

QUICK FACTS

Industry: Food Production & Distribution

Headquarters: Pittsburg, TX

Website: www.pilgrimspride.com

Revenues: \$8.5 billion

Employees: 41,000

SAP® Solution(s) and Services: SAP

BusinessObjects Planning &

Consolidation (BPC)

Implementation Partner: Column5

Consulting

www.column5.com



Fast and Flexible Planning and Forecasting

Pilgrim's Pride is one of the largest chicken processors in the US. A consolidation, reporting, and planning process based on spreadsheets and legacy software left them unable to respond with agility to fluctuations in commodity prices. SAP BusinessObjects Planning & Consolidation provided the ability to see, understand, and react quickly.

Key Challenges

- Replace an outdated reporting system based on hundreds of spreadsheets and legacy software
- Implement a planning and forecasting process that would allow what-if scenarios and ongoing adjustments as needed

Implementation Best Practices

- Customer commitment and involvement (2 to1, customer to consultant ratio)
- Knowledge transfer and empowerment of the customer to maintain and enhance the system
- Phased implementation approach to provide quick results plus a roadmap for meeting future needs

Financial & Strategic Benefits

- Ability to plan at a level of detail that gives visibility into the effect of business drivers on financial results
- Ability to re-forecast as needed to adapt to changing market conditions
- Fast consolidation allows for bottoms-up and top-down adjustments to plans and forecasts as needed
- Improved data accuracy and reliability
- New capacity to analyze the likely impacts of capital investments and acquisitions

Operational Benefits

- Faster and less labor-intensive closing cycles
- Centralized enterprise data that provides transparency to management and investors, and reduces auditing costs
- Provided workflow to improve efficiency of planning, forecasting, and consolidation processes

Why SAP Was Selected

- Ability to quickly consolidate and report on results
- Familiar Excel interface and integration with MS Office
- Powerful but easy-to-use multidimensional analytics to give insight into the business

Why Column5 Was Selected

- Depth and breadth of experience with SAP BPC
- Ability to understand business requirements and develop a financial application that supports the objectives of the business
- Reputation and proven track record with customers across industries

Pilgrim's Pride Corporation

is one of the largest chicken companies in the United States and Mexico. A Fortune 500 company, PPC operates 31 chicken processing plants and 8 prepared-foods plants. Twenty-nine feed mills, 39 hatcheries and about 5,000 poultry growers support these plants. The company has the capacity to process more than 9 billion pounds of poultry, and 42 million dozens of eggs per year, which are distributed through retailers, foodservice distributors and restaurants throughout the US, Puerto Rico and Mexico.

PPC's planning capabilities were hampered by a manual, spreadsheet-based process for reporting data. Only high level data was then keyed into a legacy planning system, using a complex coding system. Underlying detailed data existed only in hundreds of unconnected spreadsheets. They created only an annual plan, with quarterly top-down adjustments. It took weeks to push the adjustments to the field, re-consolidate, and see the results of the changes.

As a result, it was difficult to collect and report on results, and equally difficult to create bottoms-up plans and forecasts. Flash reporting was done manually, and only at a high level. And if the consolidated result of the forecast was not in line with targets, there was not time to make adjustments and go through the whole lengthy process again.

Responding to Volatility

PPC's financial results are driven by various operational statistical factors such as when a growing cycle starts and how long the growing lifecycle is, but are most heavily impacted by the price of feed, driven by the price

of corn, which constitutes nearly 40% of operating costs. Historically a relatively stable commodity, there was in fact a major spike in corn prices in 2007. Given the inflexibility of the planning and forecasting process, PPC could not accurately predict the impact on their overall cost structure, which led to serious financial consequences.

The Need for Speed

Pilgrim's Pride was looking for a planning and performance management solution that would enable them to have realtime visibility into their business drivers and impacts, and react quickly.

Visibility and Predictability

Using SAP BusinessObjects Planning and Consolidation, PPC is now able to do what-if scenarios in realtime. Both top-down and bottoms-up adjustments can be made, and the impacts seen within a matter of minutes, not weeks. The end result: a business that can adapt to changing conditions in markets and the economy, to ensure ongoing profitability.

About Column5

Column5 is one of the fastest growing consulting organizations in the U.S., and provides top expertise in business performance management. Founded in 2005, Column5 consultants have implemented SAP BusinessObjects Planning and Consolidation (formerly OutlookSoft) for over 300 customers across the Globe.

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