



Campbell Soup's Path to Inventory Optimization & Reductions: Mmm Mmm Good!

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Session ID #83232

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



History



About Campbells Supply Chain



Real food that matters for life's moments



What I'll Cover



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Material Planners Function Setup



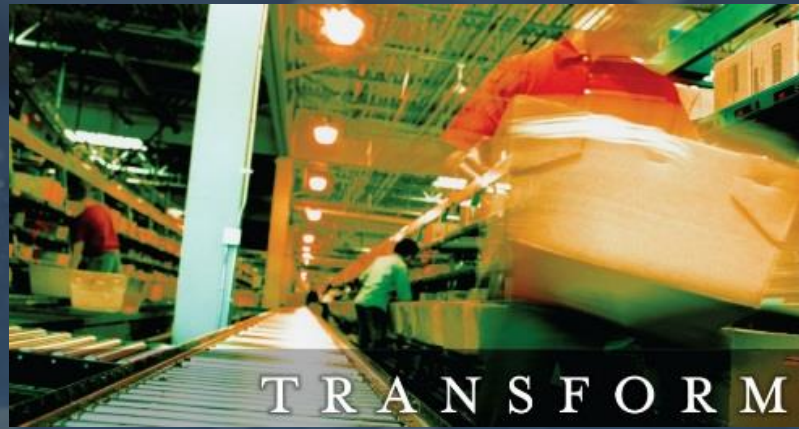
- Implemented SAP/MRP ~10 years ago – Materials Management space never optimized
- Inconsistent level of SAP/MRP expertise/knowledge on team
- Inconsistent use of functionality /master data/ business rules
- Insufficient operating performance metrics/exception reporting
- High inventory levels and inconsistent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



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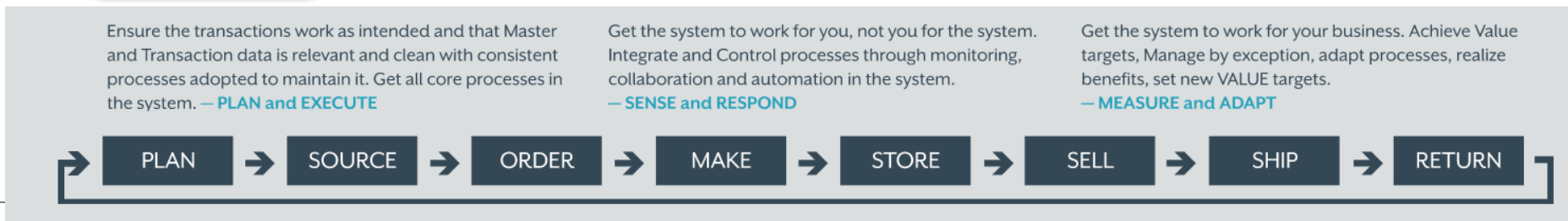
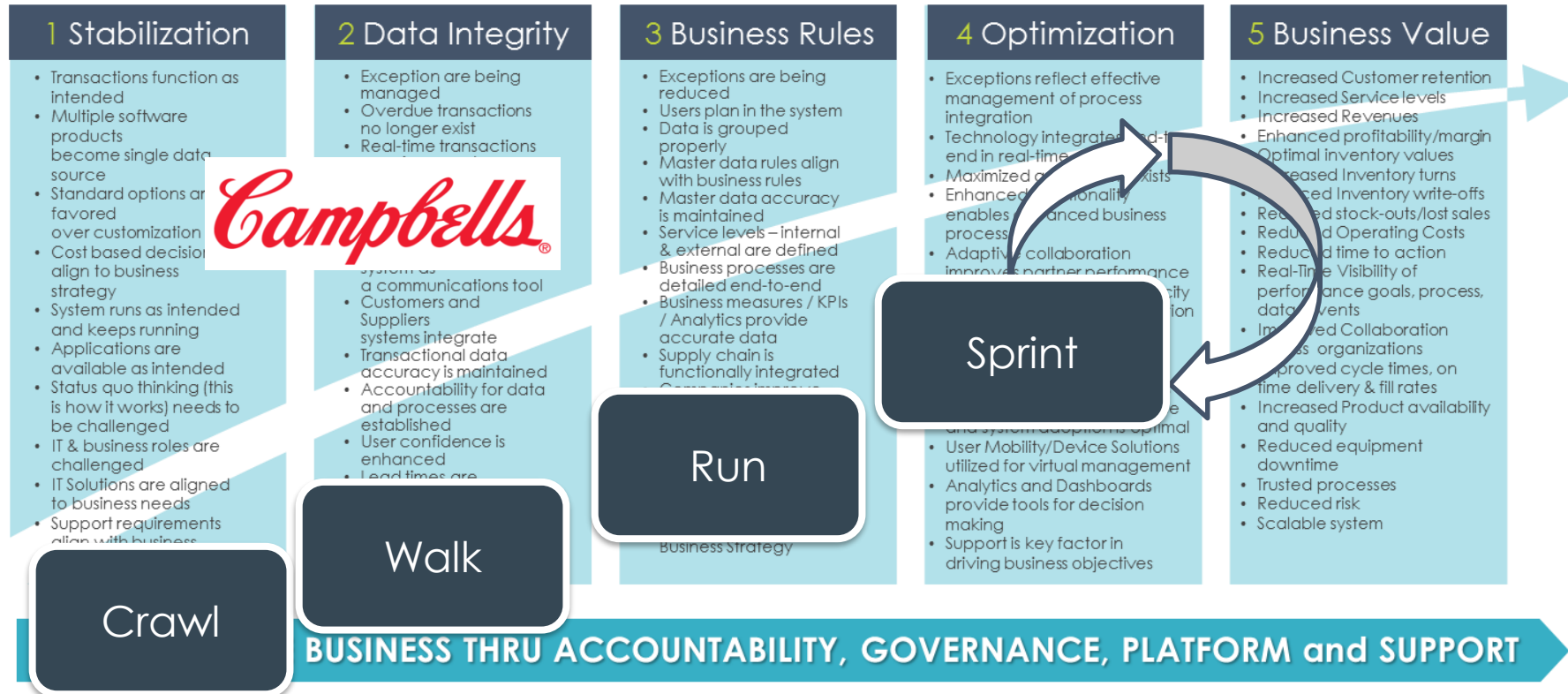
Developed by Reveal, **ongoing VALUE optimization® (oVo®)** is a proven, value-driven business methodology that helps clients raise their Business Maturity® ratings. It helps navigate the challenges that companies typically face by artfully defining a roadmap that clearly shows everyone the business 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.



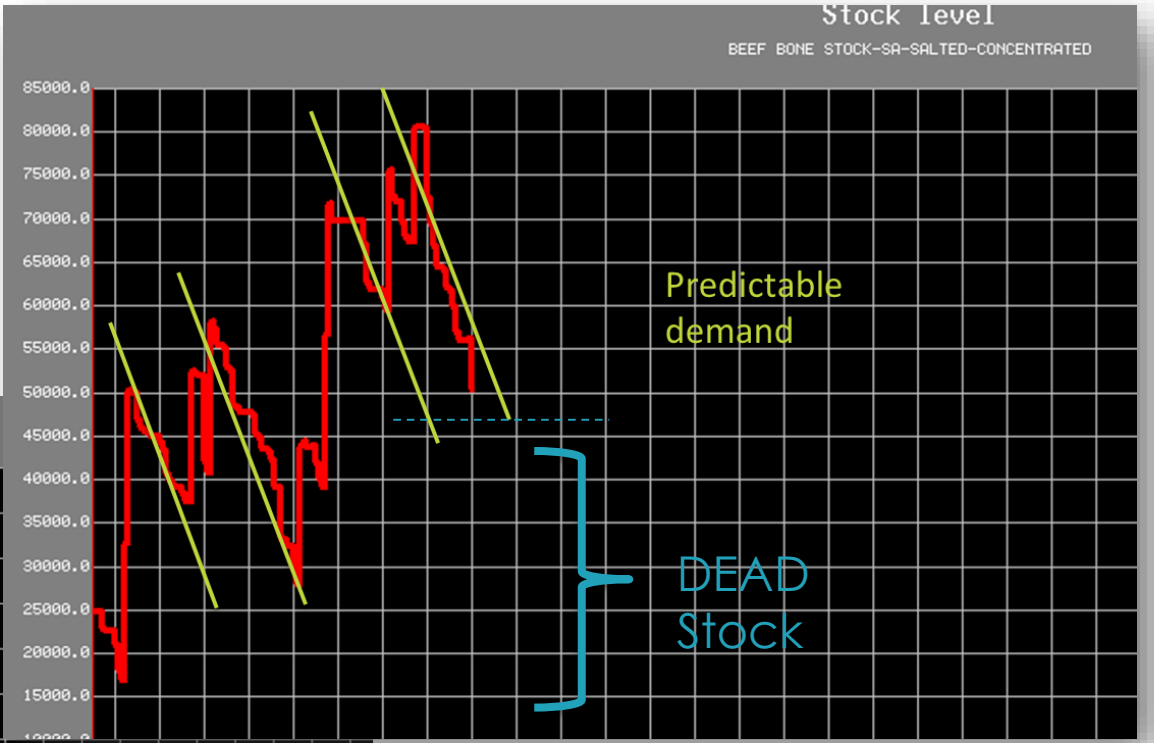
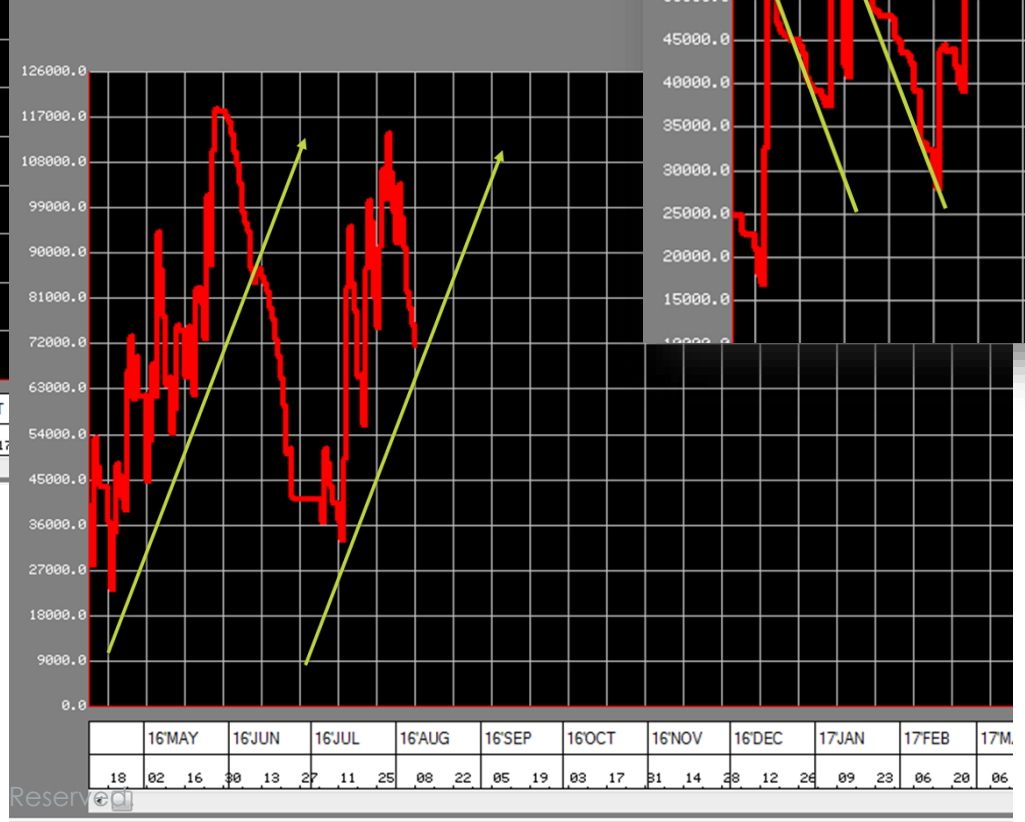
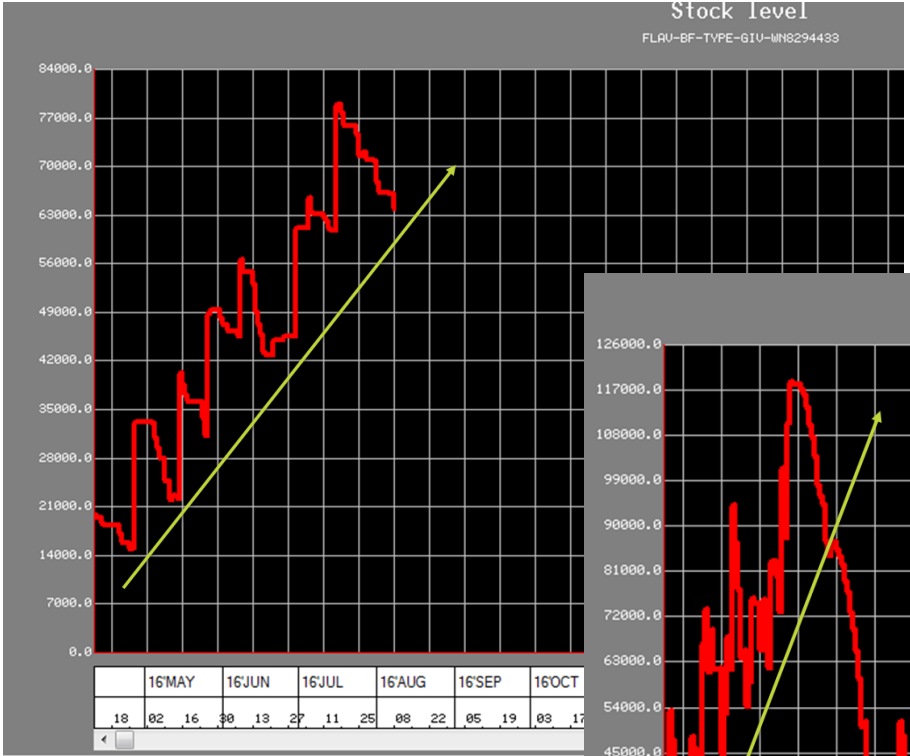
Campbells' maturity in the use of SAP



Business Maturity® Continuum



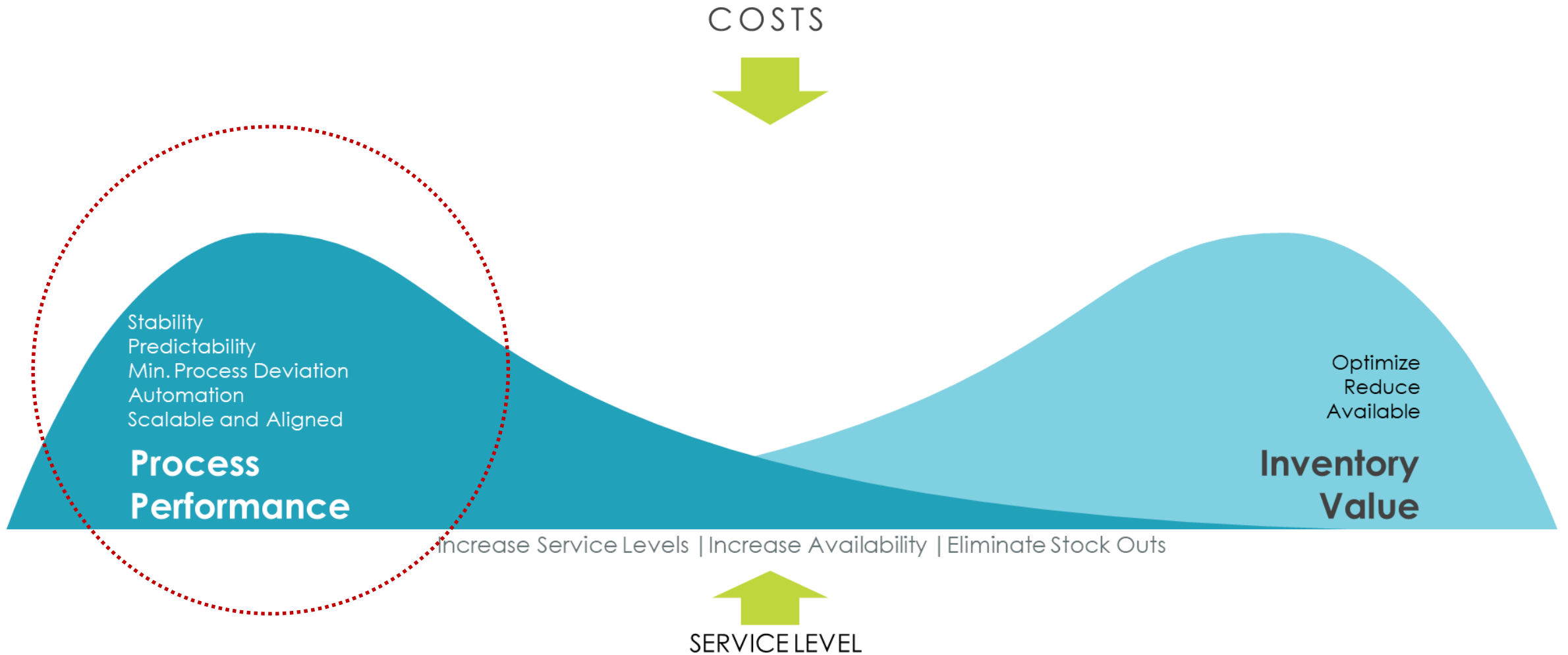
Inventory Performance



Average Dead (Excess) Stock > 50% of Average



Balancing Service Levels, Inventory and Operational Cost



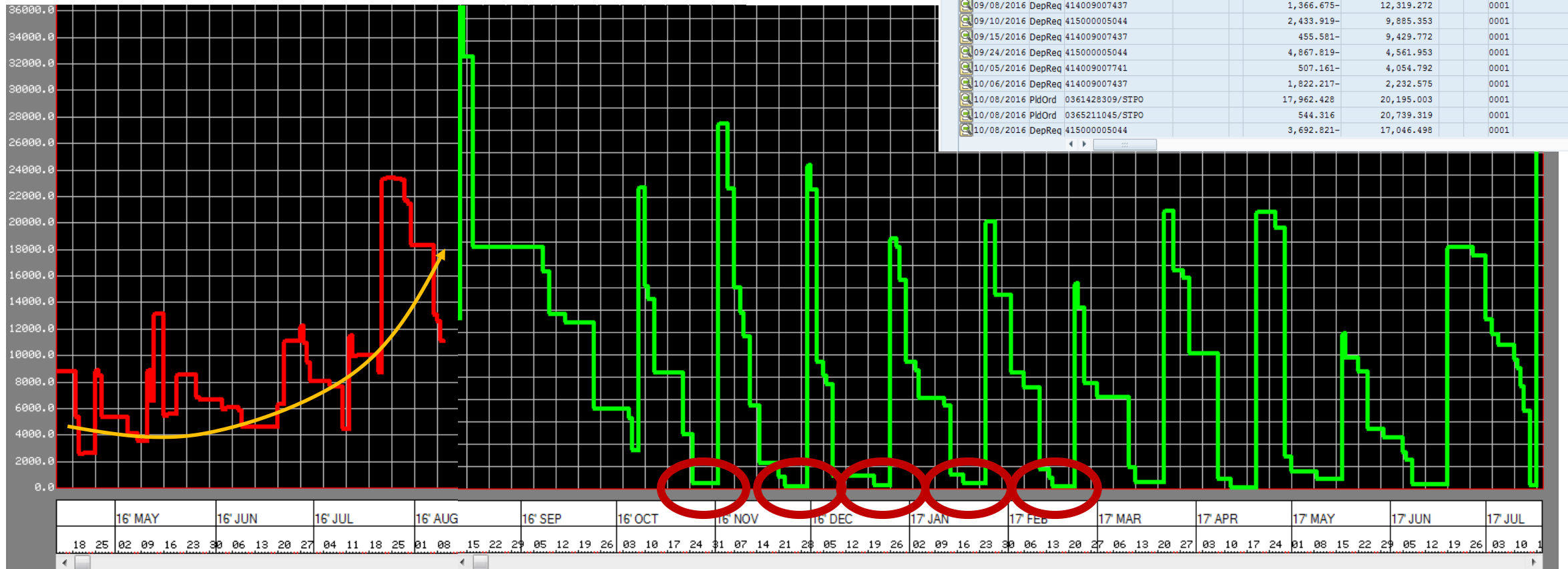
The Rules were not helping...



Material: 003000003943 ZUCCHINI-3/8"X3/8"X1-1/2"-IQF

Plant: 3012 MRP type: PD Material Type: ROH Unit: KG

A. Date	MRP ...	MRP element data	Rescheduli...	E.. Receipt/Reqmt	Available Qty	Su...	Iss...	St...	Restricted...	Blocked St...
08/10/2016	Stock				11,049.784				0	0
08/11/2016	OrdRes	415000000014		1,400.739-	9,649.045			0001		
08/13/2016	POItem	4503235216/00010	08/17/2016 15	18,143.680	27,792.725	30511003	1013			
08/14/2016	OrdRes	415000005044		3,388.234-	24,404.491			0001		
08/17/2016	OrdRes	414009007437		1,822.217-	22,582.274			0001		
08/17/2016	OrdRes	415000005044		8,896.327-	13,685.947			0001		
09/08/2016	DepReq	414009007437		1,366.675-	12,319.272			0001		
09/10/2016	DepReq	415000005044		2,433.919-	9,885.353			0001		
09/15/2016	DepReq	414009007437		455.581-	9,429.772			0001		
09/24/2016	DepReq	415000005044		4,867.819-	4,561.953			0001		
10/05/2016	DepReq	414009007741		507.161-	4,054.792			0001		
10/06/2016	DepReq	414009007437		1,822.217-	2,232.575			0001		
10/08/2016	PldOrd	0361428309/STPO		17,962.428	20,195.003			0001		
10/08/2016	PldOrd	0365211045/STPO		544.316	20,739.319			0001		
10/08/2016	DepReq	415000005044		3,692.821-	17,046.498			0001		



We had exceptions everywhere



Light	Material	Material Description	A	MRPC	StckDS	1st R...	2nd R...	1	2	3	4	5	6	7	8	Plant stock	B...	Safety
☠	903000003943	ZUCCHINI-3/8"X3/8"X1-1/2"-IQF	☑	061	5.3-	5.3-	5.3-				1			1		12,579.015	KG	
☠	9CP007000263	EP 075 025-025 303 SR SAVAGE		777	1.2-	1.2-	1.2-							1		221,023	EA	
☠	910007014451	LBL CKY GRLD STK&VEG 13809 18.8OZ SUS		607	1.0-	1.0-	1.0-							1		0	EA	
☠	903000003670	POTATOES-FRESH-GRADE 1 (SEE G-14)		098	0.9-	12.6	12.6		6			27						
☠	906000006055	GRAPE-WHITE-JCE CONC-68 BRX-NO ADDITIVE		111	0.5-	0.5-	0.5-					1		1				
⚠	903000003472	PARSLEY-FOR V8		142	0.0	0.0	0.0					58		4				
⚠	910007014329	CHIEF SHROUD HLF PAL 48CS 24CT SOUP		130	0.0	0.0	0.0							1				
⚠	903000003350	LETTUCE-FRESH HEAD		142	0.0	18.1	18.1											
⚠	903000003158	CARROTS-FOR V-8		142	0.0	18.2	18.2					76						
⚠	9CP007000296	CAN FUS LT STRAW BAN 19278 8OZ		100	0.0	28.4	28.4											
⚠	903000003184	CELERY-FOR V8		142	0.0	40.0	40.0					**						
⚠	906000084064	STRH-CRN-CLARIA PLUS-M																
⚠	910007014015	PPS CPB SIMPLY CKN NDL																
⚠	910007012975	PPS V8 VEG JCE 18560 2																
⚠	9CP007000301	CAN FUS PCH MANG 2060																
⚠	9CP009000072	BP 102 AL 200/202X312																
⚠	910007002023	TRAY PR PRG 24OZ 12CT																

Create Material List

Information: 14819 materials were selected

Set up lists beforehand?

Yes No Cancel

Find

Find in materials Find exceptions Find MRP elements

From To

MRP element	Frm	To
Delivery	06/23/2016	08/16/2016
DependReq	08/14/2016	04/22/2019
Order	09/09/2014	09/09/2014
Order Rel	07/19/2016	07/20/2016
OrderRes	07/19/2016	10/27/2016
PO item	05/14/2009	11/16/2016
PchReqRel	06/10/2016	08/09/2016
PldOrdRel.	06/17/2016	06/28/2018
Pld order	06/03/2015	04/22/2019
ProcOrder	08/14/2016	10/31/2016
PurchReq	08/09/2016	02/11/2017
ShpgNote	08/02/2016	09/17/2016
SubcReqmt	08/03/2016	11/02/2016

Find

Find in materials Find exceptions Find MRP elements

E..	E..	Exception Message	Nu...
2	06	Start date in the past	99
3	07	Finish date in the past	16
4	15	Reschedule out	99
6	25	Excess stock	99
6	96	Stock fallen below safety stock level	23
7	10	Reschedule in	99
7	30	Plan process according to schedule	99

The Ripple Effect



ProcOrder 000100842049

ProcOrder	Description	Require...	Requi...	Reqmt El...	...	Rec./reqd qty	B	Receipt ...	Rec...	Recei...	..	K...	Error message
200000003369	COMP 0011 R&W TOM SOUP 10.75...		PrcOrd	100842049	1	217,968 EA		08/20/2016	PrcOrd	...	42049	1	Exception Message at Subordi...
910000899080	TRAY END-SLOT 211X400 MTLD W...	08/19/2016	OrdRes	72105088	2	9,221- EA		08/17/2016	POitem	...	34910	10	
910000603059	FILM STRTCH .75ML 19 MICRON 20...	08/19/2016	OrdRes	72105088	3	29.229- KG		08/20/2016	POitem	...	03272	10	10 Reschedule in
9CP007000183	EP 068 025-005 211 EZO DR STAB ...	08/19/2016	OrdRes	72105088	6	220,373- EA		08/22/2016	POitem	...	21055	20	10 Reschedule in
910007014736	LBL R&W TOM SOUP 00011 10.75Z...	08/19/2016	OrdRes	72105088	7	221,491- EA			Stock				
906000007034	ASCORBIC ACID-VITAMIN C	08/19/2016	OrdRes	72105088	10	18.907- KG			Stock				
906000007121	CITRIC ACID-ANHYDROUS	08/19/2016	OrdRes	72105088	11	103.753- KG			Stock				
407000865460	FP-01 6.0 BATCH UNIT	08/19/2016	OrdRes	72105088	12	4,720.895- G			Stock				
906000007535	CORN SYRUP-HIGH FRUCTOSE-55%	08/19/2016	OrdRes	72105088	13	5,455.787- KG		08/18/2016	POitem	...	36279	10	
906000077892	SEA SALT-NATURAL	08/19/2016	OrdRes	72105088	15	27.494- KG			Stock				
407000075443	FLAVOR-ENHANCER-CSCO-FT-OP1	08/19/2016	OrdRes	72105088	16	85.078- KG			Stock				
906000070287	POTASSIUM CHLORIDE-GRANULAR	08/19/2016	OrdRes	72105088	17	420.993- KG			Stock				
906000006350	FLOUR-PTT	08/19/2016	OrdRes	72105088	23	3,841.031- KG			Stock				
906000006390	FLOUR-WHEAT-UNBLEACHED-UNEN...	08/19/2016	OrdRes	72105088	24	1,367.343- KG		08/12/2016	ShpgNt	...	06769	10	
404000048036	TOM PASTE-ASPTC-CLD BRK-41%T...	08/19/2016	OrdRes	72105088	26	8,136.313- KG		08/21/2016	POitem	...	06727	10	10 Reschedule in
404000048036	TOM PASTE-ASPTC-CLD BRK-41%T...	08/19/2016	OrdRes	72105088	27	3,099.048- KG			Stock				

ProcOrder 000100842049/PI01

Material	200000003369	COMP 0011 R&W TOM SOUP 10.75 OZ 24 CA
Plant	3011	Paris Plant
Receipt Date	08/20/2016	
PO Quantity	217,968 EA	
Quantity Without Source	217,968 EA	

Procurement Without Requirements

Planned dates	El	MRP element data	Material	Material Description	Material Memo	Plant	Recpt/reqd	Quantity	Unit
08/20/2016	BR	000100842049/PI01	200000003369	COMP 0011 R&W TOM SOUP 10.75 OZ 24 CA		3011	217,968	212,016	EA
08/24/2016	BE	4503235248/00010	200000023007	EAD R&W CKN NDL&TOM HLF 1152 PL		3011	12	3,552	EA
09/08/2016	BA	3083538193/00010 *	200000003369	COMP 0011 R&W TOM SOUP 10.75 OZ 24 CA		3501	2,400	2,400	EA

Display Area

200000003369	3501	COMP 0011 R&W TOM	EA
PurchReq	3083538193		
09/08/16	2400.000		

200000003369	3011	COMP 0011 R&W TOM	EA
ProcOrder	00010084204		
08/20/16	217968.000		

910000603059	3011	FILM STRTCH .75ML	KG
OrderRes	0072105088		
08/19/16	29.229-		

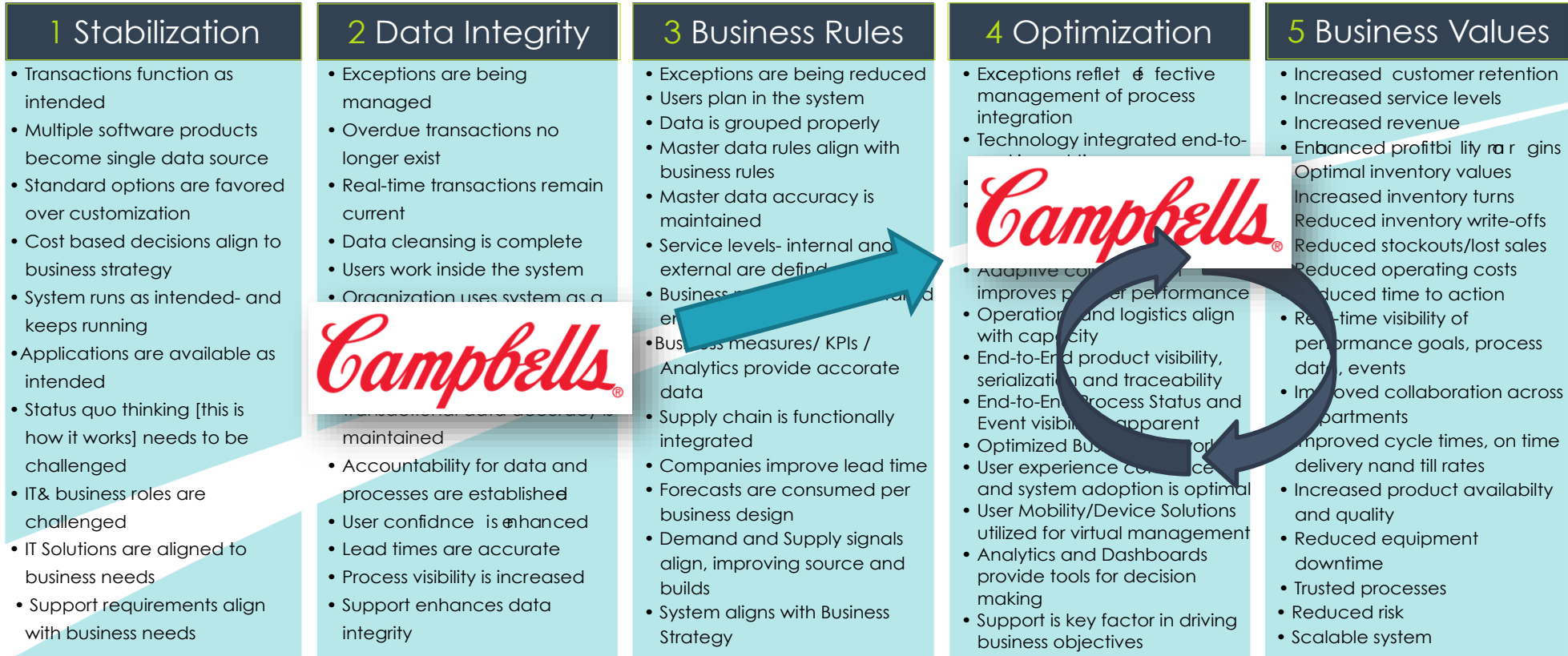
200000023007	3011	EAD R&W CKN NDL&TOM	EA
PO item	4503235248		
08/24/16	12.000		

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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**

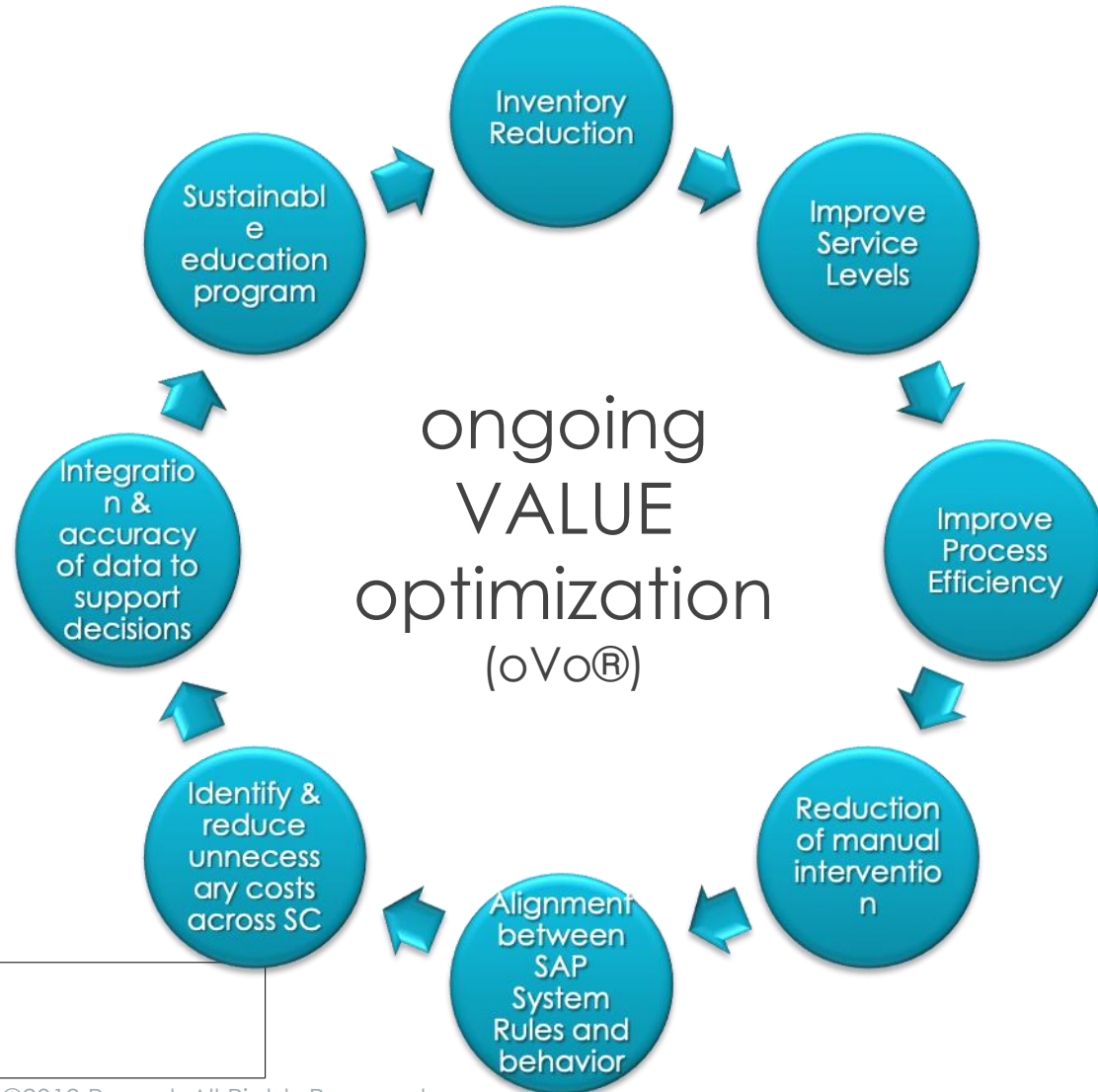
Get the system to work for you, not the other way around. Integrate and control processes through monitoring, collaboration and automation in the system. **-SENSE and RESPOND**

Get the system to work for your business. Achieve Value targets, Manage by exception, adapt processes, realize benefit, set new VALUE targets. **-MEASURE and ADAPT**



oVo® Program Objectives

ongoing VALUE optimization

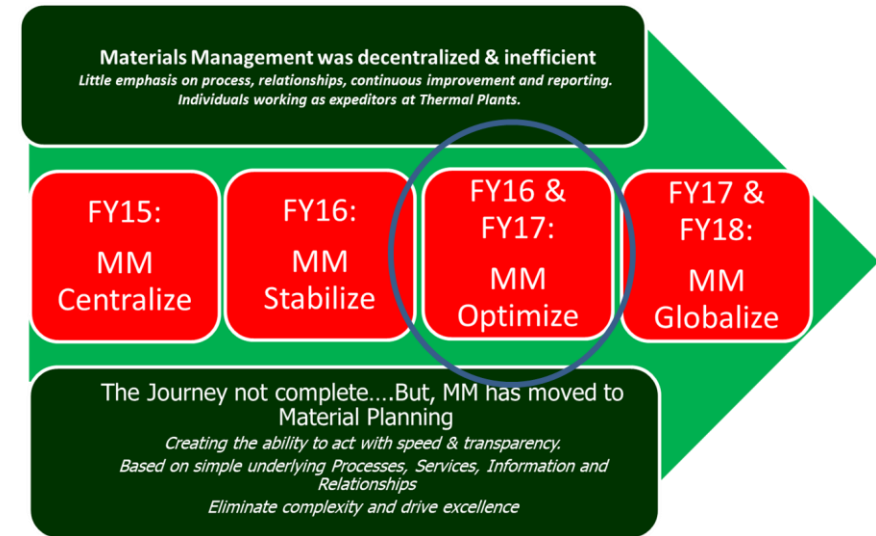


- Optimize inventory through more effective use of system
- Improve supply chain service levels
- Increase process efficiency
- Significantly increased visibility across the supply chain
- Increased data accuracy and user confidence
- Improved control and decision making

Materials Management – 1 North American MM Team



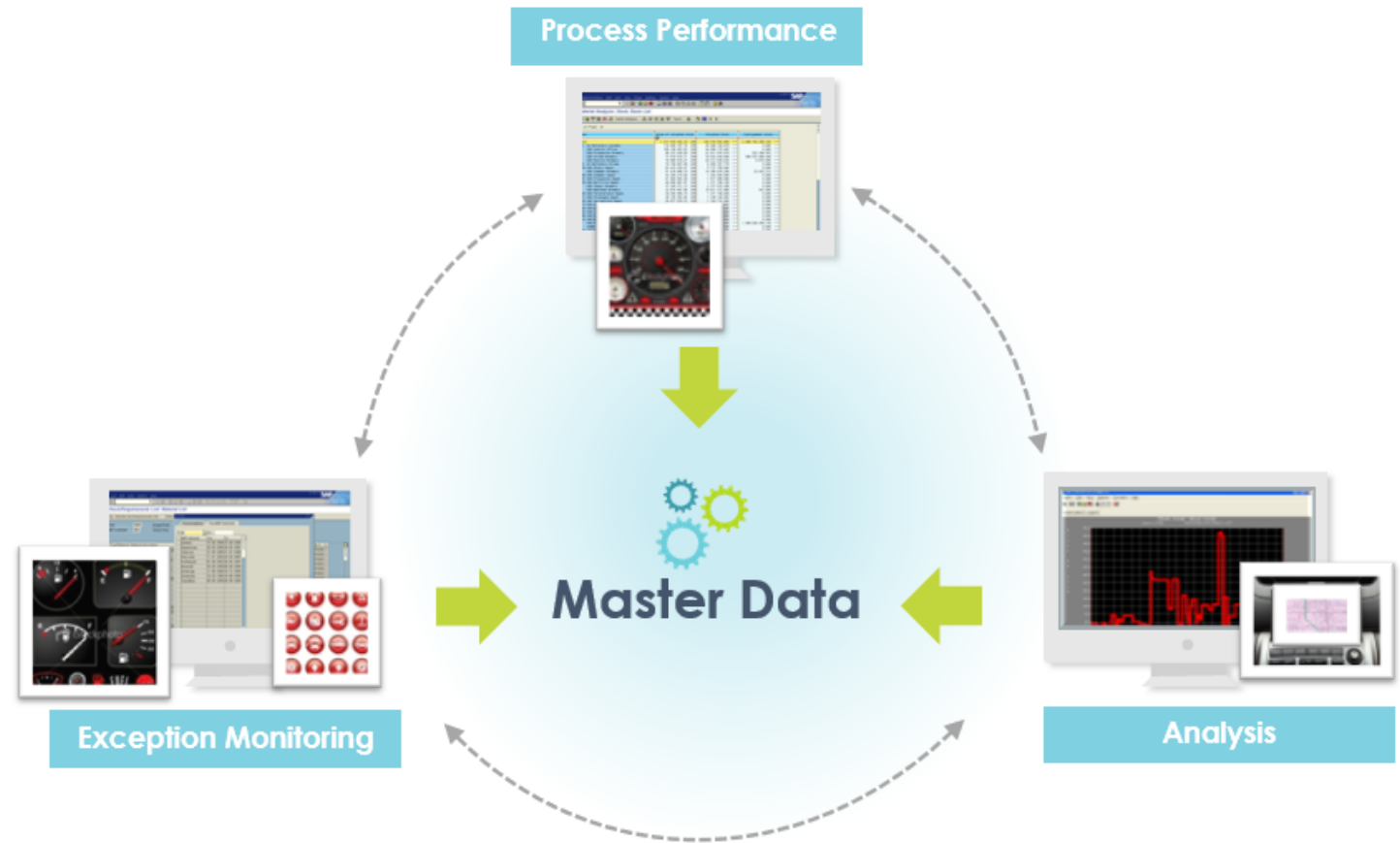
- Standardize work processes across all brands/businesses
- Standardize material issues / crisis management and transparency
- Standardize reporting, tools and technology
- Review organization and organization structure
- Network wide Material Planner expertise
- Single Material Planner point of contact
- 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



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

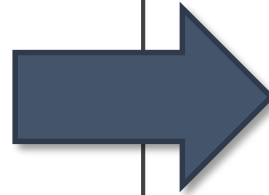


The Journey Progress



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

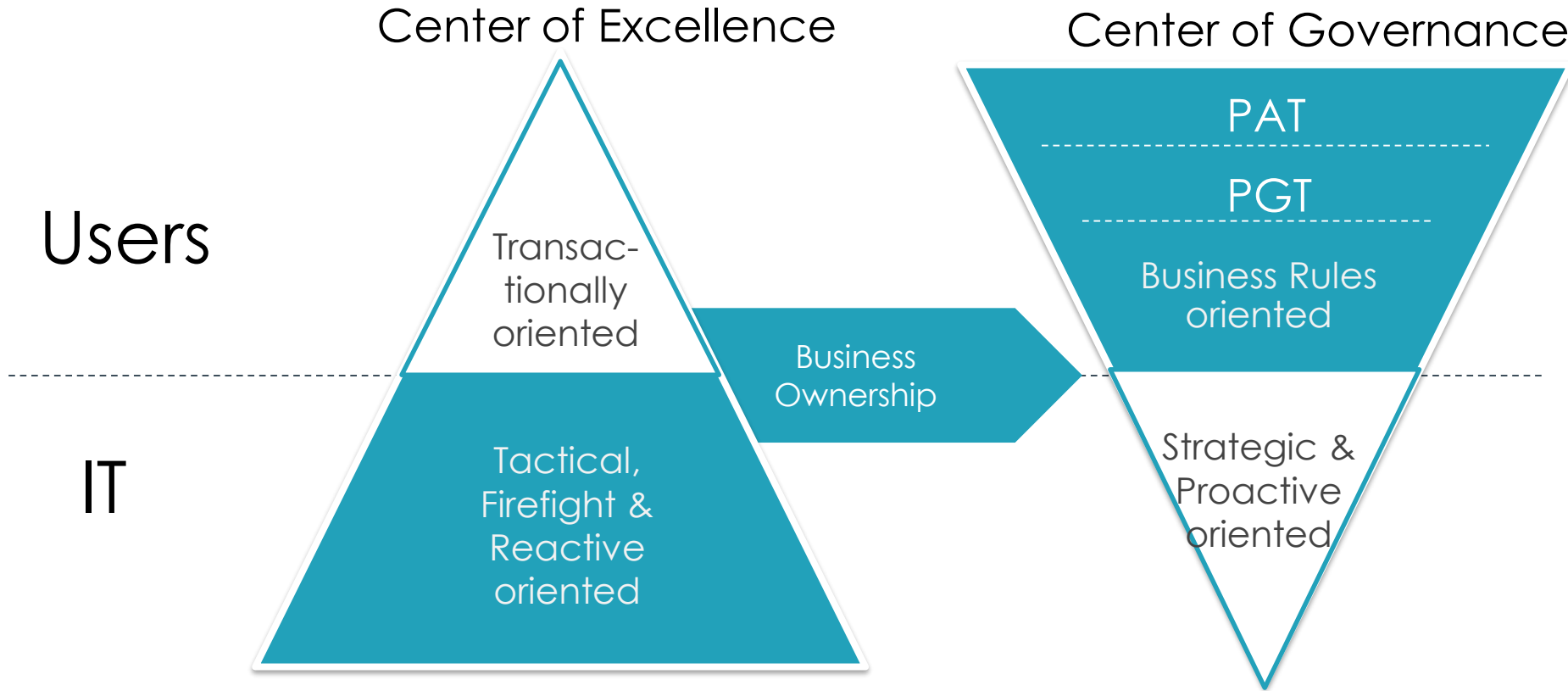


July 2017

- 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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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

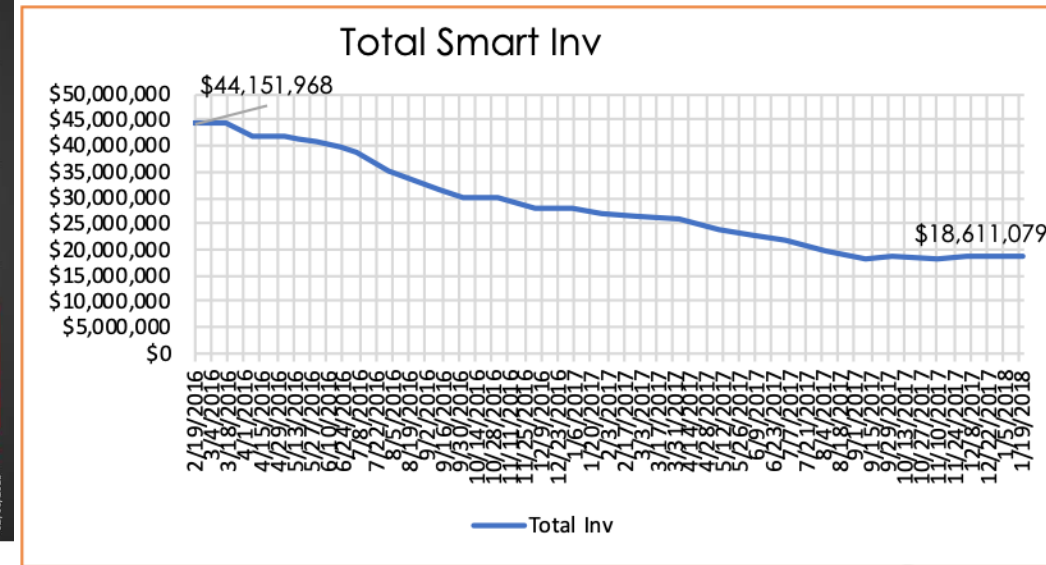
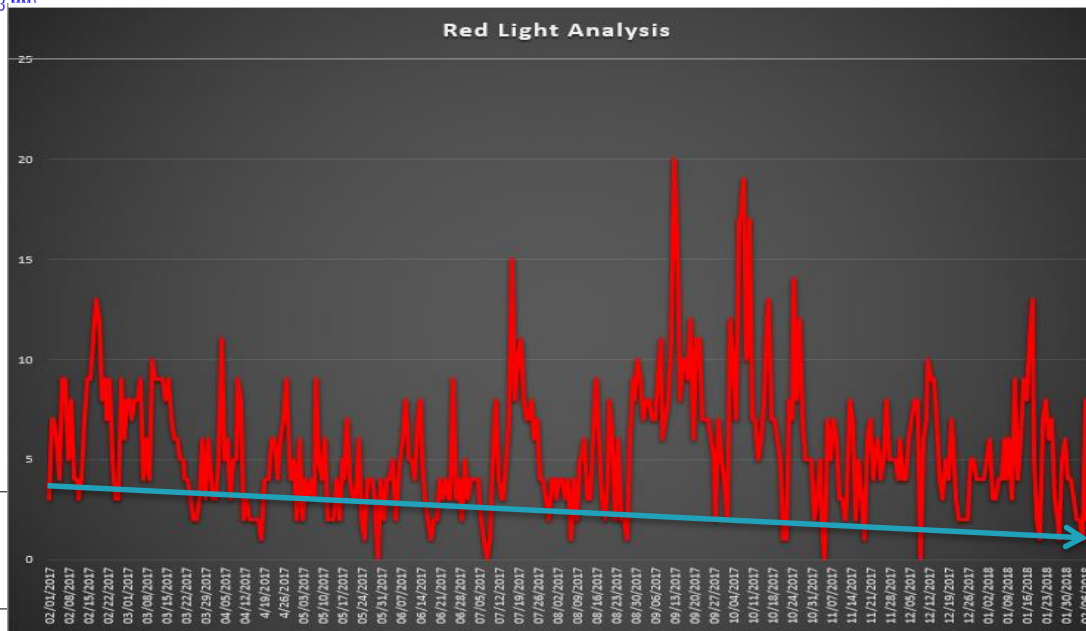
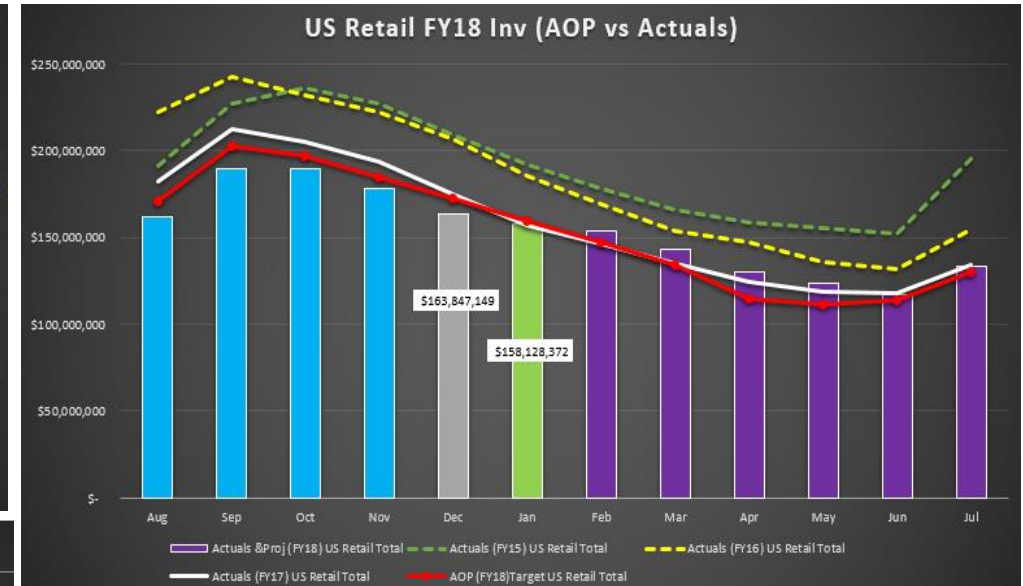
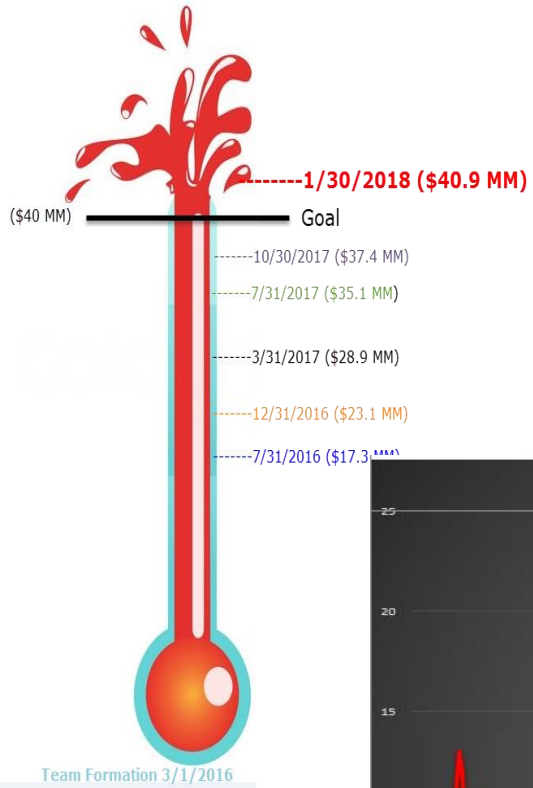
System

- 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



Materials Management -- Inventory & Operational Metrics



Optimized Materials KPI's

Date 07/10/2017



No. of Material: 4444

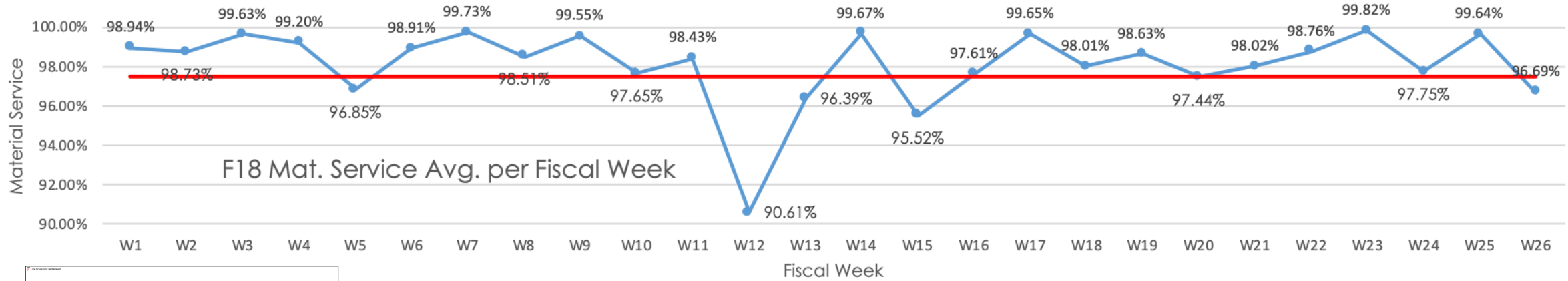
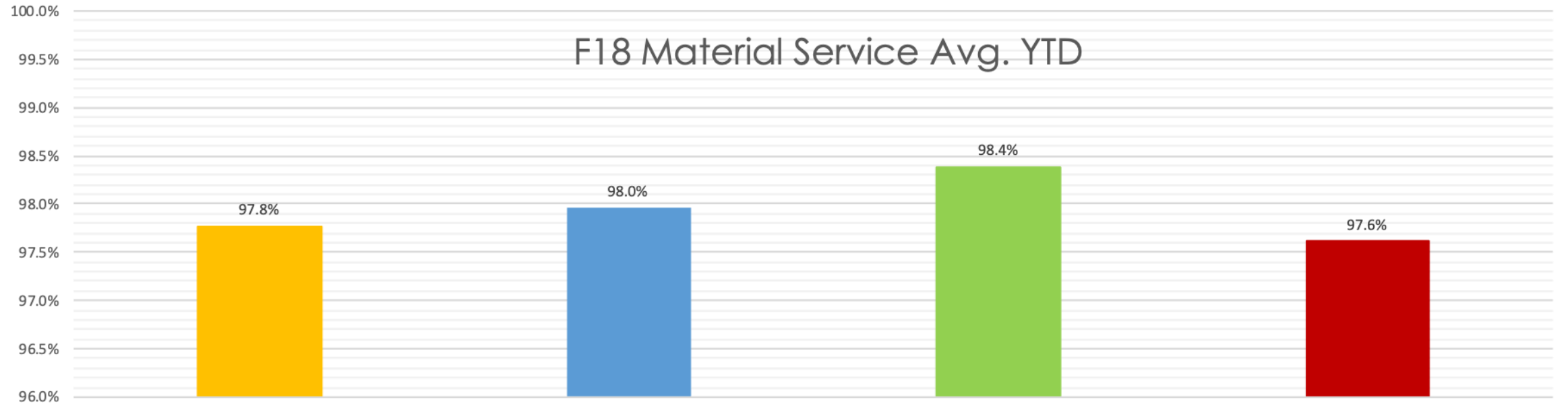
Material	Materials	Red Lights	Exceptions	OvrdueSply	OvrdueDmnd	ValStckValue	AvgValStckValue	Dead Stock Value
Total	6,776	2	3,471	32	168	USD	USD	USD
403000030496 TOM-DICED 1/2"-REG-75% DRN WGT	4	0	54	2	0	USD	USD	USD
403000030497 TOM-DICED 3/4"-REG-75% DRN WGT	3	0	1	0	1	USD	USD	USD
403000030498 TOM-DICED 1/2"-ORG-75% DRN WGT	2	0	2	0	0	USD	USD	USD
404000004910 XXX TOMATO CONCENTRATE-CSCO	3	0	0	0	0	USD	USD	USD
404000048017 TOM PASTE-ASPTC-YELLOW-29%TPS (26%NTSS)	1	0	0	0	0	USD	USD	USD
404000048035 TOM PASTE-CHLD-CLD BRK-42%TPS (39%NTSS)	4	0	17	0	0	USD	USD	USD
404000048036 TOM PASTE-ASPTC-CLD BRK-41%TPS (38%NTSS)	4	0	60	0	1	USD	USD	USD
404000048037 TOM PASTE-ASPTC-HOT BRK-34%TPS (31%NTSS)	2	0	71	0	0	USD	USD	USD
404000048038 TOM CONC-CRSH-ASPTC-29%TPS (26%NTSS)	2	0	31	0	0	USD	USD	USD
404000048039 TOM-CRSH-ASPTC-SUNBRT-15%TPS (13.5%NTSS)	1	0	0	0	0	USD	USD	USD
404000048042 TOM PASTE-ASPTC-HTBRK-ORG 34%TPS 31%NTSS	2	0	0	0	0	USD	USD	USD
404000048052 TOM PASTE-CHLD-CB-YLW(38%TS 35% NTSS)	3	0	0	0	0	USD	USD	USD
404000048054 TOM PASTE-CHLD-CB-TNG(38% TS 35% NTSS)	1	0	0	0	0	USD	USD	USD
404000048073 TOM PASTE-CHLD-HOT BRK-TANGERINE	2	0	0	0	0	USD	USD	USD
404000048074 TOM PST-HT BR YLW(28.6%TS 22.6%NTSS)	1	0	1	0	0	USD	USD	USD



Materials Management -- Service



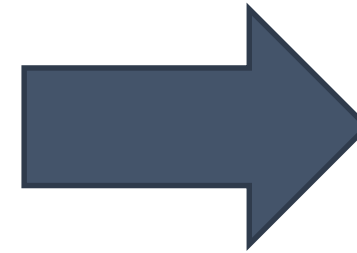
F18 Material Service Avg. YTD



Results – By the Numbers



METRIC	TARGET	ACHIEVED	STATUS	NOTES
Material Inventory Reduction		205%		Target achieved prior to FY18
Material Service	97%	97.8%		Creation of Material Service Metric in FY17
Operating Cost Reduction		80%		Warehouse cost reduction target goes thru FY18
Optimized Materials	80%	100%		5,957 unique Materials & 8,000 MOA/Plant combos
SAP Exceptions		80% Reduced		Measured from Feb 1 to July 19th
Budget	Within Budget	Below Budget		On track....some Additional Spend in FY18

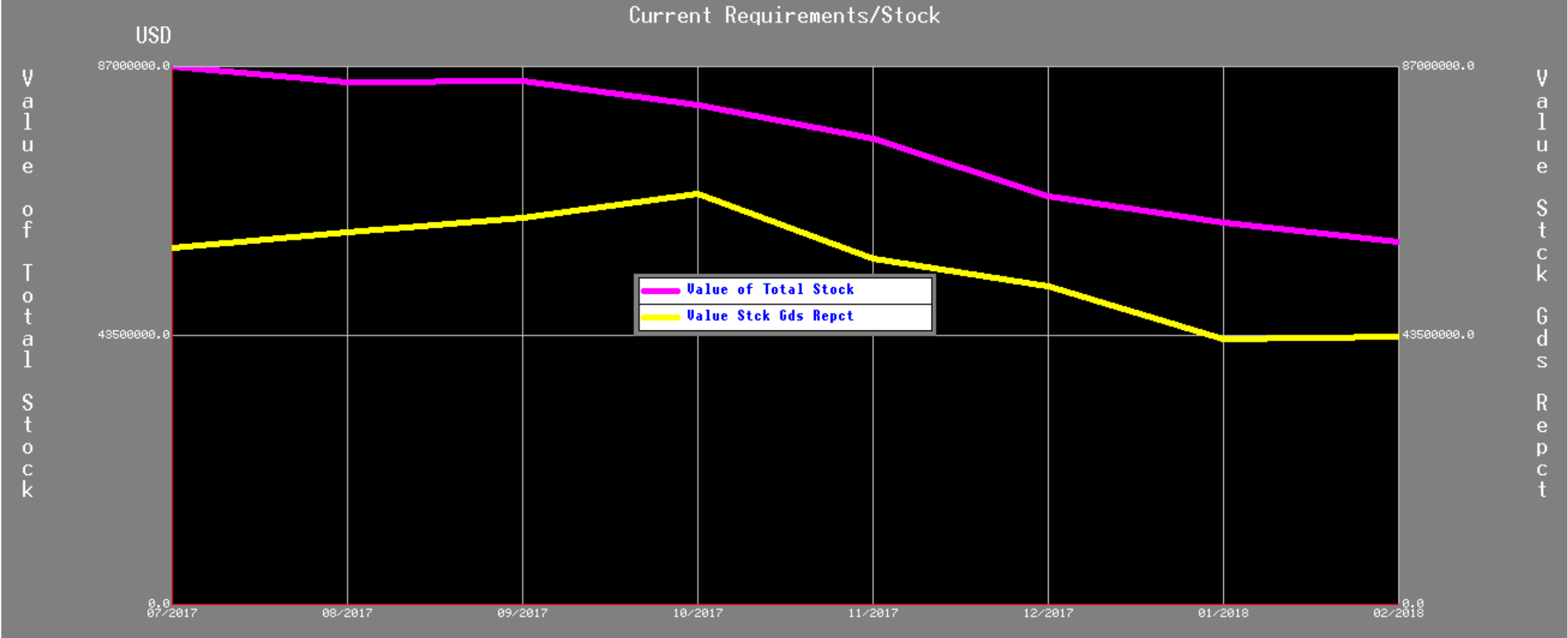


Average Stock Value Reduction = 39%

Inventory Turns Increase = 38%



And looking forward, it just keeps improving...



Supply Chain – “You Make a Difference Award”





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.

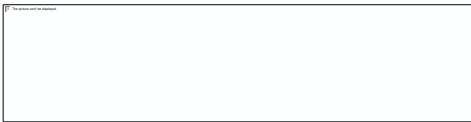
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Presentation Materials

Access the slides from 2019 ASUG Annual Conference here:

<http://info.asug.com/2019-ac-slides>



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