

# CUTTING COSTS. MAXIMIZING PROFIT.

Wipro provides outsourcing services for a major Grocery Line, enabling cost savings of 30% and ultimately helping enhance their bottom line



## INDUSTRY LANDSCAPE

Food and Beverage (F&B) is one of the oldest industries in the world - an industry that touches every human being on earth. Unique as it is, the F&B industry has seen more evolution than perhaps any other sector in the world and has been successful in adapting to consumer needs dynamically and innovatively. Today, F&B companies are facing unprecedented challenges. Some of these are traditional with low growth rates, marginal profits and consumers showing very little brand loyalty, while others are more complex like retailer mandates, government regulations and greater sophistication in the lifestyles of consumers.

## THE OPPORTUNITY

Cutting costs and maximizing return on investment are key themes at Pinnacle Foods. The company was created in 2001 with the acquisition of popular grocery lines Vlasic Pickles, Swanson Frozen Foods and Open Pit Barbeque Sauce. Following these purchases, Pinnacle Foods' new management team performed a rigorous cost/benefit analysis of its various "legacy" business relationships.

Their mandate was to reassess all existing relationships. On the IT side, they were outsourcing their iSeries, help desk, and PC support. Administratively, they were outsourcing certain functions within benefits and payroll processing.

The company did a comprehensive audit of its existing (outsourced) cost structure, and developed a model to determine the cost of managing each outsourced function internally. Once they went through that rigorous process, they believed they could save a significant amount of money and improve certain support functions by bringing everything back in-house.

A good portion of Pinnacle Foods' business runs off the iSeries – financials, logistics, production and EDI to name a few areas. Handling it in-house would have meant bringing on new staff to manage the iSeries environment supporting these functions.

## CLIENT BACKGROUND

Pinnacle Foods is a leading producer, marketer and distributor of high-quality branded food products, many of which have been trusted household names for decades. Headquartered in Parsippany, New Jersey, Pinnacle Foods employs more than 4,300 people in North America.

“The knowledge, teamwork and trust paid off. We didn't lose any production time. All the trucks went out on schedule.”

**Jay Bendik**  
Senior Director,  
Enterprise Applications,  
Pinnacle Foods

## SOLUTION

Pinnacle Foods averted the risk of placing its mission-critical operations in the hands of untried IT personnel by outsourcing to Wipro. They felt comfortable relying on someone who has the expertise that comes with managing infrastructure for a living.

Feeling confident in its decision to move forward with Wipro, Pinnacle Foods began planning its migration to upgraded equipment. They were scheduled to do this, but asked Wipro if they could accelerate the timeline to help meet some other contractual agreements. Wipro agreed, and the two companies worked together to ensure a smooth transition.

Wipro was very familiar with Pinnacle Foods' business and was able to build the knowledge of Pinnacle Foods' business processes and other intricacies into the migration plan. The planning process benefited from a high level of teamwork and trust between Pinnacle Foods and Wipro.

## BUSINESS IMPACT

- **Huge Savings in iSeries Costs:** Savings of 30% on the calculated cost to run iSeries
- **Saving on Hidden Costs:** Critical factors such as risk level, and staff hiring and training costs
- **Bringing Down Expenditure on IT Staff:** Avoided the costs associated with hiring, training and retaining new IT staff
- **Seamless Migration:** Flawless migration to upgraded equipment without losing any production time

“We expect to grow aggressively through acquisitions. And as we grow, we will rely on Wipro to manage our iSeries infrastructure while our internal IT staff concentrates on merging systems, applications and data. One of the questions we asked ourselves early on in our talks with Wipro was, 'Will we be better equipped to digest a rapid flow of acquisitions on our own, or with Wipro as a partner?' For us, 'with Wipro' was the answer.”

**Jay Bendik**

Senior Director,  
Enterprise Applications,  
Pinnacle Foods

## ABOUT WIPRO TECHNOLOGIES

Wipro Technologies, the global IT business of Wipro Limited (NYSE:WIT) is a leading Information Technology, Consulting and Outsourcing company, that delivers solutions to enable its clients do business better. Wipro Technologies delivers winning business outcomes through its deep industry experience and a 360 degree view of “Business through Technology” – helping clients create successful and adaptive businesses. A company recognized globally for its comprehensive portfolio of services, a practitioner's approach to delivering innovation and an organization wide commitment to sustainability, Wipro Technologies has over 130,000 employees and clients across 54 countries.

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