



Suzano

Paper and Forest Product Manufacturing

Suzano is a Brazilian bioproducts company with a presence in over 80 countries. The company is headquartered in São Paulo and has offices throughout Brazil, America, Europe and Asia and has the largest paper and graphic product distribution in South America.

Goal

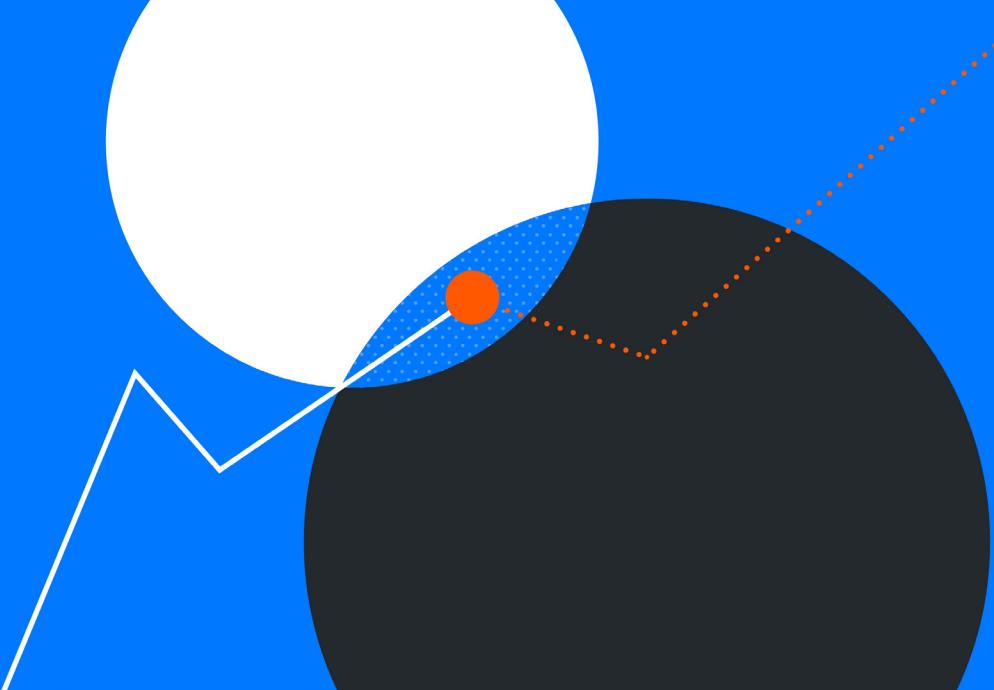
As part of Suzano's digital transformation and continuous fostering of open innovation, they wanted to explore the opportunity of predictive modeling and anticipating the dynamics of their target markets.

Initial deployment

Suzano and Prevedere executed an initial project which had three major goals:

1. Foreseeing business headwinds and tailwinds via 3-month outlook scenario models.
2. Improving strategic decision-making and contingency options by incorporating external data into planning processes.
3. Providing economic intelligence to the leadership team through a delivery of quarterly economic reviews for use in budgeting, earnings calls, and board reviews.





Predictive models

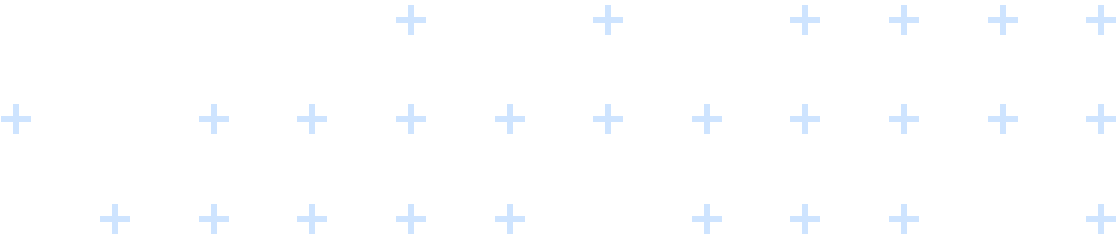
In less than 6 months, predictive models for 3 of Suzano’s key target markets were developed and deployed from scratch using Prevedere’s Advanced Predictive Planning platform. Prevedere leveraged its Global Intelligence Cloud to search and screen over 700k external business indicators in order to identify the highest correlating and predictive indicators.

Those indicators were then incorporated into the creation of thousands of econometric ‘cause + effect’ models, using machine learning to simulate the statistical testing and refining of indicator combinations. Resulting models were then ranked by predictive accuracy, and the top models were selected by Suzano for production planning use.

Business drivers and predictive insights

This process expanded Suzano’s horizons and provided a broader view of external indicators that had a very high (and explainable) correlation with the pulp and paper businesses.

Suzano has been able to cross-correlate forecasts with the actuals for production and end-use consumption. This marks an important transition from ‘Descriptive/Diagnostic Analysis’ mode to ‘Predictive Analysis’ mode, a transition which was crowned with one of the production models reaching accuracy of over 95% (95.41%). This level of predictive performance is highly valuable to optimize their supply chain resourcing, to improve the company’s service level to their customers and their overall strategy/performance.



Outcomes

- **Improved Forecasts and Plans.** Suzano has modernized its planning process by augmenting existing forecasts with unbiased economic baselines, enabling the creation of market-validated plans and strategies.
- **Planning Transformation.** By leveraging new classes of data, econometric modeling and AI, Suzano is able to provide new layers of insight to business teams.
- **Multidisciplinary and Diverse Teams.** The project involved people from different business functions and backgrounds (economists, engineers, analysts, planning), all combining efforts to reach the common goal of seizing a big opportunity. This diversity played a major role in creating a common understanding of what drives the business, and integrated actions that resulted in highly predictive performance models.

“The combination of Suzano’s 90+ years of pulp and paper business expertise with external data through use of AI and econometric modeling has significantly broadened our knowledge spectrum and generated new, important foresights to our strategy. After understanding the power of this combination, we’re confident that we’ll replicate and scale it up to other internal projects.”

Felippe Pardini de Souza, Digital Strategy Lead at Suzano

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