



Success Story

Manufacturer and Distributor of Paper Products

Benefits

This manufacture was able to reduce operating costs by understanding

- Which products to sell to which customers, based on
- Which transportation modes and
- Distribution locations to use in serving these customers

Background

Georgia Pacific asked Profit Point to perform a supply chain network planning analysis and study to allow the Commercial Paper Division to make better decisions regarding

- Which products to sell to which customers, based on
 - Available production capacity
 - Production, transport, distribution and related costs and
 - customer / product profit contributions,
- Which transportation modes and distribution locations to use in serving these customers

Our Solution

Profit Point worked with Georgia Pacific to develop an appropriate linear programming formulation to model the paper division production and distribution system by adapting Profit Point's existing MS Access-based Profit Network software system to model the problem formulation.

We use Profit Network to set up and solve the resulting optimization problem, plus a reasonable number of alternative scenarios, and presented results of these studies to Georgia Pacific.

The characteristics of the desired production and distribution system model were as follows:

Objective is to maximize profit over the time horizon, while constrained by

- Production capacity
- Transportation mode capacity
- Initial inventory levels
- Inventory capacity limits by product at each DC
- DC total capacity limits