

A background image showing large rolls of paper in a mill, with a white paper roll in the foreground and several large brown rolls behind it.

Cham Paper Group: Enabling Transparency, Efficiency, and Production Flexibility with SAP® Solutions

Company

Cham Paper Group AG

Headquarters

Cham, Switzerland

Industry, products, and services

Mill products – finishing services, coated specialty papers, packaging, labels, and inkjet and sublimation papers

Revenue

€250 million

Web site

www.cham-group.com

SAP® solutions

SAP® ERP application, SAP Advanced Planning & Optimization component, and SAP Manufacturing Integration and Intelligence application

Partner

Concircle Management Consulting GmbH
www.concircle.com



Managing a truly customer-driven manufacturing business

When companies need products tailored just for them, they expect suppliers to quickly **adapt their machinery and processes to meet the most exacting requirements**, as well as deliver high-quality products on time. “To meet complex customer demands, we have to be agile, cost-efficient, and customer driven,” says Andreas Hauert, head of IT at Cham Paper Group AG, a Switzerland-based producer of packaging, labels, and specialty papers.

“Our strategic investments in SAP and SAP partner software have helped us make huge strides in these areas,” he adds. “We’ve gained a global, integrated platform that supports enterprise resource planning, advanced planning and optimization, and centralized manufacturing execution – all of which are critical to meeting customer needs swiftly, affordably, and accurately.”

Now, Cham Paper Group can deliver the highest-quality products and respond swiftly to customer issues, thanks to full integration between quality management and production management,

transparency of product quality, and traceability throughout the production process. Tight integration between the company’s planning and production processes ensures that management can instantly check order and production status. And management teams can instantly access operational, production, and machinery data to any level of detail – data that can be analyzed and used to innovate and drive continuous improvement.

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Optimizing business and manufacturing operations

Cham Paper Group is widely regarded as a high-quality supplier. The company manufactures highly customized packaging and labels; release papers for films, tapes, and labels; backing papers for industrial casting and lamination processes; and state-of-the-art inkjet and sublimation papers for large-format digital image printing.

Its mission has always been to create the greatest possible value for its customers by being responsive, cost-effective, and innovative. But to continue to do this profitably, the company had to replace its legacy enterprise resource planning (ERP) and manufacturing

execution systems (MES). This was particularly imperative for the Italian plant, which used an AS400 system that had reached the end of its life and had limited reporting functionality. “As part of a global business transformation process focused on cost-efficiency and market intimacy, we decided to deploy a global, integrated system. This comprised a new ERP application in Switzerland – which would be part of a company-wide ERP and advanced planning and optimization platform – and a new, integrated MES solution in the Italian plant,” explains Maurizio Cappellaro, head of IT at Cham Paper Group Italia S.p.A.

“Whatever solution we chose, it had to be rapidly implemented and enable a smooth transition to operations without any business disruption.”

Gianluca Scaglioni, Production Director, Carmignano Plant, Cham Paper Group Italia S.p.A.



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Full support for paper manufacturing processes

After evaluating various solutions, Cham Paper Group ultimately chose the SAP® ERP application and SAP Advanced Planning & Optimization (SAP APO) component in conjunction with a template from Concircle Management Consulting GmbH, an SAP partner. The template is a mill industry MES based on the SAP Manufacturing Integration and Intelligence (SAP MII) application supporting lean manufacturing processes.

“With SAP ERP and SAP APO, we could support all core processes related to the paper business in a way that gives us full visibility into operations,” states Gianluca Scaglioni, production director at the group’s Carmignano plant. “And with Concircle, we could get a complete MES solution built on SAP MII – fully fleshed out with pulp-and-paper industry content. The resulting solution would cover all of our business needs in production, from pulping to packaging. Combined with state-of-the-art Web user interfaces and powerful reporting features, this made it the obvious choice.”

Together, these solutions could create a powerful platform for integrating all shop floor operations. “We wanted our reengineered processes to be implemented on one platform to guarantee best-in-class vertical integration from the machinery controls system to demand planning software,” explains Scaglioni. “Concircle could implement SAP APO and SAP ERP along with its conMES Pulp & Paper software as a fully integrated solution.” Equally important, SAP MII enables integration with other existing systems. Thus, conMES Pulp & Paper integrates with automated control systems to gather process parameters and raw material consumption data automatically, for example, and with the company’s laboratory information system or trimming solution.



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A smooth, rapid implementation

The team at Cham Paper Group decided on a “big bang” implementation project using an agile development approach. “We needed the solution to be implemented rapidly – and still offer a smooth transition operationally with no disruptions,” says Cappellaro.

Concircle’s team first worked with Cham Paper Group to develop a business blueprint. After deploying ERP logistic processes and defining required interfaces, they used SAP MII to integrate the company’s legacy MES in Switzerland with SAP ERP and Concircle’s MES functionality for the Italian plants. “It was very important that the features of the AS400 system, which machine operators and production staff used, be reproduced in the new MES,” adds Cappellaro. “Using conMES Pulp & Paper as a starting point for these customer-specific functions, we could do this – and complete the business blueprint in a few months.”

Within one year, the Switzerland plant’s MES was fully connected to SAP ERP via SAP MII, and the same interface layer integrated the two local SAP MII installations in the Italian plants. At the same time, the MES was customized and put into production without business disruption. With one platform and one service provider, management could rest assured that the available software functions of SAP APO and SAP ERP were optimally used and supplemented with MES functionality through seamless integration to conMES. These functions included block planning and detailed scheduling (SAP APO) and variant configuration and production dispatching (SAP ERP).



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Innovation without disruption

“By taking a best-of-breed approach and leveraging the powerful integration functionality of SAP software, we were able to avoid the cost, risk, and delays of developing everything from scratch for this project,” comments Cappellaro. “Core MES and interface functionality was provided by conMES and SAP MII. The laboratory information management system was a rollout from our Switzerland plant and integrated again with SAP MII. And for retrimming, we opted to keep our elaborate Microsoft Excel application, which was easy to integrate with conMES Pulp & Paper.”

Cham Paper Group also achieved the machine integration needed for desired gains in efficiency and transparency. An industry-standard OPC process control layer was used to provide connectivity to all machinery equipment, including scales. In the chemical kitchen, the process control system provides as-is raw material consumption data, which goes directly to ERP stock management. In addition, equipment such as the packaging machines is fully automated using SAP MII, which provides packaging setup data and guides the packaging process.

“The implementation was complex, but we succeeded with the help of our end users and Concircle, and gained the efficiency and transparency we needed.”

Maurizio Cappellaro, Head of IT, Cham Paper Group Italia S.p.A.



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Realizing the benefits of a fully integrated shop floor

Cham Paper Group is already realizing significant benefits. "Now, our operators and production managers have complete, accurate information needed to work efficiently and optimize operations," states Scaglioni. "For example, the solution automatically captures data from integrated machines – such as paper machine speed and scrap rates for each production run. This way, we can be more precise regarding costing, as well as drive continuous improvement."

Thanks to better integration between quality management and production management, product quality increased, and transparency and full traceability is enabled throughout the production process and product flow. "Higher-quality products mean happier customers," says Mauro Chiucchi, production supervisor of the SAP Mill project for Cham Paper Group's Condino plant. "And when issues do occur, now we can trace back product parameters from roll to any mother roll – even through several cut and split operations – all with the push of a button. This allows us to investigate complaints in detail."

The company also has better integration between its planning and production processes. For example, the production order status and production quantities per sales order are always transparent. This enables improved schedule adherence and on-time delivery, more accurate production forecasting, and reduced stock-outs – for higher customer satisfaction.

Comments Cappellaro, "Perhaps most important, Cham Paper Group now has a flexible MES solution that can be adjusted quickly to changing business needs." Chiucchi adds, "We're always thinking about how processes can be improved. Now we can adapt processes and user interfaces to meet new needs with ease."



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