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CIO JOURNAL

Campbell Goes Agile, From Soup to Snacks

Food company used 'agile development' to launch a version of Goldfish for older kids; it is expanding the method to all product launches

Campbell used the agile method to develop and launch Goldfish Epic Crunch, a baked tortilla snack. PHOTO: CAMPBELL SOUP CO.

By Sara Castellanos

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When Campbell Soup Co. wanted to bring a snack to market that would appeal to children ages 9 to 12, the company turned to "agile development" for help.

The method of project management is increasingly used by corporate information-technology departments and associated with Silicon Valley companies. Now companies including Campbell are tapping the method for use outside of IT.

Agile development generally involves employees from different departments working together closely under short timelines, changing course often. That collaboration speeds up product development, whether it is software or a new snack.

Campbell used the method to develop and launch Goldfish Epic Crunch, a baked tortilla snack in flavors like nacho and ranch.

"Goldfish wanted to expand into the big kid market, which is really where we're losing consumption," Craig Slavtcheff, vice president and head of research and development at Campbell, said at a June 13 Investor Day meeting. "As kids grow up, they graduate from Goldfish."

The company has been using the agile-development method for about a year, finding that it can reduce the time it takes to launch products to nine months, down from two years. Now, it plans to use the method to launch all new products, including meals and beverages.

Craig Slavtcheff, vice president and head of research and development at Campbell, helped modify a description of the agile method found online for his team's use.
PHOTO: CAMPBELL SOUP CO.

Speed to market allows the company to respond faster to changing tastes of consumers and competition from new brands.

"We searched outside the [consumer packaged-goods] world and looked at companies where innovation speed was a critical factor for success, and that's how we arrived on agile methodology as a tool," said Mr. Slavtcheff, who oversees roughly 300 employees.

Agile is usually associated with information technology and has been used for many years as a way to quickly build software and mobile apps. Employees with skills in software engineering, design and product management work together, test and change direction quickly based on customer feedback.

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Before agile development caught on, IT teams were working on different parts of a technology in a more isolated way and coding happened months or years after specifications were written up. Course-correction was difficult. For many corporations, agile now allows software to be developed and launched in months instead of years.

It is uncommon to see the method applied outside of software, though a few companies have used it to build motorcycles and tractors. "It's not something that I see a lot," said Bill Holz, research vice president and analyst at Gartner Inc.

Still, companies are more likely to achieve growth by developing new business models and revenue streams using emerging technologies than by going agile, said Brian Hopkins, an analyst at Forrester Research Inc.

Historically, it has been time-consuming for packaged-goods companies to translate customer insights into the design and development of a product that can launch quickly, Mr. Slavtcheff said. That is because different teams usually work on different parts of the product, from inception to launch, over the course of about two years.

The agile method was appealing because it was a way to identify a specific problem, break it down into manageable pieces and solve those issues in a more collaborative way by tapping people with the right expertise, Mr. Slavtcheff said. In the case of Goldfish Epic Crunch, the problem was how to develop a healthier product that appealed to parents and older children that was still crunchy.

The company decided to bake the snack instead of frying it, as is the case with some tortilla chips. It also used new manufacturing techniques to churn out the product faster.

Campbell also uses the agile method within its IT department, but Mr. Slavtcheff didn't consult with colleagues there. He also decided not to hire a consulting firm, finding that consultants had more experience with using agile development for the IT world. Instead, he and a small team found the basic principles of the agile method online and modified them for their use.

Agile can help deliver software faster with fewer bugs, but enterprise-technology leaders have said that scaling it across the company can be a challenging process that requires a culture change.

For Campbell, the approach is a "radical departure" from how research and development has usually been done at the 150-year old company and at packaged-goods firms in general, Mr. Slavtcheff said.

In the beginning, there were challenges related to getting employees comfortable with shorter projects, he said. There are also unique difficulties in applying the agile method to food instead of software, considering factors such as food safety and shelf life.

Still, Mr. Slavtcheff is confident that applying agile to speed up product delivery will pay off. "Being able to draw on rapid advances in the technology world to transform how we do research and development is how this company is going to get to the next 150 years of success," he said.

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