

UPM-Kymmene (Finland, Europe)

Preparing for supply chain transformation

UPM-Kymmene's wood products division undertook a supply chain transformation project to harmonize and improve performance of the division's sales & delivery and related processes. IBM's role was to support in creation and planning (i.e. scope, budgeting and scheduling) of the project as well as support in executing the project launch activities. (2004)

Project Summary

- The scope of the project was the whole supply chain of the wood products division (including Plywood and Timber businesses). The functional scope of the project included following main processes:
 - Planning and optimization
 - Product operations
 - Order fulfillment
 - Business reporting
- IBM's project activities during four weeks included review of current materials, gathering of supply chain performance related data, interviewing key clients, assessment of supply chain's maturity, creation of cases and validation of results in a workshop, which key clients attended to. IBM also made plans for the following phases of the project and concluded a final report.
- IBM's experience and materials developed for the client's corporate wide supply chain development program contributed significantly to the project.

Results and value delivered

- Key achievements of the project were:
 - High-level benefits case
 - Scoping and prioritizing of business processes and development of operations
 - Project organization model and resourcing plan
 - Detailed project plan and budget for the following steps
- Identification and validation of sources for potential supply chain benefits.
- Presenting of finding in monetary form to ease executive's decision making and implementation.
- IBM's methods and experiences in project planning and management as well as the company's knowledge about major potential benefit drivers and pitfalls in the supply chain development projects were shared.