



Savings at Nippon Paper highlight the value of a business analytics framework

■ Industry

Manufacturing

■ Business Issue

Increasing penetration and utilization of existing business intelligence systems within the company and the cost of overlapping investments for multiple tools.

■ Solution

Make the SAS Business Analytics Framework the data platform for the entire group and build a framework to enable the timely distribution of pertinent information to the users.

■ Benefits

Increases the utilization rate of field users and contributes to improved business quality. Also achieves cost reductions that exceed targets by unifying the business intelligence platform.

■ Products

SAS Business Analytics Framework
SAS® Enterprise Guide®

Thanks to diverse business activities, Nippon Paper has amassed a wealth of knowledge. Problem was, the company stored the information in four separate data warehouses – each with its own system for handling the data and each telling a different version of the truth. To get a single version of the truth, the Japan-based company needed enterprise intelligence. So it turned to SAS for data integration, business intelligence and analytics, extending the SAS® Business Analytics Framework to 2,000 users across the company.

Nippon Paper Group is an industry-leading manufacturer of a variety of paper products used for newsprint, business communication, printers and in industry.

With SAS, the manufacturer integrated four separate databases along with the different business intelligence systems that existed for each type of data, thus making the information accessible to 2,000 users, who suddenly could view and generate reports necessary to make smart business decisions.

One platform, 2,000 happy employees

Perhaps the most serious concern a company has when deciding to deploy information systems is resting assured that end users will actually use the system in a way that results in solid business value. Such was the case at Nippon Paper, whose four separate data warehouses provided information about sales, inventory and management records. Yet the end users weren't using the tools on hand to gain business intelligence.

"There weren't more than about 700 active users at the time," says Kazuo Oyama, Associate Director, General Manager of Nippon Paper's Information Systems Department (Financial Division). "We took a survey to find out why. Many people said 'It's hard to understand' or 'It's hard to use.' So we set up an investigative team to analyze the current situation and look for ways to improve."

A single, integrated system

The separate data warehouses were used primarily to extract and aggregate raw data from various mission-critical systems, including hosts run by Nippon Paper Group. At that time, the company didn't cleanse its data; thus, users with limited experience often could not make sense of it.

At the same time, Nippon Paper needed a simple way for users to generate accurate reports. Because they were pulling information from separate warehouses, employees were often reaching inconsistent conclusions from the same data.

To address the problem, IT managers realized they needed an ETL tool (extract, transform, load) at the point where data passes from mission-critical systems to the business intelligence platforms. However, ETL and BI tools for general users required an additional investment, which was both expensive initially and over their lifetime because of incremental operational and maintenance costs.

In the end, the company replaced its data warehouses and OLAP systems with the SAS Business Analytics Framework, which could handle all the company's needs in a single, integrated system.

“In the future, it would be ideal if we could use the system in a way that can help us see detailed field information. Our clients are often both a supplier and a customer. I can envision a variety of ways in which we could analyze these cases and gain insight into our business. I am convinced that by expanding the number of SAS users further, we will accelerate our business intelligence in the field, which will result in improved performance.”

Kazuo Oyama

Associate Director, General Manager, Information Systems Dept., Financial Division

SAS® meets diverse needs

With SAS, Nippon Paper gained a system that included all the functions required for business intelligence and data integration as well as data management and analysis.

The result was fast, easy access to better-organized, more user-friendly data stored on a single business intelligence platform for easier processing and enhanced reporting.

The reports, created by leaders who understand the value that individual departments and the company as a whole gain from having one version of the truth, are published on a shared user interface in the SAS portal. The portal allows any user, no matter their skill set or whether they had ever before even used a BI tool, to access the information they need to make faster, smarter business decisions.

‘This is something I can use!’

In addition, sales personnel who had previously relied on Microsoft Excel began turning to SAS instead. That’s because they could access the data and reports they needed through the same Excel interface they already knew, even if they didn’t know very much about SAS. Suddenly, users were now saying, “This is something I can use!”

But it was also necessary to convince the power users, such as business analysts, who were accustomed to the tools they already had. Although their previous platform was hard to understand, power users had a lot of freedom

to extract and process data however they wanted. Once they discovered SAS software’s analytics strength, they quickly switched their allegiances. They like the user-friendly, point-and-click operations along with high-level data processing and analysis functions that SAS offers.

“The tendency with business intelligence systems is to make them simple enough so that anyone can use them,” explains Keiji Ida, Manager, Information Systems (Financial Division). “This runs counter to the needs of experienced users who want the freedom to be creative. With SAS, we gained a system that’s easy enough for all users; yet, at the same time, its sophisticated performance allows our power users to be as free and creative as they’d like to be.”

Results exceed expectations

“Sales often requested improvements, asking if it was possible to access this or that type of information or looking for analysis from some particular angle,” says Ida. “The fact that we’re receiving requests for improvement from the field is in itself proof that the system is being used.”

The business impact of SAS is enormous because now employees can see sales information practically in real time. Employees in the field can now analyze information from a variety of angles based on the latest customer data, which enriches discussions with their customers. This helps them have much more active discussions.

Running the system in parallel in a real operating environment for a year made for a smooth system migration. The running system was extremely well-received. Reports were particularly positive from the Nippon Paper Group, which had mainly used Data Warehousing products that were closely linked to their ERP.

There was also a positive response to letting go of their earlier DWHs along with upgrading their ERP and integrating with the SAS Business Analytics Framework. New functions were also added. Previously, it had been necessary to develop dedicated programs to extract data from the ERP, and it was costly to retain the necessary personnel. “We have seen reduced costs since it is now possible to use SAS Data Integration to process the ERP data as well, integrating the business intelligence platform with the ETL functions,” says Oyama. “This new system has actually received a presidential commendation among certain group companies.”

Nippon Paper Industries had projected that they would reduce costs by 150 million yen (US\$1.6 million) within the first five years, but after the first year, they now envision cost savings well above the original targets. The results after one year of full-scale operations showed a cost reduction of 35 million yen for that year, and Nippon projects increased cost reductions in the second and subsequent years as users become accustomed to using the system.



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