

The World's Largest Fine Paper Company – Key Facts

Revenue:
Approx. 6 Billion USD

Managed Spend:
Approx. 2 Billion USD

Number of Employees:
Approx. 15 000

Number of Materials:
340 000

ERP System:
SAP ECC 6.0

Level of In-House ERP Knowledge:
Extremely High. SAP live since 1992

Level of Purchasing Knowledge:
Extremely High. Sourcing Innovators

Refresh Usage:
Refresh Desktop for all cleansing
Refresh Server for material create/
change governance workflow

Live with Refresh since:
2008

Current Status:
All 340 000 materials cleaned
All material changes in workflow

Countries Live with Refresh:
Entire business - All paper mills in
United Kingdom
Germany
Netherlands
Belgium
Switzerland
Austria
Finland

Refresh Languages:
American English
German
Dutch
Finnish

Deployed Refresh Standards:
UNSPSC
Internal SAP Material Group
eccma eOTD / ISO 8000
HS Codes / INTRASTAT



Refresh™ Software Customer Case Study: The World's Largest Fine Paper Company



Business Challenge:

In 2007 the world's largest coated fine paper company was facing a challenge – how to optimally manage an increasing number of materials, services and suppliers across multiple countries and languages. Two major strategies had been decided by the corporate procurement department: 1) to leverage Procurement by Spend Visibility / Spend Transparency across mills, and 2) to lower working capital by eliminating duplicates and permit sharing of critical items.

In terms of in-house Spend Analysis there already existed an internal SAP material group code but this was not consistently applied across the 340 000 material masters. Additionally procurement selected UNSPSC as the benchmark external material group for spend reporting as well as two other important coding systems: eccma's eOTD for commercially neutral material descriptions, and INTRASTAT/HTS for consistent commodity / VAT reporting.

The main problem remained: **how best to automate this and other standardized data for all 340 000 existing materials as well as for each newly created material?**

After a 6 month-long detailed RFQ process (including a real 5000 line material / PO line item standardization test), Refresh™ was selected as the clear winner amongst all the software vendors in the MDM / Data Quality space.

Key in the selection of Refresh™ was the:

- + Deep Global International Standards experience & content
- + Pre-Built dictionary ready to use on day 1
- + Ease of use allowing the right person to do the job quickly
- + Low software license cost and low implementation effort
- + Low integration cost and low total cost of ownership
- + Deep SAP experience & plain vanilla IT architecture
- + Vendor's agility in customer customization of software

“So once more, thanks for your help. Nice to work with developers who listen to their customers”

IT Deployment Department

The Solution:

Refresh Desktop was deployed in English and German within one week of purchase so the cleansing of the material masters at each mill commenced in record time. Dutch and Finnish were new languages for Refresh Desktop (at the time) but took only 3 weeks to be delivered in full technical detail by Fresh's technical translation agency. The 340 000-strong material cleansing job was completed earlier than planned by the local storekeepers / purchasing materials engineers. As the cleansing job became more automated using Refresh they were even able to additionally cleanse 3 newly acquired mills not already in scope due to a large acquisition in mid-project.

“I looked at the results. This is definitely better... you have exceeded my expectations. Well Done”

Global Materials Management Lead

At the same time, Refresh Server was deployed globally making the live corporate SAP system an MDM aware application for material master data governance. Today this practical workflow solution automates the coding and spend data needed in each material in all four languages, and at the same time makes sure that every newly created material follows the data standard and is unique in SAP.

Key Business Benefits:

- + IT lowest total cost of ownership - fully reused ERP
- + Trustworthy Spend Reports - 30% of categories corrected
- + Reduced off-contract spending, duplicates and obsoletes
- + Cross-Plant Spend Transparency allows better bundling
- + Materials described as commercially neutral - open bids
- + Cross-Plant PO line-item translation - visibility in English
- + 340 000 lines to 4 International Standards in record time
- + Purchase Order Automation & Auto VAT Reporting
- + Easier accounts payable process & three way match
- + Easy to find materials & reduced inventory carrying costs
- + Contributed to the US\$152M reduction in working capital

Group cash flow statement
for the year ended September 2009

| US\$ million | 2009 | 2008 |
|---|------|------|
| Cash retained from operating activities | 461 | 355 |
| Cash generated from operations | 432 | 623 |
| – Decrease in working capital | 152 | 1 |