

Case Study:

Pactiv Generates Significant Revenue Gains and Improves Productivity with Automate Evolve

Founded in 1965 as Tenneco, Pactiv Corporation is the world's largest manufacturer and distributor of food packaging and foodservice products. The company supplies every major foodservice retailer and distributor in North America, including McDonald's, Wendy's, and Burger King.

Reynolds Consumer Products manufactures and sells aluminum foil, waste bags, food-storage bags, and disposable tableware in the consumer market under wellknown brand names like Reynolds and Hefty. Both companies are headquartered in Lake Forest, Illinois.

The Challenge

Reynolds Consumer is not in a one-size-fits-all business. When the company sends a shipment of Hefty® CinchSak garbage bags to different grocery chains, designers will often need to make minor changes to the packaging to meet each retailer's requirements. Without custom alterations, a retailer's labeling system might inadvertently conceal crucial product information.

Alterations like these are known as "like-item copies." And for years, a like-item copy would require the creation of an entirely new product create request, no matter how minor the change. "Creating a new material master was such a cumbersome process," says Joseph Wieczorek, Director of the Master Data Organization at Reynolds Leveraged Services. "It would require a multiple-step workflow, manually creating data on multiple screens across multiple departments. Engineering needed to work with procurement to buy the materials. Forecasting consulted with the product manager to determine where the materials would be manufactured. And everybody was gathering all of this information at the front of the process. As a result, it was taking us an average of 28 days to complete a single product creation request (PCR)."

In many cases, a four-week turnaround meant major losses in potential revenue. "Because we needed 28 days to get a like-item copy into the marketplace, we were missing opportunities and losing sales," says Wieczorek. "We obviously needed to find a new way of doing things."



Industry

- Foodservice and Consumer Packaged Goods

Challenge

- Minor adjustments to product characteristics prompted the creation of new material master records
- Master data processes were cumbersome and time-consuming, requiring multiple steps on multiple screens across multiple departments
- A single product creation request (PCR) took an average of 28 days to complete, resulting in lost opportunities and lost sales

Solution

- Automate Evolve

Results

- Shortened the material master item setup from 28 days to two weeks
- Enabled significant revenue gains by halving the time it takes to create new packaging products
- Realized productivity improvements amounting to 25,360 hours per year, or \$1.3 million in productivity savings costs

"Due to the time savings we've seen with Automate Evolve, I haven't needed to add head count even as the company continues to expand."

Joseph Wieczorek, Director, Master Data Organization
Reynolds Leveraged Services

Solution

Wieczorek and his team were already using Automate Studio to automate data entry into SAP using SAP-enabled Excel workbooks, but they didn't realize that the Automate platform could also streamline their entire material creation process. "Recently, our team attended a webinar on Automate Evolve forms and workflow solutions," he says. "We'd been trying a few different methods to accelerate the creation of like-item copies. For example, we attempted to use InfoPath in SharePoint, but that required too much custom development. Automate Evolve automates a lot of the custom development by providing a design platform with simple 'drag-n-drop' diagramming tools."

Shortly after the Automate Evolve webinar, Wieczorek sat down with the product management team for a brainstorming session. "After a lot of discussion, we realized that we might be doing things backwards," he says. "Instead of gathering information at the front end and creating the item at the back end, why couldn't we automate everything at the front end and execute at the back end? That way, the product managers could kick off the workflow, feed an electronic form into SAP, and adjust a few fields as necessary. We could then make the data available to the customer in just a few hours. Meanwhile, as the customer made the necessary preparations in their system, we could route the PCR through procurement, design, and engineering."

With Automate Evolve, each stakeholder receives an email showing what milestones to expect and department leads can monitor the status of any PCR in progress. When a milestone is due for completion, the person responsible simply clicks a link to approve an electronic form. "Before Automate Evolve a product manager would receive an email notification, log into Lotus Notes, search for the PCR number, then jump around from system to system to coordinate the efforts of each department," says Wieczorek. "Now, everything they need to know is in a single email, and all actions can be executed by clicking the appropriate link."

To help Wieczorek and his team design and implement an optimal workflow, the Precisely team suggested engaging with MPS Partners, an award-winning provider of Microsoft professional services. MPS Partners provides a mix of business and technical expertise around creating solutions using Precisely Automate for SAP customers. The consultants at MPS collaborated closely with stakeholders to design Automate Evolve templates that would reflect every aspect of the PCR workflow. "We're talking about the automation of an enormously complex process with major implications for the businesses," says Wieczorek. "We needed to get this right, and MPS was up to the challenge."

"We've seen much more than a return on our Automate Evolve investment. In the first ten months, we have seen a return many, many times over."

Joseph Wieczorek, Director, Master Data Organization
Reynolds Leveraged Services

Results

Using Automate Evolve's forms and workflow technology, the Pactiv team can now create a material master for a like-item copy in two weeks, not 28 days. "In some cases, our product managers can set up the material in as little as 10 minutes," says Wieczorek. "We still need a few days to complete the execution workflow, of course. But more often than not, we can send product data to the customer on the same day as the request, which enables them to start forecasting right away."

Product managers are thrilled with this leaner, faster approach to master data. Like-item copies comprise about 30 percent of all PCRs, so the new Automate Evolve workflow enables the product management team to spend more time on strategic tasks, even at a time of major growth. "We're always in acquisition mode," says Wieczorek. "In the past, acquiring another company meant hiring more people to manage the inevitable influx of data. But due to the time savings we've seen with Precisely Automate, I haven't needed to add head count even as the company continues to expand."

Those savings add up. Wieczorek estimates that by shortening the PCR process from 28 days to two weeks, Reynolds Consumer and Pactiv have realized additional revenue during the first 10 months of deployment which would have not been recognized under the old system. "The fact is that we're getting to market much faster, and that means significant revenue recognition opportunities. We're also seeing productivity improvements on the order of 25,360 hours per year, which is equal to approximately \$1.3 million in personnel costs. In addition to all that, we're saving about \$525,000 annually by booking receivables earlier than ever. So I guess you could say that we've seen much more than a return on our PAutomate Evolve investment. We will see the return many, many times over."

Future Plans

For Wieczorek and his team, the next challenge is to automate the creation of an entirely new material master—not a like-item copy. "If we're going to produce a cup in a different plant, it might be possible to pull in a BOM from that plant and adjust it," he says. "The possibilities are pretty exciting. And considering the benefits we've seen thus far, we'd be crazy if we weren't actively looking for more ways to put Automate Evolve to work."