

How to Enrich the Business Acumen of Leaders at Del Monte Foods



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A COMPETITIVE INDUSTRY

The business of producing and distributing packaged foods is highly competitive. Profitability depends heavily on innovation and building brand loyalty, as well as on driving highly efficient and effective operations.

In this environment, it is important that business leaders and managers have strong business acumen.

This is certainly true at Del Monte Foods, one of the largest and most well-known producers, distributors and marketers of premium-quality, branded pet products and food products in the United States. In order to best equip employees to drive business success, the company seeks input from leaders about development opportunities for employees who are involved in all aspects of Del Monte's production and distribution processes.

Frontline employees were found to require technical knowledge and skills, while mid-level employees indicated a need for broad-based leadership skills. The unifying element, says Christine Hunter, Del Monte's director of organization development and training, was a better understanding of how the company makes and spends money and, even more important, how these financial realities translate into organizational and departmental strategy.

"We need employees with good business acumen because we are asking them to look for areas to

cut waste," she says. "Financially savvy employees can easily identify opportunities and see potential benefits."

A FOUNDATION OF BUSINESS ACUMEN

Because Del Monte is a company with a relatively flat management structure, managers are given a high level of responsibility and autonomy to make key decisions; therefore, business acumen is critical to helping them make business-savvy decisions in sync with the company's financial and strategic goals.

Hunter and her team searched for a learning experience that would provide a broad-based foundation of financial literacy while strengthening the overall business acumen of its leaders. They knew the experience would have to be dynamic and engaging in order to overcome the potentially dry nature of the subject matter. They also needed an experience that would be time-efficient and flexible. Their search led them to Paradigm Learning's Zodiac®: The Game of Business Finance and Strategy.

Hunter and her team ran pilot sessions for groups at the vice president and director levels to evaluate whether Zodiac would meet their needs. It did. The course was selected to develop financial literacy and business acumen while reinforcing the company's approach to business planning.

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“[Zodiak](#) is a refresher for some people and a great introduction for others—many were looking at a balance sheet for the first time.”

WHY IT WORKS

Zodiak is a sophisticated board game based on a proven educational principle called discovery learning, which says people successfully learn and retain material when they are actively involved in the learning process. In this case, participants are thrust into a competitive situation in which they roll dice, flip cards, move money pieces and make decisions as they manage a fictional company for three simulated years.

In Zodiak, small teams work around a table-sized game board as they are plunged into a three-year challenge to run the Zodiak company. They invest their own money, attract investors, take out bank loans, pay bills, make capital purchases and develop new products. In the process, they move chips (money), make decisions, get blindsided by chance events, analyze their results on income statements and balance sheets, and answer to shareholders.

The language of finance becomes easy, and the link between strategic decisions and the bottom line becomes clear. After playing the game of Zodiak, learners transition into exercises that delve into their own company's financial terminology, ratios and concepts, as well as the strategies and initiatives that are driving financial success.

“Zodiak pulls you out of your functional role and enables you to look at the bigger picture,” says Hunter. Using a game is an “extremely attractive” approach, supporting the learning and retention of key financial concepts and skills. Hunter says, “You bring the depth of your role to the learning experience, and Zodiak gives you a broader business understanding and perspective about how Del Monte operates.” Zodiak does not “lock out” any

employee, she says, because everyone fits somewhere into the picture of Del Monte's success.

“Any time you can expand people's thinking, going beyond what directly affects them—beyond their role, department and function—they will be able to see opportunity and zero in on where to recommend and implement improvements.”

FROM LEARNING EXPERIENCE TO ACTION

Zodiak has received excellent ratings from participants in post-session surveys. The most common words used are “valuable” and “applicable,” Hunter says.

Especially enlightening, she reports, is when participants work during the afternoon session with the Del Monte Business Model.

A company-specific Business Model, like the one developed by Paradigm Learning for Del Monte is a table-sized, colorful and engaging visual that mimics the Zodiak game board and helps learners transfer their insights from the Zodiak game to their own company's financial and strategic issues. It graphically illustrates the following:

- The flow of cash and use of assets throughout the organization
- The “big picture” relationships between major business areas
- The critical areas of leverage for impacting financial success

As Hunter says, during the Business Model exercises, learners tend to pay special attention to where cash may get bottlenecked and why.

The customized Del Monte Business Model and accompanying company-specific exercises are used

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during a session known as “Connections” immediately following the Zodiac simulation. These exercises focus on “high return” areas of the business and allow learners to leave the session with a better understanding of financial realities, strategic priorities, and the relationship between these and their own responsibilities and actions.

Zodiac is particularly effective in helping participants make these connections, Hunter says, and she and her team will continue to develop additional ways to reinforce participant insights. For example, further work around a key Del Monte financial ratio—EBITDA (earnings before interest, taxes, depreciation and amortization)—has been identified as an additional integration point.

The bottom line? Zodiac has been a valuable tool in Del Monte’s quest to maintain its strong competitive edge. Although it’s not mandatory for managers to attend, business leaders select employees whose role at the company provides high potential for bottom-line impact and personally encourage them to attend sessions.

“I received an e-mail from a business leader stating that this is one of the best training offerings we have

had at Del Monte,” Hunter says. “I think this says a lot about the importance of business acumen and our commitment to developing employees in this area.”

WORDS OF WISDOM

Christine Hunter, director of organization development and training for Del Monte Foods, was asked what she’d say to other companies experiencing the challenge of educating mid-level managers around business acumen and financial literacy.

Her top recommendation:

“Identify and engage the right internal sponsorship and enable a program to ‘catch on fire,’ spreading interest within the organization.

“With our culture in mind, we chose influential people with a broad internal network, knowing that once they had attended and were interested, word would spread quickly. If something is good and right for the organization, you have to strategically position it—not so much on a piece of paper but rather by who you invite, how you invite them and when you get them involved. Be proactive and selective.”

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