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Overall Quality Approach for Campbell Soup Company

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**Overall Quality Approach**

Campbell Soup Company operates in the industry of processed and packaged foods. The company has its headquarters in the US but has invested in other markets such as in the Europe, Australia and prospects of establishing in Asia. The quality of products of this company is a major concern because of the numerous regulations that govern the manufacture and handling of public food. The following paper addresses the overall quality approach that is used in the management of the quality of products for Campbell’s Soup Company.

**Potential Costs**

Campbell Soup Company operates in the industry of processed and packaged food and therefore, its services are determined by the quality of the food offered in the market. The overall production designed is under strict control to produce food that comply with all regulations and at the same time, appease the consumers in terms of its quality. The operationalization of the food processing and packaging is surrounded by numerous costs, which includes the operation costs, management and quality control costs. The operation cost of Campbell Soup Company involves variable and fixed costs. The fixed cost covers all the expenses that are incurred in facilitating the production of specific unit of food, and which has a direct relationship to the number of units of foods that are produced. It includes the cost of ingredients that the company uses such as the fresh farm produce like carrots and onions. The cost of packaging is captured under fixed cost and all the labeling of the food products. Most of the packaging material especially for the soups is cardboard that is designed into a can. The expenses of processing such as licenses and other regulatory fees are included in this cost. The company has to procure an annual operating license from the government besides complying with the regulations such as Food and Drug Administration, which requires the remission of a certain administrative costs. The fixed cost includes shipping and all logistics in the supply and distribution channel. Since the company serves many parts of the world especially in the US and Europe, it incurs the cost of shipping the products from the processing plants to the market. Other costs include the marketing cost through advertising and price listing.

The fixed cost of the company includes the expenses that do not change over the production period, and which must be incurred regardless of the units of production. It includes space, in terms of the cost of land or rent from where the company operates. It captures the assets that the company use in its production such as the machineries, buildings and the payment of liabilities like insurance covers. The cost of labor includes the payment of the machine operators, and the staffs of the company depending on their levels of expertise.

Among the major risks of Campbell Soup Company is failure. The food industry is very delicate and involves compliance with numerous regulations to maintain the safety of the food offered to the public. Besides, the company is faced with stiff competition from both small companies and larger ones such as the Blue Apron. These factors exposes Campbell’s at risk of failure, and it has to be on look to continuously change its production patterns to remain competitive in the market.

The major benefit that the company stands to exploit is the huge global market of processed food. The market for manufactured food rose by 8 percent in 2017, which yielded additional $ 8 billion in the American economy (Mayhew, 2017). Campbell’s can benefit by exploiting this trends to increase its market share and generate more revenue.

**Work Breakdown Structure**

Quality Control

Campbell Soup Company

Product Manufacturing

Product Engineering

Food Testing

Maintenance of the Equipment

Efficiency of the Technology

Capability of the Equipment

Equipment Testing

Product Design

Safety Testing

Supply Chain Management

Technology in Designing

**Narrative**

The work breakdown structure of Campbell Soup Company is made up of three tasks. The first is the product engineering, which involves all the activities of developing and designing the different food products that the company offers in the market. The second task involves all the manufacturing process of the different products, with the last component involving quality assurance of all the products and activities of Campbell’s.

The structure of product engineering has three distinct subcategories. It involves product design, and all the activities of creativity and innovation that facilitates the development of new products and additional components that can be added on the already existing food products to increase their competitiveness in the market. The component of technology involves investment in research and development to establish the market demands and coming up with new techniques of designing the products, while maintaining and improving their quality in the market. The third category under design is the efficiency of the technology that is used in the company. It should be economical and applicable in the context of Campbell, with tangible results which includes the reduction on the cost of production.

The structure of product manufacturing will involve factors such as the capacity and efficiency of the company to manufacture the products using the available resources. This is the main task of the company, through which the products are availed in the market. It will include the assessment of the available skills to manufacture the required food products in the required quality and quantity. The structure includes the evaluation of supply chain to determine its effectiveness and reliability, and the identification of the processes in supply chain that can be combined or eliminated to save the cost of this operation. The capability of the equipment involves an evaluation of the assets that the company will use in its manufacturing to determine their capabilities to meet the required demands. It will also include the capacity of the company to maintain the equipment, their lifespan and efficiency in terms of power consumption and the number of produced units at a specific time.

The last structure will involve quality control. This is a major task in the company since it produces public food that is highly regulated by government agencies, and therefore, the quality of the products is mandatory. This structure has the distinction of safety testing of all components that are used in the production. For example, the technology used in manufacturing must be safe and free from health concern such as the use of organic ingredients as opposed to the use of genetically modified components. The machineries used must be made of stainless steel to facilitate the maintenance of safety standards. The produced food is expected to comply with all regulations, and have labels of the ingredients used where possible. For example, the concentration of calories must be within the specified range to avoid negative implications such as weight gain to the consumers.

**Key Milestones**

The key milestones of Campbell’s Soup Company are the identification of the business plan and its business entity. The company has the key business concepts of a quick food service, which is defined by the marketing logo and its name. These milestones have created a strong brand name in the market by easing the identification of its products by the customers. The company achieved to establish its target markets which includes the US, Europe and Australia, basing on features such as the consumer behaviors and the viability of the markets. Most products of Campbell’s have competitive prices, which have been established as a result of intensive research on the market, the cost of production and the prevailing competition (Grullon, 2018). Another milestone of the company is the structuring of the budget in terms of inventory, labor and other related costs. This milestone is important to the company in determining its expenditure in comparison to revenue, and therefore facilitating the cost reduction strategies. The structure of the business is adequately established based on the number of employees that it can handle and their responsibilities in the company.

Campbell’s has acquired equipment as among the startup costs. Most of this equipment operates in the manufacturing unit, where food is cooked, canned and packed ready for the market. Being in a food processing industry, Campbell’s needs different food concepts in terms of staffing. For example, it needs a specialized team in the distribution channel and supply chains. These processes require strict adherence to regulations to ensure that the products meet the specified standards (Grullon, 2018). The operationalization of the company also requires permits and licenses from the relevant authorities. Campbell’s has achieved to comply with most of these regulations, which is another key milestone for the company. It complies with the stipulated health and safety codes and other regulations that characterize the food industry. As typical business requires operating licenses, the regulations in this industry are strict because it handles public food, which is vulnerable to numerous health regulations. Some of them include the Certificate of Occupancy (CO), which determines the safety of the food company for consumers, the Federal Employer Identification Number (EIN) that is important in tax compliance, business operating license from the state and Food and Drug Administration license for the permit to manufacture public food, among other licenses.

The key deliverables of the company are the financial reports, SWOT analysis and regulatory analysis. Campbell’s is yet to determine the patterns of market demand that are important in identifying the realistic nature of the market and the scope of the entire investment plan. The company will need monetary resources and skilled workforce in achieving its set objectives. The resources will be necessary in turning the work breakdown structure into a project and facilitating its full operationalization. The achievement of the scope time cost objective will be achieved through effective communication with all the stakeholders to ensure that everyone in the project recognize the need for constraint that will be applied in the decision making concerning the three objectives (Songas, 2011). This strategy will be important in allowing the contribution of the stakeholders before a major change is made in the company to enhance a smooth cycle of the project through collaboration.

**Potential Obstacles**

Among the potential obstacles to the implementation of the idea is the reduction of waste in the supply chain and creating efficiency. Most markets especially the US and the entire global economy are faced with the challenge of waste reduction to improve their effectiveness in production. The management of waste in the food processing and packaging industry has been persistent especially due to the management of high paperwork in tracing, delivering, accounting for and tracking the inventory (Extend Data, 2013). Most of these processes can only be handled using paperwork due to the nature of their complexity. The company is faced with the challenge of manually inspecting and accounting for its inventory in the warehouses. The process may require a manual update of invoices in the finance department. The result may be errors from the paperwork, possible theft of the inventory and misplacement. The obstacle may result in inaccurate invoices being sent to the customers and potential disputes.

The obstacle may contribute to Campbell's extending terms of payment to suppliers and vendors, which can increase the cost of seeking new customers. The maintenance of competitive advantage may become a significant problem for the company. The competitive advantage of a food processing company revolves around its customer service, reliability in the market and the capacity of its distribution channel. The customers translate to a bigger market share and the stability of the company against its competitors. Customers become confident with a food processing company that has a reliable and an efficient supply chain, which includes accurate invoice, ideal customer experience and efficient tracking of its inventory, which creates a perception that the company is stable and therefore, offering quality products.

The company is faced with the obstacle of value chain selection and satisfying the interests of the consumers. The standard criteria for the selection are not always sufficient and a sure way of addressing the supply objectives of a company. The value chain programs require the chains with the highest possibility of increasing income. Although the increase of consumer income has allowed them to purchase food from stores, their preference has changed into consuming nutritious foods. Most consumers are choosing to spend their increased earning on food that prioritises on their health, which is forcing most food companies to focus more on products that are promoting the health of their customers. Since Campbell's depend on raw material form fresh farm products, its value chain is oriented on farm products. The company will face the obstacle of increasing productivity and the income of the producers to increase the demand of its supplies. The requirements of the consumers are therefore shifting, which are at times spontaneous. The changes in consumer behaviours lead to the emergence of new options from the competitors, which will need Campbell's to keep with the pace in the market demands. It will need to produce food that meets the customers' requirements even in the short run.

**Appropriate Risk Mitigation Strategies**

The company can use the electronic proof of delivery (ePoD). This technology is applicable in the food processing and packaging industry to mitigate the risk of waste in the production. Through the use of this system, the tracking of the inventory is facilitated in the entire supply chain (Extend Data, 2013). It scans products on and off the trucks to allow the managers to determine their actual location. The drivers become efficient in the management of the shipment through truck loading and driving route, which results in the improvement of the workflow. Besides, ePoD reduces the need for extensive training of the drivers because the entire process can be managed from the warehouse. The need for manual management of information is eliminated because the daily activities are automatically configured into the accounting and inventory system. In overall, ePoD improves the level of accountability, timely communication and accuracy in the management of data. The result is the achievement of outcomes that can be applied directly into the customer service and in the invoice. On the other hand, the customers are assured that the delivered products are correct since the invoice has all the details including the place and time of delivery. The utilisation of this technology by Campbell will reduce the in no- pay invoice and the possibilities of disputes from invoices. The flow of operations will be eased leading to waste reduction and cost saving.

The obstacle in the selection of the value chain can be addressed by identifying gaps in the market and utilising value chain assessment tools to include the relevant information in the analysis. The process involves understanding the dynamics of the value chain and incorporating the appropriate criteria (USAID, n.d). It should include the collection of data using a combination of both qualitative and quantitative tools to facilitate the reliability of the information gathered. The criterion can involve factors such as the competitiveness potential to allow the collection of data on market share, the availability of substitutes, competition, the commitment of the stakeholders and the growth and opportunities in the market. The analysis of the potential and the growth of the food industry can be an essential factor to Campbell's in determining its competitiveness in the market. The aspect of impact potential is necessary for the evaluation of value chain where components such as income generation and the purchasing power of the consumers can be evaluated. The criteria for addressing issues in the value chain will be determined by the priorities of Campbell's in establishing the leader in the industry. This aspect can be evaluated concerning the number of lead firms, the collaboration that is between the firms and the readiness of the industry leader to invest in the increased competitiveness.

**Conclusion**

The above is a presentation of the overall quality approach that is used in to manage the quality of products at Campbell’s Soup Company. The main issues covered are the potential costs of the company, the work breakdown structure and its narrative. The paper also addresses the key milestones of Campbell’s, the potential obstacles of the company and the strategies for mitigating risks.

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