



# ERP FOR SMOOTH FLOWS BETWEEN SALES AND PRODUCTION

*The success of Lunawood Oy, a manufacturer of thermowood, has its roots literally in forests, referred to as the green gold of Finland. The company is growing rapidly, and its sales and production-planning processes rely on solid functioning of the information systems provided by Savcor. Production-planning and sales personnel communicate with each other constantly, and their results are evaluated every quarter.*

– Halfway through each quarter, we plan the sales for the next quarter; distribute the work among the Iisalmi, Kaskinen, and Joensuu plants; and reserve the required raw materials. We no longer fiddle with Excel spreadsheets – we have all data conveniently available in one information system. The system must be watertight and functional for all steps in the production chain. That is exactly what Savcor’s Meka ERP system does, says Lunawood CEO **Arto Halonen**.

According to him, the system went through a true stress test nearly a year ago when the company acquired Metsä Wood’s thermowood business in Kaskinen: the implementation of Lunawood’s systems was completed at the plant without a glitch in the space of just a few nights. Savcor’s team did its part to complete the project.

– It is a pretty good indicator of their flexibility and competence in what they do. We grew by 30 percent last year and operate in more than 40 countries. This requires a lot from an information system, concludes Halonen.

## AN ENVIRONMENT-FRIENDLY MANUFACTURING PROCESS

Brothers Aulis and Olavi Kärkkäinen started producing thermowood as a small family business in 2001. They worked alongside several companies and VTT Technical Research Centre of Finland Ltd. on product development. Before retiring, the brothers put a final touch to the Lunawood brand. Thermal processing considerably improves the wood’s resistance to the elements and decay, and it helps the wood retain its



*We are planning to invest in Savcor’s MAP inventory management software. Thermowood is being manufactured around the clock, and a graphical inventory management system will facilitate the warehouse part of the production chain*



ARTO HALONEN  
CEO, Lunawood Ltd

dimensions and shape. The manufacturing process transforms Finnish tree species, such as pine and spruce, into durable and stable products that can be used in construction for public spaces, homes, patios, and yard and garden structures.

– The manufacture of thermowood involves natural methods. Only heat and steam are used in this manufacturing process, and no chemicals are added. The Finnish climate is ideal for producing slowly growing, close-grained raw material with healthy branches, which is ideal for our processes, Halonen says.

## A MATERIAL FAVORED BY ARCHITECTS

Lunawood’s exports have grown rapidly, now accounting for 94 percent of the company’s production. Its primary market area is Europe, with Germany, France, and the UK as the main markets. Growth is now being sought in new markets in the Middle East and Asia.

– In the Middle East, architects are very fond of thermowood, which softens the exterior of concrete buildings and is visually

appealing. Finnish forests provide a steady supply of renewing raw material. Therefore, the use of thermowood instead of hardwoods from rainforests also supports green values, Halonen says.

## IMPROVED INVENTORY MANAGEMENT

The inventory system is the next aspect of production to be developed at Lunawood. As the company grows, improvements to its internal logistics are essential. Movement of goods takes place in several shifts, and it is important for items to be moved to and located in the right place at the right time.

– Our goal is to double the production of the Kaskinen unit in the coming years, and the correct timing of inventory turnover is important. Therefore, we are planning to invest in Savcor’s MAP inventory management software. Thermowood is being manufactured around the clock, and a graphical inventory management system will facilitate the warehouse part of the production chain, Halonen says.



Thermowood is very popular for example in the Middle East. Photos: Lunawood

