

## SAP Customer Success Story Mill Products – Wood Products and By-Products



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Alejandro Meyer, Project Manager, Alto Paraná S.A.

### AT A GLANCE

#### Company

- Name: Alto Paraná S.A.
- Location: Buenos Aires, Argentina
- Industry: Mill products
- Products and services: Wood products and by-products
- Employees: 1,600
- Web site: [www.altoparana.com.ar](http://www.altoparana.com.ar)
- Partner: SAP® Consulting

#### Challenges and Opportunities

- Replace multiple legacy systems with a single, unified solution
- Consolidate heterogeneous platforms and numerous interfaces
- Ensure ability to meet tight deadlines consistently

#### Objectives

- Implement a world-class system
- Match corporate strategy with industry best practices
- Integrate new business units using new solution
- Ensure quality of final product
- Complete project on time and within budget

#### SAP Solutions and Services

- mySAP™ ERP application
- SAP NetWeaver® Portal component
- SAP Project Management service
- SAP Solution Manager application management solution

#### Implementation Highlights

- Extended project scope without extending deadline
- Reviewed and streamlined processes based on best practices
- Enabled efficient risk management
- Employed a methodology based on Project Management Institute Inc. standards
- Aligned management and resources with project goals
- Created excellent work environment
- Facilitated high degree of knowledge transfer
- Standardized product and methodology compliance

#### Why SAP

- Enables strategic corporate decision making
- Integrates existing capabilities
- Supports corporate strategy

#### Benefits

- Consolidated information enterprise-wide
- Enhanced cost control methods
- Provided relevant advice through SAP Consulting
- Organized project documentation
- Commissioned project accurately and punctually
- Enabled immediate start-up of new businesses

#### Third-Party Integration

- Database: Microsoft SQL Server
- Hardware: IBM, Intel
- Operating system: Microsoft Windows 2003

## ALTO PARANÁ

### mySAP™ ERP Helps Company and Consultancy Share the Same Vision

Alto Paraná S.A., whose land holdings comprise 233,700 hectares, is the largest forest products company in Argentina. It's the country's first cellulose producer and only manufacturer of long-fiber paste. In addition, Alto Paraná holds a 50% share in the Argentine fiber-sheet market. In 1996 the company was purchased by the Chilean forestry company Arauco.

The Buenos Aires-based company's strategic priority is to implement technology that improves quality in all phases of its business processes. In October 2005 Alto Paraná decided to install the latest version of the mySAP™ ERP application – in compliance with strict standards and in an effort to capitalize on the knowledge of the corporate management strategy.

Thanks to mySAP ERP, Alto Paraná will be able to obtain consolidated information and enhance management and cost control. SAP® Consulting afforded them the ability to carry out the implementation on time and within budget – all while ensuring the quality of the final product.

### Good Wood

The immediate challenge the implementation posed was the replacement of 26 existing legacy systems, which were implemented separately during various stages in the company's growth and development, with a single solution. The legacy platforms were heterogeneous and supported different manufacturing processes. Integration was a huge problem, and it hindered merging new business units.

"We chose mySAP ERP and decided to rely on SAP Consulting for project management," says Alejandro Meyer, Alto Paraná's project manager. The aim of working with SAP Consulting was to ensure the applicability of the company's existing strategy, to enhance contact with developers, and to improve follow-up on support messages. "For us, strategy support was fundamental, as we were facing strong pressure in terms of meeting deadlines," adds Meyer.

### The Strategy to Follow

The project formally started in November, and the initial scope included implementing functionality for finance, controlling, material management, production planning, and factory maintenance. But on the blueprint, Alto Paraná realized that the portal and some additional functionality, such as warehouse management or material ledger, were also going to be necessary to support aligning business processes with best practices.

The company initiated a process review in order to check that the strategy complied with industry best practices. "The proposals from SAP Consulting were definitively better than those we had planned in our previous strategy. For example, originally we thought that costing couldn't be addressed by standard SAP software for the mill products industry, but we found that the standard product costing process was adequate to support our business needs," explains Meyer. "Today, the rest of the corporation considers our solution the best alternative," he adds. "This means that we did things well, thanks to the good advice we got from SAP Consulting."

### A Question of Strategy

The project team comprised between 40 and 120 people, depending on which stage of implementation was taking place. "We defined a plan with each team member from the company side, paired with a consultant. Nearly all of the management activities were carried out by SAP Consulting. Our role was mainly to support that management by providing continuous decision making and resource availability," states Meyer.

The project was conducted using the guidelines and the tools provided by the project management methodology from SAP Consulting, which is based on Project Management Institute Inc. standards and is completely integrated with the ASAP methodology.

The SAP Solution Manager application management solution was used to support each phase of the implementation. Alto Paraná plans to take full advantage of all the solution's functionality eventually. "For us it was a very important change in terms of how we organized our project documentation," adds Meyer.

### Quality Benefits

"Some 15 days after the solution was implemented, we practically had no more external consultants on the premises," says Meyer. "Support is provided directly by in-house people, and, in addition, we are beginning a period of sustained improvement. This is a clear sign that knowledge transfer during the implementation was excellent."

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Alejandro Meyer, Project Manager, Alto Paraná S.A.

Meyer cannot hide his satisfaction: "We obtained several quality benefits from the SAP Project Management service, such as deadline compliance, a clear methodology to follow, advice, etcetera. Before, when we needed something that was not planned for that specific stage of the project, we just couldn't have it. Now users appreciate that – they realize that the project management was very good. Using and strictly applying standard SAP [software], and respecting its methodology 100%, enabled us to be ready for start-up on July 1st," summarizes Meyer.

### A Long-Term Relationship

"When we originally outlined this project – and this vision was shared by both parties – we always considered it to be a long-term relationship," says Meyer. Today Alto Paraná is using some non-SAP applications, but all of them will ultimately be integrated into the new system. "We expect to become 'SAP only' in two years' time," he says.

"Today, before we start any project, we always design the blueprint beforehand. The experience we had with SAP was excellent, and we'd like to repeat that in the future. We are certain that acting this way we'll achieve great benefits," concludes Meyer.