



FOCUS FORWARD

Project Maestro

Maximize Profits with Integrated Inventory and Service-Level Optimization

May 2013

Agenda

- Introduction to Campbell's
- Project Maestro
- Inventory Optimization Solution
- Results

Who We Are

- **26+ worldwide brands**
- **20+ market-leading brands**
- **Operating in 120+ countries**
- **18,000+ employees worldwide**



our
mission

Together we will
build the world's most
extraordinary food company
by nourishing people's lives
everywhere, every day



Who We Are

- **Campbell North America**
 - Campbell USA
 - Pepperidge Farm
 - North America Foodservice & StockPot
 - Canada
- **Campbell International**
 - Asia Pacific
 - Europe
 - Mexico and Latin America
 - Emerging Markets of Russia and China



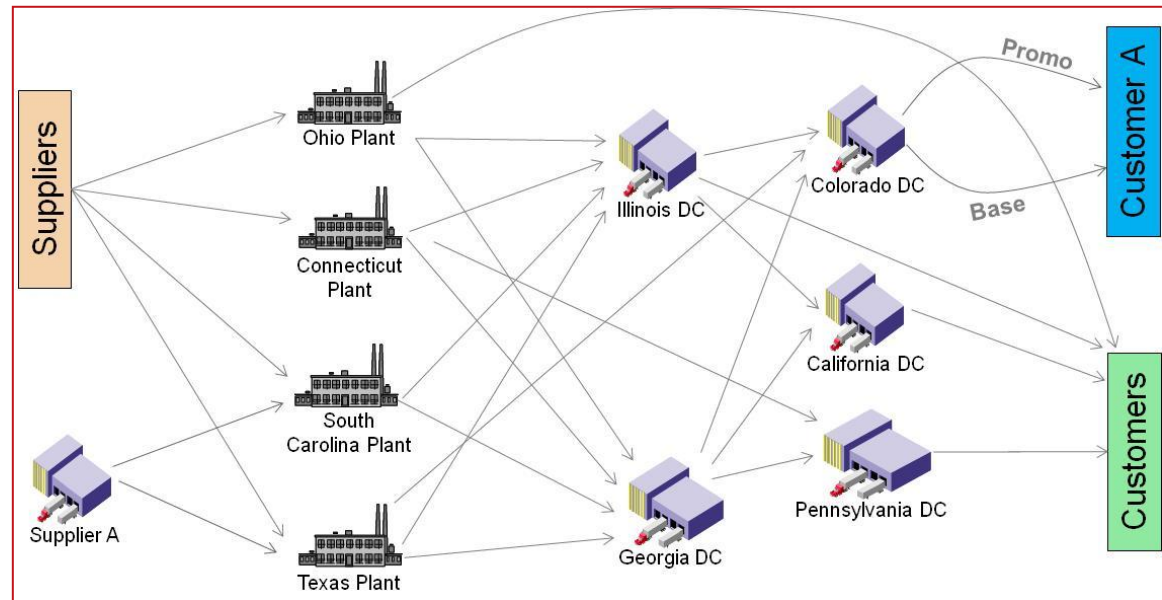
Who We Are

- **\$8 billion portfolio highly focused in three core areas: simple meals, baked snacks, and healthy beverages.**
- **Operations are organized in the following segments:**
 - US Soup, Sauces and Beverages
 - Baking and Snacking
 - North America Foodservice and StockPot
 - International Soup, Sauces and Beverages

Campbell's Supply Chain

North America consumer products supply chain

- 4 plants
- 5 DCs
- 10 finished-good SKUs
 - 5 types of soups
 - Tomato Soup
 - Chicken Noodle Soup
 - Mixed Vegetable Soup
 - Beef Mushroom Soup
 - Creamy Potato Soup
 - 5 types of pasta sauces
 - Tomato Basil Sauce
 - Meatball Sauce
 - Three Cheese Sauce
 - Marinara Sauce
 - Garden Vegetable Sauce



- BOMs spanning 18 raw materials and 2 packaging components

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Project Maestro

S&OP (Business Integration)

Demand Management & Supply Planning

Business Intelligence

Detailed Scheduling

Inventory Optimization

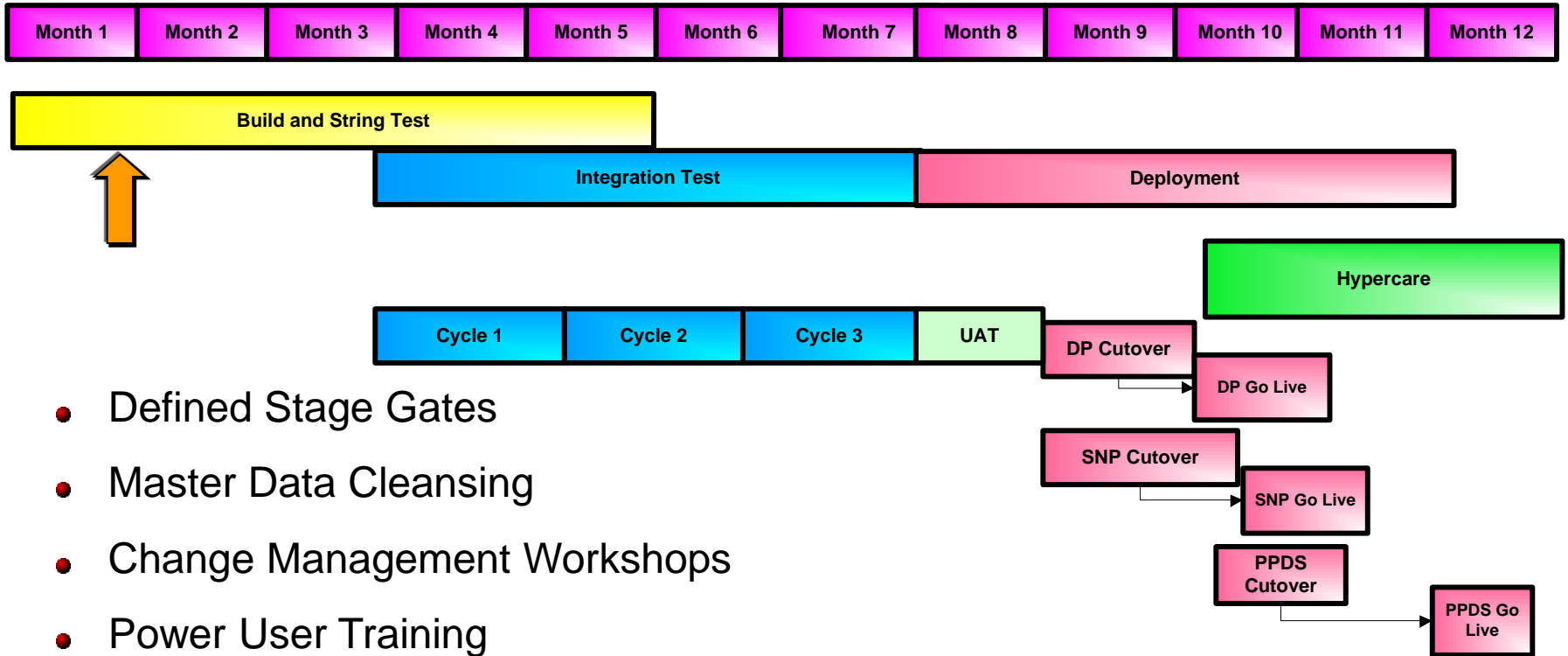
Network Optimization

Supplier Collaboration

Customer Collaboration

- Demand Management **capabilities** that **leverage** consumer insights and **collaboration** with customers to improve forecast accuracy
- Agile, flexible and responsive Supply Planning **capabilities** and a Network that reacts **quickly** to changes **in consumer & customer demand**
- What-if analysis capabilities that allow planners to model **multiple scenarios** to drive **quicker, informed, and more optimized decisions**
- **Integrated** relationships with customers and suppliers **to leverage scale**, improve information flow, and provide better responsiveness
- **Exception management processes** and **enhanced information delivery capabilities** that provide greater insight into business performance
- **Aligned metrics** and **Integrated Business Management** to enhance **collaboration** between functions to drive improved profitability
- Significantly **reduced** grind through better processes, capabilities, skills and organization design

Phase 1 Plan

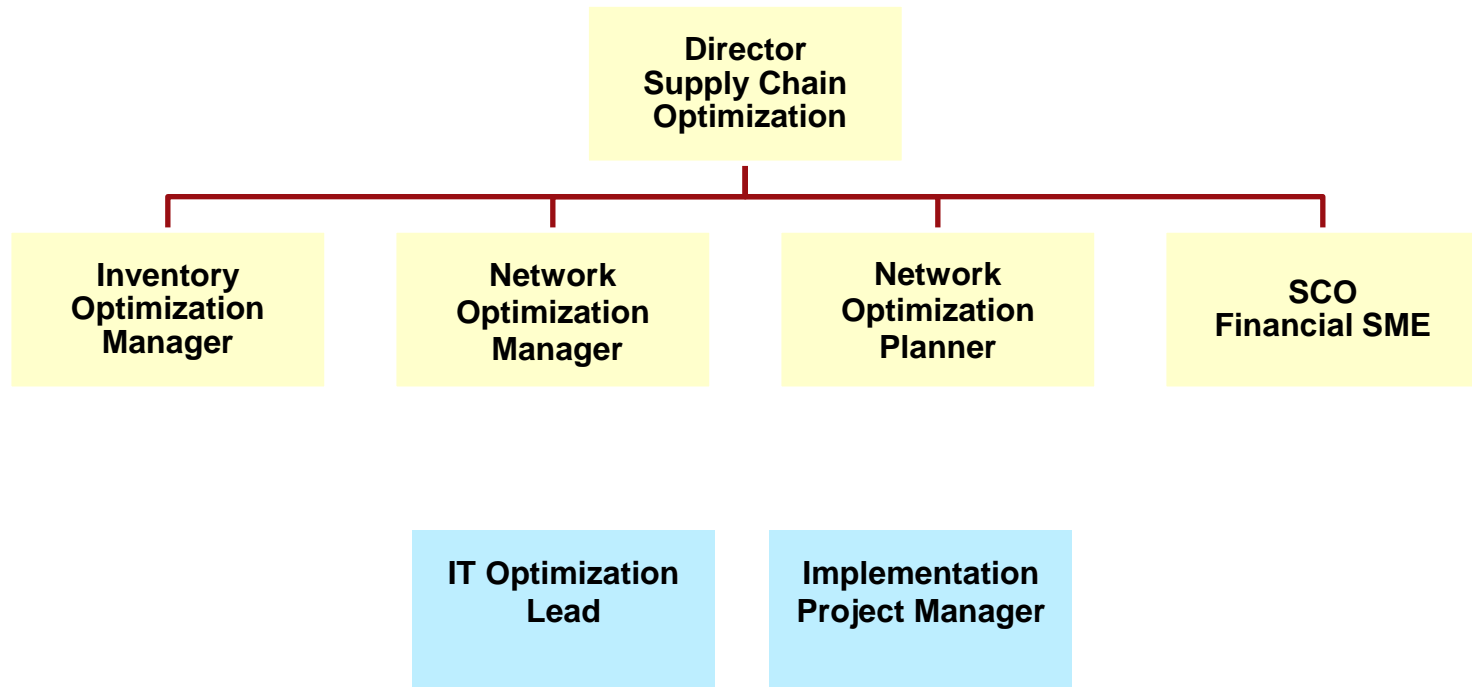


- Defined Stage Gates
- Master Data Cleansing
- Change Management Workshops
- Power User Training
- User Training

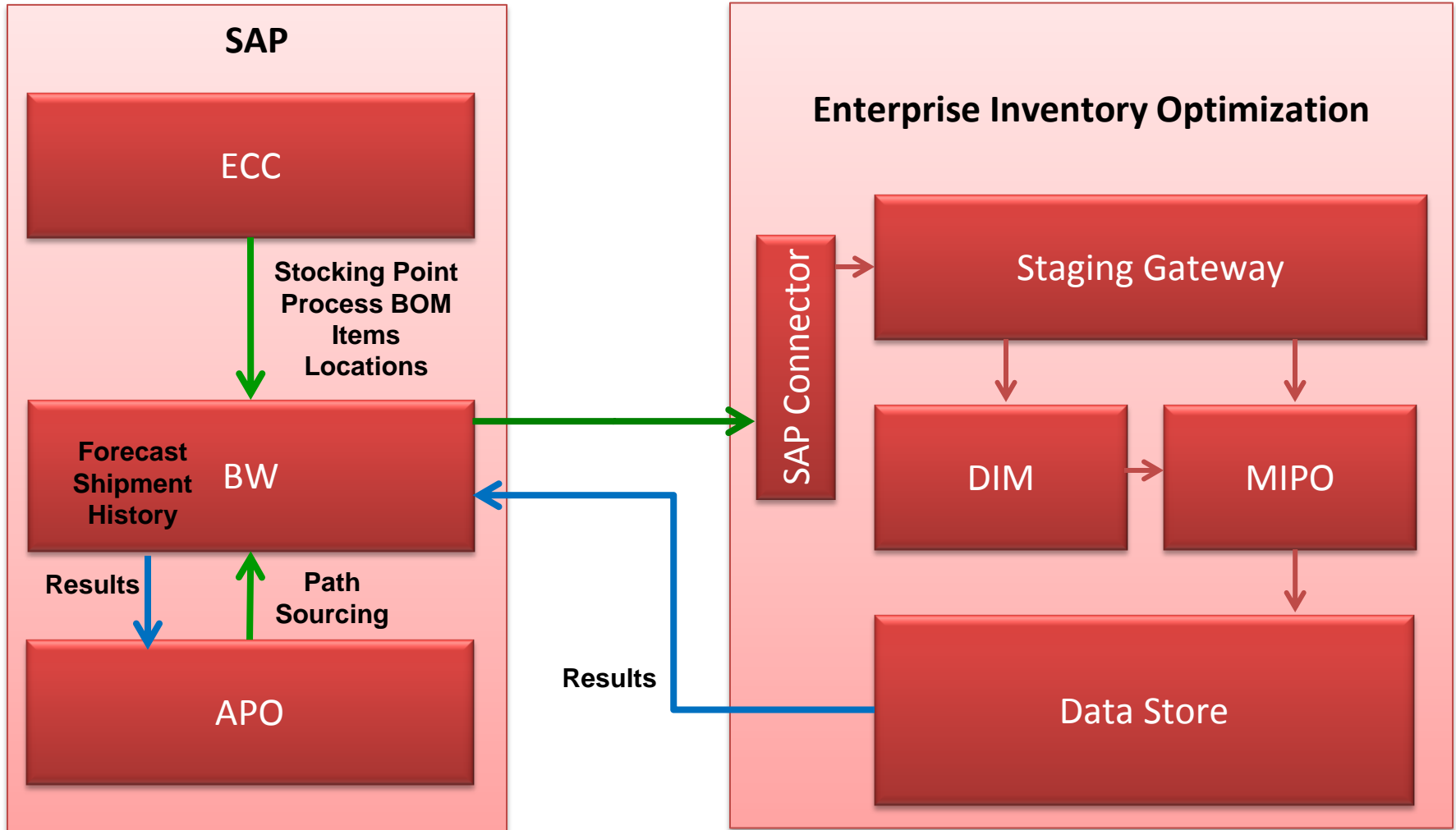
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Resources



End to End Process Architecture



Material Master Enhancement

The screenshot shows the SAP Material Master Display interface for material 200000000011. The title bar indicates the material is a finished product. The main content area is divided into several sections:

- Material:** 200000000011, &W TOM SOUP 10.75 OZ 48 CA - S
- Plant:** 3011, Paris Plant
- Base UoM:** EA, each
- General Data:** Inventory Opt Sel Ind is checked, Forecast Lag (in Weeks) is 6.
- Stocking Point Data:** Stocking Point Type is 1, Inventory Policy is 2, Period Between Review is 3, Holding Cost (%) is 15.0, Sched Attain Loss (%) is 20.0, and Sched Attain CV is 10.0.
- Path Data:** Lead Time Error (%) is 10.0, Frozen Window (Days) is 15, and Reliability (%) is 90.0.

The taskbar at the bottom shows the system is running on RD1 (1) 220, with a user named cssrd1d1. The system clock indicates it is 12:33 AM on Wednesday, 3/28/2012. The battery level is at 98%.

APO Planning Books

Supply Planning Book

Planning Edit Goto Settings System Help

Planning Book: [Live] IO DEMO / AVAILABILITY VIEW

Design Graphic 100% Location

SUPPLY PLAN	Unit	01.04.2012	08.04.2012	15.04.2012	22.04.2012	29.04.2012	06.05.2012	13.05.2012	20.05.2012	27.05.2012	03.06.2012	10.06.2012	17.06.2012
Total Demand	EA	300	200	300	400	100	500	200	300	100	200	300	400
Total Receipts	EA			1,200	1,200				57	443	228	172	
Stock on Hand (Shelf Life)	EA			400	1,200	1,100	600	400	157	500	528	400	
Supply Shortage	EA	300	500										
Proj. Wastage Quantity (Shelf Life)	EA												
Un-restricted Stock (Information)	EA												
Restricted Stock (Information)	EA												
Quality Stock (Information)	EA												
Blocked Stock (Information)	EA												
Safety DOS (Product Master)	D	28	28	28	28	28	28	28	28	28	28	28	28
Safety Stock (IO)	EA	300	200	100	500	350	200	100	125	200	150	300	200
Safety DOS (IO)	D	14	7	7	35	25	14	7	9	14	11	651	644
Safety Stock Override (DOS)	EA												
Safety Stock Override (Quantity)	EA												
Safety Stock	EA	500	300	400	1,200	1,057	500	300	157	500	529	400	
Days' Supply	D			7	35	28	21	14	9	14	11	7	
ATD Receipts	EA												
ATD Issues	EA												

CD2 (1) 100 cssc2d1 INS

start FRICE SAP Logon 720 Planning Book: [Liv... Planning Book: [Liv... SAP Easy Access -... 12:25 AM Wednesday 3/28/2012

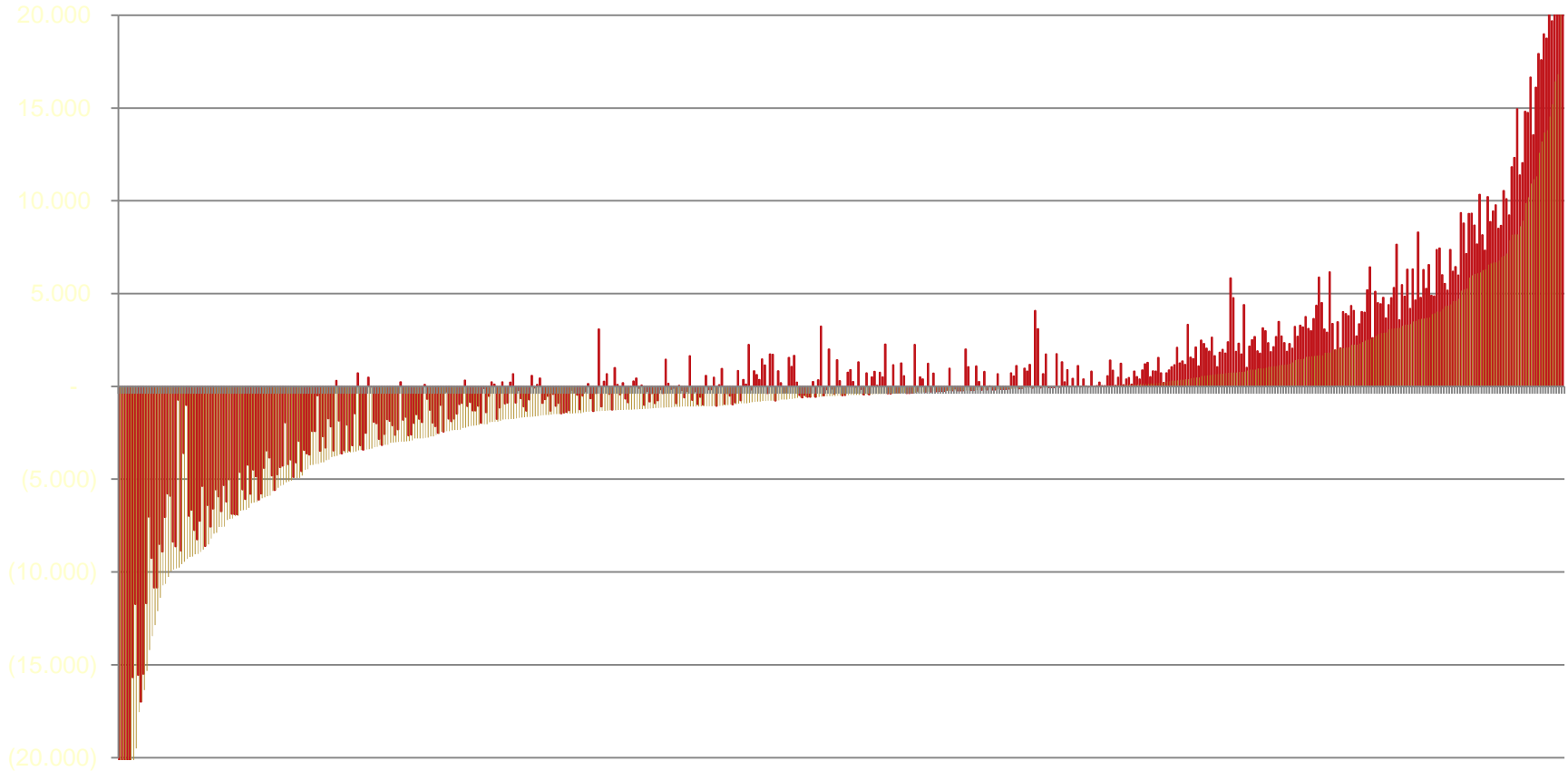
Microsoft Excel - P... Amarnath Chadive... SNP Functions (SA... Master config guid... Microsoft PowerPol... 96%

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Baseline vs Segmented “Fix the Mix” Chart

■ Baseline ■ CSL Segmentation



Results

- **Currently utilizing EIO output to develop a static “Safety Time” value for use in ECC**
 - Approach in use for approximately 55% of Active SKUs
 - Targets are conservative
 - Execution of the resulting supply plan should result in an inventory reduction of >5%.
- **Will not reach fully integrated state until Sept '13**
 - EIO Planning Workbook in APO
 - Ultimately will manage by exception

Learning

- **Be honest with yourself about your current processes**
 - Quality of Master Data
 - Key Figure Maintenance
 - Product Lifecycle
 - Qualifications of your Supply Planners
 - Are they ready to manage inventory a different way?
 - Organizational Structure
 - Who owns inventory – Who has the authority to make the call?