GRAPHIC PACKAGING INTERNATIONAL
ACHIEVING OPERATIONAL EXCELLENCE

QUICK FACTS

Industry
Mill products – containerboard packaging

Revenue
US$2.5 billion

Employees
7,700

Headquarters
Marietta, Georgia

Web Site
www.graphicpkg.com

SAP® Solution and Services
SAP® ERP application

Implementation Partner
SAP Consulting

Graphic Packaging International Inc. (GPI) is a leading provider of paperboard packaging solutions for a wide variety of products to multinational and other consumer products companies. Following the August 2003 acquisition of Riverwood Holding Inc., GPI recognized the need for a single end-to-end solution across the enterprise. GPI selected the SAP® ERP application to bridge the two companies' IT objectives and position itself for future growth.

GRAPHIC PACKAGING
CORPORATION

Key Challenges
- Reduce redundant IT costs
- Provide a single, end-to-end platform solution that would allow for future company expansion
- Supply industry-specific solutions for advanced planning and scheduling

Implementation Best Practices
- Rapid implementation, completed in less than 1 year
- Knowledge transfer from SAP, which enabled GPI to complete rollout in-house
- Strong executive support
- Expert partners in building global implementation template
- In-house super users who helped ensure smooth implementation and training

Financial and Strategic Benefits
- Increased efficiencies in back-office processes
- Decreased cost of production via better order scheduling and reduced inventory
- Improved visibility into end-to-end business processes
- Supported significant business growth and acquisitions

Why SAP Was Selected
- Solution scalability that enables growth
- Product knowledge and industry expertise
- Future vision and financial viability of SAP
- SAP investment in research and development
- Flexibility of SAP® Services organization

Low Total Cost of Ownership
- Maintained total IT spend at under 1% of total company revenue
- Prevented additional costs by completing implementation on time
- Avoided high maintenance fees from previous provider

Operational Benefits

Key Performance Indicator	Impact
Redundant IT costs	Reduced by $6 million annually
Total IT spend	Totaled less than 1% of total revenue after implementation

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An IT Platform Supports Growth

With annual sales of US$2.4 billion and a leading market position providing paper packaging solutions to the beverage, food, and consumer products industries, Graphic Packaging International Inc. (GPI) continues to thrive. Following the 2003 acquisition of Riverwood Holding Inc., Graphic Packaging Corporation, GPI's parent company, was still running a JD Edwards solution, while Riverwood had been running SAP® R/3® software (functionality now available in the SAP ERP application).

When GPI was formed, they sought the expertise of a leading consultant to help them choose between the two solutions. GPI recognized the need for a single end-to-end solution across the enterprise that would bridge the two companies' IT objectives and position GPI for future growth. SAP's depth of experience, end-to-end product offerings, and track record working with Riverwood's implementation team sealed the deal. Gary Mote, director of business systems at GPI, recalls, "When deciding on a solution provider, we quickly recognized SAP's stability, their vision for the future, and their ability to build on and provide additional products and services to help us with demand planning, reporting, and scheduling processes."

Rapid Implementation With a Twist

GPI and SAP Consulting built a global template to accommodate all business processes across the enterprise. GPI's IT team partnered with SAP Consulting to run workshops where employees helped to identify the gaps between the two solutions. Subsequently, the global template was created.

Implementation began at GPI's Golden, Colorado–based converting plant in May 2004. The pilot was completed six months later. Rollout to the remaining 17 plants was accomplished in just 11 months. Today 3,600 users, performing back-office functions such as customer service, accounting, purchasing, inventory control, and manufacturing, run the software.

Operational Excellence and Growth

To remain competitive and support their future plans for growth, GPI reduced IT costs by $6 million two years after going live. Today GPI's total IT costs are less than 1% of their total revenue – an impressively low metric for the paper industry.

GPI keeps their IT costs low by using their super-user and core-team models. Internal and contract resources located at GPI facilities assist on-site with implementation and training, which eliminates the need for investment in a centralized training group.

A single platform across the enterprise allows GPI to keep its ongoing IT costs low even when requirements for new functionality arise. Products such as the SAP Advanced Planning & Optimization component will help GPI improve demand planning and scheduling processes, and the SAP NetWeaver® Business Intelligence component will help improve the availability and usefulness of data and make reporting easier. Since these solutions integrate seamlessly with the rest of the platform, GPI can avoid unnecessary integration costs.

GPI is now well-positioned for growth. GPI recently announced its intention to merge with another large packaging company, which will seal their status as a global leader in paper packaging and more than double the number of locations running on SAP software. GPI will use its existing global template to bring this new business online rapidly. "We're confident that we can deploy the SAP solution across our growing enterprise without having to make any major changes to our existing implementation plan," says Mote.

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