

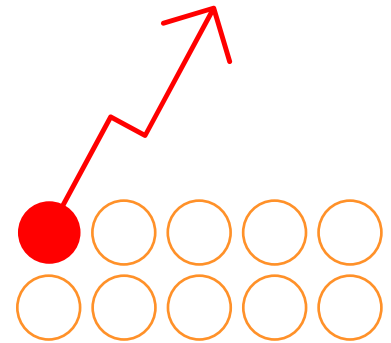


AUTOMATION IN  
CONSUMER GOODS  
**PEOPLE LED**  
**TECHNOLOGY ENABLED**

**If current trends continue, the consumer goods leaders of today will not be the leaders of tomorrow. They can win, but only by fully embracing the digital and automation capabilities that are powering the transformation of the industry. Many leaders are delaying fully embracing the journey. They needn't. Their employees are waiting to start.**

This decade has seen a fundamental shift in the consumer packaged goods (CPG) industry. Historically, growth was driven by economies of scale. In particular, the ability to get on-shelf with large retailers. Big CPGs that were able to build and maintain scale were rewarded. Every day this paradigm becomes less and less true. Enabled by digital and automation, most of the growth in the industry now comes from companies outside the largest 100 CPGs.<sup>1</sup>

This growth is shaped by the use of online channels, curating offers, personalizing products, using new digital business models, adding experiences and also catering to increasingly niche interests. These growth vehicles can only be delivered through robust digital and analytical capabilities. Moreover, technology enables more and more value from these growth vehicles all the time. We are now seeing the development of real-time personalized promotions, conversational commerce and lights-out factories. It is truly a new era for the industry.



**20% of market growth** between 2011 to 2015 came from digital disrupters who **represent only 10% of the market**<sup>2</sup>

## THINK COBOTS, NOT ROBOTS

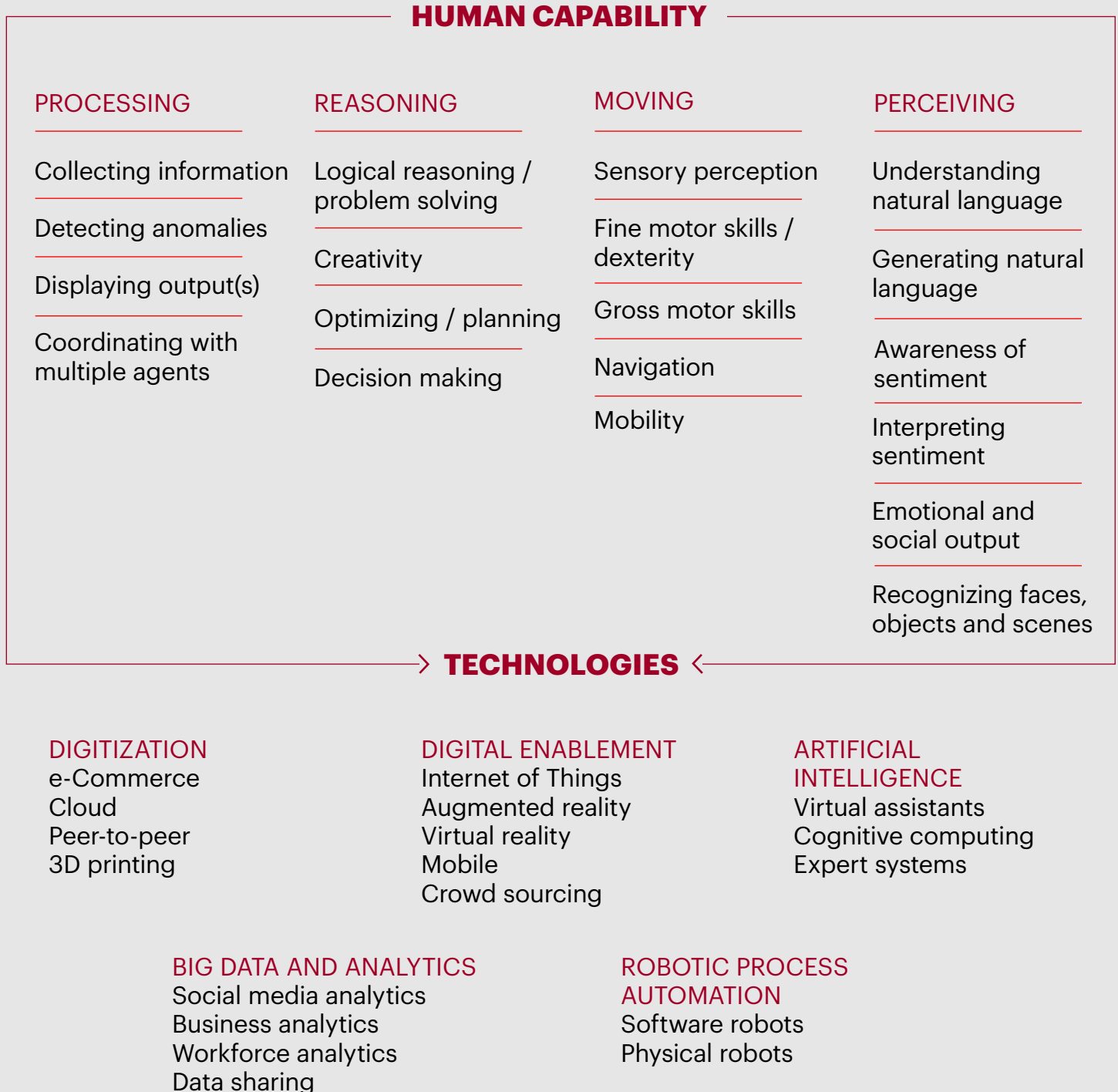
Many CPG leadership conversations are driven by “robot” thinking. This is an assumption that success will come primarily from using automation to eliminate work and workers. It is the dominant driver of thinking in the industry. In a recent Accenture survey, 43 percent of CPG executives said that their top automation driver was to cut costs and increase efficiency, particularly in the back-office.<sup>3</sup> In short, the motivation to automate was not about growth.

Instead we advocate “cobot” thinking. The human/technology interface is not a zero-sum game. In the same way that manufacturing is benefiting from workers enabled by machines, this philosophy can be applied to the wider organization. The real value comes from identifying how each human capability can be enhanced by technology. Not by simply seeking opportunities for each new piece of technology. We put those capabilities into four categories: processing, reasoning, moving and perceiving. All can be enhanced by digitization, the use of big data and analytics, digital enablement, robotic process automation and artificial intelligence (AI).



**43%** of CPG executives **automate tasks** primarily to cut costs and increase efficiency

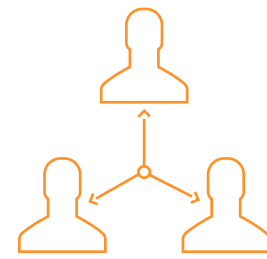
# Human capability is the starting point for automation and augmentation technologies



Thinking “cobot” means that consumer goods companies need to have awareness of the “technology canvas.” More specifically, how each disruptive technology can be used individually or in combination with other technologies to disrupt each part of the value chain and enhance the results the workforce can deliver.

This is digital assistants responding to basic customer queries while human agents solve complex ones, or sales managers tailoring promotional campaigns based on data from digitally enabled field agents. Critically, this is about thinking carefully how worker productivity can be enabled and enhanced through the use of automation technologies. People, including customers and consumers, must be central to the decisions.

Online retailer Zappos is a good example of cobot thinking. CEO Tony Hsieh calls business “a function of people connecting to other people.”<sup>4</sup> Rather than over relying on an automated customer service system and putting in people to handle exceptions or escalations, Zappos grounds its approach in its human-centered ethos. For example, Hsieh encourages employees to actively participate on social media to share their experiences about working at Zappos. The employee posts are personal, which in turn encourages Zappos customers to share equally personal posts about their experiences as customers. Technology should be about making human interactions richer and capable of driving more informed decisions.



Zappos CEO  
Tony Hsieh  
calls business

**“A FUNCTION  
OF PEOPLE  
CONNECTING  
WITH OTHER  
PEOPLE.”**

## **PEOPLE ARE READY, WILLING AND ABLE**

Some CPG leaders remain concerned that there will be organizational resistance to this new way of working. Our research suggests that quite the reverse is true. A huge majority of people want to be out in front of this change. Workers across the consumer goods industry do not have their head in the sand about what changes are coming and when they will arrive.

Consider that 82 percent of CPG workers expect digital to fundamentally change the work they do within the next three years. Moreover, 80 percent are positive about the changes this will bring, and 90 percent are ready to engage in the process.<sup>5</sup>

This implies that companies should be bold with piloting and prototyping. People want to engage with developing and testing how technology will be used. Companies that operate this way consistently tell us that the reactions they get exceed their expectations. But in addition, in the era of continuous learning, this behavior creates great role models for the rest of the organization to emulate. Winning organizations will lead in engaging employees to build more challenging and rewarding work. By continually co-creating the future of work with employees, such organizations will help to win the war for the best talent, and in the process, fuel growth and innovation.

**90%** of CPG workers are **ready to engage** in the digital transformation of work

While large scale reskilling and upskilling programs are not yet common in CPG, companies are assessing their capabilities in “new skills” such as analytics and digital media. However, other industries have already demonstrated considerable success.

Take US telecom provider AT&T. The company recognized it had a skills gap in cloud-based computing, coding and data science. It launched “Workforce 2020” aimed at reskilling 140,000 staffers for new roles. While the company paid for some of the training, willing employees also paid out of their own pocket in some cases because they were eager to learn new skills. In one four-month period, retrained employees filled half of all technology management roles and got 47 percent of all promotions in the IT organization.<sup>6</sup>

We expect approaches like this to rapidly spread across leading consumer goods players over the next two years. This mindset is vital because every role in the industry will be impacted over the next five years; all the way to top leadership.

## **TOMORROW'S ROLES WILL BE UNRECOGNIZABLE**

Traditional roles will remain, but many will be unrecognizable in as little as five years. There is not a single role in a CPG company, including the CEO, that will not be impacted in some way. The pervasiveness of technology’s impact is reflected in the analysis by Accenture and the World Economic Forum of future of work use cases across 12 industries, including CPG.



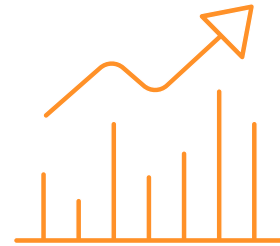
Traditional roles will remain, but many will be unrecognizable in as little as **five years**

The findings indicate that two-thirds will augment the worker or create new roles.<sup>7</sup> With new roles come big changes in required skills and talent needs.

While much conversation on automation focuses on the back office, experience is already suggesting that intelligent automation can enable topline growth even in traditional route-to-market activities. Accenture Strategy analysis shows that 30 percent of CPG sales processes can be automated, freeing up the sales force to spend more time connecting with customers, not completing routine tasks. The sales rep, the quintessential CPG role, will change significantly. Thanks to digital solutions, sales reps will no longer need to manually plan routes, analyze sales data, identify stock issues and review store fixtures for compliance. Instead, they can focus on new, value-adding solutions to support retailers and their customers.

In manufacturing, workers assisted by technology is emerging as a “new normal,” creating new categories of roles such as robotics caretaker. When Siemens automated a plant in Germany several years ago, human capabilities were vital. Over 1,000 people operate the machines and monitor production.<sup>8</sup>

Recalibrating the skills mix across humans and digital technologies in CPG is more complex than shifting the “hard” skills to machines and the “soft” skills to humans. Leadership styles, management structures and operating models will need to change to accommodate workforce dynamics that simply do not exist today—but will soon.



Intelligent  
automation can  
**enable top-line  
growth**



# DEFEND, EXTEND AND DISRUPT

The pace of change continues to accelerate and it's unlikely to slow down in the foreseeable future.

**Consumer goods leaders have more time to think, plan and experiment today than they ever will in the future.**

Success will involve moving beyond “agility” as a buzzword to agility as a belief system, a “corporate lifestyle” that is deeply engrained in the mindsets and behaviors of the entire organization. In the future, people, processes, systems and cultures—the entire operating model—must be tuned to continuously learn and adapt. Industry players that want to remain relevant must learn to operate this way.

This starts with an understanding of, and capability in, three areas. This is not a linear progression. Adaptive organizations have a competitive advantage because they defend-extend-disrupt simultaneously and continuously.

**DEFENDING THE CORE,** executing brilliant basics and refocusing humans on high-value tasks.

**EXTENDING THE BUSINESS,** adding new dimensions to what they do today, amplifying human capability and decision making.

**DISRUPTING PRODUCTS AND SERVICES,** customer and employee experiences, business models and ecosystems, integrating humans and machines to create previously unforeseen offers.

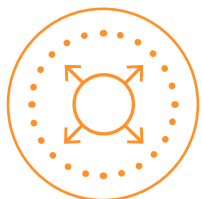
## To defend-extend-disrupt CPGs need the following fundamentals:



**MIX UP THE SKILLS MIX.** Human skills are non-negotiable as the sector uses automation and augmentation in the workforce. The right human skills, such as the complex thinking and higher order reasoning that are necessary to manage the robots, are tomorrow's strategic differentiators. Attaining and developing them must happen inside and outside the walls. Talent management platforms like WorkMarket, brokers like Upwork, service providers like Kaggle, and modern skills development platforms like General Assembly can be used to acquire, retain and develop core and freelance talent.



**APPLY HUMAN JUDGMENT.** Trust between humans and machines is key to working well together. Organizations can continue to bring people along by cultivating and encouraging human skills in the human-machine dynamic. For example, algorithms are not perfect. They are literal, limited in contextual awareness and are only as good as the data they run. Human judgment and management are needed to interpret them.<sup>9</sup>



**EMPOWER THE EDGES.** Augmented humans have ready access to information that they never did in the past. This supports fast, informed decisions on the front lines. Edge-centric leadership and the organizational structure empower this dynamic, building employees' autonomy and managers' trust. Traditional lines and boxes should give way to flatter structures and collaborative cultures that thrive at companies like Zappos.



**GET RESULTS FAST.** Developing Centers of Enablement can help organizations make an impact now with the marriage of humans and machines. Companies can create buy-in from leadership through proof of concept automation and augmentation initiatives that deliver results in just six to eight weeks. A global consumer goods company went from its first robotic process automation proof of concept to having several robots and establishing a Center of Enablement in just three weeks.



**CONSTANTLY CUT NEW GROUND.** By devoting limited time and resources to maturing and emerging technologies through pilot projects and experimentation, companies keep their fingers on the pulse of change. They are well prepared for what's next in melding cutting-edge technology with what people do best. As an example, now is the time to explore integrating AI into services, products and channels and unlocking the potential for AI-driven conversational commerce.

**Leaders in CPG will invest in tomorrow's people-led automation to drive growth and efficiency. They will continually adapt and harness technology to unleash human productivity and transform the future of work.**

**STARTING NOW.**

## JOIN THE CONVERSATION



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## NOTES

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