



Future-ready CPGs do things differently—and do different things

Move to intelligent operations in consumer packaged goods



The past year exposed long-time vulnerabilities in consumer packaged goods (CPG) companies. Many weren't able to respond in time to rapid-fire changes in demand. The issue? Their operating models, processes and ways of working. And limited digital capabilities.

That's why CPGs need to evolve to future-ready operations. By advancing the operating model and transforming the business through technology, processes and people, they can connect the front, middle and back office in breakthrough ways. And elevate every decision with intelligent operations.

To thrive, CPGs need responsive, cross-functional processes that are laser-focused on fulfilling consumer, customer and employee expectations—at every touchpoint and across every channel—and at speed and scale.

CPG leaders weigh in on operations maturity

To understand the connection between business operations maturity and performance, we surveyed more than:

1,100
C-suite and
VP-level executives

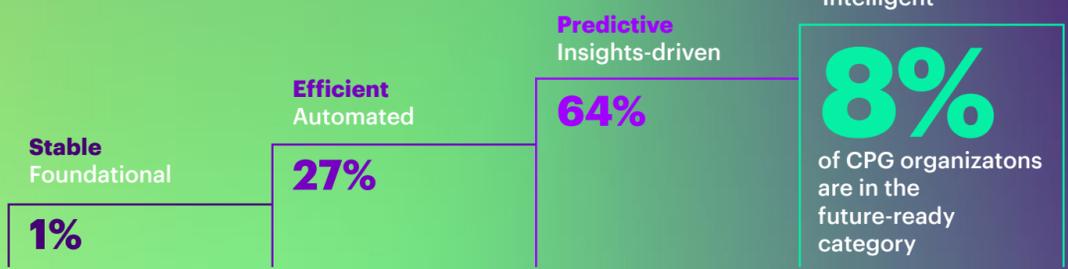
in **11** countries
and **13** industries

including
100
CPG executives.

We identified four levels of operations maturity: **stable, efficient, predictive and future-ready.** Each level is underpinned by technologies that drive efficiency, insights and increasing capabilities.

Only a few CPG companies are future-ready today...

The four levels of operations maturity



...and they are missing out on the rewards of future-readiness.

1.7x Higher efficiency for future-ready organizations.

2.8x Higher profitability for future-ready organizations.

There are gains from moving up even one maturity level

us\$5.4T

in added global profitability has been left unrealized due to insufficient operational maturity

No one size fits all, but there is a path to value

Future-ready organizations take advantage of transformational value*—they increase performance in efficiency and profitability, as well as improving innovation, strengthening ecosystems and delivering excellent customer and employee experiences.

* Transformational value is calculated using proprietary modeling and experience-based investigation to determine a scientific, holistic calculation of value.

There are 3 ways for CPGs to become future ready

1. Know the ultimate goal

Don't stop with incremental changes. Think big and build a clear strategy to get there.

No strategy—or the wrong strategy—is a barrier

26% of CPG executives say that strategy is their top challenge to scaling across key areas for operational transformation.

Business and technology must work together

Realizing the value of technology in the operating model takes business-technology collaboration. But only

14% of CPG executives say this is being done at scale in their organizations today.

2. Know the key steps

Bring together the best of technology and human ingenuity—automate, augment and be data-driven.

Automate at scale to augment human talent

The percent of CPG organizations at widespread or full-scale automation usage has increased more than

3x over the past three years.

Ground operations in data insight

51% of CPG executives say that they design their operating model based on data rather than on executive experience and intuition.

Use better data to make better decisions

73% of CPG organizations have achieved widespread or full-scale data use today—that's up 2.5x from three years ago.

3. Know how to leapfrog maturity levels

Build trusted and complementary ecosystem relationships to advance operations maturity—faster.

1/2 of CPG executives have seen their ecosystem partnerships improve over the past three years.

48% of CPG executives acknowledge that they have increased their focus on ecosystem partnerships as a result of COVID-19.

Outsmart, outperform, outpace

Here's how CPGs can evolve operations to drive competitive advantage in today's rapidly changing environment:



Think big and go beyond incremental change



Enhance intuition with the highest-quality, diverse data



Scale automation and analytics, AI and integrated solutions with leading practices



Foster a human+machine, specialized workforce



Put a cloud infrastructure at the heart



Build complementary third-party and ecosystem relationships

Contact us:

Paul Prendergast
Managing Director,
Consumer Goods Enterprise Value Lead
paul.d.prendergast@accenture.com

Copyright © 2021 Accenture. All rights reserved. Accenture, its logo, and High Performance Delivered are trademarks of Accenture. This document is produced by consultants at Accenture as general guidance. It is not intended to provide specific advice on your circumstances. If you require advice or further details on any matters referred to, please contact your Accenture representative.