Finnforest

Corporate Profile

Importing Sustainably-Grown Timber

Part of the Metsäliitto Group comprising approximately 130,000 private Finnish land owners, Finnforest is a leading supplier of eco-efficient wood based products, systems and solutions.

Finnforest UK imports sustainably-managed wood from Finland and at three sites in the UK the company manufactures wood products such as decking, skirting, claddings, flooring and log cabins, to the specifications required by its customers, which include the major DIY retail outlets B&Q and Wickes, and leading National and Regional Builders Merchants such as Wolseley, Travis Perkins and many more.

Business Challenge

Increasing Data Demands

Before Finnforest instituted B2B electronic trading, collecting and sharing data was a cumbersome process. For example, when a vessel laden with bulk loads of timber arrived from Finland, it would typically take more than two days for a team to examine the timber and to collect all the requisite data points. Now, that process is managed electronically within minutes.

At the same time, demands on the business have increased exponentially. Growing awareness of environmental issues has prompted changes in consumer behaviour and led to the introduction of a plethora of new regulations. As a result, consumer and retailer interest in issues such as sustainability is expanding the range of data that Finnforest needs to share electronically. Packaging must now be audited and tracked. Another key aspect is traceability—which the industry refers to as the "chain of custody." This means, for example, that a consumer buying decking in a DIY store can trace the product right back to the source forest in Finland in order to establish that the forest in question is being managed sustainably.

These specific new challenges have come on top of a familiar one—how to transact efficiently with a range of customers, including the major DIY stores and hundreds of smaller builder's merchants. The IT systems of these customers range enormously in terms of their sophistication and ensures that Finnforest's highly flexible and adaptable B2B trading infrastructure is highly valued.

In addition, Finnforest's business is seasonal, with Easter typically representing the peak point in terms of consumer demand. It is vital, therefore, that Finnforest can deliver on time to its major customers.

The Solution

Integrating Electronic Trading with SAP

Finnforest has adopted GXS Trading Grid® as its standard platform for exchanging electronic orders, invoices, delivery notes, ASNs (Advance Ship Notices) and credit notes with suppliers and customers. This B2B infrastructure dovetails seamlessly with the company's ERP solution and, via a mapping process, translates different format messages into a consistent set of data.

If GXS Trading Grid is the lifeblood, then the heartbeat of the company's IT systems is their ERP system. The two combined drive Finnforest's business and link to the IT systems of parent company Metsäliitto.

Speed of turnaround is now very effective, and the automated transition from order receipt to delivery note happens smoothly and swiftly. Accuracy is excellent, since manual keying in of data has been all but eliminated. GXS Trading Grid has enabled Finnforest to implement a highly automated process

The Results

Mission-Critical to the Business

On the customer side, the company now conducts 85 percent of its business transactions electronically while there are active plans in place to accelerate the level of e-trading with Finnforest's supplier community.

According to Pat Fleck, IT specialist at Finnforest, B2B e-trading is mission critical to the business, and the company simply could not operate without it.

As Pat Fleck explains, "The goal is to eliminate paper and manual transactions as far as possible, allowing us to deliver on time to customers and to achieve speedy turnaround of key business documents from orders to delivery notes. This is critical, especially at busy times such as Easter when demand from DIY stores reaches a peak. We run a 24 x 7 business that is only closed on Christmas Day."

GXS™