



Del Monte Foods Automates Formula Change Process to Reduce Cycle Time by 33 Percent

Overview

Country or Region: United States
Industry: Manufacturing—Consumer packaged goods

Customer Profile

With more than 3,400 products, Del Monte Foods is one of the largest U.S. manufacturers and distributors of branded canned fruit, vegetable, tomato, tuna, and pet products.

Business Situation

The existing product development and launch process required users to spend a great deal of time manually routing, approving, tracking, filing, and archiving product development–related documents.

Solution

Del Monte Foods is implementing a collaboration, workflow and enterprise content management solution based on the 2007 Microsoft® Office system to automate manual processes and reduce time-to-market.

Benefits

- Shortened formula change process cycle time by 33 percent (5 days reduction)
- Improved regulatory compliance
- Reduced costs by minimizing errors

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Michael Hayes, Director of Quality Assurance, Del Monte Foods

Del Monte Foods is one of the largest producers and distributors of premium-quality processed food and pet products in the United States. The Pet Products division wanted to improve its product lines, introduce new products, and maintain quality by streamlining its formula change process. The existing process involved manual routing, approval, tracking, filing, and archiving of product development–related documents. To make its Pet Products formula change process more efficient, and to serve as a model for new product development companywide, Del Monte Foods implemented enterprise content management capabilities with the 2007 Microsoft® Office system. With the new solution, Del Monte Foods has automated product lifecycle processes, reduced time-to-market, and shortened the formula change process by 33 percent.



Situation

Since the late 1800s, Del Monte Foods has been recognized for providing quality foods across the United States. From the beginning, the wide range of leading Del Monte Foods brands and products has been respected for its outstanding quality, nutrition, convenience, and value for the whole family, including pets. With more than 3,400 products, the company is one of the largest manufacturers and distributors in the United States of branded fruit, vegetables, tomato, tuna, and pet products. Del Monte Foods also makes commercial food ingredients and products for the food service industry.

Business Priorities

To maintain its position in the market, meet its financial targets, and serve its customers better, Del Monte Foods continually strives to reduce the time it takes to bring its products to market and to cater them to customers' needs. The company has identified specific business priorities that include:

- Developing superior brands and products that result in high levels of customer satisfaction through continuous innovation, excellent service, and a commitment to quality.
- Fostering innovation by creating a collaborative environment internally and externally.
- Delivering products in a cost-effective manner.

- Complying with regulatory requirements, such as the Sarbanes-Oxley Act.
- Following a "right the first time" philosophy.

Toward achieving its business priorities and increasing the efficiency of its Pet Products formula change process, it was vital for Del Monte Foods to automate the formula change process and improve collaboration on the Change Request form.

A Manual Pet Products Formula Change Process

In the formula change process, a Change Request form is completed by the originator (typically the marketing and innovation discussion groups) and then e-mailed to approvers in a certain sequence. The approvers receive the e-mail, which asks them to review change requests, and they approve, reject, or request additional changes. On average, this process takes 15 days to complete as it involves manual routing and multiple hand-offs.

In order to maintain its offering of high-quality products, Del Monte Foods has a Quality Assurance department that is responsible for ensuring proper documentation and adherence to regulatory requirements and for disseminating the change request information to the appropriate approvers. The Quality Assurance department is also responsible for implementing proper internal controls for the formula change process, to

Figure 1. The Pet Products division formula change process

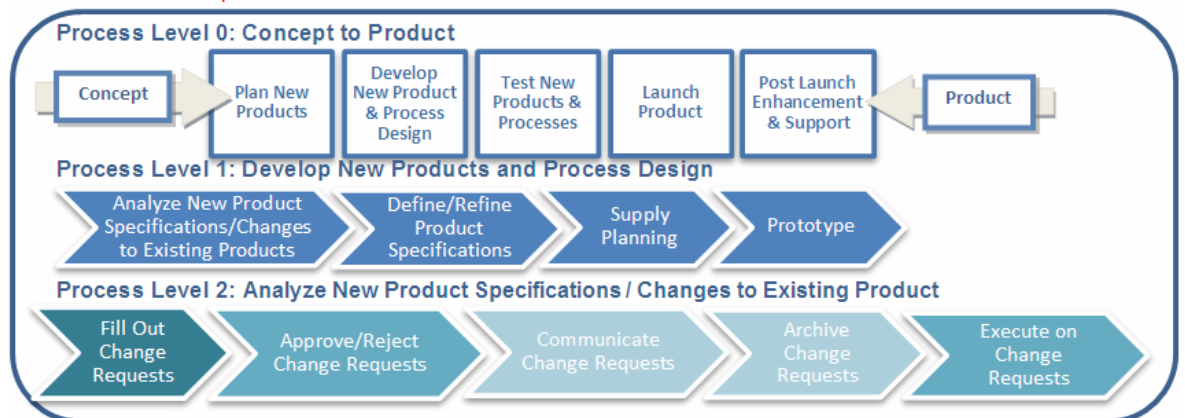


Figure 2. Breakdown of improvements and benefits for each step of the Pet Products formula change process

ensure that there are no unauthorized changes and that each product is manufactured according to specifications.

All changes in the production of existing products or the introduction of new products for sale need to have approved Change Request forms. The manual process for managing formula changes or introducing new products limited the ability of the Quality Assurance department to monitor and track the review of and approval of changes.

The process owner spent time manually routing and tracking approvals by the process constituents, and filing and archiving change request-related documents. Due to the manual processing, duplicate change orders would occur for the same request, resulting in documentation errors and delays in the formula change process. When product

managers wanted to initiate a change request due to customer feedback, the department staff was not always able to reply to these requests in a short time.

The manual process also caused limited visibility into the process, and the department was not always able to provide sufficient answers to its internal customers. Because of the manual approval documentation, the department was also challenged in its compliance with the auditing and approval tracking requirements mandated by the Sarbanes-Oxley Act.

See Figure 1 for a detailed breakdown of the formula change process.

Critical Success Factors for the Formula Change Process

The Quality Assurance department identified

Step	Activity	Current Process	Business Process Improvement	Benefit
1	Fill Out Change Request	Template is available to originator. Once completed, the template must be e-mailed to initiate the formula change process.	Template is available to originator online. Once completed and saved, an automatic notification is sent out to initiate the formula change process.	The originator uses the most recent copy of the template. This eliminates the step of e-mailing to start the process.
2	Approve/Reject Change Request	Reviewer receives change request document via e-mail and is asked to approve or reject. Comment is sent back to the originator of e-mail. Reviewer is not aware of other workstreams/inputs.	Document is routed through Office SharePoint Server 2007 with an e-mail notification. Reviewer can see the current status of review process. Additionally, reviewer can see modification made to the change request document and add additional comments.	There is real-time visibility to change request information to reviewers. This eliminates the need to keep going back and forth via e-mail to understand everyone's inputs and reduces duplication errors.
3	Communicate Change Request	All of the reviewer comments are summarized and modifications made accordingly. Changes made must be communicated back to approvers for final approval.	All changes and comments are made in real time in the common work area. Change request document is updated collaboratively by all key stakeholders. As collaboration takes place during the review process, reviewers are current on changes, which helps in expediting the approval and communication process.	All revision history is saved within the change request document, as opposed to being embedded in various e-mail messages. This reduces the number of times the change request document is routed/rerouted and eliminates errors in the summarizing of the change request comments.
4	Archive Change Request	Document and approval chain are all archived to allow for documented evidence of approval.	Revision history is automatically stored.	All revision history is saved within the change request document, as opposed to being embedded in various e-mail messages. This cuts down on the amount of information that needs to be stored and facilitates easier review of historical data, as reviewers do not need to search through various forms of communication.
5	Execute on Change Request	Final document is posted. Note: This involves compiling information from numerous change request versions used throughout the change request process.	Current document is moved to an active file area.	Elimination of the wrong version of the change request document being posted.

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Jonathan Wynn, Business Lead, Strategic and Capacity Planning, Del Monte Foods

several critical success factors and associated key performance indicators (KPIs) for better managing the Pet Products formula change process:

- Improve the management of product changes (KPI: reduced cost of managing product development data).
- Ensure a compliant approval/tracking process (KPI: improved compliance).
- Create an electronic and automated workflow (KPI: reduced cost of managing product development data).
- Ensure a faster response time to correct defects (KPI: improved cycle time).
- Enhance collaboration with internal customers (KPI: internal customer satisfaction).
- Optimize document and reporting workflow activity (KPI: improved time-to-market).

The identification of the critical success factors for the Pet Products formula change process helped Del Monte Foods recognize some areas of improvement for the Pet Product development process.

Solution

In order to accelerate and better manage the Pet Products formula change process, Del Monte Foods deployed Microsoft® Office Professional Plus 2007, with a focus on the use of the Microsoft Office Excel® 2007 spreadsheet program, the Microsoft Office InfoPath® 2007 information gathering program, and Microsoft Office SharePoint® Server 2007.

See Figure 2 for a detailed description of how each step of the Pet Products formula change process (as detailed in Process Level 2 of Figure 1) is improved with the new solution.

Using Business Strategies and Tools to Improve the Formula Change Process

By working with the newest productivity tools from Microsoft, Del Monte Foods employed

the following business strategies to improve and automate its Pet Products formula change process.

Tools to Improve Collaboration and Document Management

In order to better manage and shorten the formula change process, Office SharePoint Server 2007, Office InfoPath 2007, and Office Excel 2007 were used to streamline the authorization of changes to existing products or to introduce new products for sale and provide a centralized repository for all formulas.

Office SharePoint Server 2007 enables an automated document management and approval workflow. Custom workflows supporting Del Monte Foods requirements to initiate, track, and monitor change requests can easily be developed using out-of-the-box workflows.

Office SharePoint Server 2007 enables information sharing and document collaboration among the Pet Products team members by providing a library for storing, organizing, managing, and archiving the formulas and other related change process documents.

In addition, a Managed Document Library site in Office SharePoint Server 2007 provides a centralized repository for all active, inactive, archived product formulas to ensure that the originators have access to the most current product formula documents. Office InfoPath 2007 and InfoPath Forms Services (a feature of Office SharePoint Server 2007) enable automatic updates to change request templates, which helps ensure that originators are working with the most current version.

By using the rich search function, staff will be able to more effectively locate change

request data and simplify the reuse of content and information.

Automated Change Request Approval Process

Templates in Office Excel 2007 can be used to initiate the formula change request process. The Quality Assurance team can standardize its Product Approval template to easily and quickly create formula Change Request forms. With built-in workflow services in Office SharePoint Server 2007, change request originators can initiate and track the formula change process from within Office Excel 2007 to help accelerate the review cycles with approvers.

Office SharePoint Server 2007 will automate the formula change approval process by assisting in the definition of the reviewer workflow and by collecting document revision history. With the use of Office InfoPath 2007, Change Request forms are published to an Office SharePoint Server 2007 site, enabling easier access to and search of formula changes.

Using sites and workflow components of Office SharePoint Server 2007, users of the Pet Products formula change process can track and collect information from request initiation through the entire approval cycle. The software provides the standardized templates and approval process that are required to track, document, and manage the development of all Pet Products. The solution utilizes the Office SharePoint Server 2007 workflow manager to allow the person responsible for the formula change to

monitor and track the routing and approval activity.

Electronic Forms and Workflows That Comply with Regulatory Requirements

Office SharePoint Server 2007 will help Del Monte Foods to comply with regulatory requirements by building these requirements into the workflow. With electronic forms that use Office InfoPath 2007 and Office Excel 2007, Del Monte Foods will be able to collect compliance data and related information during the formula change process. Office SharePoint Server 2007 enables electronic document management and workflow management controls that meet Sarbanes-Oxley compliance requirements by capturing information on reviewers and approvers as part of document revision history.

With Office SharePoint Server 2007, Del Monte Foods also is better able to ensure that only individuals in appropriate roles will have access to the documents. Employees can define document management and compliance policies through access rights to manage security concerns. Office InfoPath 2007 features auto-checking capabilities that will help catch errors as the change request is created by the originator and during the review and approval process.

Benefits

Through the implementation of the 2007 Microsoft Office release, Del Monte Foods immediately experienced several improvements in its Pet Products formula change process. Using the new automated formula change process, the Del Monte

Figure 3. Measurement of improvements in the KPIs for the Pet Products formula change process

Key Performance Indicator	Type of Financial Statement Related to the KPI	KPI Calculation/ Measurement Method	Baseline Value (before deployment)	Measurement Value (after deployment)	KPI Improvement (%)	Benefit Calculation in Dollars
Improve the formula change process cycle time	Reduce costs	Formula change process cycle time before and after deployment	15	10	5 days (33%)	N/A

Foods Quality Assurance team is now able to incorporate customer feedback and execute change requests more quickly.

“The software allowed us to move away from a labor-intensive process with significant duplication of work to a streamlined formula management system,” says Michael Hayes, Director of Quality Assurance at Del Monte Foods.

See Figure 3 for detailed information on the measurement of improvements and benefits from the formula change process.

Accelerated Formula Change Process Cycle Time by Five Days

Using the automated workflow and documentation and preparation tools, Del Monte Foods was able to accelerate its process for drafting, reviewing, and approving formula Change Request forms. The Pet Products formula change process was shortened from 15 days to 10 days by reducing routing time and making it possible for team members to work on changes simultaneously.

A centralized document library allows Del Monte Foods employees to easily organize, categorize, and navigate within Pet Product formula data, which allows them to quickly find the information they are seeking.

Enhanced Financial Reporting and Regulatory Compliance

The new solution allows Del Monte Foods to track formula change approvals and documents and provide document history. This should reduce the time spent on information audits on approved formula changes. In addition, Sarbanes-Oxley compliance is improved by better managing and tracking the approval of costs associated with formula changes.

Fewer Errors Lead to Reduced Costs

Del Monte Foods replaced its manual, paper-based process with electronic forms and automated workflows, thereby reducing the number of manual interventions during the formula change process and, in turn, the potential for errors. By reducing opportunities for duplication, as well as documentation and processing errors, the new solution helps Del Monte Foods reduce costs.

Improved Internal Customer Satisfaction

The new solution is very user friendly and provides Del Monte Foods employees with the information that they need.

Internal customer satisfaction is improved by better visibility into document history, reduced routing time, and the elimination of documentation errors that result from manual processes and duplicate change request orders. This allows Del Monte Foods employees to be more responsive and react faster to customer feedback and requests from product managers.

“Implementing the 2007 Microsoft Office system has allowed us to provide better visibility into and control of the Pet Products formula change process,” concludes Jonathan Wynn, Business Lead for Strategic and Capacity Planning at Del Monte Foods. Del Monte plans to expand the solution for the Pet Foods products to other areas in the future.

For More Information

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For more information about Del Monte Foods products and services, visit the Web site at: www.delmonte.com

Microsoft Office System

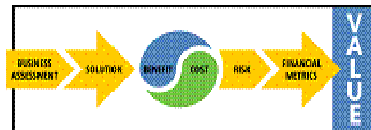
The Microsoft Office system is the business world's chosen environment for information work, providing the programs, servers, and services that help you succeed by transforming information into impact.

For more information about the Microsoft Office system, go to: www.microsoft.com/office

About Business Value Assessment

This business value research study was developed by Capgemini using the Microsoft Rapid Economic Justification (REJ) Framework to assess the business value of the 2007 Microsoft Office system.

For information on how to repeat this study for your organization, contact your local Microsoft representative or go to: www.microsoft.com/value



Software and Services

- Microsoft Office Professional Plus 2007
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