



DEL MONTE FOODS

Food Manufacturer Enhances Collaboration, Processes; Cuts Licensing Costs by \$492,000

Overview

Country or Region: United States
Industry: Manufacturing—Consumer packaged goods

Customer Profile

Del Monte Foods produces, distributes, and markets food and pet products in the United States. Based in San Francisco, California, its annual revenues top U.S.\$3 billion, and employment tops 17,000.

Business Situation

Del Monte wanted to realize a technology vision that called for faster and broader technology adoption—while reducing the amount of time and costs associated with licensing that technology.

Solution

When its Enterprise Agreement with Microsoft came up for renewal, Del Monte adopted the Microsoft® Enterprise Client Access License Suite, enabling broader adoption of collaboration technologies.

Benefits

- Cuts costs 50 percent over individual licenses, saving \$1.5 million
- Reduces time for technology licensing
- Speeds technology adoption
- Creates a predictable technology road map
- Boosts reliability, saves \$1 million

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Jonathan Wynn, Manager, Advanced Technology and Collaborative Services, Del Monte Foods

The IT vision at Del Monte Foods called for technology to be a driving force for innovation and productivity enterprisewide. That meant adopting more technologies, paying more in licensing fees, and spending more time managing licenses. To avoid that cost and hassle, Del Monte became a Microsoft® Enterprise Client Access License Suite customer. As a result, it has cut its software-licensing expense by 16 percent, saving U.S.\$492,000 over three years, even as it increases the range of Microsoft technologies it uses. It estimates the full savings at 50 percent over the cost of individual licenses, saving \$1.5 million. Del Monte has increased its rate of technology adoption, putting technology solutions into production up to a year earlier than expected. The decision to pursue just one new manufacturing solution based on Microsoft technologies ended up generating \$1 million in savings.

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Situation

For more than 100 years, the name Del Monte has meant the highest-quality food products in a growing range of categories, from produce to seafood to pet food and more.

“The biggest challenge in our industry today is the pace of change, the velocity of change,” says Marc Brown, Chief Information Officer, Del Monte Foods. “We see that both from our consumers, in their changing tastes and wants, and from our retail partners, who want us to work with them to drive consumption. We must continually find new ways to meet these changing needs and requirements.”

Information technology plays a dual role in meeting that challenge at Del Monte. One role is what Brown calls technology’s “traditional” function of providing tools that enable people to conduct their daily business activities more efficiently and reliably—for example, through faster and more dependable e-mail. The other role is a more strategic one.

“Information technology at Del Monte is a big part of the change process, the process of continuous improvement both in how we do business and in the quality, flexibility, and speed at which we do business,” says Brown. “Maintaining and growing market share requires not only providing high-quality products, but also making strategic IT investment a core competency.”

Del Monte sees information technology as an operation that extends from the desktop through the infrastructure and includes all of the company’s information workers. This vision calls for new ways for Del Monte’s people to interact with business processes and with one another.

It calls for faster and more varied forms of communication and collaboration. And it calls

for a more reliable infrastructure to ensure that the company’s increasingly mission-critical technology solutions will be available whenever they are needed—which, for a company with operations throughout the world, is virtually every moment of every day.

Living up to that vision wouldn’t be easy—and it would require significant, long-term commitment of already scarce IT budget. Over time, Del Monte had adopted more and more Microsoft® technologies for their capabilities, ease of use, seamless integration, and cost-effectiveness.

As a Microsoft Enterprise Agreement customer, Del Monte gained cost-effective access to a broad range of Microsoft desktop software, server software, and tools—but it was still paying more than U.S.\$1 million per year.

The new solutions that Del Monte envisioned to realize its technology vision would put more capabilities on the desktop and on the server side. But they would also require more software products and technologies to enable those capabilities, as well as require more products and technologies to manage the expanded infrastructure and deliver the needed levels of reliability.

All of that meant higher costs for licensing software. At the same time, managing the licenses for all that software was taking up more time on the part of employees throughout the company, in IT, purchasing, accounting, and elsewhere.

“We were constantly struggling to determine which users had which capabilities available to them,” says Brown. “It was eating up our time, driving up our costs, and slowing the pace of technology adoption, just when we needed to pick up the pace.”

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Solution

To address these concerns, Del Monte turned to one of the latest Microsoft licensing options: the Microsoft Enterprise Client Access License (CAL) Suite, which is a simple, cost-effective way to deploy the most innovative Microsoft software for compliance, real-time collaboration, security, communication, desktop management, and more. The Enterprise CAL Suite covers more products and technologies than the Microsoft Core CAL Suite, which offers basic server functionality. The Enterprise CAL Suite adds capabilities such as unified communications, Web-based forms, spreadsheet publishing, presence and instant messaging, Web conferencing, client monitoring, and security.

Brown and his colleagues saw the Enterprise CAL Suite as a way to acquire the sweeping range of software licenses they needed to implement their technology vision, as well as a way to minimize the time and expense of administering those licenses. Accordingly, they adopted the Enterprise CAL Suite when they renewed their Enterprise Agreement with Microsoft and immediately set to work designing and deploying software solutions based on it.

Sharing Knowledge, Fostering Collaboration

Perhaps the greatest impact of the Enterprise CAL Suite on Del Monte's operation is in the company's deployment of new tools for sharing knowledge and collaboration embodied in what the company calls its "Next Generation Desktop." That Next Generation Desktop currently consists of a range of Microsoft products for communication and collaboration, including Microsoft Office Enterprise 2007, Exchange Server 2007, Microsoft Office Live Communications Server 2005, and Office SharePoint® Server 2007. Del Monte expects to have all components deployed within six months of when it acquired the Enterprise CAL Suite. Del Monte

expects to deploy new components to the Next Generation Desktop, such as Office Communications Server 2007, as they become available.

Del Monte expects to use the rapid deployment of these Enterprise CAL Suite technologies to enable its people to communicate and work together in new ways. For example, using presence-awareness tools in Microsoft Office Communicator 2007, employees can quickly see whether a colleague is available for collaboration. They can even identify which colleagues may have the knowledge they seek, and then see whether those people are available.

Once a colleague's online presence is confirmed, the technologies in the Enterprise CAL Suite provide a way to manage that communication, whether it takes place by e-mail, phone, voice mail, instant messaging, or Web conferencing, or by querying a colleague from within the word-processing, spreadsheet, and presentation programs in the Microsoft Office system.

Given the multilingual nature of Del Monte's global workforce, instant messaging is proving especially useful for international conversations. Unlike telephone calls, instant messaging offers the ability to communicate immediately in a written medium, which eliminates some of the potential for miscommunication that formerly occurred when one or both participants were not communicating in their native languages.

Brown and his colleagues are also enhancing the mobile communications capabilities of Del Monte employees with the technologies in the Enterprise CAL Suite. For example, the deployment of Microsoft Office Outlook® Web Access in Exchange Server 2007 is making it easier for increasing numbers of mobile workers to access mail remotely without troublesome virtual private network

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connections. And all employees with e-mail accounts are gaining a 300 to 500 percent increase in their e-mail storage capacity, thanks to the greater capacity of Exchange Server 2007 in a 64-bit environment.

The company's collaboration capabilities are further enhanced by Microsoft Office SharePoint Server 2007, with which Del Monte is upgrading its Office SharePoint Portal Server 2003 environment. The company has already consolidated several prominent SharePoint intranet sites into a single, comprehensive portal that gives employees access to all team sites, document libraries, job-specific business processes, employee benefits, and personal data. And it's taking advantage of new product features such as enhanced search capability.

The team sites, for example, help provide secure access, structured document creation and editing, and the ability to search for project-specific information residing anywhere in the company. Quality-control teams use document libraries to share test results; marketing and sales groups interactively develop new product strategies; and corporate finance teams create documents related to reporting and strategic planning.

Del Monte is also using Office SharePoint Server 2007 to help provide a secure extranet that has changed how Del Monte works with its sales brokers, who trade food commodities on a daily basis. More than 400 active broker accounts access the portal each day. Documents are stored on broker team sites hosted within Del Monte's secure server farm. Access is authenticated through the Active Directory® service of the Windows Server® 2003 operating system.

Del Monte workers now also can communicate through instant messaging or Web con-

ferencing, and then expand that collaboration to a workspace on a SharePoint site to work together on documents or other projects, thanks to Office SharePoint Server 2007 and other Enterprise CAL Suite technologies, such as Microsoft Office Live Meeting.

Addressing the Challenges of Manufacturing

Del Monte has applied Enterprise CAL Suite technologies to challenges related directly to the company's manufacturing processes. For example, the company deployed a product life-cycle management solution in its Pet Products division to make the process of changing its pet formulas more efficient. The solution is based on Office SharePoint Server 2007 features that integrate with Microsoft Office Excel® 2007 spreadsheet software and Microsoft Office InfoPath® 2007 information-gathering software.

By integrating Office InfoPath 2007 and Office SharePoint Server 2007, Del Monte replaced the manual routing, approval, tracking, filing, and archiving of documents related to product development with automated processes, a single data repository, and a collaboration workspace for employees involved in the process. The new solution's single data repository provides a central location where formulas are managed and controlled at each stage of the development process. SharePoint Server 2007 manages the approval workflow, assigns permissions, tracks changes to each document, and archives changes.

Once a formula is finalized, Excel Services in Office SharePoint Server 2007 provides a read-only view of the information. Users gain business insight from secure and reusable information, easily querying on data from a central point where all formula change is managed and tracked. The project is serving as a model for enhanced product-

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development processes elsewhere in the company.

Similarly, Del Monte has used the Enterprise CAL Suite technologies to address inventory management issues. For example, it uses Windows Server 2003 and Microsoft SQL Server™ 2005 database software in conjunction with its off-the-shelf EXE warehouse management solution, which provides greater visibility into inventory levels, enabling the company to meet customer demand more quickly and accurately while reducing overall inventory and, hence, the costs associated with that inventory.

Helping to Safeguard the Infrastructure

As Del Monte uses its infrastructure in increasingly mission-critical ways, it’s also taking steps to safeguard that infrastructure. Once again, Enterprise CAL Suite technologies align to Del Monte’s strategic objectives. Exchange Server 2007 and Office SharePoint Server 2007—linchpins of the increased collaboration strategy—are being monitored by Microsoft Forefront™ client security software, including Forefront Security for Exchange Server and Forefront Security for SharePoint.

Forefront products help safeguard the Exchange Server and Office SharePoint Server 2007 environments with five simultaneous virus-scanning engines from industry-leading firms, each updated on a staggered schedule. The software also filters potentially dangerous attachments from e-mail messages, and its keyword filtering checks for content that may violate the company’s human resources regulations.

Del Monte manages the Forefront products—and a growing share of its infrastructure, including Exchange Server, Office SharePoint Server 2007, and SQL Server—with Microsoft System Center Operations Manager 2007.

System Center Operations Manager enables Del Monte to achieve end-to-end, service-level monitoring of its environment, to gain in-depth knowledge of system operations that the company can use to optimize those operations, and to respond proactively to potential problems before they become actual problems that affect availability.

Benefits

By adopting the Microsoft Enterprise Client Access License Suite, Del Monte sees major savings in software-licensing costs even as it expands and accelerates its rollout of new technologies. The company is also experiencing increased network reliability and financial returns from new manufacturing solutions enabled by the suite.

Cuts Costs 50 Percent over Individual Licenses

Del Monte turned to the Enterprise CAL Suite to counter its rising technology costs. The company now spends 16 percent less on technology, as a result of adopting the Enterprise CAL Suite agreement, for the same products and technologies it deployed under its former Enterprise Agreement, for a three-year savings of \$492,000.

But the Enterprise CAL Suite agreement gives Del Monte access to more products and technologies than were previously available, including instant messaging, presence awareness, unified communications, Office Communicator 2007, enterprise content management, Windows® Rights Management Services, eForms, and System Center Operations Manager. When those additional technologies are considered, Del Monte’s savings climb to 18 percent of its former software-licensing expenditures.

Moreover, Del Monte was already receiving a significant discount under its prior Enterprise Agreement. Adding the Enterprise CAL Suite to its agreement increases that savings to as

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much as 50 percent—about \$1.5 million—of the three-year cost of purchasing those licenses individually, according to Jonathan Wynn, Manager of Advanced Technology and Collaborative Services, Del Monte Foods.

“With the Enterprise CAL Suite, we’re actually spending less money to use more Microsoft technologies than we did three years ago,” says Wynn. “An investment doesn’t get any better than that.”

Reduces Time for Technology Licensing

Lower licensing costs aren’t the only savings that Del Monte sees from the Enterprise CAL Suite.

“The Enterprise CAL Suite is a very simple plan for us. It reduces the amount of haggling, record keeping, and worrying we had about licensing new technology,” says Wynn. “Before, it could consume hours of my day to purchase and manage licenses every time we wanted to adopt a new technology. Now, I don’t have to worry about licensing keys and managing new licenses.

“And it’s not just a savings of time and effort for me,” Wynn continues. “All the people throughout the organization who have to touch these licenses experience this savings as well. Over the course of a year, it means several more weeks that each of us now has to devote to more important work on behalf of the company.”

Speeds Technology Adoption

As a result of making technology licensing faster, simpler, and less expensive, the Enterprise CAL Suite is also accelerating the rate at which new technology can be adopted at Del Monte.

“The Enterprise CAL Suite reduces barriers for us to roll out new technologies, and that means we can roll out those technologies

faster than we could before,” says Brown. “We spend a lot less time with Microsoft account managers and more time with Microsoft product specialists.

“The conversations aren’t about what it costs to license the technology, but rather what we want to do with the tools,” Brown says. “How do we get the most impact for the biggest value? And, frankly, where we aren’t getting the value, what can we do about that? It means we can roll out technology solutions more quickly and more effectively than we could before—and we have a much better relationship with Microsoft.”

For example, Brown points to Del Monte’s Next Generation Desktop initiative. It was scheduled for deployment within a year of the time that Del Monte adopted the Enterprise CAL Suite. Without the Enterprise CAL Suite, that initiative would likely have slipped into the following year.

“In the past, we would have been more hesitant about pushing these major technology initiatives,” says Brown. “We would have been more concerned about the cost and about the risk. But with the Enterprise CAL Suite, those issues are addressed—so our people can start benefiting from the right tools and solutions right away. Now, technology drives the business, rather than having delays in technology slow the business.”

Creates a Predictable Technology Road Map

In gaining freedom to adopt a broader range of Microsoft technologies as they become available, Del Monte is mapping its technology adoption to the Microsoft product road map, further reducing the risk of technology adoption by enabling the company to follow a clear path into the future.

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suite would give us a way to maximize our investment across the broad needs of the business,” says Wynn. “This is a simple, flexible, and cost-effective road map for Del Monte for the next three years. Now we know for the next three years what technology we’re going to supply to the business, and what benefits we’re going to see as a result.”

“With the Enterprise CAL Suite, we have some insight into Microsoft’s thoughts and direction on the products. We can compare that information with our own three-year plan, plan better, and understand exactly where we’re headed from a technology perspective and a budgetary perspective,” says David Glenn, Director, Business Systems and Technical Infrastructure, Del Monte Foods.

Enables High Reliability, \$1 Million in Savings

It’s not just where Del Monte is headed in technology adoption that pleases Brown—he’s also pleased with what the company’s current use of Enterprise CAL Suite technologies has accomplished.

“We’ve made great strides in reducing the complexity of our operating environments,” says Brown. “We’ve improved the operations of our networks in several ways. We have standard configurations, and we can manage remotely and manage on an alert basis. We can quickly diagnose issues and even predict issues and resolve them in a reasonable fashion.”

As a result, availability for two of Del Monte’s most mission-critical deployments—Exchange Server 2007 and Office SharePoint Server 2007—hovers around the “five nines” of 99.999 percent availability. “We can’t put a dollar value on the reliability we get with our Enterprise CAL Suite technologies—but that reliability is absolutely essential to running our business,” says Brown.

Other results of deploying the Enterprise CAL Suite are easy to assess the value of. For example, the product life-cycle management solution adopted by the company’s Pet Products division has shortened the cycle of the formula change process by 33 percent.

And the EXE inventory management solution is reducing product damage by 25 percent, which saves \$377,000, and is cutting waste from spoiled products by 15 percent, which saves another \$635,000.

“Just this one application based on Enterprise CAL Suite technologies is saving Del Monte more than \$1 million a year,” says Wynn. “We’re extremely happy to be Enterprise CAL Suite customers.”

For More Information

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