

Simon Matheus, IT Coordinator, Suzano Papel e Celulose

www.sap.com/contactsap

Suzano Papel e Celulose is among the largest vertically integrated pulp and paper producers in Latin America. The company is a leader in producing carton paper and one of the ten largest suppliers of cellulose in the world.

Doubling of Business Volume Calls for Process Transformation

Most companies would regard a surge in business as excellent news – but only if their logistics processes could handle it. When one of Suzano’s main plants faced the prospect of explosive growth, it dealt with the challenge proactively. Both the production of cellulose and the consumption of eucalyptus in Suzano’s plant were expected to more than double, impacting the supply chain immensely. The plant managers had to reduce the variation in transit time, time wasted in queues in factories and farms, and downtime of equipment used for loading and unloading trucks. To cope with the growth and reap its rewards, Suzano formed a plan to transform its logistics processes, systems, and technologies to greatly improve productivity and capacity.

To support this transformation, Suzano wanted to use modern technologies for expediting logistics, such as GPS and general packet radio service (GPRS) for external tracking, RFID for internal tracking, and navigation systems for route optimization. A long-time user of SAP® software, Suzano decided early to base the solution’s architecture on the SAP NetWeaver® technology platform

and its SAP NetWeaver Process Integration offering. Suzano knew that SAP NetWeaver includes standard connectors for the new technologies and provides for high database and local intelligence availability, robust contingency management, and high-performance graphics.

SAP NetWeaver Eases Technology Integration

Suzano and its integration partner, CPM Braxis, started by creating a management model and structure covering all logistics processes: the Center for Logistics Operations Control. Then they selected partners to provide the new technologies and assembled them together. Each partner presented its solution map and a plan for performing all necessary integrations. Together, these solution maps established the complete set of procedures for planning operations, receiving raw materials, and delivering finished products. Since such a complete overhaul required new skills on the part of employees, the team set up a structured approach to change management.

Eleven months later, right on schedule, Suzano went live with its new logistics processes and the solution that supports them and immediately saw the benefits. Process reliability rose greatly, as did transparency, with stakeholder access to all relevant information. The tracking technologies allowed for more effective process management while improving speed, safety, visibility, predictability, and timeliness in customer service. Suzano achieved all project objectives in full, with

a great reduction in total cost of ownership and improved customer satisfaction, both internally and externally.

Suzano’s new processes – from receiving supplies to marketing finished products – are far more integrated, improving performance throughout the supply chain. The company is better positioned to anticipate problems, mitigate the risk of accidents, and cut congestion at critical points. Besides many tangible financial and operational benefits, Suzano can more effectively handle security, public relations, and compliance with standards and legislation, with a very positive impact on the surrounding community.

Implementation Partner

CPM Braxis, as the leader in integrating the offering, demonstrated great skill and ability in orchestrating and extracting the necessary synergy, commitment, and collaboration from all the companies participating in the project.



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