



Business challenge

As Kruger embarked on a project to enhance budgeting and forecasting in its containerboard division, it realized that analytics could also help to drive operational efficiencies for the business.

Transformation

For Kruger's containerboard division, 80 percent of costs relate to the raw materials required to manufacture its products. Controlling these costs requires a highly efficient forecasting process – as well as an efficient production line. Analytics is helping Kruger gain new insight into both financial and operational data to meet these challenges.



Kesnel Leblanc,
Director of Financial Reporting,
Kruger Inc.

Business benefits:

Improves

raw materials planning, helping to control costs as exchange rates fluctuate

Optimizes

production scheduling, increasing the utilization of production-line machines

Reduces

lead times for customers' orders by matching production schedules to demand

Kruger Inc.

Extending the benefits of financial planning and analytics beyond the finance department

Kruger Inc. is a diversified Canadian industrial products company, active in sectors such as pulp and paper, tissue products, containerboard and corrugated packaging. The company has also become a major provider of renewable energy, wines and spirits, recycling services and biomaterials.

“Analytics gives us time to understand and challenge the numbers, instead of just crunching them.”

Kesnel Leblanc, Director of Financial Reporting, Kruger Inc.

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Extending analytics across the business

As a diversified manufacturing business, Kruger's success depends on managing orders, raw materials and production as efficiently as possible.

In recent years, Kruger's finance team has invested in analytics tools to help it to control costs and maximize profitability. It uses IBM® Cognos® Controller for fast, accurate financial consolidation, and IBM Cognos Disclosure Management for standardized financial statement reporting.

The team's next project was to replace the company's manual budgeting processes with a more automated solution. Kruger's containerboard division wanted a forecasting tool that could provide more insight into cash flow and P&L, and was the first to get on board.

Combining financial and operational analytics

Kruger worked with Globalsult, an IBM Business Partner and analytics specialist, to build a new budgeting process using IBM Cognos TM1® software.

The solution provides deep insight into demand trends, product performance and materials costs. It also enables "what if" analysis of exchange rates, which can have a significant impact because Kruger imports raw materials and exports products across the Canada-U.S. border.

During the project, the containerboard division also requested a new tool for analyzing orders by customer and by salesperson, and understanding which orders were assigned to which machines on the production line. Cognos TM1 was an ideal platform for this tool, and Globalsult was able to deliver it quickly.

Greater understanding of business drivers

Kesnel Leblanc, Director of Financial Reporting at Kruger, explains: "Our new forecasting process gives us time to understand and challenge the numbers, instead of just crunching them. We can talk to the business about their targets, and help them find better ways to control their costs.

"The order booking tool helps our sales and manufacturing teams work together more efficiently. If the machine that makes a particular product is fully booked, our sales team can advise customers to order a similar product that can be made by another machine. The customer gets their orders faster, our production line runs more efficiently, and everyone wins!"

Solution components

- IBM® Cognos® Controller
- IBM Cognos Disclosure Management
- IBM Cognos TM1®

Take the next step

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