



# Total Enterprise Reinvention in Consumer Goods

Navigating to a New Performance Frontier

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## About the research

Accenture conducted a survey in November 2022 of 1,516 C-suite executives across 19 industries in 10 countries to explore Total Enterprise Reinvention and conducted economic value modeling and 360° value performance analysis to quantify the benefits of reinvention; respondents included 137 consumer goods and services executives.

We identified critical disruptions and key priorities using our proprietary Trends Observatory, which uses natural language processing to capture insights from 5 years of earnings calls of 2,000 publicly listed companies.

We leveraged our ongoing Consumer Pulse research, which surveys over 10,000 consumers across 16 countries biannually to understand changing human behaviors and needs.

We also worked with innovation strategy experts from ?WhatIf! (part of Accenture) to ideate, shape and push the boundaries of the New Performance Frontier.

Over the past 18 months, we completed more than 100 in-depth interviews with C-suite executives across the consumer goods and services industry, including co-creation and validation of the New Performance Frontier, and individual company ratings on current state and future aspiration.

**In our daily discussions with consumer goods and services executives, a common theme is ambition. Companies want to set a new standard for their industries, going beyond what is best in class today. This piece is an overview, intended to stimulate further productive, actionable dialogue around the New Performance Frontier we see emerging in the industry, including the distinctive capabilities that will shape tomorrow's New Performance Frontier.**

## The time is now

In the past decade, we have seen a shift in power from brands to consumers. Today's consumer has both a louder voice and more control than ever before. Loyalty is increasingly predicated on a complex and proliferating set of factors beyond the traditional buyer values of price, taste and quality. At the same time, the ways in which consumers are engaging with brands are incredibly fluid — and companies are hard pressed to keep up. Ninety-five percent of executives told us that they believe their consumers are changing faster than they can change their businesses.<sup>1</sup> This is in an environment of ever-intensifying competition among deep-pocketed incumbents and emerging new competitors. In the past decade, an average of five new consumer goods brands launched every week.<sup>2</sup>



Retailers, too, have gained more power. They own the point of purchase with consumers — as well as their data — controlling access in both physical and ecommerce environments. Traditional retailers such as Walmart, Kroger and Tesco are monetizing their shopper insights to create new offerings to sell to consumer goods companies — following the lead of Amazon, whose ad business continues to expand by leaps and bounds, generating \$37.7 billion in revenues in 2022 (a 25% year-over-year increase).<sup>3</sup>

In the midst of these challenges, innovative technologies are amplifying change through ongoing disruption. [Generative Artificial Intelligence \(AI\)](#) is a good example. The transformative technology with surprisingly human use cases is causing us to rethink how, when and where we do work. Generative AI will affect every part of the consumer goods value chain. Product developers are co-innovating with AI to discover new ingredients and craft new formulations. Marketers are turning to AI to generate dynamic and personalized content for their individual consumers. Salespeople are improving their negotiation skills through AI-enabled coaching. And, most importantly, consumers are already practiced and comfortable with using AI to solve for their needs; for example, they might ask ChatGPT what they should cook for dinner instead of searching brand recipe sites.

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A fascinating array of consumer opportunities is arising. Researchers at Columbia University recently demonstrated a 3D printing approach that formulates, prints and bakes a customized slice of cheesecake.<sup>4</sup> Mars and Google created the world's first Maltesers® AI-developed cake.<sup>5</sup> And Valio launched an AI-created chocolate bar using data from more than 1.5 million social media discussions.<sup>6</sup>

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At the heart of the industry, and driving this change, are human beings. Humans are passionate about what they want — and highly unpredictable in how they translate that into behaviors, demands and purchases. The context they find themselves in matters. [Accenture's Consumer Pulse research](#) shows that consumers overwhelmingly believe we are living through a time of unusual — and pervasive — uncertainty. **Fifty-four percent of consumers surveyed expect this level of uncertainty to continue past the next 12 months. Twenty percent expect it to last longer than five years** — which in human terms, might as well be forever<sup>7</sup>. Steadiness is not on the horizon; this is impacting the choices consumers are making — and not necessarily in expected ways.

[The pace of change in the consumer goods industry — already rapid — will only continue to accelerate.](#)

# Introducing: Total Enterprise Reinvention

To navigate this age of perpetual disruption on all fronts, companies need to reinvent continually. Industry leaders in the next decade will harness next-generation technologies to go beyond what is considered best practice today. We call this strategy [Total Enterprise Reinvention](#). Reinventors are the leaders who adopt it, building the capabilities for continuous, dynamic change across every function and business area — and unlocking human potential through a digital core.

In our discussions with more than 100 consumer goods leaders over the past year, we've heard resounding interest in reinvention.<sup>8</sup> While the number of end-to-end Reinventors is small now, almost half of all consumer goods executives we spoke with (47%) have set high aspirations to set a new standard for their industry — or even outside of it.<sup>8</sup> They understand the fundamental reality that those who shoot for what is best in class today will be behind by the time tomorrow arrives.

# The six characteristics of Total Enterprise Reinvention

## **Reinvention is the strategy.**

It is no longer an execution lever. The entire C-suite, together, make a deliberate decision to reinvent the enterprise to deliver 360° value.

## **The Digital Core becomes a primary source of competitive advantage.**

It leverages the power of cloud, data and AI through an interoperable set of systems across the enterprise — including enterprise platforms, automation, integration and security — that allows for rapid development of new capabilities.

## **Reinvention goes beyond benchmarks, embracing the art of the possible.**

Technology and new ways of working create a New Performance Frontier for organizations and the industries in which they operate.

## **Talent strategy and people impact are central to reinvention, not an afterthought.**

Continuous change is enabled through new talent capabilities and technology solutions that reflect the ability of users to adopt them. Change management is a core competency.

## **Reinvention is boundaryless and breaks down organizational silos.**

It tackles capabilities end-to-end with people, processes and data deeply connected across the value chain, inside the organization and beyond.

## **Reinvention is continuous.**

It is no longer a time-defined one-off, but a capability continuously tapped by the organization. It is leadership sponsored, focused on sharpening strategic differentiation and overall operational efficiency.



**Ninety-seven percent of executives in our industry say they are accelerating their transformation.** However, they highlight the need to address significant pain points in two fundamental areas: Technology and talent.<sup>9</sup> **Ninety-eight percent of consumer goods and services executives interviewed agree that technology plays a critical role in all current and future reinvention strategies.** However, in our discussions across the industry, companies highlight the exponentially increasing burden of technology debt — making incremental fixes to legacy technology that doesn't serve the needs of the current business — let alone the future.<sup>10</sup>

Typically, change is imposed on people in an organization. Reinvention allows for a shift to a world in which employees are part of designing what change looks like, so they become evangelists for it. Industry executives surveyed say deficient leadership skills and capabilities in the executive team (24%) and the lack of cultural readiness (33%) are hindering the implementation of reinvention strategies in their companies.<sup>11</sup>





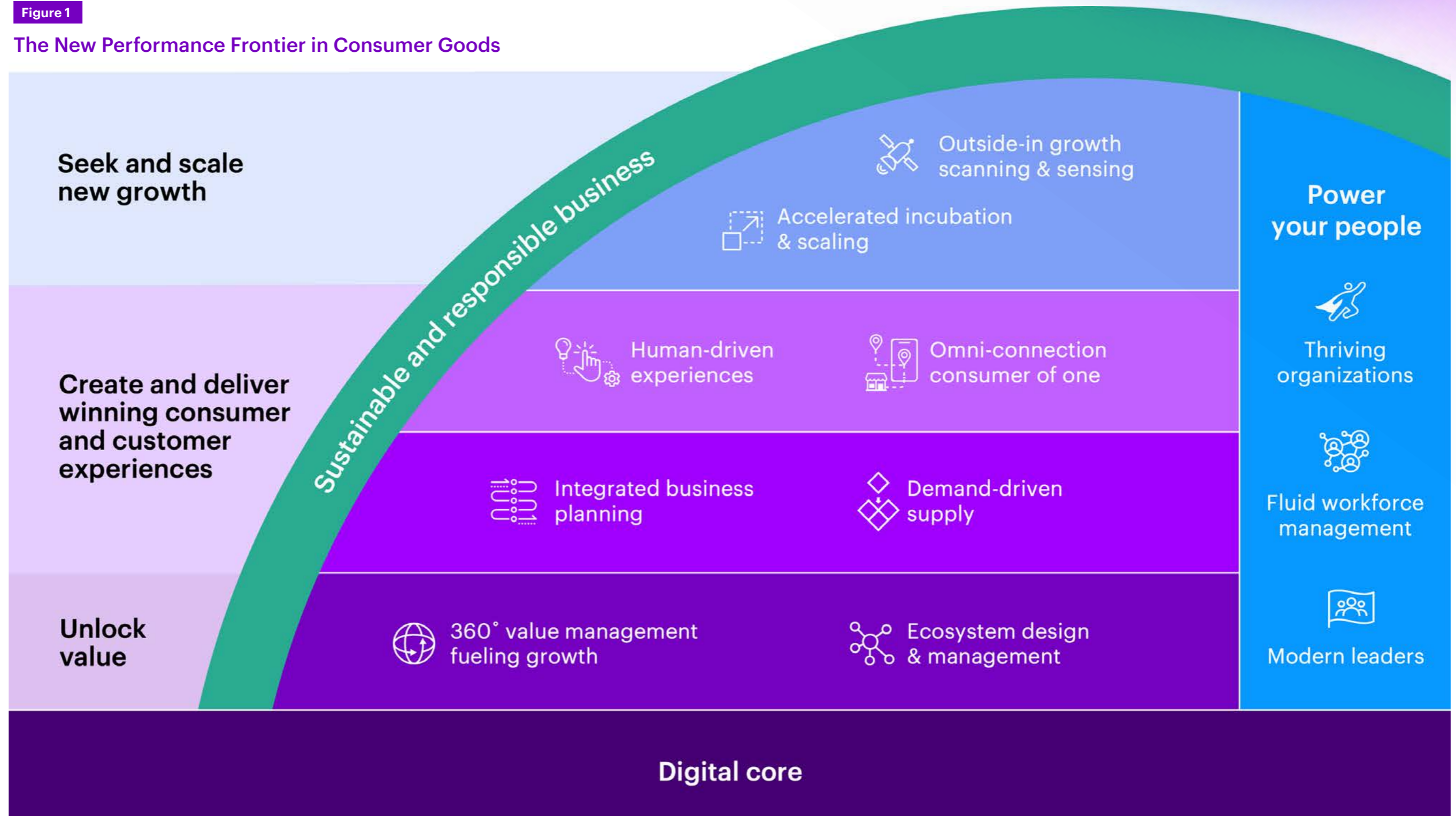
## Navigating to a New Performance Frontier

C-suite leaders are ready to move at the speed of life. Compelling levels of interest and enthusiasm are there. What is needed is for companies to move beyond current industry benchmarks to new levels of value and productivity — not as one-time projects, but through continuous reinvention. We call this the New Performance Frontier: a set of next-generation capabilities that will be the default in five years' time.

In consumer goods and services, we have defined 12 distinctive capabilities that allow companies to seek and scale new growth, create and deliver winning experiences, unlock value through dynamic investment and power their people to be human agents of change — all in service of becoming a sustainable, responsible company (see Figure 1).

Figure 1

The New Performance Frontier in Consumer Goods



Source: Accenture

The ambition is there. Every company we talked to indicated that they wanted to move beyond current industry best practice in at least three New Performance Frontier capabilities. However, no two companies prioritized the same capabilities. Instead, they prioritize across them, based on their specific corporate strategy and market opportunities.

Our conversations highlighted a number of interesting patterns across the market.

Given the consumer-centric nature of our industry, it was not a surprise that the majority of consumer goods companies identified Omni-connection consumer of one as a top priority (78%). How they delivered a winning experience, however, differed — with 56% of companies prioritizing Integrated business planning over Demand-driven supply a top priority. Oftentimes, these variations aligned to industry segments — for example, fashion-driven beauty brands relying on agile delivery of their

high-margin products while more commoditized categories doubled down on sophisticated predictive analytics. Regardless of category, the most divergent capability was Sustainable & responsible business, with many executives rating this as a must-win — and an equal number admitting it is lower priority for their leadership.<sup>12</sup>

## Seek and scale new growth

Emerging brands and longstanding competitors have been creating and capitalizing on new waves of growth across the consumer goods and services industry. Evergreen companies continually generate renewable growth through an expansive and life-centric view of market opportunities — and have designed their existing capabilities to pursue them at scale and at pace. To move beyond today's standards, companies must rethink how they embrace human needs holistically — and move quickly to build scaled, future-proofed businesses around those needs.



# 1 Outside-in growth, scanning & sensing

Never again be blindsided by market change

## What it means:

Reinventors in consumer goods think beyond the boundaries of what they have always done, and how their industry has historically been defined — shifting from a focus on product to a focus on people. They harness new technologies, business models and enabling ecosystems to redefine the industry. Instead of thinking about the “total addressable market” (existing, fixed categories and products), Reinventors think bigger, catering to the “total addressable problem” (fluid and expansive human needs). Reinventors also embrace the convergence of industries in the creation of holistic human solutions by bringing together full product/service/experience sets.

## Why it matters:

By continually challenging industry definitions with foresight informed by human and market disruptions, companies can:

- Identify a commercially valuable reinvention of their core business that solves for true human problems and forward-looking business challenges.
- Develop the strategy and prioritized portfolio of projects to achieve their ambitions.
- Maximize growth and mitigate evolving risks by prioritizing investment into projects that are working toward the future.

## How to do it:

Augment classic market analysis to determine new and enduring growth opportunities:

- Consumer Insight 2.0 — identify emerging, human-centered opportunities and analysis of where fast-growth businesses are solving for them successfully.
- Venture mapping — use the best innovators, entrepreneurs and investors as a dataset to identify the technologies, propositions and business models that will reshape the category in the future.
- Leadership fortitude and strategic alignment, redefining your market and creating a balanced portfolio with stable core growth and evergreen initiatives.
- Growth blueprint — create a clear map to enterprise reinvention and a plan for delivering it at scale.

## Who's doing it:

In the beauty industry, L'Oréal has teamed up with Verily, a precision health company, to advance skin health and better understand skin and hair aging mechanisms.<sup>13</sup>

The first-of-its-kind partnership includes a research collaboration studying the links between environmental exposure, skin aging and deep biology of the skin. And a collaboration between Verily's R&D team and L'Oréal's Active Cosmetics division is exploring the development of innovative technologies and tele-diagnosis solutions, such as sensors and AI algorithms, for dermatology and skin care.

## 2 Accelerated incubation and scaling

Beyond pilots: Set the industry standard for enterprise-wide execution

### What it means:

Once companies identify a new opportunity, accelerated incubation allows Reinventors to create an operational blueprint designed to take an innovation, acquisition or new venture, and scale it across categories and markets. This isn't about continually running pilots that never go anywhere; it's about translating successful experiments into scaled businesses. Accelerated incubation and scaling delivers the value of "being big" from an innovation perspective. Big companies give small innovation teams access to the "big company" capabilities that small entities lack. At the same time, small innovation teams bring unique approaches, mindsets and data from acquisitions/new creations into the broader enterprise. Reinventors also have ways of working and a culture where innovations created anywhere are rapidly used everywhere they are relevant.

### Why it matters:

By creating the capability to both scale innovations and learn from them, companies can:

- Scale at speed — across markets, categories and more.
- Equip innovations and acquisitions with "big company" capabilities, while driving ongoing reinvention by continually learning what the disruptive entities do best.
- Balance the flexibility and creativity of small teams and brands by creating outsized impact.

### How to do it:

- Choose the right path to commercialize at scale, by balancing speed, cost, entrepreneurial DNA and core strengths.
- Move to a modular operating model that allows new brands and capabilities to rapidly plug into the broader organization and homegrown innovation to scale. A systems-level view reflects the unique structure and metrics of the new business and facilitates a successful interrelationship with the enterprise.
- Drive seamless two-way exchange of data, people and ideas to ensure that new entities benefit from enterprise-scale capabilities and new innovations are activated across the entire company.

## Create and deliver winning consumer and customer experiences

Companies must be “human first,” integrating human needs and preferences into every part of their enterprise — from R&D to marketing to supply chain — and partnering seamlessly with channel players to deliver what humans want, where they want it. We call this “[Life Centricity](#).”



# 3 Human-driven experiences

Meet your brand co-creator: The human being

## What it means:

Humans are the owners and architects of brand-driven experiences that evolve at the speed of life.

Moving away from a linear “company-generated idea to finished product” development process, enterprises instead enlist consumers as co-creators from the start, nurturing an intimate, two-way relationship that fosters dynamic and iterative development — and unprecedented relevance. Importantly, brands need to move beyond a focus on the product, and instead develop relevant, meaningful and ever-adaptive experiences that are embedded in individual lives.

## Why it matters:

By directly involving humans (and their data) in the creation and orchestration of holistic consumer experiences, companies can:

- Meet changing consumer demands at the speed of life.
- Massively reduce risk while improving launch accuracy.
- Drive loyalty with unparalleled consumer relevance and intimacy.

## How to do it:

- Take advantage of the digital fingerprints and signals consumers already leave across a multitude of online and offline touchpoints to continually refine and adapt the brand experience.
- Involve consumers at every stage to sense and seize market opportunities in real time, co-developing and testing innovations and experiences that evolve alongside human demands.
- Connect with those who are deeply invested in the brand and will often function as an extension of the company’s sales force.



# 4 Omni-connection consumer of one

One consumer, multiple moments of meaning

## What it means:

Omni-connection delivers a complete brand experience that meets individual human needs across the full spectrum of relevant channels, products and platforms.

In a complex landscape and with the continuous emergence of new channels, consumers and retail trade partners are expecting brands to “know them” across very fluid, omnichannel journeys — and to engage in a meaningful dialogue to create seamless experiences, quickly and frictionlessly adding new channels as they emerge, while also managing margin. For consumer goods companies, this includes becoming the partner of choice to customers.

## Why it matters:

With fluid consumer and customer insights, focused investments and highly tailored partnership strategies where brands and retailers collaborate to create consumer delight, companies can:

- Drive a winning consumer experience that dynamically provides the right product/service/engagement at the right place and time.
- Establish the unique role of the brand in experiences that delight the consumer — in the moment and beyond.
- Execute win-win-win strategies where brands and retail customers can work together to give consumers what they want.

## How to do it:

- Redefine your role in the ecosystem, actively shaping models that create new profit pools and ways to engage (e.g., marketplaces).
- Seamlessly add and orchestrate presence across new channels, leveraging customer and consumer data and learning from direct-to-consumer models.
- Embrace technology by leveraging AI and machine learning (ML) to continuously execute the next best action for customer and consumer.

## Who's doing it:

Unilever is digitizing its route to market, helping retailers across India, Brazil and many markets “go digital.”<sup>14</sup> In India, [Unilever's Shikhar app](#) connects small-scale retailers to Hindustan Unilever (HUL) so store owners can place orders 24/7 versus relying on visits from sales reps or leaving their shops unattended to go and buy their stock themselves. The app helps them buy smarter, makes their day-to-day operations more efficient and improves the overall profitability of their business. To date, 1 million retailers have gone digital, helping to maximize their sales potential.

In Brazil, Unilever's Compra Agora<sup>15</sup> eB2B platform helps small retailers meet changing shopper needs. Compra Agora not only allows retailers to buy a basket of goods, but offers a range of additional services, benefits, content and a loyalty program that helps retailers accelerate and digitize their business. In this way, Unilever is not only driving its business and that of its CPG brand partners, but it is also helping small retailers around the world grow and prosper.<sup>16</sup>

# 5 Integrated business planning

Unified, perpetual planning — driven by the consumer

## What it means:

Consumers today want to be the center of everything — and their demands are ever-increasing and continually changing. To embrace consumer-centricity, companies must redesign planning to embed ongoing consumer demand signals — moving beyond sell-in/sell-out data to include first- and zero-party data (such as insights from connected devices, direct to consumer and social media). To do this, they can no longer operate and make decisions within functional silos. Static and narrow views of financial, commercial and supply chain plans must be replaced with a unified, end-to-end approach — with the consumer at the center.

## Why it matters:

By integrating operations around shifting consumer needs and wants, companies can:

- Continuously anticipate and respond faster to market changes and consumer demand.
- Enable new sources of growth and strengthen consumer — and retail trade partner — loyalty by ensuring product availability.
- Allow for continuous innovation and commercial investments across the value chain, founded upon a single source of truth.
- Account for responsible choices and trade-off considerations in the decision process.

## How to do it:

- Make a dramatic shift in strategic and cultural mindsets from a traditional, siloed view of each function to a “horizontal” view spanning across the organization — with the single objective of creating and delivering consumer-centric products and services.
- Build a unified view of consumer demand, integrating new sources of real-time consumer insight, supported by a diverse and distributed technology system that relies on advanced AI-powered algorithms to focus the entire value chain on a single set of objectives for seamless long, mid, and short-range planning, execution and reporting.
- Invest in a strong digital core which uses data and AI to provide deep consumer and retail partner insights to inform segmentation, and both upstream and downstream supply network planning, product design and procurement.

## Who's doing it:

Blue Diamond Growers designed, built and launched a globally scalable, customer-centric, flexible supply chain planning solution. The solution enables real-time consolidation, validation and analysis of supply chain data, providing greater transparency for planning purposes. When the pandemic struck, the company was quickly able to switch to a daily planning cycle. By extracting data efficiently, they were able to reallocate their nut supply to satisfy shifting demands. A single dashboard view helped improve forecast accuracy by 10% within the first six months of launch, enabling teams to optimize inventory. Teams now spend less time manually sifting through data and can focus on higher value strategic activities.

# 6 Demand-driven supply

Process and production automation for intelligent, demand-driven operations

## What it means:

A consumer-centric supply chain creates and delivers on new sources of revenue growth, but if done incorrectly, can also proliferate costs — negating the value potential. To gratify the ever-changing consumer, be the partner of choice to a proliferation of channel partners and maximize profit-to-serve, companies will need to deeply infuse flexibility and intelligent automation into their procurement, manufacturing and fulfillment functions.

## Why it matters:

By implementing process and production automation, companies can:

- Continuously empower supply chain, engineering and manufacturing teams with the real-time insights they need for dynamic product and experience innovations.
- Simultaneously improve the consumer and trade partner experiences while minimizing operational costs and supply risks.
- Eliminate manual tasks and error-prone processes while increasing overall productivity, quality and reliability.
- Embrace and enhance sustainability in products, packaging and processes.

## How to do it:

- Incorporate hyper-automation into manufacturing and distribution via real-time data, that seamlessly links AI/ML based algorithms with scalable robotics for self-monitoring, self-learning and self-correcting supply chain systems.
- Create a hybrid human and machine workforce that seamlessly integrates strategic in-house talent and is upskilled to have strong data fluency and a focus on innovation.
- Empower talent with digital and analytical skills to leverage design-to-scale robotics; use digital capabilities within manufacturing and warehousing facilities.
- Enable extended value chain capability for direct materials and utilize real-time data visibility linked with simulation models to inform potential disruptions and mitigation scenarios.
- Infuse sustainability into the network by focusing on responsible sourcing, reducing the carbon footprint and scope 3 emissions, and providing the upskilling and change management required to enable supply chain talent.

## Who's doing it:

One of the world's largest food and beverage companies recently implemented a control tower to provide visibility across all operations and help build a new roadmap to resiliency. They engaged a new Sales & Operations Execution (S&OE) team to handle short-term issues, which enables the planning team to focus on long-term strategy, and they connected existing analytics dashboards to an Enterprise Resource Planning system and other data sources. Proactive alerts helped them to address potential issues up to six weeks in advance, empowering them to make short-term adjustments to save valuable time and effort and to actively plan for disruptions. With end-to-end visibility, more efficient organization and a set of new routines and best practices to connect disparate teams, the company saw its case fill rate pass 90% — a level it had not achieved in more than two years.

# Unlock value

Consumer goods companies will benefit from a more holistic definition of value, continually reallocating internal and external resources to meet changing market demands and maximizing ROI beyond financials. This expanded focus will help them deliver on 360° value — both internally and across the value chain — by balancing short-term and long-term affect across metrics spanning financial, customer, employee, sustainability and more.



# 7 360° value management fueling growth

Dynamic investment for shared value

## What it means:

Reinventors will focus on data-led decisions, which drive strategic and dynamic resource allocation to achieve holistic value. They will have real-time “next-best-action” capabilities that give them the ability to identify and free up resources that can be reallocated to better fuel and support strategic growth initiatives. Reinventors understand the rapid implications that changing market conditions will have on the business and are able to act as active investors, quickly assessing risks and allocating resources to maximize 360° value.

This will only work if companies democratize decision making by providing transparency to employees at every level. Every employee of the company should understand the impact of quickly changing market conditions on their job responsibilities and current activities. Organizations must have full visibility of emerging market opportunities, full knowledge of where resources are allocated and full understanding of how ROI shifts as the company shifts resources. Employees know, at any point in time, what their next best action is.

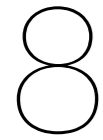
## Why it matters:

This approach dynamically advances 360° value because it can:

- Optimize the use of resources to meet changing market opportunities.
- Develop a better understanding of the “next best action” to maximize holistic value.
- Create a framework for flexible decision making and more individual innovation across the organization.

## How to do it:

- Prioritize data-driven decisions for smarter resource allocation at both the macro and micro levels.
- Democratize decision making, providing transparency to employees at every level.
- Embed new insights into algorithms that allow workers at every level of the organization to focus on execution, and then continuously refine the algorithms.



## Ecosystem design and management

Boundaryless capabilities and reach

### What it means:

Within five years, leading consumer goods companies will have ecosystem design and management capabilities that will allow them to leverage the best global capabilities — not just those within the four walls of their enterprise — to deliver their strategy, even in areas that are central to the enterprise, such as manufacturing, distribution and brand management.

This ecosystem approach includes collaboration among historical competitors to address broad topics, like sustainability and governance, that benefit the industry.

### Why it matters:

Expansive and efficient access to new markets and capabilities allows companies to:

- Amplify market reach with new offerings, new consumers and customers, and new skills, technology, data and capabilities.
- Rapidly test innovation with minimal disruption.
- Drive speed to realization and flexibility, and acquire or divest capabilities at will.

### How to do it:

- Be clear on in-house expertise and partner when advantageous for external industry-leading experience.
- Drive agility — instantly trial and embed new capabilities, while also divesting those that are no longer relevant.
- Create and participate in fluid ecosystems.
- Focus on areas of competitive advantage while seeking partners and external capability specialists to expand reach.

### Who's doing it:

PepsiCo and Beyond Meat® have partnered to produce Beyond Meat® Jerky.<sup>17</sup> Rather than making its own expensive investment in developing alternative proteins, PepsiCo is “borrowing” Beyond Meat’s® well-funded technology. In turn, Beyond Meat® is eschewing the heavy burden of building its own snacks expertise, and instead relying on PepsiCo’s talent, sales and distribution might.

# Power your people

For any company, executing strategy comes down to people, and executives increasingly express concern about their ability to recruit, develop and retain the future-skilled talent they need. In our conversations across the industry, we've yet to come across a single leadership team that believes they have the skills and mindsets to drive reinvention. We often talk about how technology dramatically transforms human productivity — and yet, economists have shown a growing productivity gap, as measured by real wages. While technology offers the right tools, it doesn't magically unleash productivity; an enabling culture and new skills to put emerging technologies to their highest use must also be present.

To maximize the power of technology — and drive reinvention — the industry must build the capabilities needed to realize human potential through the continuing waves of technology innovation.



# 9 Thriving organizations

Unlocking people's potential

## What it means:

In thriving organizations, productivity is not about people working harder, but instead it's about driving change in the way we work through the intersection of technology and talent.

The blending of process, automation, applied intelligence and real human experience allows us to rethink work structures and craft new roles, all while creating an environment that helps people achieve their career aspirations and companies to achieve better business outcomes.

Thriving organizations integrate each new wave of technology, blending it fully with other levers to maximize its benefit. For example, ChatGPT is dominating headlines not only because it can write marketing copy, but also because it saves time and gives the user a range of options to choose from and enhance — as only a human can. Generative AI will free leaders up to amplify the creative input and to bring the content to life through human engagement. Thriving organizations will look at how to best capitalize on Generative AI's benefit to humans and blend it with broader automation so that it becomes a seamless part of business as usual.

## Why it matters:

By unlocking potential through new technology and ways of working, companies can:

- Attract, engage and keep the most critical talent.
- Build skills for today and be ready for jobs of the future.
- Set new world standards for human productivity, with increasingly profitable growth.

## How to do it:

- Start with the work that will need to be done, understanding who will do the work (humans, technology, or both).
- Focus on the skills required for the human work needed by the organization and take a people-centric approach to constructing the new and evolved roles.
- Build the capabilities that enable the application of those skills by creating experiential in-role learning to allow people to continuously build their skills for the future.
- Wire the organization to encourage working in new ways through incentive programs, performance plans and organizational behaviors.



# 10 Fluid workforce management

Connect the right people to the right work

## What it means:

Fluid workforce management embraces an approach that uses the right workforce for the right type of work, optimizing the use of the multiple models (e.g., full-time, partner, gig) to drive productivity and fulfillment. Leveraging data and AI models to understand the scope of existing skills as well as the gaps is a critical first step in building a talent marketplace that enables both internal and external mobility.

The consumer goods industry employs a wide range of workers — from frontline workers in manufacturing plants to big offshore back-office teams to freelancers working in marketing and creative content. Within five years, the leading companies will seamlessly knit these models together, including using consumers as an extension of the workforce to set the industry benchmark for retention based on winning experiences and opportunities.

## Why it matters:

With clear visibility into dynamic talent demand and supply and the ability to source the best — either within or outside the company — organizations can:

- Create a dynamic talent marketplace that enables workers to smoothly move to new opportunities.
- Build a flexible and efficient workforce — without too many or too few.
- Ensure the enterprise fluidly acquires rare or high-demand skills.
- Drive innovation, productivity and collaboration through internally mobile employees.
- Keep desired talent at the company longer by fully engaging them through career growth opportunities.

## How to do it:

- Adopt flexible and data-informed ways to allocate people with the right skills and potential to the correct roles and to manage the talent pool.
- Build a real-time, two-sided platform, connecting employees with various types of work and development opportunities suited to their skills and aspirations, and connecting HR, managers and leadership to the best talent in a fully autonomous fashion.
- Employ the full spectrum of workforce models, anticipating emerging needs for new skills (made possible by visibility into the value chain) and meeting those needs through skilling and hiring.

# 11 Modern leaders

Creating the leaders of tomorrow, today

## What it means:

Many leaders tell us that they and their leadership teams do not have the skills and behaviors to succeed in Total Enterprise Reinvention, and that this is one of the largest factors delaying movement to a New Performance Frontier.

Organizations that challenge themselves and their respective senior leadership teams to identify how they need to lead differently in a rapidly changing context are the ones that can then lead people to grow their own skills and achieve their potential through organizational transformation.

Recently, one CPG leader told us “We’re not a snack manufacturer; we’re a technology company that makes snacks.” Every business is now a digital business, and leaders must be fluent in both data and technology, and skilled in continually reinventing possibility. Guiding a company through change requires courage, comfort with the unknown and a humble openness to learning from nontraditional sources.

## Why it matters:

Modern leaders successfully lead through continuous reinvention because they:

- Create a purpose-led organization that inspires all employees, unlocking potential to spark change and innovation.
- Start with themselves, developing the skills, mindsets and capabilities to lead continuous change.
- Build a strong pipeline of leaders who have the motivation and capability to reshape the market.

## How to do it:

- Push the boundaries of what is possible by developing leaders with open minds and the courage to continually challenge preconceptions.
- Nurture the foundational skills of problem-solving and collaboration, along with expertise in technology, analytics and, increasingly, science.
- Continually invest in new skills and reverse-mentorship programs that help people learn from the newest members of the organization — often the native experts in emerging areas.

## Who’s doing it:

Modern leaders in consumer-facing industries will need to augment their skills and knowledge by seeking mentors and learning from non-traditional disruptors to maintain an elevated level of external awareness — and competitiveness. A top executive at a Fortune 50 company calls this “student leadership” and has actively instituted upward mentorship, where he works with early career team members to learn in areas such as technology and social media. Some executives have as many as four upward mentors to build skills in different capabilities.

# Impact on a company's operating model

As industry leaders consider reinvention, they are reconsidering the big operating model choices and trade-offs they've had to make in the past. Reinventors balance agility and scale, at global and local levels, with a strong core organization that flexes with market changes. They do this through discrete teams that share insights across a broad ecosystem, giving them endless access to capabilities. Increasingly, the organization shapes itself around end-to-end experiences vs. functional siloes. This allows the existing business to thrive, while also nurturing evergreen innovation.



# 12 Sustainable and responsible business

Do well by doing good

## What it means:

Reinventors see sustainability as an integral part of their strategy, embracing it in their market offerings by weaving their Environmental, Social and Governance (ESG) commitments through the fabric of the entire organization — and each of the above capabilities. These ESG commitments are understood by the workforce, suppliers, partners and, most importantly, customers and consumers. In our recent research, 83% of consumers indicated they increased their sustainable shopping in the last 12 months. And 27% of consumers say that making environmentally conscious choices is their top motivation.<sup>18</sup> Embracing sustainability translates into improved retention and employee satisfaction, deeper supplier and partner collaboration, and differential brand growth.

Companies need to understand that sustainability is a key force for change and drives long-term growth and viability — and it's good for business. In the future, we will not talk about "sustainable business;" sustainability will be "business as usual."

## Why it matters:

Reinventors look at sustainability holistically across environmental, sustainability and governance-related areas, so they can:

- Create trust, engagement and loyalty across consumers, customers, employees, value chain partners and ecosystem partners.
- Give companies the license to operate in communities, markets and demand spaces.
- Position enterprises to outperform on financial returns and improve on risk management (for example, soap concentrates are higher-margin and better for the environment).

## How to do it:

- Embed ESG in the corporate strategy and throughout the entire operating model.
- Facilitate collaboration across the value chain (i.e., don't just focus on a transparent supply chain, but actively enable responsible behavior from customers, consumers and other companies in the industry).
- Fund ESG initiatives through cost savings (for example, reduced water usage).

## Who's doing it:

Accenture has worked with the Consumer Goods Forum (CGF) for over two years, mobilizing the [Race to Zero Taskforce](#), an official industry accelerator program for the UN Race to Zero. When the project started in April 2021, 21% of the CGF board members' companies had made a commitment to the Race to Zero. As of today, that number has more than doubled to 54%.

Work continues to drive member companies to increase the ambition of the industry and create public assets to help accelerate action and tackle challenges towards achieving net zero. These assets include the Carbon Solutions Hub, Net Zero Playbook for Consumer Industries and most recently the CNA Tool (Climate x Nature x Ag Tool). In July 2023, the CGF Board (led by the CEOs of Mondelēz and Ahold Delhaize) agreed to include Net Zero as one of their five strategic priorities for collective action in 2024 and officially created a new coalition of action.

# The digital core enables industry leadership

Why isn't technology included as a capability in the New Performance Frontier? The reason is simple: technology is so pervasive that it can't be called out as a single capability. Instead, it must be embedded in every capability for each to be truly leading edge. Industry leadership in the future will need to embrace the possibilities of technology — and build a robust and flexible technology engine; what we call the digital core.

The digital core integrates the power of cloud, data and AI to create an interoperable set of secure, flexible platforms that enable companies to rapidly create new capabilities and growth opportunities for the enterprise. While every consumer goods company has many of these technologies, historically they have been developed in silos, leaving considerable value on the table. To be a leading company in the future, organizations must weave these technologies together. The benefits in terms of business differentiation, resiliency and agility are considerable. We have identified over 40 areas of synergy that result from adopting this approach.<sup>19</sup>



## Total Enterprise Reinvention drives competitive advantage

These capabilities that define the New Performance Frontier for the consumer goods industry are meant to help leaders forge a clear view of the long-term strategy for their company against which they can execute in the coming years. This is a roadmap to building a flexible business that can constantly reinvent itself to align with consumer expectations. Every consumer goods company should determine its unique New Performance Frontier across the capabilities and identify the organizational, operational and cultural obstacles to delivering ambitious, net-new growth in the near term and beyond. This will make clear which areas to prioritize.

# The value of consumer goods companies accelerating the journey toward reinvention is clear, in both financial and non-financial terms:

## Financial impact

In consumer goods, Reinventors report generating 8% higher incremental revenue growth, 10% higher cost reduction and 19% higher balance-sheet improvements compared with the rest of the industry.<sup>20</sup>

## Rapid results

Reinventors across industries deliver 1.3x more financial value in the first six months of their transformation investments than their peers. This is predominantly because of their ability to move at greater speeds, enabled by their more sophisticated technology infrastructure and ways of working; 66% of them say they are moving “significantly faster” than before.<sup>21</sup>

## 360° value

Companies that have committed to reinvention already deliver better and broader value than their industry peers: 32% better on sustainability and 31% better on experience — for customers, suppliers and employees. They also score 11% higher on innovation, 11% higher on “net better off” outcomes for talent and 7% higher on inclusion and diversity.<sup>22</sup>

To achieve this value, it is important to understand that Total Enterprise Reinvention isn't a to-do; it's a to-be: an opportunity to continually reinvent and transcend not only present practices, but also future possibilities. There's no going back — in fact, the gap between what technology makes possible and what's being done in practice is widening, and the urgency to act is escalating.

In short, we believe that Total Enterprise Reinvention isn't just important — it's imperative and over the next 10 years will become the consumer goods industry norm. Those that embrace this philosophy the most profoundly and rapidly will be the most successful in the long term and most able to withstand whatever the future holds.



## Ready to get started?

Reach out to talk with one of our industry experts about Total Enterprise Reinvention and to complete a diagnostic to assess your organization's performance and ambition against industry peers.

[Contact us](#)



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# About Accenture

Accenture is a leading global professional services company that helps the world's leading businesses, governments and other organizations build their digital core, optimize their operations, accelerate revenue growth and enhance citizen services—creating tangible value at speed and scale. We are a talent and innovation led company with 732,000 people serving clients in more than 120 countries. Technology is at the core of change today, and we are one of the world's leaders in helping drive that change, with strong ecosystem relationships. We combine our strength in technology with unmatched industry experience, functional expertise and global delivery capability. We are uniquely able to deliver tangible outcomes because of our broad range of services, solutions and assets across Strategy & Consulting, Technology, Operations, Industry X and Accenture Song. These capabilities, together with our culture of shared success and commitment to creating 360° value, enable us to help our clients succeed and build trusted, lasting relationships. We measure our success by the 360° value we create for our clients, each other, our shareholders, partners and communities.

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