

# Improving New Product Introduction (NPI) at Pet Food Co.

## Client Testimonial

*'It feels like we are in control. People are working together and thinking about this process from start to finish'*

NPI Coordinator, Pet Food Co.

## The Client & Their Challenge

Pet Food Co. is an Irish business that develops, manufactures and supplies the major supermarkets with their own brand cat and dog food in pouch and alu-tray formats.

The challenge was to move from a highly unstable and variable NPI process to one that was repeatable and controllable. There was no formalised process for introducing products. The process was the property of a few individuals who enjoyed fire-fighting and regularly "saving the day". Deadlines were often missed. Supporting departments were always advised of requirements at the last minute. This meant that production run rates were unachievable, high costs were incurred and stock was regularly written off. The NPI process was not measured.

## Highlights of the Intervention

- We defined a fully documented, gated NPI process
- We standardised project timelines according to the type of products being introduced
- We clearly defined roles and responsibilities across the entire process
- We set up regular cross functional team project management meetings
- We involved key suppliers early in the NPI process



## Benefits Delivered

### Financial

- A 40% reduction in artwork origination costs (€250k)
- Reduction in product obsolescence per launch (generating savings of around €50k per launch)

### Operational

- Run rate production volumes achievable at product launch for 4 major retailers
- Projects delivered against customer required launch dates
- Key external suppliers, critical to the process involved in a collaborative manner

### Ways of Working

- Process being managed from end to end through cross functional team working
- Process measures introduced and used as impetus for continuous improvement
- Problems and issues surfaced early and resolved or escalated when necessary

# Detailing the Pet Food Co. NPI Intervention

## What we did and found?

We carried out 4 Field mapping (4FM) to understand and diagnose the process. We identified 5 main areas of concern;

- A lack of overall management and coordination of projects (including visual management)
- A lack of clear Bill of Materials (BOM) and project briefing documents
- A lengthy and costly art work process
- Inaccurate product costings including implications on production and stocks
- A Lack of run in /run out (product lifecycle) process control

We addressed these problem areas by developing a well documented, gated NPI process that caters for all categories. This includes: covering winning business; building the business case; milestone planning; and, detailed management of the internal process.

We embedded a set ritual of weekly cross functional management meetings allowing for greater visibility for the NPI team providing a forum to surface issues as they arise.

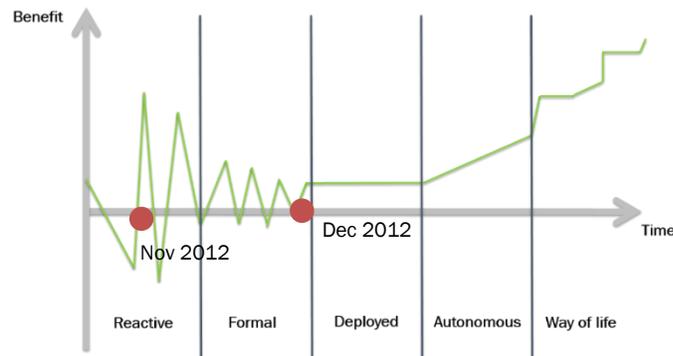
We collaborated with key artwork suppliers early in the process. This enabled tight timescales to be kept and costs to be optimised.

We clearly defined roles and responsibilities across the process. This eliminated the former over reliance on a few individuals.

We introduced Project management methods to track and control all projects, allowing for visibility of progress of all critical activities.

We introduced of costing methods with the business reporting system rather than depending on spreadsheets and local programmes.

## How we progressed the client on their journey



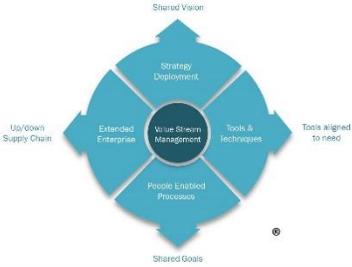
The diagram shows that we moved Petfood Co. NPI process from highly reactive to late stages of formal (red dots) within 12 months

## Summary & next steps

When key individuals are asked about the process, some say that it has made little difference to them as they were the ones who did most of the work anyway. Others say that what we have introduced is “overkill” and that we do not need to be so formal. However, individuals from those parts of the organization that had never been involved before (namely manufacturing and purchasing) are now fully integrated into the process and are seeing positive results.

There is greater visibility of issues, problems are highlighted earlier, and are shared with a broader team. This enables better risk management of the entire process.

A coordinator is being put in place to manage the end to end process. The process is still evolving to truly fit the business dynamics and stakeholder expectations.



*The intervention focused on the Value Stream Management section of the Lean Business Model, looking at the management of the NPI value stream to eliminate waste, unevenness and overburden*

