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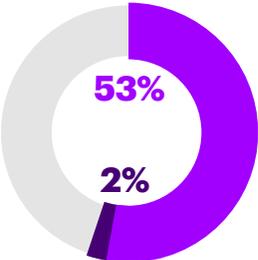
CRACKING THE CODE FOR CONSUMER GOODS GROWTH:

Pivot to a new workforce



Consumer packaged goods companies must enable, build and sustain their “startup” ways of working to effectively compete today.

The gauntlet has been dropped for large CPG companies. Smaller, nimble consumer packaged goods (CPG) companies are disrupting the marketplace by reinventing home dining, delivery, grocery replenishment and health.

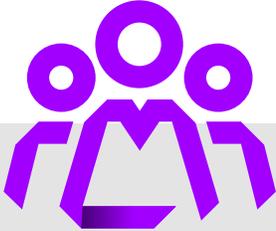


In fact, 53 percent of reported growth in US food and beverage came from the smaller players, while only 2 percent came from the largest.¹

Traditional CPGs need to figure out how to get to market faster with new products, services and experiences that delight today’s connected, engaged and demanding customers. Yet most are not sufficiently flexible or responsive. They are hindered by complexity across their business. CPGs need to become modern enterprises.

Some CPGs are pivoting to new ways of working across their enterprise to drive new innovation and growth. They are “starting their startups,” i.e., modeling themselves after nimble digital companies through creating new, agile, self-organizing work teams. These “pods,” “squads” and “circles” foster innovation that leads to business growth, but getting this approach to take hold in traditional organizations has proven to be challenging.

To gain full adoption of this new way of working, and to unlock value, business transformation must start at the top. The CEO, CFO and CHRO need to team to create a fundamental shift in operating model, ways of working and talent.



Squadify the workforce

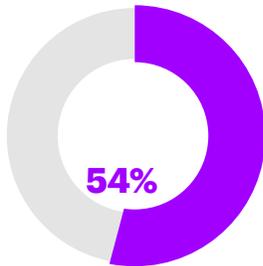
Leading CPG companies are reorganizing their workforce into smaller teams, i.e., “squads” organized around specific consumer needs. Spotify is taking squads a step further with 2,000+ employees grouped by self-organized, cross-functional and co-located squads. Each squad owns a particular aspect or feature of the product—and it has a full view into the successes and failures of that feature throughout the product lifecycle. Some squads even have “fail walls” where teams can retrospectively assess failures and find new paths to innovation.²

Three actions can help executives increase the viability of their own company’s startup model.

1 ADAPT THE WORKFORCE MODEL

CPGs are at various stages of readiness. Many organizations have tried to move to new ways of working by adding “innovation” as an extra project for their top talent. Not surprisingly, this hasn’t led to desired outcomes—and has caused multiple issues. To work effectively, the startup approach requires new workforce models integrating employees, machines and freelancers. Some leading companies are successfully creating their future workforce models by:

- Freeing people to focus on innovation and delighting customers through the gradual transition of transactional activities to robotics and AI.



Our research shows an estimated 54% of the activities currently performed by CPG workers can be automated. Humans can then focus on higher-level tasks.

- Enabling an on-demand workforce through creation of flexible talent pools. This allows a business to put the right capability where it’s needed and share skills that may be scarce, but necessary to drive growth. Companies must make it simple to access this talent pool through user-friendly tools, and they must be clear on rules for accessing and sharing new internal and external talent.

Successfully shifting to these new workforce models requires organizations to fundamentally change how work gets done, how teams are organized and how people are measured. In essence, companies need to reconsider the “rules, pools and tools” to create and sustain the future workforce model.

2 BUILD NEW SKILLS AND CAPABILITIES FOR A NEW ERA

For people and technology to collaborate more closely, companies will need to equip employees, managers and leaders with new skills and capabilities. According to Accenture research, approximately 35 percent of the skills demanded for jobs across industries will change by 2020. Consumer goods CXOs surveyed say the top skills needed for workers to remain relevant are resource management (50 percent), complex problem solving (38 percent) and leadership (28 percent). Some of these skills will already exist among the core workforce. If not, companies should aim to radically reskill employees as retraining can be 63 percent more cost-effective than recruiting.³

With an “intrepreneurial mindset,” employees will take greater control of developing their skills through continuous learning. Businesses should provide employees easy access to digital learning, experts and learning on the go opportunities. This will make it easier for them to learn and meet changing market conditions, developing relevant skills that help them to chart their own course within the organization.

If a company cannot build needed skills fast enough in house, the freelance workforce can fill in the gaps. Companies can access rare or difficult to source talent that they otherwise might not be able to get and cannot easily build. They can more quickly scale up or down, depending on business needs.



3 MAKE THE SHIFT SUSTAINABLE

All areas of the business—not just HR—must support and organize around the new workforce model. If they don't, it will likely be stifled or fully rejected. Having a universally understood organizational purpose, supportive operating structure and data-driven guardrails will enhance success.

Business leaders must figure out how the “startup” mindset and processes fit in the larger whole, i.e., culture, governance, metrics and rewards. Employees will need to understand what the shift means to traditional career paths and explore the opportunity of more flexible and personalized career choices.

The culture will only change if leaders are walking the talk, demonstrating new ways of working. It starts with encouraging an innovative and agile culture:

- **Promote radical transparency.** Reveal the issues that many businesses want to hide, particularly mistakes, problems and weaknesses.
- **Remove barriers rapidly.** Quickly find ways to remove impediments. If something is getting in the way of progress, remove that obstacle.
- **Support failure and encourage learning.** Regularly review progress of major initiatives and review mistakes to learn from them and rapidly improve.

NEXT STEPS FOR CEOs



Test new digitally enabled ways of working in key go to market areas: Start small, to build business confidence and then scale to new areas.



Invest in human-machine collaboration: Double-down on the technologies that drive efficiency and free humans to focus on the value-adding activities they do best.



Shift the culture: Expect and reward new ways of working at the leadership level that will drive agility, collaboration and a customer-oriented mindset throughout the organization.

NEXT STEPS FOR CHROs



Reimagine work: Allocate work to machines and people, balancing the need for automation and augmentation.



Foster the right skills: Prioritize the skills, e.g., technical, judgment, problem solving, that should be developed. Use digital tools to train and upskill employees at speed and scale.



Expand the talent ecosystem: Establish rules, pools and tools that will enable access to the right skillsets and capabilities to fill critical gaps in the existing workforce.



START TODAY

Consumer goods companies can't wait to find new avenues for growth. Digital disruptors have already found them. Now is the time to invest in transforming the workforce to deliver value in new ways. Begin by finding an area in the organization where you can test new digitally enabled ways of working. Start small, experiment with new approaches and recalibrate along the way.



SOURCES

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ABOUT THE RESEARCH

Accenture Research surveyed over 1,600 workers and more than 100 CXOs from large consumer goods companies in 11 countries. The research also included qualitative interviews.

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