

Supply Chain Transformation at Rayonier AM with SAP Integrated Business Planning

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International SAP Conferences for Forest Products, Paper and Packaging

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Tim is the Director of Enterprise Resource Planning at Rayonier Advanced Materials.

He is responsible for the development and delivery of the company's ERP strategy for its North American, European, and Asian business units.

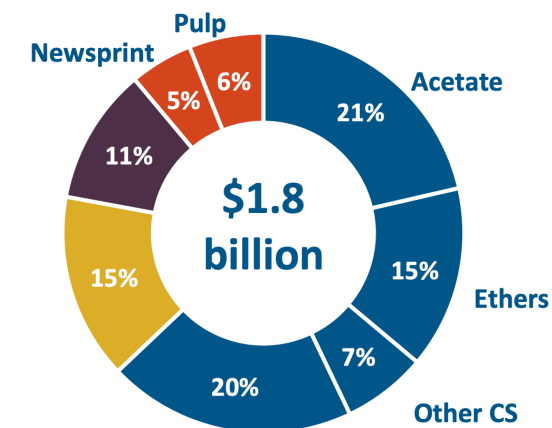
Tim has over 30 years of Pulp, Paper, and Forestry experience, in engineering, industrial construction, operations management, and information technology.



RAYONIER ADVANCED MATERIALS OVERVIEW

	High Purity Cellulose	Forest Products	Paper	Pulp
Products	<ul style="list-style-type: none"> Dissolving Wood Pulp <ul style="list-style-type: none"> Acetate Ethers Specialties Viscose Fluff Pulp 	<ul style="list-style-type: none"> Dimensional Lumber Framing Materials Wood Chips Fuel (Chips, Sawdust, Shavings & Bark) 	<ul style="list-style-type: none"> Packaging Multiply Coated Board Newsprint Book Paper 	<ul style="list-style-type: none"> Mechanical Hardwood Pulp (Maple & Aspen)
End Markets	 	 	 	 

Revenue by Product

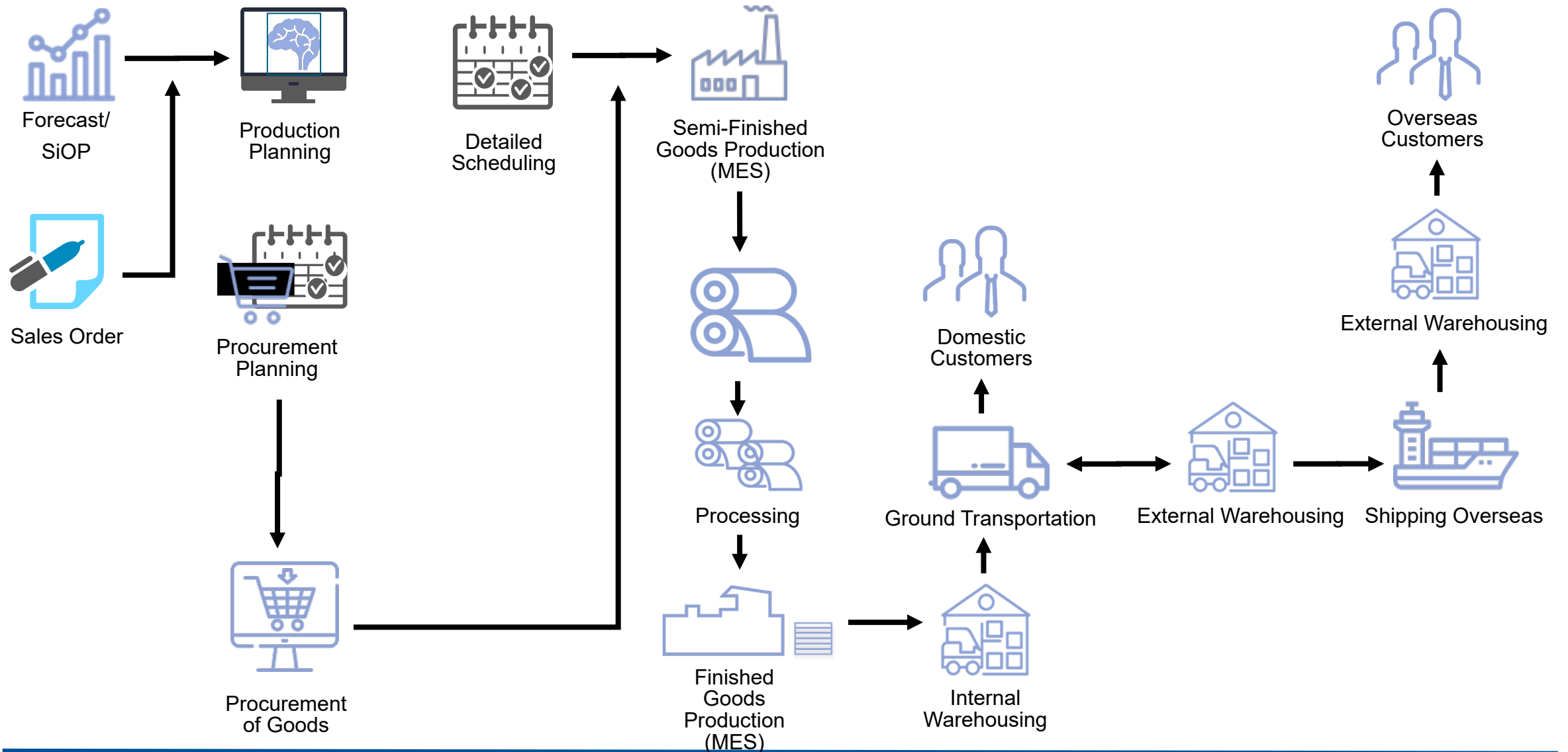


- Commodity/Other
- High Purity
 - Paper
 - FP
 - Pulp & Newsprint

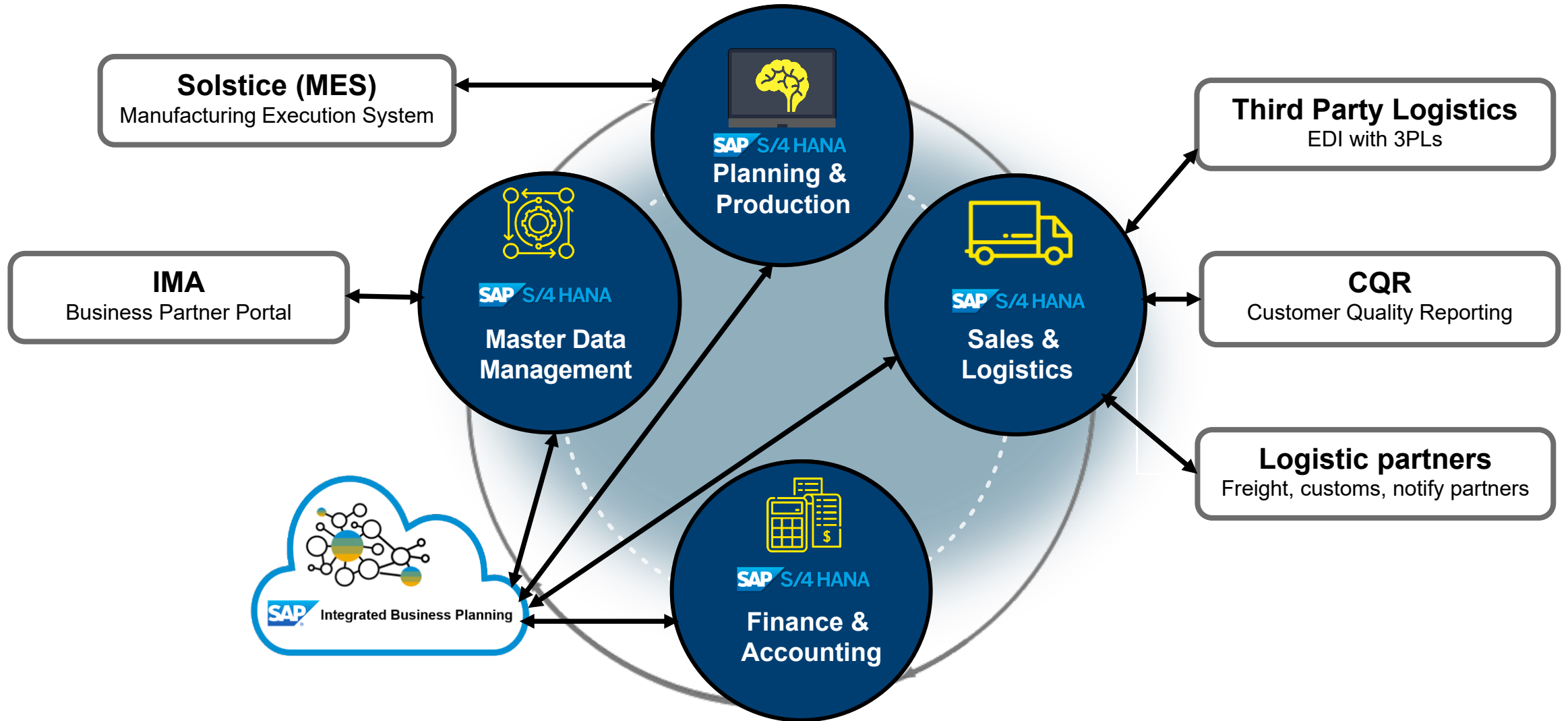
- Global HQ
Jacksonville, FL
- Canadian HQ
Montreal, QC
- R&D Locations
US and France
- Manufacturing Facilities
17 in the US, Canada and France
- Sales Offices
US, Canada, London, Tokyo and Shanghai
- Employees
4,200



RYAM BUSINESS PROCESS



END STATE INTEGRATED ARCHITECTURE



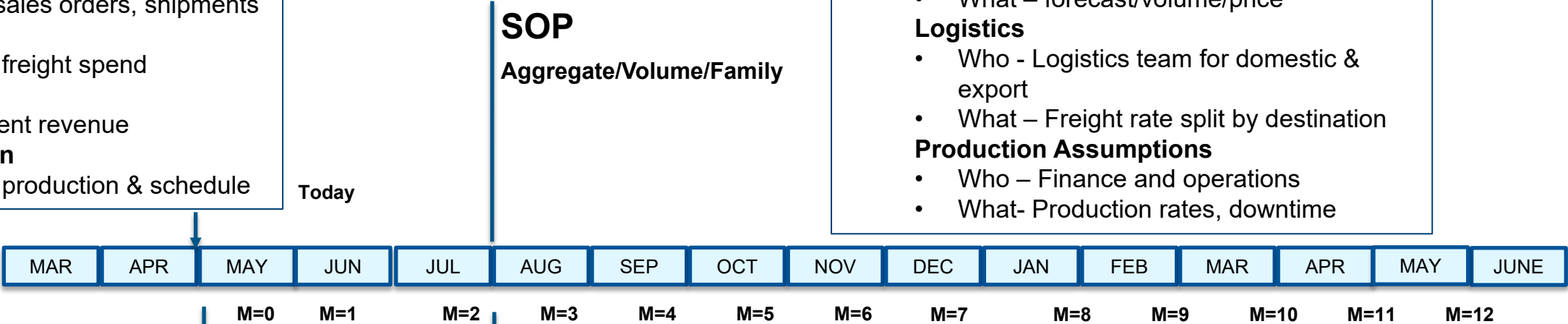
RAYONIER S&OP PROCESS

Actuals:

- Demand**
 - Open sales orders, shipments
- Logistics**
 - Actual freight spend
- Finance**
 - Shipment revenue
- Production**
 - Actual production & schedule

Process Input:

- Demand/Sales plan**
 - Who – CSR/Account team
 - What – forecast/volume/price
- Logistics**
 - Who - Logistics team for domestic & export
 - What – Freight rate split by destination
- Production Assumptions**
 - Who – Finance and operations
 - What- Production rates, downtime



Master Scheduling
Detail/Product (PP/DS)
SAP S/4 HANA



Process output:

- Demand/sales plan-**
 - Constrained demand aggregated by volume/family
- Logistics –**
 - Freight spend estimates for domestic & export
 - Number of vehicle’s required, average freight cost/ton
- Production plan:-**
 - Constrained production plan, asset utilization
 - Projected inventory plan (aggregated)
- Finance**
 - Revenue aggregated by family/aggregated

Variations/metrics:

- Demand plan accuracy
- Produce to schedule
- Inventory vs budget
- Inventory end of month average (M/Q/Y)
- Inventory turns

CASE FOR CHANGE AND TRANSFORMATION

Problem Statement

- Manual variance comparison between forecasts, production plan and budget
 - Excessive effort (data and time) to reconcile analyses between different business processes and time horizons
- Missing visibility on customer shortages arising out of supply chain constraints
- Missing ability to show forward looking, strategic sales and operations plan
- Legacy S&OP platform lacked abilities for end-to-end modeling and inability to provide a multi-level constrained plan
- Multiple systems and lack of integration (lotus notes, Cognos, SAP ECC, S/4HANA, Microsoft SQL, Excel)



Goal

- Reduced costs from increased visibility and improved collaboration
- Facilitate a cross-departmental S&OP plan that balances inventory, service levels, and profitability
- Improved decision making with the aid of more accurate data and flexible reporting
- What if simulation to assess the impact of constraints, disruptions, and trade-offs
- Single cloud-based planning platform with easy integration with S/4HANA and other systems
- Consolidated planning into one improved application and process. This would eliminate myriad planning components
- Reduce data redundancy + move it closer to the source



Improve visibility and transparency



Reduce forecast bias and improve accuracy



Establish business metrics

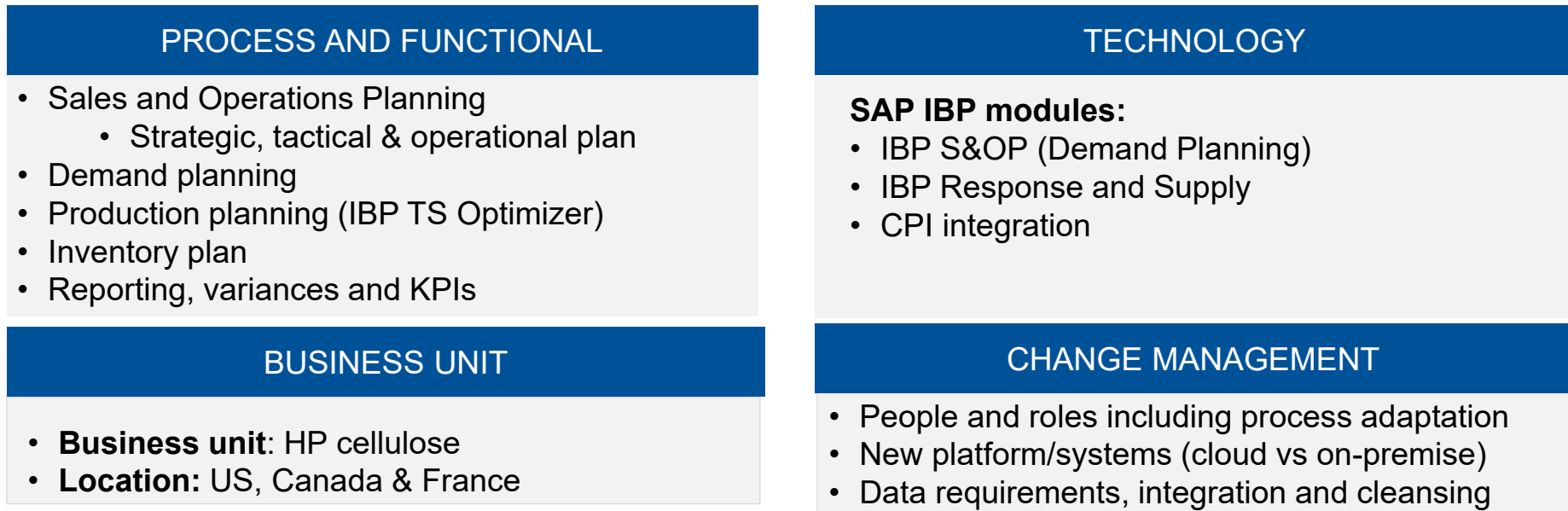


Harmonize processes and tools

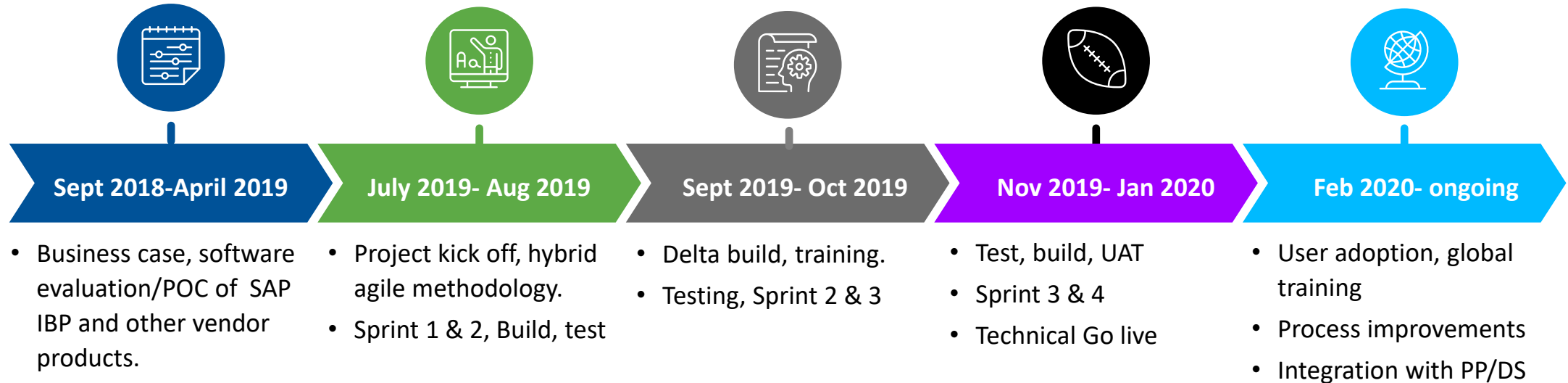
Standardize – Simplify – Modernize – Integrate – Consolidate

SAP IBP SCOPE & TIMELINE

SCOPE



TIMELINES



LESSONS LEARNT & CRITICAL SUCCESS FACTORS

- Start simple and add requirements, data scope based on sprint plan, requirement matrix
- Prioritize business requirements and align with business goals
- Future proof solution design for minimal throwaways, especially for data design and integration
- Don't over solution and leverage on standard key figures, apps (keep it simple!)
- Agile methodology with experienced team for faster solution deployment
 - *Spend time on building solution, training users than blueprinting solutions*
 - Shorten time to value and reduce cost of the project
 - Reduce risk due to incremental approach
- Small but focused teams for efficient project delivery and better outcomes for remote project delivery
- Excel UI helped with change management, user adoption

Thank You