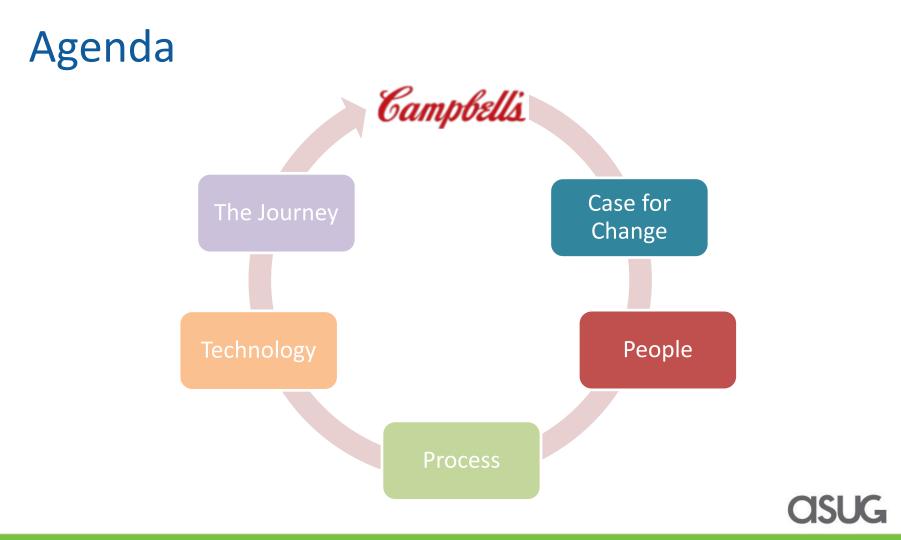
# The ASUG EDUCATION ZONE Where Success Meets You

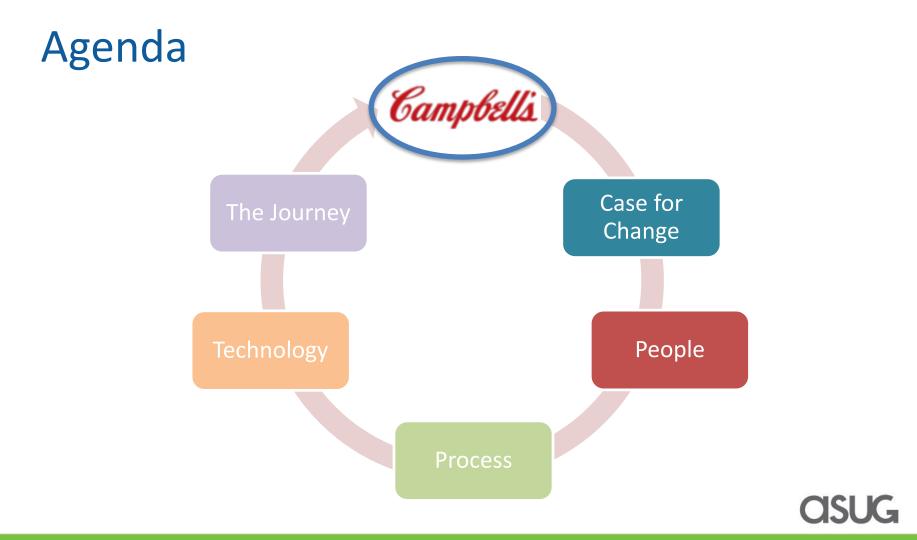
### Financial Transformation at Campbell Soup Company

Brian Lisiecki, Campbell Soup Company Amy Celentano, Campbell Soup Company Scott Cairncross, TruQua SESSION CODE: ASUG11784

### **OSUGANNUAL** CONFERENCE

June 5-7, 2018





## **Campbell Soup Company**

- Started in 1869 by Joseph A. Campbell
- Based in Camden, New Jersey
- Revolutionized canned food distribution by coming up with a commercially viable solution to reducing amount of water used in cans
- Became one of the largest food companies in the world.
- Traded on the NYSE as CPB
- 7.89 billion in revenue in 2017
- 887 million in net income in 2017
- Globally responsible healthy food company
  - "We make Real Food for Real People"

Real food that matters for life's moments



## **Campbell Soup Company – The Structure**

Campbell North	Bolthouse	Pepperidge	Campbell
America	Farms	Farm	International
<ul> <li>U.S. Retail</li> <li>Beverages</li> <li>Innovation</li> <li>Plum Organics</li> <li>Canada</li> <li>North America Food Service</li> </ul>	<ul> <li>Consumer packaged goods business unit</li> </ul>	<ul> <li>Snacks</li> <li>Bakery</li> <li>Frozen</li> <li>Thrift</li> <li>Export</li> </ul>	<ul><li>Asia Pacific</li><li>Latin America</li><li>Kelsen</li></ul>

Business units within each division are organized by brands

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## Campbell Soup Company – The Journey



#### **Finance Function**

- External Benchmarking
- Process assessment
- Hackett deep-dive in key areas

#### **IGS Formed with Finance**

- Established process owners
- Hackett refreshed processes

#### EPM10

- Business requirements signed off by finance leadership
- Key solution designs reviewed with stakeholders
- Chose TruQua as preferred SAP implementation partner
- Implementation and Go-Live



### The Transformation

2015/2016 -Completed organizational 2016/2017 formation and Implement the process technical improvements solution and validate process design

2015 – Worked through process optimization and blueprinting

#### 2017/2018 — Run Better

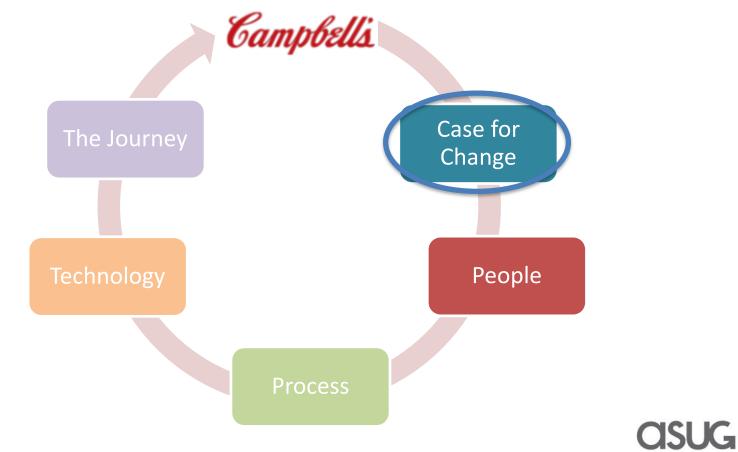
and Faster

An evolution to achieve

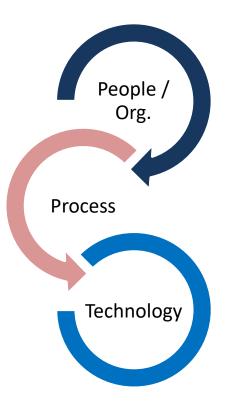
- Standardization
- Simplification &
- Automation

2014 — Top down decision to streamline existing financial process with a focus on planning and reporting.





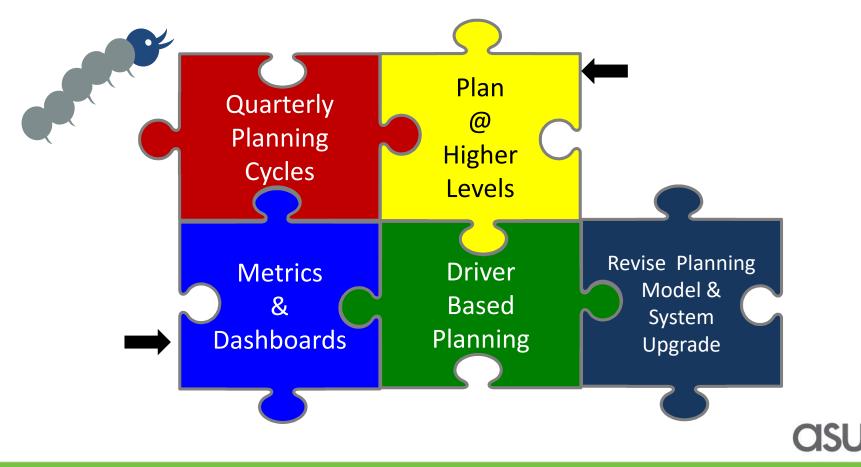
## **Case for Change**



- Existing organizational structures had a great deal of redundancy
- Existing processes were inefficient and costly
- Technology solution was implemented leveraging inefficient processes operationalizing unnecessary overhead
- Changing dynamic within the CPG industry
- Necessity for an organizational structure that lends it self to the pace of change in the market
- Efficiency and best in class processes required
- Technology solution as an enabler of people and process not a driver of it



### Process – Transforming the way we work



## Technology – Modernizing the Platform

• <u>As-is</u>

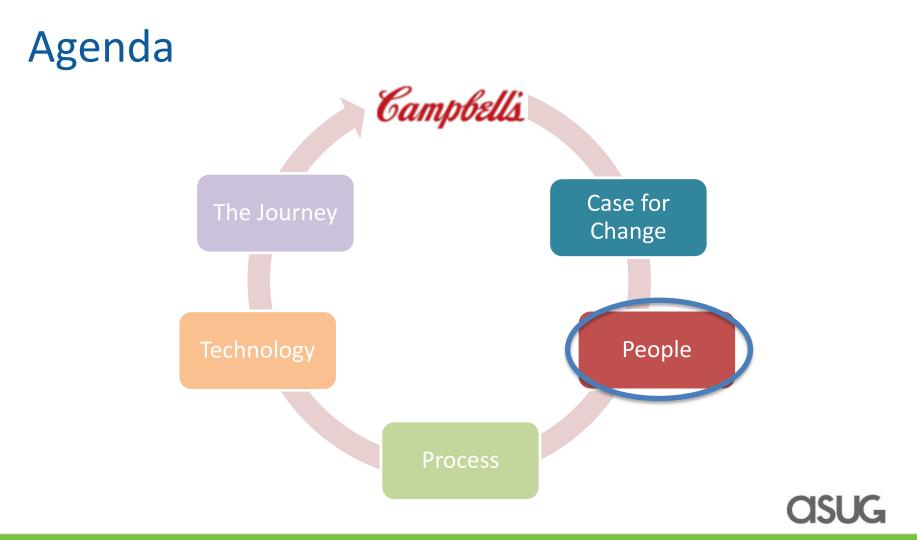


• <u>To-be</u>

### Goal – Eliminate / minimize calculated solves & FX

 Less data/complexity reduces solve durations





### The Campbell Finance Team

Our Purpose:	Campbell Finance: Inspiring Exceptional Performance Creating a profitable company by providing analytically-based <u>insights</u> and improved <u>efficiency</u> while earning the <u>trust</u> of all stakeholders by executing our fiduciary responsibilities		
Which means:			
	<u>Insights</u>	<u>Efficiency</u>	<u>Trust</u>
Our Focus Areas:	Finance will provide value-adding insights to the organization. We will positively influence business outcomes by proactively identifying strategies and initiatives while driving financially-based decision-making.	We will drive cost efficiencies in the function while delivering optimal service. We will also identify opportunities and manage efficiency across the organization. We will leverage our expertise in treasury and tax management to create value.	We will meet our fiduciary responsibilities by maintaining robust internal controls and producing quality financial statements and disclosures, earning the trust of all stakeholders.
Enabled by	A highly talented and diverse finance team		
Enabled by:	Finance talent is the cornerstone to achieving our purpose. We will become an employer of choice by attracting and developing a highly talented, collaborative and diverse team with exceptional financial skills and business acumen.		
	Process and Technology		
	We will further standardize our core processes and leverage technology and our shared services platform to deliver system-based solutions.		
	Living our values and leadership model		
	We will exemplify the attributes of the Campbell Leadership model and core values of character, competence, teamwork and courage. We will perform our responsibilities with the highest level of integrity.		

### **Integrated Global Services**

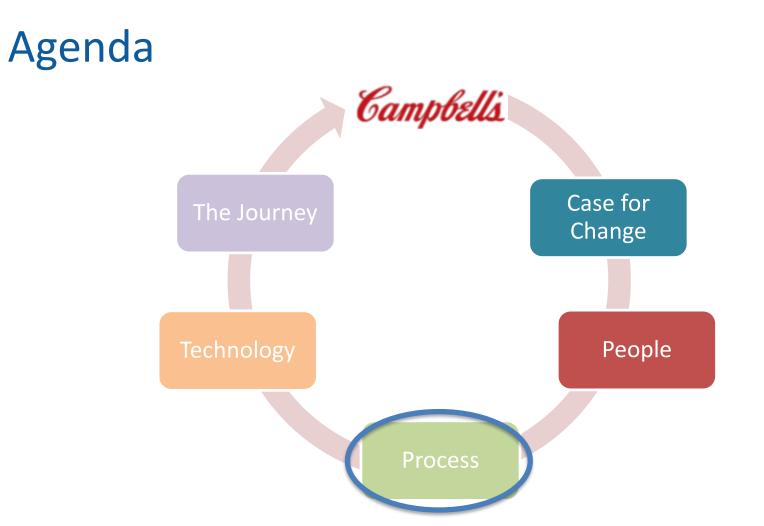


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### **Key Strategies in IGS**



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## **Streamlining the Process**

The Hackett Group

#### **Plan At Higher Levels**

- ~95% reduction in drivers
- ~57% reduction in accounts





#### **Marketing Spend**

- Common budget and forecast tool
- Marketing accountability; Finance will have no project write access
- Proposed DOA policy streamlined



Relentless discipline to follow end-to-end processes Discover and implement best practices Help think through requests to deliver spot-on solutions Provide value adding insights

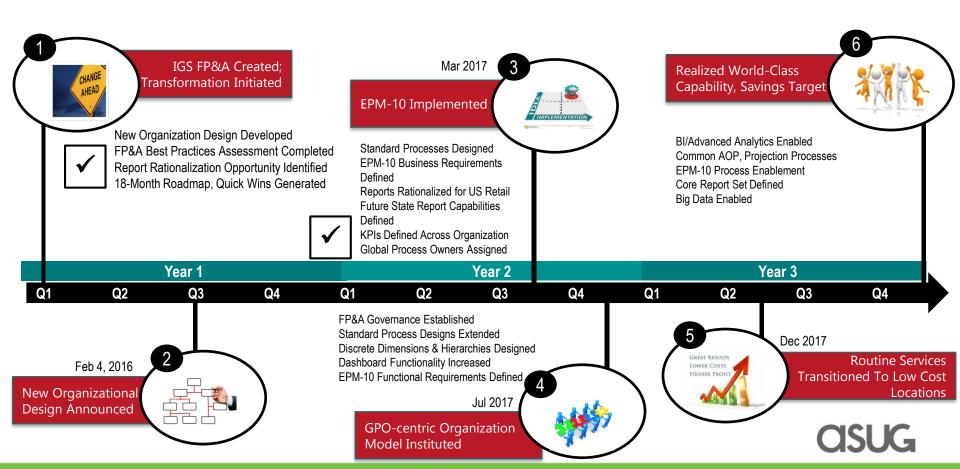


#### **MOH-SG&A** Centralization

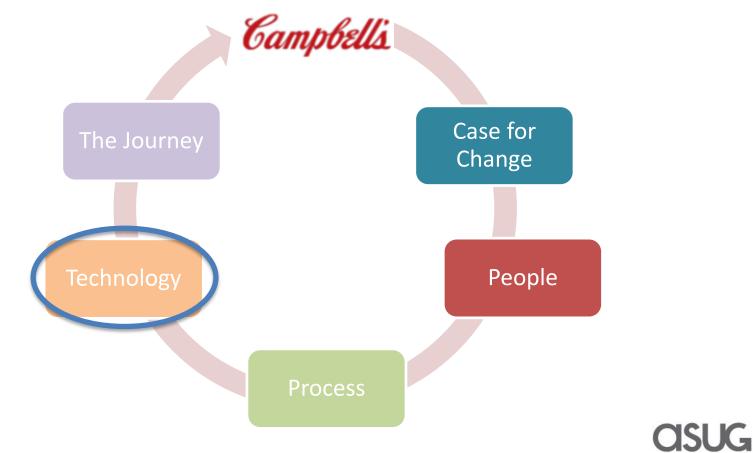
- Functional accountability
- Move to "Good enough"
- ~80% of total global
   SG&A
- Automated reporting



### FP&A is on a Multi-Year Process Transformation







## Key Objectives of EPM10 Project

- Standardize and Simplify Planning & Reporting
  - Consolidation: Management & Legal
  - Planning: Brand & Customer
  - Cost Center
- Deliver significant improvements in <u>efficiency</u> & effectiveness
  - Standard global processes & tools are key levers
  - Simple model with fewer control points & Light Touch Administration
  - <u>Significant</u> changes to existing solution
    - Existing BPC solution was developed using a common core, but <u>localized</u> for business unit / customer requirements
    - EPM 10 design has <u>standardized</u> revised requirements developed in F'14 (reducing detail accounts and SKU allocations)



## Getting to Best in Class FP&A

#### Transformation Prior to Initiative

Technology Solutions (Patches to Existing Solution)

followed by

- Process Improvements
- Organizational / People Changes

Project	Scope
SAP-ECC	Enterprise-Wide (*)
World Class FASS	Enterprise-Wide (*)
Consolidation (BPC: beta s/w)	Enterprise-Wide
Planning (BPC: beta s/w)	Enterprise-Wide (*), localized
FIRE (MicroStrategy)	Enterprise-Wide
Cost Center (BPC/BOBJ)	Enterprise-Wide (*)

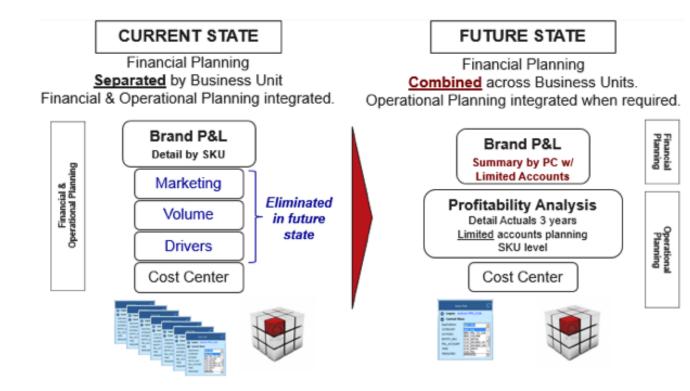
#### Opportunities from Change

- Complete FP&A Technology solution with EPM
  - Simpler, common model easier to use and less costly to support
  - Reclaim generation of users lost in BPC deployment
- Enables IGS to pursue greater
   <u>efficiencies from transforming</u>
  - Processes

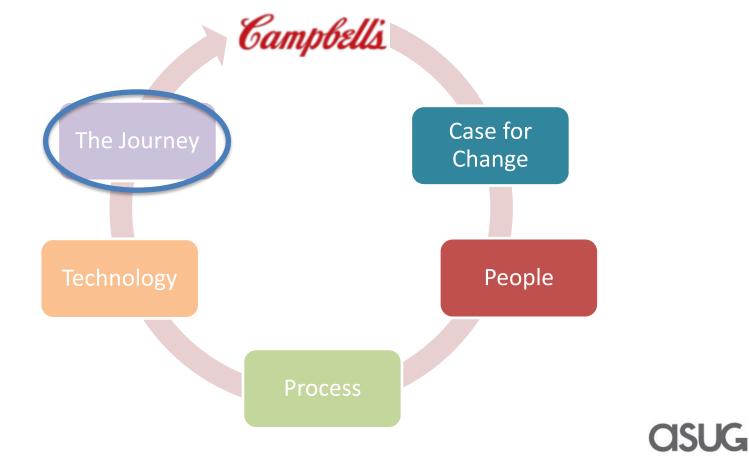
(\*) Harmony SAP locations

- People / Organization

## As-is / To-be Technology Platform



### Agenda



### Functional Scope – Planning & Consolidation

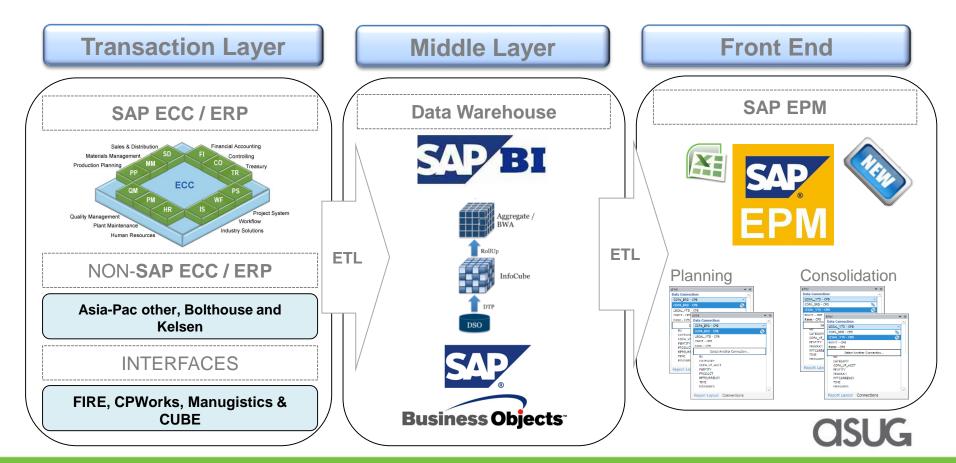
Functional Requirements	Current BPC 7.5	Future EPM 10	Simplification
Consolidation	1 Environment with 7 Models	1 Environment with 3 Models: Legal, MGMT, and Rate	Reduction of 57% in models
Planning - Brand	6 Environments with 23 Models	1 Environment with 5 Models:	Reduction of 83%
Planning - Customer	Included in Brand Environments with 14 Models	Brand PNL, Brand GM, Customer GM,	in environments
Cost Center Planning	1 Environment with 2 Models	Cost Center Analysis, and Rate	Reduction of 87% in application
Availability of Detail Actuals	Customer by SKU Cost Center transactions	Customer by PC Via drill down: Customer by SKU, Plant by SKU, FI by GL, Cost Center transactions	Faster EPM calculation & analysis
Data Volume - Level of Detail & History	2.5 Billion Records	Drastically Reduced	Reduction of ~60% data volume
EVA	Run with multiple solves	HANA Based calculation	50x speed up
Marketing Spend	N/A	Mobile solution in HTML5	Direct Connect to EPM & ERP

## Functional Scope – Reporting

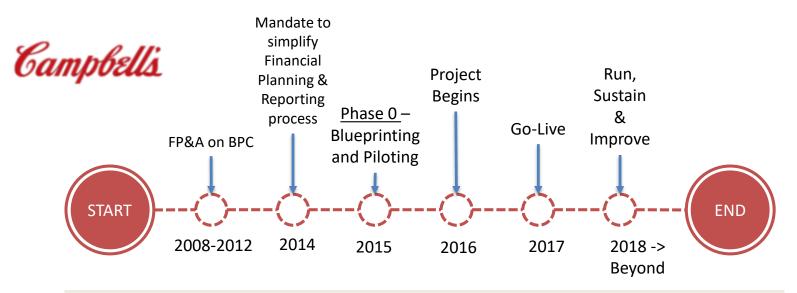
Functionality	Content	Level of Detail	Key Changes
Dashboards - FIRE	<ul> <li>Financial Dashboards / Reports</li> <li>Enterprise-wide financial performance reporting using automated solution</li> <li>KPI's, Metrics &amp; Summary P&amp;L's</li> </ul>	Company / Division / BU Profit Center KPI / Metric	<ul> <li>Ensure remediation (source data / "Flow" in corporate)</li> <li>Automate master data for profit center and account</li> <li>Build new Latest Estimate PNL's (Corp &amp; BU)</li> </ul>
Drill Through - BEx	<ul><li>Access to Actual results by:</li><li>Plant by SKU</li><li>Customer by SKU</li></ul>	Division / BU / Profit Center / SKU Account	<ul> <li>Information available for Actual results in Plant-SKU &amp; Customer-SKU COPA summary data</li> <li>Drill Through enabled in EPM client</li> </ul>
Automated email-publishing - BOBJ	"BOBJ" automated monthly cost center statements emails with supporting transactional detail	Corp / Division / BU / Cost Center Account	<ul> <li>Nominal changes</li> <li>Template revisions for preparing for ZBB</li> <li>Ad-hoc analysis via web interface</li> </ul>



### Technical Scope – To-Be Architecture



### The Journey Over Time



The FP&A journey at Campbells with SAP began with the implementation of BPC 7.0 taking the existing process implemented on OFA

and re-platforming onto SAP as is. In 2014, senior management at Campbells gave a directive to simplify and streamline financial planning and reporting across The organization. 2014 and 2015 began the realization of the journey with the kick off of Phase 0.

## **The Starting Point**

This phase provided the opportunity to reduce the overall footprint, complexity and cost of financial planning & reporting solutions at Campbell Soup Company.

Evolution within the enterprise to a simpler, common model and business process:

- Business requirements with <u>less detail</u>, developed using best practices
- Common enterprise-wide <u>processes</u> for planning (brand & customer) and consolidation
- Best of breed <u>reporting tools</u> for targeted user communities

Implementing EPM to replace the existing BPC solutions, focused on

**Standard** technology, leveraging existing structures in our SAP transaction system **Simpler** design and configuration using **proven**, efficient technology solutions Leveraging technology to **automate** manual processes "Light Touch Administration"

#### Enterprise-wide Solution Standard, Simpler and Automated

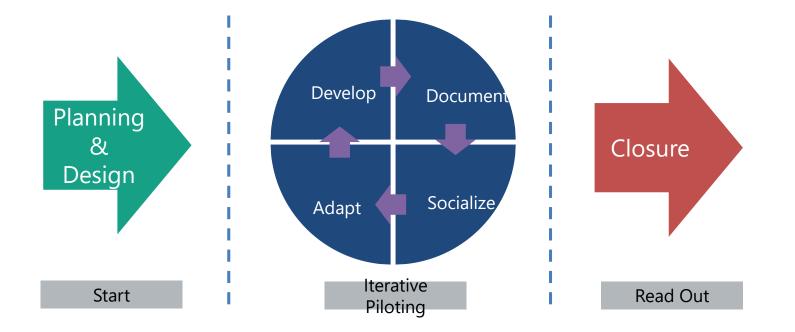


### Deliverables

Phase	Deliverable	
Discover	• Understanding of current state, pain points	
	Identification of issues requiring solution	
Solve	Key Decision Documents (KDD)	
	Blueprint Document	
Prove	Proof of Concept	
Plan	Project Plan – Core Technical & Functional	
	<ul> <li>Project Plan – Integrated</li> </ul>	
	Business Case	

Project completed on-time and on budget. Strong team worked very well together and held each other accountable for decisions and delivering results

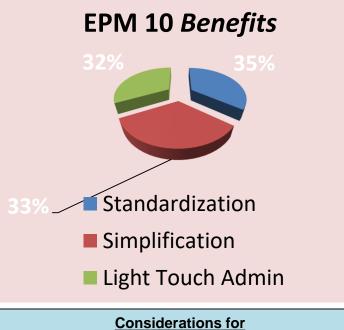
### **Blueprinting Process**



### Outcome of Blueprint – KDD Land!

- What is a KDD?
  - Summarizes present day
  - Defines requirement for new solution
  - Identifies options w/Pro's & Con's
  - Recommendation
  - Key Decision Taken
  - Future Considerations
- 34 KDD's
  - 12 38% Foundational
  - 8 18% Consolidation
  - 10 31% Brand
  - 4 12% Customer
- Approach 'Why not follow recommendation' to achieve overall objectives

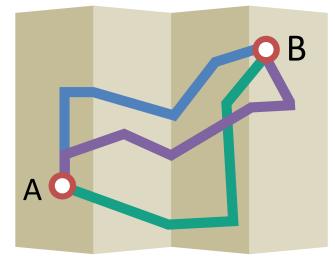
Simplification, Standardization, Light Touch Admin



Rolling forecast, Drivers (*Price Increase, Inflation, ...*)

## Not always a straight line

- Phase 0 did not include any detail related to SAP HANA.
- SAP HANA was specifically ruled out as a part of the discussion and blueprinting within Phase 0.

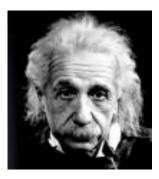


- HANA was incorporated when the project was meant to start.
- The final formation of the IGS group caused a delay.
- An October 2015 project start shifted to May of 2016.

### Scope & Degree of Change

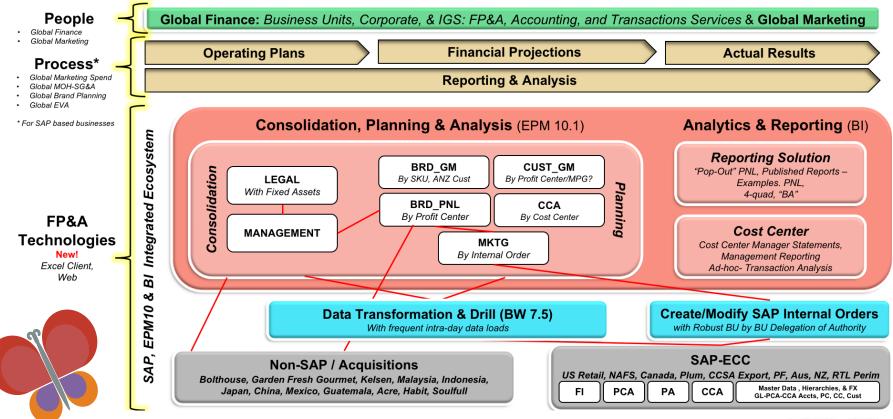
- Enterprise-wide mindset
- Engage experts, leveraging external providers to get best, proven solutions
- Focus on <u>simple</u>, common solution to drive step change in service efficiency

#### Everything should be as simple as possible, but not simpler--Albert Einstein



Functional / Technical Area	Degree of Change
Consolidation	Moderate
Planning – Brand	High
Planning - Customer	High
Cost Center	Low
Technical - Data Warehouse (BW) - Extract, Transform, Load (ETL, DSO, ABAP) - Roll-out of New Reporting Tools (BEx)	High

### **Design Summary**



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