



TRANSPORTATION MANAGEMENT IN THE PAPER INDUSTRY

Challenge

The challenge of competitive markets makes it even more important to provide customers with reliable delivery information. The sales force needs to have a high transparency into transportation time and costs. The ability to have this transparency at the first customer contact (sales order entry) provides a big competitive advantage. In cooperation with IDS Scheer Consulting, a Software AG brand, paper manufacturer Sappi Fine Paper Europe has successfully implemented the SAP®-SCM- based transportation planning and vehicle scheduling system (TP/VS). This project enables a full online service at sales order entry stage: consider delivery date at customer, alternative routes of transport as well as real transport costs.

Solution

This was achieved by implementing SAP TP/VS, which provides detailed information about possible routes, modes of transportation, related costs and transportation time when sales orders are entered. Also complex transport situations such as multi-level (five stages) and cross docking will be fully integrated.

Benefits

- Integrated online transportation check
- Transparency across transportation chain, including easy order re-routing and full truck load management
- Management of multi-leg transports (up to five legs)
- Transport cost-driven route selection and integrated contribution margin calculation incorporating also dynamic transportation costs

The Sappi logo, consisting of the word "sappi" in a lowercase, blue, sans-serif font.

- Sappi Ltd. founded 1936 in South Africa
- 3.3 million Tons Per Annum (TPA) of paper pulp production (Europe: 1.18 million TPA)
- Paper production of 6.8 million TPA (Europe: 4.47 million TPA)
- Manufacturing operations on four continents (10 plants in Europe)
- 16,400 employees worldwide

Get There Faster.™

“The objectives of the project were far beyond the SAP TP/VS functionality offering. The time to deliver was short and not negotiable. IDS Scheer Consulting and Sappi experts’ team made it happen.”

Didier Magnien | Director Global SAP Systems | Sappi Papier Holding GmbH | Germany

High level function/process description

During sales order entry (including Available to Promise check) Dynamic Route Determination is executed and a transportation route is suggested. The optimal transportation route can be chosen, based on transparent transportation costs, means of transport, alternative routes and time. This provides a very good first transport plan, as an immediate basis for a detailed planning in the transport network later on. The selected route and also means of transport can be overruled by the transportation planner if necessary. Such changes can even be done just before transport execution, allowing high flexibility for planning.

CTP/DRD integration

The ex-mill date relevant for the scheduling in Capable to Promise (CTP) depends on the transport time and the confirmed delivery date. The transport network, set up in SAP SCM TP/VS, includes all alternatives of a transport in terms of routes and different Means to Transport (MOT). Leg specific costs and a leg-wise planning approach enable a calculation and evaluation of transport routes while sales order entry and provide transport costs for an online contribution margin calculation. With a flexible MOT concept the user can be forced to select the mode of transport or fix, for example, the detailed vessel journey. The result of the sales representative’s selection is the basis for further detailed transportation planning. The transport planner can work on exceptions and overrule the sales and systems proposal.

Multi-leg planning and cross docking with STR/STO

Detailed planning of multi-leg transports and the trans-shipment of goods require transport route planning with several legs. This is applied at sales order entry stage (CTP/DRD integration) as well as during transport optimization to provide most flexible conditions while keeping master data maintenance low. For partial delivery handling and partial re-routing of goods on the way to the customer

the transport chain is created with Stock Transport Requisitions (STR), leg by leg. These planning objects give the full flexibility in the short-term transport planning optimization. As soon as the transportation plan is fixed, corresponding STRs are converted to Stock Transport Orders (STO) and published to the execution level. A Transport Network Overview tool allows full transparency from the original sales order to all involved transport documents. It provides functionalities for easy re-routing and easy splitting along the transport chain. The usage of STR/STO allows the full flexibility in the splitting down to partial transports and changes of MOT or route. All these functions are fully integrated to the SAP standard planning functionality in the SAP APO TP/VS.

Transparent cost of transportation at sales order stage

With a dynamic transport route determination, already at sales order entry stage, the optimization of the transport according to the needs of the customer (delivery time, in time, cost optimal) is possible, even while the customer is on the phone placing the order. The sales representative is supported during the offer process by an overview of costs for different routes utilizing different MOT or even leg sequences on the way from the plant or stocks to the customer. The route selected by the sales representative is transferred to the transportation planning as well as to the pricing in the sales order. In the sales order the transport cost estimation, based on the selected route and its single legs and modes of transport, are fully integrated in the contribution margin calculation of the sales order item. The value can be used for later efficiency reports for comparison.

Top 11 improvement packages

- Transport chain creation during ATP-DRD (Available to Promise – Dynamic Route Determination) process
- External planning (Hot loading)
- Handling of transportation chains up to five leg

transports in DRD

- Two-layer resource and means of transport concept (including naming convention)
- Vessel booking
- Transport price handover out of DRD into sales order pricing
- Integration of replenishment process into transport planning
- Call off
- Unloading time and capacity management on customer side
- Utilization of the TPVS optimizer to reduce manual efforts
- EDI tendering of freights

KEY COMPONENTS

IDS Scheer Consulting helped successfully implement the transportation management system in SAP APO.

Take the next step to get there - faster.

ABOUT SOFTWARE AG

Software AG is the global leader in Business Process Excellence. Our 40 years of innovation include the invention of the first high-performance transactional database, Adabas; the first business process analysis platform, ARIS; and the first B2B server and SOA-based integration platform, webMethods. We offer our customers end-to-end Business Process Management (BPM) solutions delivering low Total-Cost-of-Ownership and high ease of use. Our industry-leading brands, ARIS, webMethods, Adabas, Natural, CentraSite, Terracotta and IDS Scheer Consulting, represent a unique portfolio encompassing: process strategy, design, integration and control; SOA-based integration and data management; process-driven SAP implementation; and strategic process consulting and services.

Software AG - Get There Faster

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