

HOW DO I PREPARE AN OPPORTUNITY FOR P0 GATE REVIEW?

TRAINING WALK-THROUGH EXAMPLE

Use the following example to follow along during the training.

Background

Project	Optimization of wire skewing in paper machine
Potential benefits	<ul style="list-style-type: none"> – Improve consistency, reduce downtime – Expected annual cost benefits of \$20-80k
Planned TIC	\$200k

Enter the 'Example Project' information into EcoSys.

No.	EcoSys Field	Example Project (enter this into EcoSys)
1	Portfolio	<i>Georgia Pacific > Consumer Products > Consumer</i>
2	Opportunity ID	<i>OPP-XXXXXXX</i>
3	Project Name	<i>PM20 Wire Skewing Optimization</i>
4	Security Org	<i>Georgia Pacific > Consumer Products Group > Consumer > Tissue > Savannah</i>
5	Private Project	<i>No</i>
6	Supports a Brand	<i>Check</i>
7	Opportunity Statement	<i>CPG Retail Business - Savannah Paper Machine 20 (PM20) has an opportunity to improve sheet forming wire position and tension control methodology to eliminate 20 to 40 hrs of machine down time/yr, Improve drainage over the life of the wire, reduce converting operational issues for poor paper sheet edge quality, and provide cost avoidance by reducing the risk of damage/ loss of a \$50K wire due to running off. The improvement would yield \$20K to \$80K/yr in cost benefits.</i>
8	Portfolio	<i>Georgia Pacific > Consumer Products Group > Consumer > Tissue > Savannah</i>
9	System/Area	<i>Paper Mill</i>
10	Group1-Group 2	<i>Paper Machines-Tissue (433.309)</i>
11	Project Sponsor	<i>Doten, Chris J. (SRM)</i>
12	Project Originator	<i>Quick, Matthew C.</i>
13	Project Owner	<i>Calloway, Bryan M.</i>
14	Vision Fit	<i>This project opportunity supports the Retail Tissue Business Category, where Savannah Paper Machine 20 (PM20) is a primary strategic paper making asset supplying the Retail Tissue Business.</i>

		<i>20 PM is part of 3-Ply CWP product system - manufacturing Quilted Northern Ultra Plush® and the 2-Ply CWP product system manufacturing – KS Toilet Tissue. Market demand outlook and Retail Tissue Business supply chain priorities for 20 PM are looking for investments that improve asset productivity and competitive cost position as well as improve or maintain quality attributes in Quilted Northern Ultra Plush® and or KS bath tissue brands.</i>
15	Key Drivers	<i>Downtime reduction for Skewing Wire: Cost: \$200M Benefit: \$20M/yr Owner: Matthew Quick Improve consistency of wire drainage: Cost: incl. Benefit: \$15K Owner: Matthew Quick Improve consistency of sheet width to converting: Cost: incl. Benefit: \$20K Owner: Chris Doten</i>
16	Next Steps	<i>Validate Strategic fit to ensure that the opportunity is of high enough fit and value vs other opportunities and projects, and to confirm if the opportunity timing is right. Establish if the Opportunity should be held or advanced to become an active Project.</i>
17	Fundamental Objective	<i>Improve Competitive Cost Position and Reliability of Savannah 20PM supplying Quality Quilted Northern Ultra Plush® and KS Bath Tissue.</i>
18	Superior Earnings & Growth	<i>Check</i>
19	Disciplined Reliable Operation	<i>Check</i>
20	Optimized Base Case	<i>OBC – Implement paper planning and grade change protocol to reduce grade changes between Quilted Northern Ultra Plush® and KS bath to reduce number of Grade changes / year. Improve and Optimize the existing wire Skew and Tension Control Standard Operating Procedure to safe guard against wire run off. Continue with current plan – to skew with wire tension mechanism. Not recommended since this doesn’t address the consistency and does not account for market -supply demand requirements for just in time supply which could lead to more or less downtime.</i>
21	Upside NPV (\$)	<i>483,000</i>
22	Downside NPV (\$)	<i>6,000</i>
23	Upside IRR (%)	<i>31</i>
24	Downside IRR (%)	<i>6</i>
25	Planned Total Installed Cost (\$)	<i>200,000</i>
26	Attachment	<i>Financial Model VSW</i>