

Global Food Services company, HJ Heinz, increases alignment, focus, and results in the North American Procurement Group to adapt to changing market conditions

“In my 20 years as an executive, this program has had the most significant impact in shaping who I am. You can build a very strong culture around this methodology. It is not easy, but rarely is something that delivers such impact easy.”

– Chris Stockwell
Chief Procurement Officer,
North American Procurement

Customer Profile

HJ Heinz is a Fortune top 50 global company with over 32,000 employees. The North American Procurement Group oversees global purchasing for this food manufacturer.

Business Situation

The Chief Procurement Officer of Procurement needed processes for increasing alignment within the department and more closely linking performance objectives to business results during a global financial crisis.

Solution

The 75-person team implemented McGhee’s Objective Accountability Program (OAP) and created a standard methodology for setting key annual objectives as team, cascading them throughout the department, and tracking them on a weekly basis via new communication protocols and reporting.

Benefits

- Increased individual and team accountability
- Seamless reorganization and a high-performance work team
- Improved business results at all levels

The HJ Heinz Company, headquartered in Pittsburgh, Pennsylvania, is the most global of all US-based food companies. Famous for their iconic brands on six continents, Heinz manufactures and distributes food in 200 countries around the world with over 32,000 employees generating more than \$10 billion in annual revenue.

In 2003, Heinz developed an initiative to restructure the North American Procurement Group and build new key functional capabilities. After the team and the new buying processes were updated and aligned, the challenges that limited the group’s productivity became apparent. They realized that there was no standard definition of being productive or systematic way of doing work. A lot was being done, but the actions were not tied to objectives. The Chief Procurement Officer of North American Procurement engaged McGhee Productivity Solutions (McGhee) to help build a sustainable operating model that created constant alignment and connected to the time and actions of each person to departmental objectives on a daily basis. It also produced strong results across all procurement categories including cost, cash, quality, and service.


Situation

The Procurement Group for Heinz’s North American Consumer Products Division, led by Chief Procurement Officer, Chris Stockwell, has a total staff of 75 that includes 5 Directors, 20 Senior Managers, and 50 Buyers.

When Stockwell joined the organization in 2003, the department’s results were in the bottom quartile of the industry for overall effectiveness. “The department did not have the right people or processes and there had been substantial leadership turnover,” said Stockwell.

Over the next three years, the department changed people, talent, and teams and built new key functional capabilities with a focus to not only take cost out of the buying process, but to streamline the entire buying process. The department developed twenty measurements in areas such as quality, cash, service alignment, innovation, and cost. During this time, the group also created a value engineering process along with a raw material management program to drive down inventory, indirect sourcing, tools, and foster supplier partnerships.

After establishing these fundamental processes, Stockwell was able to focus on the need to upgrade the efficiency and guiding philosophies of the department to improve performance and bottom-line results. Areas of concern included inefficient processes, a lack of communication, too much e-mail, and excessive meetings. Stockwell wanted systems that would create a high performing work team and address the department’s key development needs.



“I found the Take Back Your Life™ tools to be very provocative, from managing the calendar to conducting more productive meetings. I appreciate that the program leverages an existing software tool, Microsoft’s Outlook.”

– Chris Stockwell

Chief Procurement Officer,
North American Procurement

Solution

To address the performance management challenges within the group and to bring the organization to a new level of focus and alignment, Stockwell engaged with McGhee Executive Consultant and Partner, John Wittry, to deploy department-wide Take Back Your Life™ group seminars and a consulting engagement, the Objective Accountability Program (OAP).

Wittry recalls, “There was no standard definition of being productive or systematic way of doing office work. A lot of work was being done that was not tied to objectives and performance reviews were rarely looked at and did not align with objectives. Objectives themselves were rarely cascaded beyond the Director level, and the group lacked an accountability process to track best practices, course correct, and acknowledge success. In addition, they were not having consistent or effective one-to-one and group meetings.”

The OAP was implemented and cascaded throughout the group to improve communication, alignment, and performance. The program optimizes McGhee’s consulting, executive coaching, and facilitating services in each phase.

In Phase I, **Preparing the Leadership Team for Change**, McGhee worked with the department Chief Procurement Officer to identify current challenges and set objectives for the OAP that aligned with the overall corporate strategy. A series of coaching sessions and seminars with the senior leaders helped them improve their individual productivity and allowed them to demonstrate leadership and commitment to productivity improvement.

In Phase II, **The Strategic Team Plan (STP)**, McGhee facilitated a three-day off-site session with the leadership team to review the prior year, identify celebrations and disappointments, and create new guidelines to ensure that those disappointments would not be carried into the future. This process caused paradigm shifts to occur that enabled more effective teaming, alignment, and communication. The team then developed a one-year STP based on the organization’s three and five-year goals, with objectives, projects, and metrics identified for each buying group.

In Phase III, **The Accountability Program (AP)**, objectives and projects were cascaded down to every departmental employee. Individual accountability templates and metrics were created and an accountability calendar was established with monthly and quarterly review meetings.

Finally, in Phase IV, **The Sustainability Plan (SP)**, ongoing coaching was conducted to support the OAP implementation, including coaching following reorganization. This allowed them to incorporate their new structure into the STP and prepared them to run the program independently the following year.

“In addition to driving a dramatic change in performance and results, the OAP really helped develop soft skills, getting people’s heads in the right place to be more open and present. We went into the following year with clear goals and objectives with improved leadership skills among senior team.”

– Chris Stockwell
Chief Procurement Officer,
North American Procurement

Benefits

The Take Back Your Life™ seminars gave individuals within the HJ Heinz North American Procurement Group a process for improving the effectiveness of e-mail, meetings, and objective management. The OAP built a sustainable operating model where all departmental objectives cascaded to the buyer level, with metrics and targets for more than 80% of them. Stockwell stated, “We are much stronger at managing performance. This is about being a leader versus being a manager.”

The OAP created constant alignment to objectives, connecting the time and actions of every person on a daily basis to the overall strategic initiatives. “This has become a way of life for us,” said Stockwell. “The OAP is a guide and a measure for constantly adjusting priorities. There is no fear around being measured. We enjoy the acknowledgement and course correcting that goes along with it. People are better at managing their time and make better decisions.”

During the second year of the OAP, the Procurement Group’s leadership team realized they were not as aligned to the overall business as they could be. They decided to split into two groups with specific areas of focus – Sourcing Execution and Business Execution. Because the OAP was a working system already in place, the realignment took just 30 days.

“Coming into Fiscal Year 2010, we had a more refined set of objectives and understood how to leverage the organization. The program cut down the noise and the inefficiency of organizational change in half. We also had a senior member of the leadership team retire, resulting in multiple organizational changes. As the people moves happened, the OAP had everything laid out. I have never seen a more seamless change in leaders without extensive coaching,” praised Stockwell.

Executive Consultant, John Witty commented, “The senior leaders transitioned from tactical managers to strategic leaders, learning to delegate more effectively and leverage their teams.”

The group now has strategies for achieving high-level goals while increasing individual work/life balance, a growing priority of today’s workers. Through the OAP this organization learned to become more “human,” and helped them create a framework to share personal goals and challenges within the group so they could assist each other in achieving their goals. “This program helped us to demonstrate that leadership does care, and they can create their own individual transformations. Whatever helps to create a sense of fulfillment, including flexible work hours,” offered Stockwell.

“The OAP gives people structure to help them make decisions. The easiest thing to do is to tell them to make it happen and not help them. Many leaders don’t do the prioritization work and don’t learn how people are spending their time. If you do, they get great coaching and deliver better results.”

– Chris Stockwell
Chief Procurement Officer,
North American Procurement

For more information about McGhee products and services, please call the McGhee information line and leave a message at 1-866-400-9948 or send an e-mail to info@mcgheepro.com.

To access information using the World Wide Web, go to www.mcgheeproductivity.com.

McGhee Productivity Solutions, Inc. (McGhee) provides consulting services, tools and education to increase productivity and work/life balance. Based in Denver, CO, McGhee integrates its proven methods and protocols with Microsoft technology to deliver innovative action-management strategies to individuals and organizations worldwide. From the boardroom to the knowledge worker, the McGhee approach maximizes technology investments, improves job satisfaction and drives sustainable productivity throughout an organization. CEO Sally McGhee is the author of the popular book series Take Back Your Life! Using Microsoft Outlook to Get Organized and Stay Organized.

“People at high levels in corporations set the culture and are often challenged to maintain work/life balance. The only commodity you cannot replace is time. McGhee’s programs get people to think about time in that context and recognize how using it effectively impacts results across your life,” Stockwell adds.

As a standard practice, McGhee collects both qualitative and quantitative data prior to and after the OAP to measure impact and ROI. This organization had the following results:

Qualitative Results

- Implemented a system for cascading objectives and projects, resulting in alignment at all levels
- Developed a framework for priority-setting discussions and making decisions
- Utilized models for establishing effective and empowering communication
- Created an environment that encourages work/life balance
- Provided tools for individuals to better organize their information, their work, and their lives
- Contributed to moving a full quartile in capability, management, and sustainability; evolving into a world-class procurement department
- Stronger results across all procurement categories including cost, cash, quality, and service

Quantitative Results

- 26% increase in the effectiveness of one-to-one meetings
- 38% increase in mapping tasks and the calendar to key objectives
- Five hours less per week spent on e-mail
- 67% less e-mails stored in the inbox