Close the digital skills gap

Open the door to growth in CPG

The ability to be data-led is key to future share growth for consumer packaged goods (CPG) companies. Large, global CPGs recognize they need to be data and insight-led, but many are unsure how to do it—and that comes at a cost.

89%

of CPG executives say they won't achieve their strategic objectives without scaling data and analytics; yet...

74%

say they are struggling.[1]

Most are focusing on one side of the equation—investing in digital technologies. When CPGs invest in data programs without investing in user adoption, they are forsaking value.

Leaders concentrate not only on technology adoption, but also on its penetration across the enterprise. Accenture looked at ways to close the digital achievement gap, collecting data on technology adoption, penetration and organization/culture to identify the Leaders and Laggards.

We found that Leaders are seeing more than 2x the revenue growth of Laggards. In 2018, Laggards had

15%

in foregone annual revenue.

If they don't change, they could miss out on a staggering

46%

of their annual revenue in 2023.[2] Digitally fluent companies are 5.4x more likely to still be projecting high revenue growth (over 20%) in the next three years.[3]

So, how can large, global CPGs follow the lead of disruptors and digital leaders to unlock the full value of data and create competitive advantage? **By addressing the other side of the equation: people.**

CPG leaders that focus on educating the entire organization to make the culture and ways of working truly data-centric will be the ones to fully harvest the benefits of their technology investments. Digital investments that remain underutilized leave money—and competitive advantage—on the table. CPGs can close the digital skills gap and fortify their future by making digital fluency a priority at the top of the organization, creating a data culture and skilling at scale.

People hold the keys to unlocking technology's value

Employees' digital skills can make or break the success of becoming data-driven. Therefore, industry leaders are prioritizing investments in fundamental digital upskilling (developing a digital workforce technology quotient 'TQ') and in-depth, function-specific digital training that enables employees to strategize, lead and operationally apply data and analytics in their functional areas.

59%
of CPG employees agree that their digital skills are considered important in their company.[4] One reflection of importance is how much the business prioritizes enhancing digital skills.

65%
of CPG employees say that their organization's senior leaders prioritize investment in targeted digital education and training for all employees.[5]

Take Henkel for example. The company launched a digital upskilling initiative to nurture existing talent, pinpoint skills gaps and offer targeted learning programs for the company's 52,000 workers worldwide. Through an online learning platform, the company is tailoring training by delivering personalized content that supports workers along their digital learning journey. Workers are able to continuously upskill and learn on-demand.[6] More than 10,000 Henkel managers have been upskilled through job-specific learning. In 12 months, the learning management system clocked around 272,000 training registrations and recorded 215,000 completions.[7]

Training is necessary.
But it doesn't equal adoption.

A data culture educates and empowers employees

Learning and applying a methodology is one side of the coin; changing the culture is the other. Becoming insight-led has to start at the top. Leaders must be digitally fluent themselves, continually learning and experimenting with technologies just as workers do. Some CPGs are starting to create environments in which it is safe for their people to experiment, test, take risks, fail fast and learn from digital mistakes. They are empowering people to see data differently and actively use it as an asset by creating a strong "data culture"—the set of assumptions, beliefs and stories which drive feelings and actions in relation to data and its value.[8]

The data culture requires intention and active engagement. CPGs can explore new approaches that involve workers early in visioning workshops, simulations and co-creation sessions to ensure data and analytics are deeply embedded in the employee experience. CPGs should seek ways to help people learn and build new skills in a way that works for the individual. Upskilling opportunities shouldn't be annoying mandatory courses, they should be seamless and embedded into daily work life. Most importantly, learning should be shaped around how people learn—for instance, in user-friendly formats, such as podcasts.

Digital tools and training will support the data culture when they are designed around people. For instance, if a CPG wants to scale analytics and give people "superpowers," data-led insights must be accessible across the organization, in digestible formats and at the point of need for the individual worker. When employees have easy-to-access data insights in their daily work, they are more likely to use them for their decision-making routines.

Currently, less than

30%

of the people who are supposed to use data and analytic tools actually do.[9]

When CPG leaders help workers to understand the usefulness and benefits of data, and they enable them to access those benefits, they can create a culture that embraces the power of insights.

Meeting digital needs requires digital talent at scale

CPGs already face a shortage of digital talent needed to meet consumers' demands at scale. Often times, digital high performers seek jobs at digitally native companies that offer a variety of opportunities to learn and innovate. CPGs can't always compete with such opportunities.

To be able to meet needs and grow in the future, businesses must not only upskill current talent, but also become more creative in how they recruit, train and retain digital workers. Larger companies in the US have been increasing their investment in staff training over the last three years, with the average number of training hours provided annually per employee increasing from 42.2 in 2017 to 102.6 in 2020.[10]

Having workers with digital skills is essential, but it's also important to complement those with other needed skills, such as creativity, analytical skills and strategic thinking. For example, Accenture's CFO research shows that CPG CFOs are exploring the changing tools, technologies and competencies required by today's Finance function. One of their top three priorities is to introduce non-traditional skills, such as analytics, business agility, value architecture and storytelling.[11]

Marketing is also an important area to focus on as an advantage in digital skills quickly turns into an overall advantage in marketing.[12]

Not every marketer needs to be an expert in all topics, but all marketers should expand beyond their silos and work toward a common baseline of knowledge that enables them to collaborate in cross-function teams.

Digitally-native marketers outscored the CM1 global average by

34%.[13]

The overall global average score for CM1 was

46%.

Further examination of the overall average revealed that the lowest-scoring areas were marketing technology and analytics, which averaged

33% and

42% respectively.

Shrink the talent gap to grow the business

The need to be a digitally enabled, insights-driven business will only grow in CPG, as consumer needs evolve and speed of change accelerates. To keep up—and ultimately grow in the future—CPGs must build the foundation. Here is how to get started:

01

Prioritize digital skills enhancement at the top. The CPG CEO must drive the digital upskilling agenda and hold all C-suite members accountable for an enterprise-wide digital learning initiative in order for the business to maximize its return on digital investments. Digital learning initiatives should follow clear objectives that directly correlate to your company strategy and your vision of a data-driven enterprise. Establish KPIs to track digital adoption and business performance by function.

02

Create a data culture. As noted earlier, digital adoption will occur when all types of workers see the benefits of data insights and understand how digital applies to their day-to-day. Design the experience of data around the moments that matter in employees' daily work. Lean on people who can serve in the roles of 'data translators' and 'data storytellers' to foster the understanding of data and analytics.

Make room to test and learn. Workers should be able to experiment with data to prove its validity and gain trust in the data provided to them. The more they know, the better they can train AI, leading to an increase in data quality and accuracy.

03

Skill for the future. Digital upskilling initiatives should be multi-layered, relevant and future-oriented. Start by assessing your peoples' knowledge in digital technologies, digital behaviors and decision-making. Provide training in digital technologies, such as cloud and AI, that is personalized, function-specific and engages workers. Games and competitions can spark enthusiasm. Identify function-specific digital tools and use cases to source, curate and develop relevant content. Ecosystem partners can help to fill in any gaps and deliver advanced training that enables expert upskilling and exchange.

Closing the digital skills gap and being fully insight-led will help propel CPG leaders ahead of competitors, but it will require a concerted effort to prioritize the digital agenda.

Today is the day to equip workers with digital skills to get more value from digital investments, **and lead your business to growth.**

References

[1] "AI: Built to Scale", Accenture, 2019 – Consumer Goods subset

[2] "Honing Your Digital Edge Research", Accenture, 2021

[3] Ibid.

[4] "AI: Built to Scale", Accenture, 2019 – Consumer Goods subset

[5] Ibid.

[6] https://www.henkel.com/press-and-media/press-releases-and-kits/2019-03-28-henkel-starts-worldwide-digital-upskilling-initiative-923688

[7] https://www.accenture.com/us-en/case-studies/consulting/henkel-cultivates-in-house-talent

[8] https://mudano.com/an-introduction-to-data-culture/

[9] "AI: Built to Scale", Accenture, 2019 – Consumer Goods subset

[10] Statista

[11] Accenture CFO research, 2020 – Consumer Goods subset

[12] Ibid.

[13] General Assembly Marketing Study, 2020.

Contact the author

Anne Kotzorek

Managing Director, Consumer Goods, Talent & Organization
anne.k.kotzorek@accenture.com

Marc van der Net

Managing Director, Consumer Goods
marc.van.der.net@accenture.com

About Accenture

Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services—all powered by the world's largest network of Advanced Technology and Intelligent Operations centers. Our 569,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities. Visit us at www.accenture.com.