



EFFECTIVE FLOW OF PRODUCTION FOR WOOD AT PÖLKKY

SAVCOR'S ERP SYSTEMS ARE TAILORED TO
CUSTOMER NEEDS

Photos: Tuomo Pirttimaa

A good ERP system is the heart of a sawmill. For timber to move from the forest to the sawmill, warehouse and onward to the customer in a seamless manner, information systems must be up to date. Pölkky Oy has relied on Savcor's expertise for more than 20 years.

The mills of Pölkky Oy, the largest private wood processing company in Northern Finland, annually process 620,000 m³ of wood, of which approximately 40 per cent is processed further. Chief Information Officer **Tuomas Virranniemi** considers well-functioning wood procurement and ERP systems to be key factors in the mills' operations.

– Information flow must be quick concerning what type of timber has been sold to customers, how we cut the logs, how to ensure an optimal utilization ratio in sawing and how to sort timber according to the customer's wishes. If the systems experience hiccups, all operations come to a halt, Virranniemi explains.



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TUOMAS VIRRANNIEMI
Chief Information Officer, Pölkky Oy

He adds that inventory management is key when handling large volumes of goods. If a package of timber leaves the production line without being included in the database, it is practically lost.

– Savcor's MekaMap, a graphical warehouse management system, is an excellent tool. Before we implemented it, inventory fluctuations could be extensive, but today we only misplace a few packages per year. Thus the problem is minimal and usually caused by human error. A total of nearly 280 trucks visit our mills per day. It is a huge logistical challenge, Virranniemi says.

The latest large project implemented at the Pölkky mills was the MPR delivery function, which has helped in delivery goods to the right destination at the right time.

IMPROVED REPORTING

Modern production units have a wealth of information on their operations. Therefore, enhancing reporting is a huge effort at the moment, and Pölkky and Savcor's experts are working on it together.

– We value the fact that the ERP system and other tools have been developed flexibly according to our needs. Many other systems are complete packages without customization possibilities. Savcor has been building a system for us that truly makes our operations easier, Virranniemi says.

He adds that the long-term cooperation between the two companies has made Savcor a valued partner.

– Jari Jokinen and his team have expertise and a can-do attitude to problem-solving. We seek answers and make things happen together.

GOOD BUZZ IN WOOD CONSTRUCTION

The Group's sawmills and wood processing plants are located in Kuusamo, Taivalkoski, and Kajaani. Pine accounts for 70



per cent of production, and spruce accounts for 30 per cent. In Oulu, Pölkky operates a pressure impregnation plant. There have been some rough years in the industry, but Virranniemi sees a bright future.

– The positive tone in wood construction will continue. In the future, an increased quantity of apartment buildings will be made of wood. Currently, approximately 70 per cent of production is exported, and last spring, the prices of pine-sawn timber started falling in the main market areas. The downward trend has continued up to the present day, but the situation is starting to look brighter.

ADVANTAGES OF LONG-HAUL TRANSPORT

Timber is exported from the north all the way to Northern Africa, Egypt, Algeria, Morocco and Japan. According to Virranniemi, the farther the destination, the smaller the relative difference in freight costs compared to competitors. Currently, entering the Central European markets is not that feasible.

– We manufacture planed and impregnated products for the Finnish market, and our distribution channels include the biggest retail chains. Springtime, in particular, is busy.

Virranniemi has given a lot of thought to how profitability could be improved at the mills; the price of raw material should adjust downward if the price of the end products plummets.

– In an industry that is sensitive to market fluctuations, continuous strategy work is necessary and methods to develop operations in a sensible direction need to be sought. Cost-effectiveness is increasingly important. ■