



Paper Manufacturer Revamps Capital Planning to Uncover \$50 Million in EBITDA Gains

Long-term planning transformed outdated assets into a future-ready, high-performance network.

Challenge

A multibillion-dollar paper and packaging company had grown through years of acquisitions, resulting in a patchwork of manufacturing plants, each with its own legacy equipment tailored to specific products. While advances in manufacturing technology made it possible to produce multiple product types on fewer, more flexible machines, most plants remained anchored to legacy equipment and existing operating norms. This limited the company's ability to shift production to the most cost-effective sites.

Leadership saw an opportunity to modernize the fleet and replace outdated machines with a smaller number of high-performance assets. But there was a catch: new machines would last more than a decade, while the company's market forecasts only stretched three to five years into the future. Without a longer-term view of where demand and technology were heading, the company risked making capital bets that could lock in higher costs for years to come. It needed a clearer picture of the future and a smarter way to allocate strategic capital.

Discovery

To define the future production network, we used a future-back approach anchored in a 10-year horizon. We started with a detailed end-market analysis, combining external forecasts, macro trends, and primary interviews to understand how customer needs and volume growth would shift across categories and geographies over time. Through scenario analysis, we explored divergent futures and potential external shocks, each tagged with probability and leading indicators to guide strategic choices.

In parallel, we engaged with equipment manufacturers to map the trajectory of asset innovation, focusing on expected gains in speed and performance. One insight stood out: production run length would be the key variable shaping asset choice. By segmenting projected demand by run length, we modeled which types of machines made sense for different production scenarios.

Impact

We delivered a strategic capital roadmap that aligned long-term investments with future market needs, ensuring the company could rebuild its production network around the optimal asset mix.

In the near term, we identified \$7–13 million in annual savings by reallocating products to more cost-efficient existing machines. Over the long term, we showed that modernizing the fleet could reduce the total number of machines required, opening the door to plant consolidation.

Our team quantified more than \$50 million in potential EBITDA gains from footprint rationalization alone. The plan gave leadership the confidence to move forward with targeted investments, unlock structural cost reductions, and build a production network that's simpler, more flexible, and future-ready.

Contact Our Experts



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