Agenda

- What was the Burning Platform?
- What needed to change?
- The transformation / optimization journey
- Results – People, Process, Technology, Benefits
Introduction & Overview

• Get an inside look at how Campbell Soup leveraged standard SAP technology to drive worldwide change in its core planning and supply chain processes to achieve stability, improve inventory turns and enhance organizational capability.

• Hear how Campbell Soup tackled the transformation challenge to achieve significant benefits including:
  – Standardization across its global supply chain utilizing one system of record, eliminating silos, reducing volatility and increasing stability
  – Development of a governance structure that drove discipline, data integrity and exception management into the supply chain
  – Maximized standard SAP as a catalyst to drive operational KPI’s and new behaviors into the user community
About Campbells Supply Chain

Real food that matters for life's moments

Supply Chain Disposition
What I’ll Cover

• What was the Burning Platform?
• What needed to change?
• The transformation / optimization journey
• Results – People, Process, Technology, Benefits
Material Planners Function Setup

Jim Klug
CR Manager
Maxton

Brian Halle
WHQ
- Poultry
  - (Direct reporting line to CR Manager, Jim Klug)

Stephanie Gales
Milwaukee
- FG from Milwaukee (CM, flavorings)
- Milwaukee-unique vendors (25% reporting to CR Group, backup with on-site personnel)

Cory Searfoss
Napoleon
- Flavors
  - Fluid Premixes
  - Spices
  - McCormick Spices
  - Grains (Barley/Rice)

Clayton Frist
Napoleon
- Juice Concentrates
  - Dairy/Eggs
  - Salt
  - Sugar & Sweeteners
  - Oil
  - Wine & Vinegar
  - Flour & Sugar
  - Paper & Labels

Cindy Parker
Napoleon
- Cut & Stack (non-TPF)
- Food Sensitive Foods
  - Shelf-stable 211 Ends
  - Plastic Bowls/Cups
  - Bowl/Cup Labels
  - Plastic Over-caps

Carl Gottrell
Napoleon
- Corrugate (U.S.)
- PPS Film
- Shrink Film
- Fresh Carrot, Celery, Potato (Napoleon)

James Ozark
Food
- Fresh Mushrooms
- Fresh Peppers
- Fresh Onions
- Frozen Vegetables
- Frozen Beans
- Food Grade Chemicals
- Manufactured Proteins (meatballs, sausage)

Tabitha Blackburn
Paris
- Glass
- Alum. Cans & Ends
- Beverage PET
- Sauce PET
- Caps
- Yeast
- Beans
- Soy Protein
- Beef

Paul Tremblay
Toronto
- Barcode Labels
- Steel Cans & Ends
- Aseptic Cartons
- Corrugate (Toronto)
- C&S Labels (Toronto)
- Pork
- Seafood

Neal Wilkes
Maxton
- Tomato Products
- Co-man Tomato Products
- Fresh Carrot, Celery, Potato (Maxton)

81,000 POs annually
Burning Platform

• Implemented SAP/MRP ~10 years ago – Materials Management space never optimized
• Inconsistent level of SAP/MRP expertise/knowledge on team
• Inconsistent use of functionality /master data/ business rules
• Insufficient operating performance metrics/exception reporting
• High inventory levels and inconsistent material service (incorrect inventory levels)
• Limited x-team integration
• High level of manual intervention due to high volume of exceptions
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oVo® Methodology

Developed by Reveal, ongoing VALUE optimization® (oVo®) is a proven, value-driven business methodology that helps clients raise their Business Maturity® ratings. It helps navigate the challenges that companies typically face by artfully defining a roadmap that clearly shows everyone the business value they will achieve along the way. By following a roadmap, it embeds change management elements into the project and ensures the transformation happens throughout the organization from the start.
Campbells’ maturity in the use of SAP

1. Stabilization
   - Transactions function as intended
   - Multiple software products become single data source
   - Standard options are favored over customization
   - Cost based decision align to business strategy
   - System runs as intended and keeps running
   - Applications are available as intended
   - Status quo thinking (this is how it works) needs to be challenged
   - IT & business roles are challenged
   - IT Solutions are aligned to business needs
   - Support requirements are better understood

2. Data Integrity
   - Exception are being managed
   - Overdue transactions no longer exist
   - Real-time transactions
   - Communications tool
   - Customers and Suppliers systems integrate
   - Transactional data accuracy is maintained
   - Accountability for data and processes is established
   - User confidence is enhanced

3. Business Rules
   - Exceptions are being reduced
   - Users plan in the system
   - Data is grouped properly
   - Master data rules align with business rules
   - Master data accuracy is maintained
   - Service levels – Internal & external are defined
   - Business processes are detailed end-to-end
   - Business measures / KPIs / Analytics provide accurate data
   - Supply chain is functionally integrated

4. Optimization
   - Exceptions reflect effective management of process integration
   - Technology integration end-to-end is realized
   - Allocated cost is reflected in the processes
   - Enhanced accountability enables advanced business processes
   - Adaptive collaboration effectively enables process improvement
   - User Mobility/Device Solutions utilized for virtual management
   - Analytics and Dashboards provide tools for decision making
   - Supports key factor in driving business objectives

5. Business Value
   - Increased Customer retention
   - Increased Service levels
   - Enhanced profitability, margin
   - Enhanced inventory turns
   - Reduced Inventory write-offs
   - Reduced price-to-lead times
   - Reduced costs
   - Improved service levels
   - Improved product availability
   - Improved collaboration among organizations
   - Improved cycle times, on time delivery & fill rates

BUSINESS THRU ACCOUNTABILITY, GOVERNANCE, PLATFORM and SUPPORT

Ensure the transactions work as intended and that Master and Transaction data is relevant and clean with consistent processes adopted to maintain it. Get all core processes in the system. – PLAN and EXECUTE

Get the system to work for you, not you for the system. Integrate and Control processes through monitoring, collaboration and automation in the system. – SENSE and RESPOND

Get the system to work for your business. Achieve Value targets, Manage by exception, adapt processes, realize benefits, set new VALUE targets. – MEASURE and ADAPT
Inventory Performance

Average Dead (Excess) Stock > 50% of Average
Balancing Service Levels, Inventory and Operational Cost

Process Performance

Stability
Predictability
Min. Process Deviation
Automation
Scalable and Aligned

Increase Service Levels | Increase Availability | Eliminate Stock Outs

Inventory Value

Optimize
Reduce
Available

COSTS

SERVICE LEVEL
The Rules were not helping…
We had exceptions everywhere
The Ripple Effect
What I’ll Cover

• What was the Burning Platform?
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• Results – People, Process, Technology, Benefits
The Journey to Maturity

SUSTAINABLE BUSINESS THROUGH ACCOUNTABILITY, GOVERNANCE, PLATFORM and SUPPORT

Ensure the transactions work as intended and that Master and Transaction data is relevant and clean with consistent processes adopted to maintain it. Get all core processes in the system - PLAN and EXECUTE.

1. Stabilization
- Transactions function as intended
- Multiple software products become single data source
- Standard options are favored over customization
- Cost based decisions align to business strategy
- System runs as intended and keeps running
- Applications are available as intended
- Status quo thinking [this is how it works] needs to be challenged
- IT & business roles are challenged
- IT Solutions are aligned to business needs
- Support requirements align with business needs

2. Data Integrity
- Exceptions are being managed
- Overdue transactions no longer exist
- Real-time transactions remain current
- Data cleansing is complete
- Users work inside the system
- Organization uses system as a business processes in the system.
- Accountability for data and processes are established
- User confidence is enhanced
- Lead times are accurate
- Process visibility is increased
- Support enhances data integrity

3. Business Rules
- Exceptions are being reduced
- Users plan in the system
- Data is grouped properly
- Master data rules align with business rules
- Master data accuracy is maintained
- Service levels- internal and external are defined
- Business rules are standardized
- Business Measures/ KPIs / Analytics provide accurate data
- Process vision is functionally integrated
- Operations and logistics align with capacity
- End-to-End product visibility, serialization and traceability
- End-to-End Process Status and Event visibility are transparent
- Optimized Business Networks
- User experience is enhanced
- System alignment with Business Strategy

4. Optimization
- Exceptions reflect effective management of process integration
- Technology integrated end-to-end
- Maintain performance
- Operation and logistics align with capacity
- End-to-End product visibility, serialization and traceability
- End-to-End Process Status and Event visibility are transparent
- Optimized Business Networks
- User experience is enhanced
- System alignment with Business Strategy

5. Business Values
- Increased customer retention
- Increased service levels
- Increased revenue
- Enhanced profitability
- Optimal inventory values
- Increased inventory turns
- Reduced inventory write-offs
- Reduced stockouts/lost sales
- Reduced operating costs
- Reduced time to action
- Real-time visibility of performance goals, process data, events
- Improved collaboration across departments
- Improved cycle times, on time delivery rates
- Increased product availability and quality
- Reduced equipment downtime
- Trusted processes
- Reduced risk
- Scalable system

Completed transactions function as intended and that Master and Transaction data is relevant and clean with consistent processes adopted to maintain it. Get all core processes in the system - PLAN and EXECUTE. Get the system to work for you, not the other way around. Integrate and control processes through monitoring, collaboration and automation in the system, SENSE and RESPOND. Get the system to work for your business. Achieve Value targets, Manage by exception, adapt processes, realise benefit, set new VALUE targets.

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oVo® Program Objectives
ongoing VALUE optimization

➢ Optimize inventory through more effective use of system
➢ Improve supply chain service levels
➢ Increase process efficiency
➢ Significantly increased visibility across the supply chain
➢ Increased data accuracy and user confidence
➢ Improved control and decision making
Materials Management – 1 North American MM Team

• Standardize work processes across all brands/businesses
• Standardize material issues / crisis management and transparency
• Standardize reporting, tools and technology
• Review organization and organization structure
• Network wide Material Planner expertise
• Single Material Planner point of contact
• Build Center of Excellence at WHQ
• Accelerate the pace of improvement / leverage best practices
• Career development / exposure across brands/businesses
• Further Supply Chain ambitions of One Supply Chain
Optimization Constraints

90% of all constraints are Policy related

- Planning Strategies
- Lead Time
- Pricing/Lot Sizing
- Master Data Ownership
- Buffer Management
- Order Scheduling
- Time Fence
- ATP

Policy translates into Master Data
The Journey Progress

### January 2017
- Separate Procurement and Materials management goals with limited process alignment
- Nine new CRs with varying skills and Campbell’s experience levels
- Multiple materials management processes (each CR & plant different)
- Emphasis on requisition not cost effective materials management
- Little knowledge of inventory optimization practices
- No new CR process documentation and training support
- Basic understanding of SAP capabilities and use

### July 2017
- Improved Procurement and Materials management goals and process alignment
- Nine experienced CRs with greater skills and understanding of Campbell’s materials management needs
- Inventory management optimization process for all materials, all CRs and all Plants
  - oVo® optimization
  - PAT process
- Emphasis on cost effective materials management and service levels
- Intermediate understanding of SAP capabilities and use
Center of Governance

Business owns the Continuous Improvement Process

The Center of Governance moves ownership of the processes to the end users. IT supports the business through systems that achieve the goals of the business. The systems are leveraged by and through the business to drive value.
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Results:

**People**
- CR’s transitioning to Material Planners – increased career opportunities
- Development of sustainable training platform / certification
- Established WHQ MM governance process
- Increased visibility for team to senior Supply Chain leadership
- Improved cross-functional knowledge & relationships
- Clear & measurable FY18 objectives using NEW Operating metrics
- Development Process Alignment Teams

**Process**
- Standardization of “Day in the Life” across team
- Implementation of optimization methodology
- Development of operational metrics / daily exception monitoring process
- Implementation of Action Tracker to monitor issues thru resolution
- Automated work - reducing manual touches
- Improved cross team communication and collaboration w/SC Partners
- Shaped need for subsequent process improvement projects
- Documenting processes & procedures for sustainability

**System**
- Standardize/optimized use of SAP MRP
- Improved access to business critical MM master data
- Aligned business rules / strategies to MM master data
- Activated additional reporting in SAP
- Enabled Auto PO & Planning Calendar functionality in SAP
- Enhanced SAP Contract Data w/Procurement
100% Optimized – 2:15PM July 27th

100% Optimized!
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<th>Materials</th>
<th>Red Lights</th>
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<th>OvrdueSply</th>
<th>OvrdueDmd</th>
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Materials Management -- Service

F18 Material Service Avg. YTD

F18 Mat. Service Avg. per Fiscal Week
### Results – By the Numbers

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<tr>
<th>METRIC</th>
<th>TARGET</th>
<th>ACHIEVED</th>
<th>STATUS</th>
<th>NOTES</th>
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<tbody>
<tr>
<td>Material Inventory Reduction</td>
<td>97%</td>
<td>97.8%</td>
<td></td>
<td>Creation of Material Service Metric in FY17</td>
</tr>
<tr>
<td>Operating Cost Reduction</td>
<td>80%</td>
<td>100%</td>
<td></td>
<td>5,957 unique Materials &amp; 8,000 MOA/Plant combos</td>
</tr>
<tr>
<td>Optimized Materials</td>
<td>80%</td>
<td></td>
<td></td>
<td>Measured from Feb 1 to July 19th</td>
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<tr>
<td>SAP Exceptions</td>
<td></td>
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<tr>
<td>Budget</td>
<td></td>
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<td>On track...some Additional Spend in FY18</td>
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</table>

Average Stock Value Reduction = 39%

Inventory Turns Increase = 38%
And looking forward, it just keeps improving…
Leverage the work completed in Materials Management for the thermal plants over the last two years to create One North American Materials Management Team across Campbells.
Take the Session Survey.

We want to hear from you! Be sure to complete the session evaluation on the SAPPHIRE NOW and ASUG Annual Conference mobile app.
Presentation Materials

Access the slides from 2019 ASUG Annual Conference here:

http://info.asug.com/2019-ac-slides
Let’s Be Social.

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