Campbell soup company essay

Campbell Soup Company 20041794 ??? 20050254 ??? 20061941 ??? 20071546 ??? Contents 1. Company overview 2. Case introduction 3. Plastigon developing process 4.

Problem & Soultion 1. Over view Campbell soup company /2006 Revenue: $7, 343million Operation profit: $1151 million Headquater: Camden, New Jersey Emloyees: 23000 people Market share: about 80% Vision: " Together we will build the world's most extraordinary food company by nourishing people's lives everywhere, every day" Value: " We will passionately pursue our mission with Character, competence, and teamwork" 2. Case Introduction Our case is in 1987~8. Its saales of $4.

5 billion(75% U. S and Canada and 25% overseas) came from soup products, (where Campbell's U. S market share was approximately 60%) spaghetti products, canned vegetable juices, forzen dinners, bakery products, and new enterprises in 1987. With $1. 6 billion of its 1987 revenues coming from soup products, Campbell dominated two of the three primary segments of that market.

condesed soup, ready to serve(RTS), dry soup. By the late 1970s the technology had improved to the point where prices were falling rapidly. Formerly found only in large industrial applications, microwave ovens (often referred to informally as simply " microwaves") were increasingly becoming a standard fixture of most kitchens. The rapidly falling price of microprocessors also helped by adding electronic controls to make the ovens easier to use. By the late 1980s they were almost universal in the US and had taken off in many other parts of the globe.

So, McGovern, CEO of Campbell, also championed Campbell’s move into new products and markets especially microwavable products. While the total market for such production in the U. S. was only $650million in 1987, it was expected to be over $3billion by 1992. Although Campbell’s initial push in the early 1980s was into the frozen segment of this market, McGovern felt strongly that developing microwavable shelf-stable soups was not only a major opportunity but a necessity if Campbell were to retain its leadership of the soup business.

Because: 1. consumers were demanding convenience. 2. convenience stores were increasing their share of the total food market.

. Japanese firms had created a new market segment, dry ramen noodle ‘ soups’. 3. Plastigon developing process R deparment The corporate research and development organization comprised three groups: the CIRT and two department under the CCID.

CIRT was responsible for both long and short term research and product development, including process concept development, CCID focus on engineering and packaging development across a broad range of activities. These fell into three department: real estate, packaging, and engineering systems. Engineering systems was responsible for developing advanced manufacturing process for new food products and providing more traditional efficiency improvements in existing processes for all of Campbell’s divisions. It also developed and/or purchased the plant equipment for new lines and provided special engineering support to the regional manufacturing plants. The engineers in the CCID often worked closely with the professinals in CIRT.

CIRT had primary responsible for product, packaging had primary responsible for the package, and engineering systems had primary responsible for the production process. Plastigon In the beginning of the development period, Plastigon prototype line was done by hand. CIRT had difficulty getting consistent results. But in the late 1983, the company agreed that the production line should be a continuous process operation running at a rate of 200 units per minute. And the line that engineering systems designed was very similar to a canned soup line, broken down into six sections.

1. blending, where the soup ingredients were mixed; 2. filling, where the bowls were filled with soup; 3. sealing, where the tops were placed on the bowls and sealed; 4.

ooking where the soup was cooked and sterilized; 5. incubation, where the bowls were tested for leaks; and 6. secondary packaging, where the bowls were individually boxed. In the start up period of plastigon production, the equipment turned out to b sufficiently different from standard soup –making equipment that in many cases the vendor could not deliver exactly what was promised.

After several discussions, the new plastigon production line should be installed in the Maxton. Because of this, the engineers based in Camden, New Jersey, had to fly to Maxton to work on the equipment. Project request flow chart 1. Request for project 2.

Engineering systems writes project proposal 3. Manufacturing Engineering routes projects for appropriate approvals (from Plant/Mfg, CIRT, Eng.

Systems, Packaging, Marketing) 4. Task Force formed including representatives (from CIRT, Engineering Systems, Packaging, etc) 5.

Milestones set Program coordinator assigned 6. Program coordinator requests resources and coordinates work of functional groups (from Plant/Mfg, CIRT, Eng. Systems, Packaging, Marketing) 7. Line installed and debugged 8.

Plant assumes responsibilityGadner’s suggestions 1. Equipment Changes : need to replace the filing equipment with FELMO filing system for good sealing. And need to remove all the limit switch which are not related to product safety. 2.

Engineering team : ned more engineers with frozen food experience and some support from the plant such as six machine operators and a plant production manager 3. Long term development : need to improve the system running consistently and develop a better understanding of the process 4. Problem&Solution We see Gadner’s suggetions. However, problems are still remaining. There are some problems..

1. Developing There are communication problems between marketing department with engineers and task-force team. In the beginning of the Plastigon, marketing department conducted a consumer survey excepting price. They just expected that learning culve effects would cut the cost of the Plastigon bowl.

The shape of Plastigon was ideal to consumer but it was not fitted to the product line. Furthermore, comsumer liked microwavable, not the shape of

container. The shape of the Plastigon generated many problems. Task Force Team, also had problems. When a task force was established, the leadership role generally fell to the person from the business unit (marketing), who was in some sense a customer for the new product development effort.

As a practical matter, however, since those doing the bulk of the work did not report to that person. In addition, the company decentralized, and task force team are hard to have their meeting. So we think about using ERP system positively to have more communication between marketing and engineers. And make up a new department that charge for problems in the production process instead of task force team.

. Technical Plastigon is different from frozen food. Campbell, but, they depended on experience and workers of frozen food. It could make narrow the developer’s sight. We can find out another problem in the Gadner’s suggestions.

He said that continuous system is theoretically more efficient than a batch system but not very flexible. Continuous system is maybe more efficient than batch system, However, in this case, current system has facing many problems so the product line run very slowly. There are some process: Job shop, Batch, Line flow systems. They has to try other systems before install the equipment. In the case, CCID and engineering, two groups had testing each other in different way. Futhermore, there are bad sealing.

Bad sealing is a big problem. Batch system is all of the lid placement job is done at a time and then the lid sealing is done in a sequent way. So there’s a break between the two different works. In the batch system, a problem can’t

stop the whole line. And workers are performing similar process in one place. Therefore they can control the sealing easily.

3. Long-termWe can see the current product of Campbell for microwavable in Campbell’s web site. It looks like DRG. DRG was developed by marketing groups. Campbell assuming the problem with DRG was lack of test marketed and available in sufficient quantity and quality to permit a national roll-out.

And it positioning is same as Plastigon. Now, however, DRG is commercial used not the Plastigon. Campbell’s selection was so bad eventually. What is needed to long-term growth or achieve their goal? There are some idea to help Campbell in that time. (1987) 1.

Advertising: Microwavable product is new product. So they have to introduce their product to customer; taste, safety, convenience. Campbell was a first mover so they have to make recognition. 2. Diversification: Consumer have variety needs.

So diversification can satisfy with consumer. Diversification means increase the number of taste or quantity of product. Especially batch system has more efficiency in small quantity batch production than continuous systems. 3.

Low cost: Campbell has largest market share, so they could get the economy of scale easily. Moreover, continuous develop the technique can also reduce the total cost. Untill Campbell reduce the cost, Campbell can drive the capital from other product’s profit for lasting low cost. It’s a sort of portfolio using BCG matrix.

Other products are cashcow and Plastigon is question mark that will be star. New idea suggested Since microwavable food products were introduced, its container material has been highly developed. PP is one of them. Polypropylene (PP) is a thermoplastic polymer, made by the chemical industry and used in a wide variety of applications, including packaging, textiles, stationery, and plastic parts.

Ethylene Vinyl Alcohol, commonly abbreviated EVOH, is a plastic resin commonly used in food applications, although it has lately found application in plastic gasoline tanks for automobiles. Nylon is one of the most common polymers and is technically a synthetic. Its high tenacity fibers are used for seatbelts, tire cords, ballistic cloth and other uses. It is Highly resilient. There’s also a beverage canned type of soup in convenient stores that consumers can drink like beverage but should be kept warm all the time