



Overview

Country or Region: United States

Industry: Manufacturing—Pulp and paper

Customer Profile

Mohawk Fine Papers manufactures premium papers for corporations and other large clients, with a growing business in environmentally friendly papers. Based in Cohoes, New York, it has 800 employees.

Business Situation

Mohawk wanted to further reduce its energy consumption with Enterprise Asset Management (EAM) software that would provide information on energy usage by machines on its factory floors.

Solution

Mohawk is implementing Infor EAM from the Georgia-based Microsoft® Gold Certified Partner Infor. The solution integrates with Microsoft products such as Microsoft SQL Server® 2005 database software.

Benefits

- Usable and scalable software product
- Comprehensive information for better decisions
- Cost reductions of hundreds of thousands of dollars per year
- Carbon emission reductions of millions of pounds per year

Paper Manufacturer Uses Software to “Go Green” Through Reduced Energy Consumption

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Paul Stamas, Vice President of Information Technology, Mohawk Fine Papers

Mohawk Fine Papers makes premium papers that are used by major corporations and institutions. Recently Mohawk has seen increased demand for papers that are produced with minimal environmental impact. To meet this demand, Mohawk is implementing a new Enterprise Asset Management (EAM) solution from Microsoft® Gold Certified Partner Infor to reduce energy consumption on the factory floor. After implementation in June 2008, Mohawk will improve information collection and dissemination with the user-friendly, scalable Infor EAM product. The improved information will lead to better decisions, resulting in an expected 5–10 percent reduction in energy consumption, which translates annually to savings of hundreds of thousands of dollars and carbon emission reductions in the millions of pounds. Also, the measure will enhance the “green” Mohawk brand, increasing the company's customer base.



Situation

Mohawk Fine Papers produces premium writing and printing papers that are designed and printed especially for specific clients including Fortune 1000 companies, universities, museums, and nonprofit organizations. With headquarters in Cohoes, New York, Mohawk has 800 employees in three locations. Its revenues are about U.S.\$300 million a year.

Because they are large, high-profile companies, many Mohawk customers have become increasingly concerned with social responsibility. And with growing awareness of climate change, many of these companies are seeking to reduce not only their own environmental footprints, but also those of their suppliers.

Large companies continue to need paper in order to communicate. "But the medium needs to match the message," says Joe O'Connor, Senior Vice President of Sales, Corporate Accounts, and International Sales at Mohawk. "If you're going to produce a piece that discusses your company's environmental initiative, it had better be on a product that helps you speak that message." To meet such client needs, Mohawk now designs and markets environmentally friendly papers.

Mohawk has a historic commitment to stewardship of natural resources. It adopted an environmental management program more than 30 years ago, and in 1992 voluntarily capped emissions on its New York operations. It has also been involved in leadership programs with the U.S. Environmental Protection Agency, including the Green Power Partnership and the Climate Leaders Program. But in response to the new demands from customers, the company redoubled its efforts.

Most recently, Mohawk has developed papers that have a high percentage of recycled content, which require less energy to make. It has worked with the nonprofit Forest Stewardship Council to ensure that the virgin fiber it does purchase is harvested in a sustainable manner. It has invested in renewable energy, particularly in the form of wind-generated electricity. And it has purchased carbon offsets for the nonrenewable energy that it does use.

Despite the recent improvements in sourcing energy more renewably, an even more sustainable approach would be to require less energy in the first place—to drive down internal energy consumption. "That's ultimately how we reduce our greenhouse gas emissions," says Milner. "From light sensors in offices, to the purchase of biodiesel fuel for trucks, to using more efficient motors (even if they cost a little more), energy management is a company priority."

The company has set this priority in part, O'Connor adds, because it makes financial sense. "To us, the true definition of sustainability today is where environmental performance equals financial performance." Given the rising prices of energy, reducing consumption can lower costs and thus increase profits even as it reduces carbon dioxide emissions.

But to gain more control over energy consumption, Mohawk needed more information. In particular, it wanted increased insight into what was happening on the factory floor. People were not using its decade-old Enterprise Asset Management (EAM) solution to its fullest extent. "That made it tough for those of us in management to make decisions, because we didn't have all the information that we needed," says Kim Osgood, Manager of Engineering and Maintenance for New York Operations at Mohawk.

Paul Stamas, Vice President of IT at Mohawk, agrees. "We simply outgrew the product," he says. "We wanted to cast a wider net on our equipment and get more intimate with the data being collected on the factory floor. We needed a road map to take us to the next level of operational excellence, which was the next step in going green." Mohawk needed an EAM system that would integrate energy into the company's asset management strategy.

Solution

Seeking a solutions provider that would understand its goals and objectives, Mohawk turned to Infor, a Microsoft® Gold Certified Partner based in Alpharetta, Georgia. Infor is one of the world's largest providers of business software, with approximately \$2.1 billion in revenue and with many enterprise software customers in manufacturing and distribution industries.

"A lot of providers will sell you a product," Stamas says, "but Infor came in and listened to us and gained a sense of our culture and business objectives. They were of like mind, particularly in terms of energy management."

"An EAM solution typically addresses asset availability, capacity, and quality," says Rod Ellsworth, Vice President of EAM Business Solutions at Infor. For example, it can help a company to determine whether and how it can manufacture enough product to meet sales goals. But Ellsworth tells how one day he and his daughter were watching a television show about the fate of polar bears in a world of melting icecaps. Ellsworth explained to his daughter that they could help the polar bears by, for example, turning off lights at home. She asked him, "Well, why can't companies do that as well?"

Ellsworth and his team took it from there. He says, "I realized that the largest consumption of energy in the commercial industrial sector is from the assets that run manufacturing

plants. If we could manage those assets to consume energy more efficiently, we could have a dramatic impact."

The result was that Infor developed an EAM product that provides information to help managers improve efficiency. "The analogy I use is of a car," Ellsworth says. "You may pay extra for a car that gets 40 miles to the gallon, but if you don't know that your mileage has suddenly dropped to 35, you don't know that it's time for some maintenance or a tire-pressure check, something to get it back to optimal levels. You're losing out on the energy efficiency you invested in, because of a lack of information. The EAM software works similarly, except that manufacturing assets generally cost far more to run than does a car."

Infor EAM Enterprise Edition was the only solution that Mohawk examined. "We knew that it was a market leader," says Stamas. "It had a clear, concise road map for the future. It had a Web-based architecture for superb usability and intuitiveness." Infor EAM also uses service-oriented architecture, which will support Mohawk in integrating with its enterprise resource planning (ERP) system.

Infor EAM works with business intelligence tools from Microsoft, including Microsoft SQL Server® 2005 database software, Microsoft Office Excel® 2007 spreadsheet software, Office Project Server 2007, Office SharePoint® Server 2007, and the Microsoft Internet Explorer® 6 Internet browser. "Ultimately we're going to be collecting volumes of data," says Stamas, "and we're going to need to effectively manage that data and make decisions based on it. So our use of SQL Server 2005 is a hugely important component of this solution. SQL Server 2005 is the standard in terms of database systems, and our IT staff is very familiar with it, which should accelerate the EAM implementation."

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Paul Stamas, Vice President of Information Technology, Mohawk Fine Papers

The integration with Office Excel 2007 and Office Project Server 2007 is also important. “Integration with familiar Microsoft tools takes the application’s complexity out of the equation,” Stamas says. “We can take information right down to the desktop, empowering users to access and act on that information.”

Mohawk is implementing Infor EAM in early 2008, expecting to complete the five-month process and go live in June. Infor EAM will run on the Windows Server® 2003 operating system and HP ProLiant DL380 servers. Mohawk also plans to upgrade to SQL Server 2008.

“We think it will be a very straightforward implementation,” says Stamas. “The culture here understands the importance of energy management, and our users are excited about the promise of this product.”

Benefits

By implementing Infor EAM, Mohawk will gain a usable software product that provides rich information leading to better decisions about energy management. These decisions will lower energy costs and will also contribute to the “green” Mohawk brand, leading to an increased customer base.

Usable and Scalable Software Product

“I haven’t seen a product in years that is as effective and user-friendly as the Infor Enterprise Asset Management product,” says Stamas. Because the solution is Web-based, it can be deployed and managed by using a simple Web browser. “We’ll use Internet Explorer 6 to deploy Infor EAM companywide,” says Stamas. The product’s ease of use will increase adoption rates. Osgood says, “By providing a system that’s more user-friendly, we’ll get better information.”

Furthermore, because of its adaptable software design, Infor EAM will integrate with other Mohawk software. “We can take our core ERP system and go find best-of-breed products to drive newer solutions,” Stamas says. The product is flexible and scalable. “One thing that particularly excites us about this solution is that, with Infor EAM and SQL Server 2005, we can add work instructions to the system in the form of video files. So if we have a preventive maintenance cycle on a machine, the repair person has access to all that information,” Stamas says.

That’s just one example of the future improvements Mohawk plans to implement with the software. “Infor has a clear road map for where they are taking the EAM product,” says Stamas, “and it’s directly aligned with where Mohawk Fine Papers wants to go.”

Comprehensive Information for Better Decisions

The software will provide Mohawk with comprehensive information about the company’s assets, which will lead to better decision making. “I think the most important thing we’ll gain is visibility into the entire life cycle of our equipment,” Stamas says. “We’re casting a wider net on the parameters and inputs and outputs that we can affect. We’ll further our efforts to move from a reactive mode of doing maintenance to a proactive mode of doing preventive and predictive maintenance.”

Such information will also standardize the way assets are treated across the company. “Everyone will be performing maintenance on the equipment the same way,” says Stamas. “And, with Infor EAM, executives will have visibility into which equipment is consuming the most energy at any particular time.” With analytics and dashboards as components of their business intelligence tools, Mohawk executives will gain much more visibility. “We’re opening up access from the executive

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level all the way down to the factory floor,” says Stamas.

Cost Reductions of Hundreds of Thousands of Dollars per Year

“As we were going into this project, we talked a lot about what level of improvement we should expect,” says Stamas. “And the goal we set for ourselves for the enterprise asset management system was a reduction in the total amount of energy consumption of 5–10 percent. That’s a huge number and it offers significant potential financial rewards.”

Indeed, Mohawk purchases 100 million kilowatt hours of energy per year from its green sources. If it achieves a 10 percent reduction, and prices remain at the current 8–10 cents per kilowatt hour, Mohawk will save hundreds of thousands of dollars per year.

Carbon Emission Reductions of Millions of Pounds per Year

Cost reductions go directly to the company’s bottom line. But another factor, not always measured in financial reports but perhaps equally important to society as a whole, is carbon dioxide emissions. “At 1.7 pounds of carbon emissions for every kilowatt hour you use, these reductions mitigate millions of pounds of carbon emissions into the environment per year,” Ellsworth says.

Future regulatory schemes, such as carbon cap or cap-and-trade programs, may make it possible for Mohawk to monetize these savings eventually. But even today, such impressive environmental initiatives improve the company’s brand outside the traditional selling channels. “Essentially, we didn’t used to have a brand,” says O’Connor. “We have no retail distribution; our paper isn’t sold at Staples or Office Depot. But with our corporate customers, we’ve been able to build a brand around environmental management.”

Increased Customer Base

As a whole, the U.S. paper industry has struggled in recent years. An influx of papers manufactured offshore has led to excess domestic capacity and industry consolidation. But Mohawk has thrived. “In terms of environmental products, the success and profitability they have brought our company has exceeded our expectations,” says O’Connor.

In other words, environmental stewardship has led to—and, Mohawk executives believe, will continue to lead to—not only lower costs but higher sales. “At the end of the day, we are looking to sell a product,” says O’Connor. “We manufacture a product and we want it to be sold. But we’ve found that the sales process is also about aligning values, what we do as a company and what each of our customers does as a company. And compared with our competitors, we are continually investing more time and effort—and capital—into our environmental philosophy. The EAM system is just one example of a set of values that has really resonated with our customers.”

O’Connor concludes, “We have some environmental organizations—including the Nature Conservancy, the Waterkeeper Alliance, and the World Wildlife Fund—that use our paper, as well, and we feel that’s a great testament to the environmental viability of our products.”

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: www.microsoft.com

For more information about Infor products and services, call (800) 260-2840 or visit the Web site at: www.infor.com

For more information about Mohawk Fine Papers products and services, call (800) 843-6455 or visit the Web site at: www.mohawkpaper.com

Microsoft Server Product Portfolio

For more information about the Microsoft server product portfolio, go to: www.microsoft.com/servers/default.mspg

Microsoft SQL Server 2005

Microsoft SQL Server 2005 is comprehensive, integrated data management and analysis software that enables organizations to reliably manage mission-critical information and confidently run today's increasingly complex business applications. By providing high availability, security enhancements, and embedded reporting and data analysis tools, SQL Server 2005 helps companies gain greater insight from their business information and achieve faster results for a competitive advantage. And, because it's part of the Microsoft server product portfolio, SQL Server 2005 is designed to integrate seamlessly with your other server infrastructure investments.

For more information about SQL Server 2005, go to: www.microsoft.com/sql

Software and Services

- Microsoft Server Product Portfolio
 - Windows Server 2003 Enterprise Edition
 - Microsoft SQL Server 2005
- Microsoft Office
 - Microsoft Office Excel 2007
 - Microsoft Office Project Server 2007
 - Microsoft Office SharePoint Server 2007
- Infor EAM Enterprise Edition

Hardware

- Dell EqualLogic SAN
- HP ProLiant DL380 server computers
- VMware ESK cluster