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Project Management Plan for Campbell's Soup Company

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**Operations Management at Campbell's Soup Company**

Campbell Soup Company (CPB) is a multinational company that operates in the industry of Packaged and Processed Foods. Its approximated annual sales are $ 8 billion. The headquarters of this company is located in Camden, New Jersey and it is currently expanding to developing markets in China and Indonesia (Campbell’s, 2018). Some of the products that Campbell's Soup Company offers in the market include snacks, beverages high-quality soup, packaged fresh foods and simple meals. The company was started in 1869 in New Jersey by Abraham Anderson, manufacture of the icebox and Joseph Campbell who sold fruits.

**Assessment of the Significant Forces**

Campbell Soup Company faces both the micro and macro forces that do not only impact on the operations management of the company but also on other players such as suppliers and other stakeholders. These forces shape the strategy for the competitive landscape of the company and determine its sustainability in the market. The political forces that surround Campbell Soup Company influence its long-term profitability in different markets since it operates in different states with different political influences. Being operating in the industry of the Processed and Packaged Foods, Campbell Soup Company is prone to numerous political forces such as industrial safety regulations on Consumer Goods, the requirements on product labeling, wages legislation like defined minimum wages and incentives, the mandatory employees' benefits in different states among others (Wharton University of Pennsylvania, 2018). The forces act as risks to the operations of the company and due to threats of regulations and the perception of Processed and Packaged Goods in the different states and the risks of political instabilities. To achieve success over this force, Campbell Soup Company has adopted the strategy of dynamism in the industry of Processed and Packaged Goods through diversification of its operations in different states that provide favorable political systems for the business operations. The company is influenced by economic forces. It includes the interest rates, inflations, and the stability in the rates of exchange, the demand and supply patterns and aggregate investment in the economy. The force also includes competition in the market and the competitive advantages of the company. The market of foreign currency is at times unstable and this has significant impacts of the cost of production and the revenue of the company, especially due to its line in international markets. The education level of the market is also a major concern to the company because it determines the cost of labor. For example, the education level in the American market is relatively high compared to most global markets, which makes the cost of labor in the country to be high (Coyne, 2017). The company has to develop a pricing strategy that will cater for this cost while making profits from its goods. The company also use utilizes the economic forces such as inflation, cost of labor and economic growths of a specific state where it operates and compares the statistics with the indicators in the industry of Processed and Packaged Goods to forecast its sustainability of the market.

**Key Obstacles**

Among the key obstacles for Campbell Soup Company as it evolves into the modern era is the sustainability of the company. This obstacle involves creating long-term employees and customers strategies that define the engagement of the company in economic, cultural and social aspects of the market to promote the long-term survival of the company. It also involves the development of business strategies and relationships with all the stakeholders to promote aspects such as the transparency and the competitiveness of a company. Campbell Soup Company faces this obstacle as a result of a dispute with some retailers, who are key customers of its products. An example is Walmart which has been a major stakeholder of the company in the American market (Wharton University of Pennsylvania, 2018). It has been devoting shelve spaces for Campbell’s Soup orders, but the partner has declined the collaboration. The company also faces a similar threat from Amazon which is turning as a competitor in offering ready-to-cook meal kits similar to the ones offered by Campbell’s. It has claimed the right to use similar cans for soup to those of Campbell Soup Company. The disfiguring of these retail relationships have significant impacts on the operations of the company, its revenues and its eventual sustainability in the market. The impact in the distribution channel and the Campbell's may have its future compromised especially as direct-to-consumer delivery items become aggressive competitors in the soup industry.

The company faces the obstacle of achieving the high demands of healthy options of food. An example is a heavy expenditure on promotion of soups as a product for weight loss but having consumers being over concerned on the health of the products. Most consumers are currently driven by the desire of eating healthy food to keep their weights in control. However, the acceptance of soup as a breakfast by consumers has gains resistance due to their habits, and the perception that soup is an alternative meal. Most consumers also have the perception that all canned products have been processed with preservatives which raise their health concerns. As a result, more people are sticking to their specific diets such as intermittent fasting, low carbs and paleo rather than canned foods.

Campbell Soup Company also faces the obstacle of shifting consumer preferences which are impacting on its competitive landscape. The generation of millennial is not attached to the older brands of food as the older generation. Consumers are changing their lifestyles into preferring foods without preservative, non-GMO foods, organic ingredients and environmentally friendly packages. These changes threaten the profitability and the market share of the company. As a result, Campbell Soup Company has recorded a net loss of $ 474 million and a fall in the share prices by 12% to $ 34 after the announcement of its latest earnings in 2016 (Wharton University of Pennsylvania, 2018). The company has announced the removal of all artificial flavors and colors from its products in North American. It was after the establishment that classic –red –and white cans for the soup contained high levels of fructose corn syrup that was not preferred by many millennial. On the other hand, the older generations do not seem to have problems with these ingredients, which would, however, prompt a reduction in prices because this market alone is not sufficient. The company has to readjust its products to meet the expectations of all generations in the market, more so the younger generation because it forms the future of any market. The company describes as to have disconnected from the millennial, and seem to experience challenges in developing suitable challenges for this market, which is considered to be highly mobile and unpredictable.

**Changes in Operations Management**

Campbell’s has resulted to adopting a strategic reorganization to cope with operation management and place the company at a better position of addressing the rapid changes in the food industry. The change is aligned to the three goals of the company, which are increasing distribution and new business models, maximizing the core values of the business and increasing the well-being of food and health (Campbell’s, 2018). The change aims at organizing the core business operations of Campbell’s which are its powerful snacks portfolio, beverages that are shelf- stable and simple meals which will be under the leadership of the Chief Operating Officer- Luca Mignini. The reorganization was made to include Campbel Fresh as a component of Accelerator unit with an objective of achieving a long-term growth in the category of fresh. The unit was also made of the small brand incubation, e-commerce and new distribution models, long-term innovation and future consumer experience. Denise Morrison headed the company as the CEO and led the process of acquisition of Synder’s Lance, which would become the catalyst for reexamining the profitability of the company (Campbell’s, 2018). The strategic reorganization would focus on the recent acquisition and integration of Campbell Fresh and a long-term growth to provide the required structures for increasing the value of the business while developing capabilities that would be oriented to the future. The company created a new unit that aimed at increasing the pace of innovation, shaping the future of food for the company, developing new business models and driving the long-term growth of its business operations. It also started looking for a Chief Acceleration Officer from outside the company, who would report to the president of the company. The position would involve leading a new task force that would oversee the adoption of opportunities future growth. The unit comprises the experience of the consumer through the identification of culinary, insights and trends in the consumers to drive the capabilities of future marketing.

**Business Operation**

Campbell Soup Company has resulted to reorganizing its business operations into two sections. One category focuses on the core enterprises of shelf stable beverages, simple meals, and snacks. The other category is the accelerator, which is aimed at long-term development, incubation of small brands, innovation, e-commerce, future consumer experience and new distribution models. The company has utilized the strategic plan of acquisition of Synder’s Lance to promote the goal of profit growth in line with its visions. It has created a single organization across its main businesses to make it more adaptable and promote the effectiveness of the portfolio management to ensure effectiveness in the investment of in the areas that have great potentials (Campbell’s, 2018). The two business operations simplified the position of the company in achieving better performance in pushing for the achievement of its mission through integrating Synder’s Lance, Pacific Foods, snacks portfolio and achieving stability in the American soup portfolio. Campbell’s also invests in the e-commerce and digital platforms as well as in the U.S refrigerated soup, Garden Fresh, Campbell Fresh portfolio that encompasses Bolthouse Farms and carrot ingredients.

**Key Trends**

Campbell Soup Company is monitoring the trends in its technological resources and innovations. The company has a tradition of being depended upon to distribute its products through stores. The trends in information technology are introducing e-commerce platforms to increase the convenience of the consumers' shopping while reducing the cost of operations through warehousing and distribution. The company has partnered with global e-commerce platforms such as Amazon to utilize its resource of Prime two – day delivery program (Coyne, 2017). The company is also building its own e-commerce that will offer investment into different evolving channels. This is achieved as it continues to focus on the personalization of nutrition through its resource of Acre Venture Fund and emphasis on early stage investments. This trend will build the internal innovation capabilities of the company such as a spontaneous incubation in C-Fresh and support launching of new products. The company has the resources of dedicated teams a differentiated supply chain model and capabilities for expanding its digital platforms.

The trends in acquisition and international expansion are also major concerns to Campbell’s Soup Company. It manages information from research and development to gain relevant information concerning specific international markets. It seeks external development opportunities through the analysis of the available information and conducting research and development to establish these possibilities. Such information has been utilized by the company in the past to plan for the investment in the category of snacks. In collaboration with innovation, it aims at pushing the brand into newer horizons. Some large American food companies such as Blue Apron have been successful in expanding to international markets after experiencing sluggish growth at home markets, which prompts Campbell Soup Company to follow these steps into expanding its production processes to other international markets. Consequently, the company has the plans for investing in the production of Global Biscuits and Snack to its current market such as Arnott’s in Australia and Pepperidge Farm in the US (Coyne, 2017). The trend is tied to diversifying into faster-growing markets. The current purpose of the company has been to move in the direction of well-being and health. The strategic decision has not been productive in increasing the yields and the growth of the company as expected. However, they give the company a platform for future growth.

**Impacts of the Trend**

The trend in technological resources and innovations has led to the company testing the online soup delivery service. The testing will be done on some markets after the online ordering of these products from the website of the company (Working Capital Review, 2018). The impacts will be the elimination of middleman in the distribution channel as the American and the entire global market shifts from the traditional distribution channels to e-commerce. The trends will lead to the company capturing numerous online markets without the facilitation of online markets to reduce the expenditure on distribution while improving its customer experience. This trend is specifically important to the company as it has been experiencing flat and declining sales over the past years. It will be effective in appealing to the health concerns of the customers while capturing the younger generation through the trends in online shopping.

The trends in acquisition and international expansion will involve the brand of the company leveraging in consumer insight to drive relevance including the convenience of the company, health and wellbeing and the investment in snacks (Food Ingredients, n.d). The trends will promote the management of each brand within the disciplined framework of the different portfolio. The strategy will drive the growth of the profitability of the company through the management of its brands in relations to the categories in which they compete. Consumer engagement will be promoted to enable the brands to leverage the evolving tastes and consumption patterns in the market. The margin and cash flow of the company will be maximized because the large-scale brands will be promoted to generate consistent cash flow and profits. These will include the major brands of the company such as Campbell's Soup, SpaghettiOs, V8 and Pepperidge Farm (Food Ingredients, n.d). The management of these brands will be focused on their strength in the market to maximize the cash flow and operating margins to facilitate the fulfilment of their significance to the portfolio of Campbell's.

**Conclusion**

The above is a discussion on Campbell’s Soup Company. The discussion covers the history and trend operations management in this company. The main issues covered include the significant forces that impact on the company, key obstacles to its operations management, the business operations of Campbell’s, the key trends and their impacts on the business operations.

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