



PÖLKKY OY GROWS AND DEVELOPS

Pölkky Oy, located in northern Finland, and Savcor Forest's crossed paths in mid-1990s. Savcor Forest supplied a basic ERP-system as well as wood procurement functionality for Pölkky's operations. However, right after the signing of this contract the two started to plan an extension into mill-level system. Three years later Pölkky became Savcor Forest's first Meka ERP- installation in February 1999, recalls Meka product manager Jari Jokinen. Drive towards development has been strong in both companies and therefore co-operation has continued until today.

Pölkky's persistency towards growth was again proven through a contract done with UPM-Kymmene, which published the ownership of Kajaani sawmill to transfer to Pölkky. The new owner started running operations from September on. New sawmill supports the raw material acquisition of its owners other sawmills and strengthens the division of work among them. Profitability and quality of further processing increase thanks to larger amount of inhouse sawn wood.

"Kajaani sawmill is a good supporter for our production concept based on high quality raw material from northern Finland. After this acquisition we are even more capable of serving our customer on domestic and export markets. Cost structures and operations model in Kajaani need to be brought quickly to a level of profitable business", says **Managing Director Jouko Virranniemi of Pölkky Oy**.

End product markets are experiencing challenging times, but through efficient production, right cost structure and high quality operations we will be able to maintain our competitiveness also in the future. Wide market area, further development of the service concept and competitive Pölkky product portfolio will enable success also from here onwards.

Pölkky product portfolio and the service related improve through the new production capacity and division of products. What is required for developing further processing is competitive and profitable basic production of sawn goods. Pölkky has invested over 70 million euros in mechanical wood processing

since the 1990's. Acquisition of Kajaani sawmill takes this development one step further again in the quest of competitive strength. Up to 70 percent of Pölkky's sales volume is exported in more than 20 countries. The domestic market will, however, continue to be significant. A year ago the company invested in a new glue beam production line. The continuous development and growth have raised the bar also for ERP systems. All Pölkky operations are driven through systems supplied by Savcor Forest. ERP system includes raw material purchasing operations, mill receivings and operations including graphic warehouse management, vehicles, order-delivery chain management and production planning in further processing and glue beam production. In addition Pölkky uses a broader perspective Business intelligence application that serves management through assistance in running versatile operations.

Pölkky is a customer that demands a lot, but we like it, says Savcor Forest solid wood team. High requirement level from customer side combined with supplier's industry knowhow is a combination that maintains development in software business now but also in the future. Over 15 years of co-operation continues, which at the moment means the planning work of extending the existing ERP-system in Kajaani mill as well. Prior to this, Savcor Forest systems have been extended into former Stora Enso Taivalkoski production unit and in Kitka, so both parties are very familiar with the requirements of ERP systems when operations grow.

Pölkky Oy is a family business from Kuusamo in northern Finland. They have sawmilling and further processing operations in Kuusamo, Taivalkoski and Kitka in Kuusamo and a pressure treatment facility in Oulu. Pölkky Group's turnover rises up to 100 million euros annually and employs around 220 industry professionals.