Accenture and Procter & Gamble partner in delivering Virtual Solutions BPO services

Cincinnati, Ohio-based Procter & Gamble Co. (P&G) has one of the world's strongest portfolios of consumer products, including such well-known brands as Pampers, Tide, Crest, Duracell, Olay and Gillette. P&G employs approximately 127,000 people in about 80 countries. For fiscal year 2010, the company reported net sales of nearly $79 billion.
Summary
To increase quality while reducing costs and scaling its virtual solutions program to additional services and new centers, P&G’s Global Business Services (GBS) organization has entered into a multi-year outsourcing agreement with Accenture to manage the end-to-end global service delivery. Collaborating with best-of-breed suppliers like Accenture is part of P&G’s "connect and develop" approach, giving the company access to the latest tools while raising the quality of services and allowing P&G teams to focus on the strategy, innovation and decision-making. This standardized, end-to-end virtual solutions program is driving operational efficiencies and revenue, enhancing product and packaging design, and creating more satisfying and valuable experiences for shoppers and retailers.

Accenture manages the day-to-day center operations for all 20 large-scale visualization centers around the world, provides high-end project management, manages the development of new centers, develops 3D store environments, and works with P&G to bring continuous innovation to the program. By working with Accenture’s Global Delivery Network in offshore locations, such as Shanghai, Mumbai and Buenos Aires, P&G has achieved a breakthrough in scaling the service delivery.

Business challenge
P&G’s GBS organization was established to help P&G fulfill its purpose of touching and improving more consumers’ lives, in more parts of the world, more completely. It accomplishes this by transforming the way business is done. GBS provides more than 170 distinct services and solutions including:
- Making P&G simpler, faster, flatter and more agile.
- Speeding time-to-market for new products.
- Strengthening connections to consumers.
- Supporting P&G’s commitment to sustainability.

One example of GBS's commitment to helping P&G maintain its relevance in the highly competitive, fast-moving consumer goods industry can be found in the delivery of virtual solutions. Specifically, GBS has helped the company transform the way it does business with retailers—and ultimately serves consumers—by leveraging virtual reality centers around the world to create, test and optimize packaging, shelving and store designs.

Within these virtual reality centers, which use life-size screens and the appropriate quality screen resolutions, consumer focus group participants view and assess virtual product representations. Sophisticated software creates a real-time record of how participants react to product placement, shapes, colors and designs. The combination of virtual research with physical quantitative research enables P&G teams to understand consumer expectations and design and deliver products accordingly. Importantly, P&G shares the research with its retail partners, so together they can make smarter and faster decisions about what products and quantities are needed on store shelves to meet consumers’ needs. P&G also uses these centers to build virtual 3-D store environments, with which retailers can see how products or displays will actually look in their stores. This, too, helps retailers proactively make informed shelf-space decisions.

GBS’s innovative and progressive approach to virtualization has produced a number of benefits. Product design activities can be completed in days—and sometimes in hours—instead of weeks or months. This reduces the need for physical mockups and enables P&G teams to quickly alter designs and packaging as needed. As A.G. Lafley, former P&G chairman and chief executive officer, noted in the company's 2008 annual report, “Virtualization ... technologies allow us to show retailers virtual in-store displays for half the cost and less than half the time required for physical shelf designs. Computer modeling and simulation saved P&G about 17 years of design time in the last year alone.”

Assets
- Accenture Business Process Outsourcing
- Accenture’s Service Management and Service Integration Delivery Model
- Accenture Customer Innovation Network
- Accenture Technology Labs
- Accenture Global Delivery Network
- Accenture Delivery Suite for Outsourcing
- Accenture Rapid Transition Suite

Technologies
- Proprietary P&G virtual solutions application
- Centronic
- SolidWorks
- 3DStudioMax
- Virtools
- Photoshop
- UGS JT
- CAD packages
- JDA POG
Despite the clear value that virtual solutions brought to P&G’s product development and merchandising efforts, GBS felt it could do an even better job of delivering these services. Under the existing virtual solutions program, delivery responsibilities were dispersed among many providers. P&G resources, for example, served as delivery managers, in charge of planning and orchestrating the virtualized consumer research initiatives. Other providers and contractors were brought on board to create the virtual experiences; manage the virtual studios; and design, build and maintain the applications that underpinned the virtual experience. This fragmented approach to virtual service delivery, while successful, was making it increasingly difficult for GBS to control costs, build capacity and quickly introduce new innovations that resonate with the users.

**How Accenture helped**

GBS wanted to establish a strategic relationship with an outsourcing provider that could manage its end-to-end virtual solutions delivery. By bringing all these responsibilities together under the direction of one service provider, GBS believed it could improve its solution delivery quality and capacity, grow its use of virtual reality capabilities and technologies, improve efficiencies and reduce costs. Equally important, outsourcing would free up P&G resources to focus on innovation. In this way, the outsourcing arrangement would support two of GBS’s goals—enabling P&G employees to work at their best and strengthening customer and consumer relationships.

When it came to selecting an outsourcing provider, delivery expertise was one of the most important criteria. Others included deep skills in virtual reality, large-scale visualization and interactivity, collaboration and data visualization. GBS turned to Accenture for several reasons. Accenture had the global scale P&G required. It was a leader in the managed services business. It had a proven record of business process outsourcing at P&G. And, through the Accenture Technology Labs, it had positioned itself as an early pioneer in virtual reality and large-scale visualization solutions.

Under a multi-year arrangement with P&G, approximately 60 resources from Accenture Business Process Outsourcing worked closely with GBS to transition—and now manage—P&G’s virtual solutions’ content delivery and facilities services. Accenture’s scope of services has included:

- Providing high-end project management.
- Transitioning the operations of existing virtual reality facilities to Accenture’s global team.
- Overseeing the design, development and operations of new virtual reality facilities and 3-D store environments in key P&G locations.
- Creating, integrating, delivering and storing virtual reality content.
- Providing virtual reality software and platform development, break/fix and maintenance services.
- Managing third-party facility and technology vendors involved in service delivery.

To carry out these activities, Accenture has applied a hybrid on/offshore delivery model. While most team members are located onsite in Cincinnati, Ohio, and in the Accenture Delivery Centers in Mumbai, India, other Accenture professionals—including regional service management and studio operations resources—are providing support from key locations around the world, including Geneva, Buenos Aires, Warsaw, London, Frankfurt. Within this global team, Accenture professionals have assumed several key roles, including:

- Program managers, who oversee the end-to-end development of new virtual reality facilities, monitor the virtual reality market at P&G, and drive continuous improvements in facility development
- Delivery managers, who are responsible for overall project management and planning, monitoring and closing all virtual reality events
- Integrator assistants, based in Mumbai, who execute the virtual reality projects and manage project plans
- Studio operators, who manage the operations of the hardware and software components of the virtual reality studio facilities, support the delivery of key virtual reality events, and provide break/fix application support in onshore locations.

Working closely with GBS professionals, the Accenture team kicked off the transition in June 2009 with a small pilot project that documented process flows and role descriptions, tested major integration points and hand-offs, confirmed assumptions and service level agreements, assessed the feasibility of moving virtual reality work offshore, and identified productivity and technology improvement opportunities. The transition of services from legacy providers began in August 2009 and was carried out in phases, by geography, over a period of six months. Accenture began offering full service delivery in February 2010. At that time, the team also began initiating continuous improvement activities and learning processes for all virtual reality roles.

“At the end of the day, we are all about creating products and experiences that delight our consumers. Virtual solutions help us to do just that. By successfully transitioning—and now managing—our virtual services end-to-end, Accenture has become an innovation partner and an integral contributor to P&G’s long-term success.”

Bernard Eloy
GBS Virtualization Associate Director
High performance delivered

GBS has a unique approach to business partnerships. It collaborates with its strategic partners like Accenture to create solutions and joint value for P&G and, ultimately, for P&G’s customers around the world. And it leverages its best with its partners’ best to create lasting competitive advantage.

By teaming with Accenture, GBS is able to take advantage of the synergy that comes from working closely with a leader in virtual solutions delivery. As just one example, Accenture and GBS established the Innovation Council, which meets regularly to explore new virtual reality technologies and understand how they might be applied within the P&G environment. Both Accenture and P&G harvest and share innovative ideas from within the team and across their respective organizations. The Innovation Council then prioritizes those ideas and launches pilots to test the concepts. Several pilots have already been initiated to improve service delivery within GBS’s virtual solutions program.

The relationship GBS has forged with Accenture is also noteworthy because it advances GBS’s philosophy of supporting P&G’s purpose, which is to touch and improve consumers’ lives, now and for generations to come. According to Bernard Eloy, GBS Virtualization Associate Director, “Within GBS we partner to create a win-win. We want a relationship that extends beyond that of a supplier but a true partner, one who understands our business needs and works with us to grow our services.”

This collaborative GBS and Accenture relationship has produced a number of benefits and enabled P&G to:

- Strengthen connections to consumers by providing the right products at the right times and in the right location
- Significantly reduce time-to-market cycles by identifying potential issues and opportunities earlier in the design process
- Create and/or manage 60 three-dimensional stores for merchandisers and 20 virtual solution centers—more than any other consumer products company
- Introduce globally consistent virtual solutions that meet the needs of GBS’s internal customers
- Strengthen its relationship with retailers, resulting in stronger partnerships focused on the consumer
- Improve its ability to make informed packaging and shelf placement decisions quicker and more cost effectively
- Reduce its “speed-to-shell” time by up to 50 percent for select products. “If you do virtually in days or hours what used to take weeks, then not only will you go to market faster, but you can afford to do a few more test- and-redesign cycles with more input from consumers and retailers,” explains Filippo Passerini, president, Global Business Services and CIO.1
- Free up valuable employee work time, which allows for additional capacity to focus on innovation and delivering products that touch and improve consumers’ lives.
- Support its sustainability objectives by digitizing the process and reducing the need for physical mock ups.

While the transition of services to Accenture was successful, it was not always easy. The greatest challenge arose in the delivery of virtual reality stores, which P&G created to provide retail buyers the experience of actually being in their own stores, viewing P&G products on their own shelves. When the build-out of these 3-D environments was not progressing as smoothly as desired, Accenture quickly crafted a comprehensive intervention plan to adjust its facility-development processes and place the project back on track.

Within a matter of months, Accenture’s quality of service rating jumped from 93 to 99 percent. Quality of delivery climbed from 91 to 98 percent. And its customer satisfaction scores rose from 3.2 to 3.6 out of a scale of 1-5. Today, the service is stabilized and GBS’s virtual solutions services are contributing significantly to P&G’s ability to quickly develop and package products that consumers want to buy.

Industry experts agree that P&G’s virtual solutions are an important reason the consumer goods giant stands out from its peers. Professor Raymond Burk, Indiana University, Pioneer in the area of virtual shopping, has noted “P&G’s expertise in using VR for internal decision making, consumer research and customer collaboration is truly thought-leading in the CPG industry.” This statement is supported by the fact that P&G was recognized as a 2009 Computerworld Honors Laureate and, more recently, as a 2010 CIO Award winner for its leading-edge virtualization capability.

Accenture’s experience and ongoing High Performance Business research has demonstrated that leading companies can effectively extend their capabilities by transitioning certain functions to third-party providers, freeing their employees up to focus on capabilities that help differentiate the company from the competition. GBS is but one example. By having Accenture assume responsibility for the management and delivery of its virtual solutions, GBS has optimized P&G’s virtualization capabilities and enabled the consumer goods giant to enhance product design and placement, drive more revenue and improve shoppers’ in-store experiences.

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About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with approximately 211,000 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$21.6 billion for the fiscal year ended Aug. 31, 2010. Its home page is www.accenture.com