Bumble Bee

Big Name leveraging ERP to become Big Company

A custom research survey "Getting to a Billion or More," conducted by Consumer Goods Technology, Clarkston Consulting and SAP, confirmed that small to mid-size (SMB) consumer goods (CG) companies face the same business challenges in dealing with their suppliers, customers and consumers as their larger competitors.

At the same time, SMB companies lack the economies of scale enjoyed by the "big guys" and must be more risk adverse and seek tangible results and quick ROIs.

The survey inferred that SMBs need to excel particularly in core business processes and possess solid IT infrastructures to remain competitive.

And while the survey shows the majority of SMBs believe they need a state-of-the-art ERP system, only half have implemented this solution.

For many consumers, Bumble Bee is the only name in tuna. Yet, even though the brand name is big, Bumble Bee is one of those SMBs striving to surpass the $1 billion mark.

The company has gone through a few iterations of ownership, but is now an operating company of Canadian-based Connors Bros. Income Fund, an unincorporated open-ended trust. Its 2006 fourth quarter report lists five important growth initiatives for 2007, with one being improved organizational effectiveness. The report goes on to cite a new ERP system as the key facet in this initiative.

Bumble Bee Seafoods changed its name to Bumble Bee Foods LLC in 2005 to better reflect its growing business, with recent corporate strategy focusing on shelf stable products outside of seafood. In the last few years Bumble Bee made some strategic purchases — brands such as Castleberry's, Sweet Sue and Bryan — and there was a significant push to grow through acquisitions.

However, to support this growth and direction of the company, Bumble Bee has now slowed down its expansion over the last 18 months. The company is taking time to focus on efficiencies, systems and platforms, seeking opportunities for integration of the acquisitions, as well as preparing for future growth by establishing a common operating platform and migrating disparate systems.

Role of a new CIO

Tony Costa joined Bumble Bee as CIO in October 2005, slated to help drive these initiatives. He says, "The role I performed when I got here was to provide leadership on a process and structure to determine the right direction for the company. I set out to help define the new strategy through discussions with each functional leader and their staff to identify current practices and future opportunities." As it looked to integrate more of the business entities, Bumble Bee needed to acquire efficiencies.

When Costa arrived, the company was already in the middle of an ongoing ERP implementation from when Bumble Bee divested from ConAgra. Obviously, the company had already made a significant investment in this ERP platform, but there were challenges around the implementation. According to Costa, "An ERP environment had been created that was highly modified and customized. It was only half implemented by the time I had arrived." But Costa knew this wasn't ideal, and in fact, didn't need to be the case.

Initially, Costa says, he was looking to figure out ways to leverage the investments already made, but after stepping back to assess the existing environment, it became obvious to him that significant changes would have to be made. He explains, "I looked at the efficiencies and the effectiveness of the current ERP system and knew we had a challenge on our hands."

ERP: "It's not an IT project."

Ultimately, they chose to suspend that implementation and redirect the efforts to a solution they believed would provide sought-after results. Costa's approach to projects like this has always been one that's very inclusive and collaborative, but not without some resistance.

He says, "I do not come to the table to talk about the technology with the business partners. I come to talk about the disciplines and processes within the business and the opportunities to partner with our customers; the differentiators that a corporate entity needs to identify to take to the next step to be competitive. That's what I believe is important to be successful."

Firmly believing "this is not an IT project," Costa was adamant about involving the other business leaders in the process. By establishing an executive IT steering committee that includes executives from six functional areas (CEO, CFO, COO, Sales, Operations and Canada), Costa generated enthusiasm for a new company vision.

He explains,"I just happen to bring the experience and discipline of doing ERP implementations and evaluations to lead the selection. Throughout the process I have partnered and collaborated with the business community. At the end of the day it is their system and they performed a significant role in selecting it."

Solution selection - SAP

"Focusing on best practices, we sought a solution that was going to bring in templates and methodologies for us to leverage as we go forward," says Costa. SAP is the chosen solution."We believe the SAP Food and Beverage best practice templates can support our core functions very well going forward and this was clearly a differentiator from their competition. Additionally we feel their product will provide increased visibility and efficiencies in our supply chain and procurement functions,"explains Costa.

"After we selected the software vendor we knew our success was going to be driven by the implementation partner." Costa notes, "We spent a lot of time choosing the right partner that would provide the required level of leadership and fit our culture."

Implementation partner – Clarkston Consulting

After asking SAP for recommendations and completing the due diligence, Bumble Bee chose Clarkston Consulting."We said all along for us to be successful all the parties involved need to be on the same page and have a close working relationship, and we definitely have that with SAP and Clarkston," says Costa.

He went on to note several things about Clarkston Consulting that were valuable — the first being their deep knowledge of and experience with CPG companies.

Secondly, Clarkston's ability to understand and leverage the SAP best practice templates that come with the food and beverage solution was essential.

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"The third thing, which ultimately won them the business, was their people. We think they differentiated themselves with the quality in breadth and depth of their consulting staff who really understand our industry and understand the SAP solution. We believe the value is in bridging the gap between the technology and the business requirements — and Clarkston Consulting does that as well as anyone,"Costa affirms.

While very early in the implementation, at this point Costa is very satisfied with the way the project is going."The initial planning and strategic direction that has been brought by Clarkston and SAP is in line with exactly where we need to go as a company."

Where it stands

Currently in the blueprinting phase, Bumble Bee is participating in detailed collaborative workshops to gather business requirements. "We have an aggressive project timeline that will include implementing our U.S. and Canadian corporate operations by early next year. On the heels of that, we will turn our focus to all of our plant locations," Costa says. He emphasizes that SAP and Clarkston will get Bumble Bee to a level that will enable the company to evaluate and standardize other processes as well — for example shop floor automation.

When it comes to product delivery and supply chain, Bumble Bee is always looking for opportunities to increase performance, and the company expects that the increased efficiencies from this project will drive it as a top performer with its customers.

"For us", Costa says, "we are really focused on business process and best practices internally. Creating one common computing platform with SAP across all of our business entities will enable us the visibility, controls and efficiencies to provide increased service to our customers. It will truly enable us to continue to support our future growth whether it's organic or through acquisition."

Words of wisdom

Having done ERP implementations for other CG companies, Costa has advice for others facing decisions around a similar project. "One thing I've learned is every company has different goals and strategic alignment requirements. It's best not to let a system dictate the future, but define and leverage the business processes to increase your efficiencies," he says. "The ERP systems have matured, all the technology is extremely established, and that forces companies to take a step back and look at themselves from an efficiency perspective bringing to light the business practices and opportunities you can capitalize on to reach your goals."

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