Accenture Commercial Analytics for Consumer Goods
Helping consumer packaged goods companies turn insights into actions
Consumer packaged goods companies are under pressure from all sides, struggling to achieve sustainable growth during significant market churn and economic uncertainty. Consider all they are up against:

- Consumers are now mobile, vocal, value-driven, and more demanding than ever. Their tastes shift more rapidly, as do their paths to purchase, making it challenging for consumer goods manufacturers to maintain their relevance.

- Globalization is forcing companies to rapidly change their priorities and shift investments towards developing and emerging markets that promise higher growth and returns for each dollar spent.

- With their growing number of private label products, retailers—historically seen as partners of consumer products companies—now also look like competitors. To assemble an agile, demand-driven supply chain is a never-ending quest.

- “Big data” have overloaded corporate executives and decision makers with information; unfortunately, what is still missing are insights about what to do differently to win customers’ loyalty.

This volatile environment requires companies to make faster, better decisions and take quick action to improve market performance. A robust analytics program can certainly help. Accenture’s ongoing research into the characteristics of high performance in the consumer packaged goods industry has revealed that having analytical capabilities that drive actionable insight is a differentiating capability of high performers in the sector.1

Despite a general acceptance of the value of analytics, the benefits remain elusive for many companies. Frequently, analytic solutions or capabilities live in pockets across the organization, with no strategic framework or coherent principles to coordinate analytic efforts. Continuing on this path is too expensive and time-consuming for companies that need new ways to grow and higher efficiency in their commercial functions. Consequently, companies need to figure out how they can build enterprise analytic capabilities that adequately reflect market dynamics, deepen their understanding of shoppers, and generate the returns expected on their investments.

Accenture and Microsoft have joined forces to help companies of consumer packaged goods take full advantage of the data now available to them. By combining Accenture's knowledge of industry and business processes, and the experience with Microsoft's latest analytics technology, we are introducing a unique and comprehensive portfolio of commercial analytics specifically designed to help consumer goods companies use analytics for competitive advantage. These services—ranging from report generation and data processing to system configuration and quality management—are:

- **Pay per use**: Service subscriptions are provided on a convenient and cost-effective pay-as-you-go basis.

- **Reliable**: Hosted and managed by Accenture in the cloud.

- **Scalable**: Managed via a proprietary, integrated Accenture framework that not only delivers a standardized set of commercial analytics services, but also allows companies to achieve exponential benefits as they build out their analytical capabilities over time.

- **Industrialized**: Built on Microsoft's latest analytics platform, which is fully integrated with productivity tools and provides all the power, speed, functionality and scalability of data management, companies need to move from information to insight to action.

- **Globally managed**: Governed and delivered by experienced global Accenture teams that can provide services and support worldwide.

- **Locally relevant**: Offered as a modular set of services, which makes it easier for companies to develop unique analytic capabilities addressing local needs on a country-by-country or market-by-market basis.

Accenture Commercial Analytics is an end-to-end offer aligning clients’ analytic strategies with their business priorities. It incorporates industry-specific analytics, technologies and processes, and supplies highly skilled people in order to deliver commercial insights to consumer goods clients as a service.

Accenture delivers and manages these pre-built services on proven Microsoft technologies. Therefore, client organizations do not need to invest their limited resources—and their valuable time—in building solutions, standardizing systems or developing specialized analytical or reporting skills. Instead, they can immediately focus their energies on using Accenture's reports to improve decision-making and pursue opportunities for growth and profitability. Furthermore, having Accenture host these analytic services will save consumer goods companies from significant initial capital investments and worries about system maintenance or upgrades.
With so many data now at their disposal, it’s easy for consumer goods companies to lose sight of the bigger picture: figuring out what consumers want and through which channel. In many cases, they simply do not know what to focus on first.

Based on our extensive experience, Accenture has developed a portfolio of commercial analytics for consumer goods companies. Our services can generate highly valuable insights through a comprehensive set of Commercial Analytics that can help position consumer goods companies for high performance (Figure 1).

- **Shopper analytics.** Shopper analytics help move manufacturers from mass to micro segmentation, allowing them to identify more accurately what high-value consumers buy, their intent, and how to increase their “share of basket.” Conversely, insights derived from such analytics can guide both product development and promotional allocation mix.

- **Brand marketing analytics.** Brand marketing analytics can help organizations understand products that are most relevant to their customers, become more efficient in how they manage their investments, focus their marketing campaigns, manage brand equity, and ultimately drive consumer awareness and influence customer preferences.

- **Digital analytics.** Just as with traditional campaigns, analysis of digital marketing and sales initiatives, as well as consumer-generated content, can help companies find the right mix of promotional and informative content to engage customers.

- **Portfolio, assortment and space analytics.** Determining the optimal portfolio mix, based on an understanding of shopper needs, is critical. This optimization includes the withdrawal of products that no longer meet customers’ needs and the development of products addressing gaps.

- **Price and promotion analytics.** These analytics can help manufacturers become much more sophisticated in managing pricing across the value chain. Insights generated from this analysis can help influence shelf-based pricing, as well as prices for distributors and retailers. Such analytics can also help consumer goods companies optimize their promotional outlay—a massive cost for most companies.

- **Channel management analytics.** Analytics in the area of channel

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**Figure 1. CPG Analytic Framework: High Performers Prioritize and Sequence High Value Analytics Opportunities**

<table>
<thead>
<tr>
<th>Shopper Analytics</th>
<th>Brand Marketing Analytics</th>
<th>Digital Analytics</th>
<th>Portfolio, Assortment and Space Analytics</th>
<th>Price &amp; Promotion Analytics</th>
<th>Channel Management Analytics</th>
<th>Retail Execution Analytics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Segmentation &amp; Profiling</td>
<td>Brand Strength &amp; Awareness</td>
<td>Clickstream Analysis</td>
<td>Portfolio Optimization</td>
<td>Cost to Serve &amp; Margin Leakage</td>
<td>Customer Profitability</td>
<td>Broker Performance Management</td>
</tr>
<tr>
<td>Shopper-based Store Clustering</td>
<td>Marketing Return on Investment</td>
<td>Visitor Tracking &amp; Segmentation</td>
<td>Assortment Optimization</td>
<td>Base Volume &amp; Price Elasticity</td>
<td>Retailer Segmentation</td>
<td>Distributor Performance Management</td>
</tr>
<tr>
<td>Market Basket Analysis</td>
<td>Media Mix Optimization (traditional+digital)</td>
<td>Closed-loop Marketing Analysis</td>
<td>Space Optimization</td>
<td>Shelf Price Threshold &amp; Gap Optimization</td>
<td>Distributor Segmentation</td>
<td>Predictive Demand Sensing at Shelf</td>
</tr>
<tr>
<td>Shopper-Specific Merchandising Tactics</td>
<td>Media Audit and Performance</td>
<td>Cross-channel/ Multi-format Analytics</td>
<td>Adjacency/ Secondary Placement</td>
<td>Retailer Bracket Pricing</td>
<td>Sales Channel Resource Allocation (Direct/Broker/Dist)</td>
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<td>Loyalty Management</td>
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<td>Promotion Allocation Optimization</td>
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management can help companies identify those channel partners that provide the best return on manufacturers’ investments. While a strong personal relationship with channel partners is always positive, it may not always translate into additional sales. Analytics can provide the evidence to recalibrate a unified customer strategy.

- **Retail execution analytics.** In the area of retail execution, analytics can help companies identify and consistently carry out the highest value in-store activities, and also promote efficient and reliable collection of retail performance data. A flexible toolset of analytics can enable manufacturers and retailers to optimize merchandising activity.

Accenture’s new portfolio of services is built on four pillars that allow consumer packaged goods companies to make a quantum leap in their analytical capabilities and, as a result, gain a competitive advantage in an increasingly volatile and data-intensive environment (Figure 2).
Agility - Extend and strengthen information management strategies

After addressing their core information management and business intelligence needs, consumer goods companies are able to focus on how to increase their competitive position by answering the following questions: Which capabilities will drive growth? Which insights will allow us to make good decisions on the markets to enter? What analytics should we use to monitor shopper behavior? And what promotions should we launch to drive sales?

Accenture Commercial Analytics can help consumer goods companies answer these questions by providing an agile platform (Figure 3) that meets the following requirements:

- It enables the integrated analysis of internal and external, structured and unstructured data.
- It provides decision makers with access to forward-looking and predictive analytics.
- It allows data access to be filtered, based on the role that individual team members have in the organization.
- It helps integrate and govern analytic capabilities in a globally consistent way, but also in a manner that is flexible enough to quickly deliver market insights—based on country market maturity and conditions—in order to drive growth locally.

Figure 3. Extension of your Information Management Strategy

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Accenture Commercial Analytics help consumer goods companies access the Microsoft analytics platform on a subscription basis, i.e. paying per use without incurring upfront capital investments in software. By having Accenture host the technology and provide it as a service via the cloud, companies can also start receiving value from their investment much more quickly than by developing their own internal analytics services capability. Within a few weeks, the analytics platform can be connected to companies’ data feeds. When this is accomplished, analytic insights stream directly to the sales and marketing decision makers in the organization (Figure 4).

More importantly, as consumer goods organizations look to extend their capabilities or tap Accenture’s analytic talent to take advantage of new value-added services such as data quality management or optimization analysis—our cloud platform scales accordingly, to always provide the necessary capacity.

Regardless of our clients’ analytic needs, our experienced personnel keep the system always up and running, monitor the solution, handle user support, and manage service and technology upgrades.

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Industrialization: Leverage an analytics architecture based on the Microsoft Analytics Platform

One-size-fits-all analytic strategies quickly show their limitations, especially when moving from core business intelligence functionality to commercial functionality. As we have often seen, the need for organizations to integrate large volumes of external data, develop robust analytic capabilities, and accommodate the pervasive information use through mobile devices, put great pressure on traditional enterprise data warehouse systems.

To help mitigate these challenges, Accenture has teamed with its long-time alliance partner, Microsoft, to create an agile and collaborative platform (Figure 5) supporting the new wave of requirements that consumer goods companies are facing (Figure 6). The Microsoft architecture underpinning our services provides a host of advantages. It includes a best-in-class database engine that crunches high volumes of data in distributed processes and accelerates the speed of analysis. Microsoft Azure Marketplace introduces innovative ways to manage and consume external data. New reporting tools deliver an enhanced user experience and visualization, allowing a shift from spreadsheets to structured reporting. Finally, Microsoft Office integration makes information available within standard and familiar productivity tools, thereby increasing the level of acceptance from the users.

Figure 5. Analytics architecture based on the Microsoft Analytics Platform

Data Input | Integration and Modeling | Analysis Applications
--- | --- | ---
Cloud Data Services | Data Integration | Enterprise Reporting
Market Research | Data Mining | Dashboard and Scorecards
Retailer Data | Predictive Modeling | Analysis and Reporting
Distributor Data | Analysis and Reporting | Statistical Analysis
Manufacturer Data | Workflow and Business Alerts | Data Exploration
Manufacturer Cloud | Exception Management | Shopper Analytics

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Figure 6. Collaborative Analytics Platform

Results sharing

Collaboration on growth opportunities

Jointly review execution

Commercial director

VP sales

Accenture expert

Field representative

Area manager

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**Extensibility: Activate additional analytic capabilities over time**

Accenture Commercial Analytics are offered in various forms so that consumer goods companies can tailor the analytics solution to their highest priority business needs. The capability can be activated by purchasing the basic version of the service, which provides access to core functionality. There are extension packs, however, that enable clients to add more analytical features (drawing on the same information assets of the basic version), or by integrating additional data feeds (Figure 7).

This flexible approach allows consumer goods companies to “think big” and either activate the lion’s share of their information management strategies at once or start small, knowing that the path toward their vision will ultimately be fulfilled. This peace of mind allows organizations to reach their goals via different routes. While consistency across service areas is a critical characteristic of what we offer, the modular approach is also important since it provides the flexibility needed to accommodate changes in business conditions, priorities, or the needs for particular services.

Accenture Commercial Analytics for Consumer Goods is a pay-per-use service that helps businesses make the right decisions and achieve positive business outcomes. It allows companies to expand their information management strategies by tapping Microsoft’s technical know-how and the deep industry-specific analytics skills that Accenture has developed in the last decade. Together, we are building the next generation of Commercial Analytics that will help savvy consumer goods companies move from insight to action and, in the process, distance themselves from the pack.

Figure 7. Analytical Services extensible approach

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About Accenture
Accenture is a global management consulting, technology services and outsourcing company, with more than 246,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$25.5 billion for the fiscal year ended Aug. 31, 2011. Its home page is www.accenture.com.

Shaping the Future of High Performance in Consumer Goods
Our Consumer Goods & Services industry professionals around the world work with companies in the food, beverages, agribusiness, home and personal care, consumer health, fashion and luxury, and tobacco segments. With decades of experience working with the world’s most successful companies, we help clients manage scale and complexity, transform global operating models to effectively serve emerging and mature markets, and drive growth through evolving market conditions. We provide end-to-end services as well as individual consulting, technology and outsourcing offerings in the areas of Commercial Services, Speed to Customer, ERP Transformation and Integrated Business Solutions. To read our proprietary industry research and insights, visit www.accenture.com/ConsumerGoods.

About Avanade
Avanade provides business technology solutions and managed services that connect insight, innovation and expertise in Microsoft® technologies to help customers realize results. Our people have helped thousands of organizations in all industries improve business agility, employee productivity and customer loyalty. Additional information can be found at www.avanade.com.

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