

**SAP Customer Success Story**  
**Mill Products – Pulp,**  
**Paper, and Packaging Products**



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Jun Hui, Deputy CIO, Asia Pulp & Paper (APP) China

**AT A GLANCE**

**Company**

- Name: Asia Pulp & Paper (APP) China
- Location: Shanghai, China
- Industry: Mill products
- Products and services: Pulp, paper, and packaging products
- Revenue: US\$2.1 billion
- Employees: 22,000
- Web site: www.app.com.cn (Chinese language only)

**Challenges and Opportunities**

- Market pressure to increase productivity and reduce costs
- Demand for more responsive and informative customer service
- Increasing demand for closer collaboration with external partners, vendors, and customers
- Need for detailed information to support management decision making

**Objectives**

- Streamline operations business processes throughout the organization
- Provide staff with fast access to relevant information
- Reduce maintenance requirements
- Ensure integration with external systems
- Support future business changes with a new platform

**Solutions and Services**

- mySAP™ ERP application
- mySAP ERP Operations solution
- mySAP Customer Relationship Management application
- SAP NetWeaver® Portal component
- SAP NetWeaver Business Intelligence component

**Implementation Highlights**

- Upgrade project involved over 1,000 users at 14 manufacturing sites
- Upgrade completed within 15 weeks

**Why SAP**

- Successful track record using SAP® software
- System and integration tools available for future enhancements
- Easy integration with external partners' software

**Benefits**

- Increased process efficiency resulting in higher productivity and reduced costs throughout the organization
- 10% reduction in time required for month-end finance calculations
- 10% reduction in IT maintenance
- Enhanced service through fast access to information requested by customers
- Improved decision-making support for managers

**Existing Environment**

SAP R/3® software (functionality now found in mySAP ERP)

**Third-Party Integration**

- Database: Oracle
- Hardware: HP
- Operating system: UNIX

## ASIA PULP & PAPER (APP) CHINA

### China's Largest Paper Manufacturer Upgrades to the mySAP™ ERP Application to Increase Enterprise-Wide Process Efficiency

In the competitive global paper industry, providing responsive, high-quality customer service while reducing costs through operational excellence is key for commercial success. With work distributed across a complex network of over 1,000 internal users at 14 manufacturing sites as well as among numerous internal and external subsidiaries and partners, maintaining efficient, streamlined business processes is an ongoing challenge for Asia Pulp & Paper (APP) China, the largest paper manufacturer in China.

Selling a wide range of pulp, paper, and packaging products to customers worldwide, the company has an annual turnover of US\$2.1 billion and employs a workforce of over 22,000 across 14 manufacturing sites and a number of subsidiaries. As part of its commitment to improve efficiency, the company chose to upgrade to the latest release of the mySAP™ ERP application, deploying the mySAP ERP Operations solution – the first enterprise in China to do so.

### **Streamlining Business Processes**

APP originally installed SAP® R/3® software (functionality now found in the mySAP ERP application) in 1998 to manage its critical business processes. When the company's existing maintenance agreement was due to expire in 2005, APP decided to take advantage of the enhanced functionality offered within the mySAP ERP application to further streamline its processes.

"Our staff has come to rely on SAP software as the backbone of our operations," explains Jun Hui, deputy CIO at APP. "However, we needed increased workflow standardization to achieve the efficiency improvements required to stay ahead of the competition, so we decided to use the upgrade as an opportunity to reengineer our business processes."

### **Transparent Upgrade**

The upgrade was an enormous undertaking involving over 1,000 users at 14 manufacturing sites – with each site equipped with its own customized interfaces. The project focused on archiving data and freeing system resources to improve the

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overall performance across the organization. All work had to be completed before the kickoff of another project, a condition that imposed tight scheduling for the project work. In addition, it was vital that users experienced as little disruption as possible.

With the support of SAP, the internal IT team rose to the challenge and finished the upgrade within the 15-week target period. Although an impressive achievement, it went so smoothly that most users were unaware of it. "We managed the upgrade to the mySAP ERP application with minimal downtime and disruption so the project was largely transparent for users," confirms Hui.

### **Efficiency Improvements Across the Organization**

Reporting on inventory levels has become more efficient since the upgrade. "To keep track of material ledger figures, we previously used customized programs that were slow and involved data duplication. Now, we can achieve the same task directly from mySAP ERP, enabling staff to complete month-end calculations 10% faster than before."

Mobile functionality has also been leveraged to streamline workflows across the whole organization. This has resulted in improved transport and logistics processes as well as purchasing and management approval procedures. In addition, employee self-service functionality enables staff to submit travel, vacation, and expense reports using the SAP NetWeaver® Portal component.

### **Relevant Information at the Touch of a Button**

By integrating the mySAP Customer Relationship Management application with the mySAP ERP application, APP has helped its customer advisers to provide an improved service in two ways. "Firstly, we can design our own user interfaces to ensure that advisers have all the information they need to deal with customer inquiries effectively. Secondly, improved system performance ensures that staff can provide a more rapid response to customers than previously," says Hui.

In addition, integrated business information warehouse functionality provided within the SAP NetWeaver Business Intelligence component provides managers with improved reporting on all aspects of the business. A customizable management dashboard allows them to view the financial, sales, and inventory data they need for informed decision making.

### **Reduced Maintenance Effort, Simpler Administration**

The new software provides improved system tools with which IT staff can modify workflows when required, and integration tools that will make closer collaboration with partners, vendors, and customers possible in the future.

IT staff have also found that they spend less time administering the software. “Since our upgrade to the mySAP ERP application, time spent on maintenance has been reduced by 10%,” says Hui.

**“Since upgrading to the mySAP ERP application, we are now working more efficiently as an organization.”**

*Jun Hui, Deputy CIO, Asia Pulp & Paper (APP) China*

“Not only is the need for maintenance activity less frequent, but it can be completed faster than before, reducing downtime and disruption to the business.”

### **Foundation for Future Success**

As a result of the upgrade, APP has been able to realign its internal processes to provide enhanced customer service and increase productivity while reducing the burden for IT staff. But of greatest importance is the fact that the SAP solution has given APP a foundation for future growth.

“Since upgrading to the mySAP ERP application, we are now working more efficiently as an organization,” Hui concludes. “Moreover, we are able to respond quickly and effectively in a fast-moving market, which will give us a competitive edge in the future.”

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