

The background of the slide features a vibrant green, out-of-focus background with several hands reaching up from the bottom, blowing colorful, iridescent bubbles. The bubbles are in various stages of flight, some large and clear, others smaller and more colorful. The overall scene is bright and optimistic, symbolizing growth and innovation.

accenture

The Insight Track

Five no regret capabilities to be a data-and
analytics-driven CPG business.

CPG Data and analytics

Consumer packaged goods (CPG) companies must become fully insights-led in the next 5-10 years in order to maintain—let alone grow—market share.

CPGs are at different stages of the journey. Many have made progress in pockets. No incumbent, large CPGs have made advanced, predictive data and analytics part of everything they do. There are multiple reasons why many companies are only making incremental progress. One of the foremost is CPG executives' discomfort with reinventing how their company operates and works, and the changes in how they individually will need to work. However, addressing that discomfort is worth it.

The large global CPGs that make this change stand to reap massive rewards. Accenture research shows that CPG leaders who scale data, analytics and AI strategically outperform their peers with a 32% increase in their price-to-earnings ratio. They also realize up to three-times higher return on investment compared to companies pursuing siloed proofs of concept¹.

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Industry under pressure.

CPGs have faced multiple challenges for years. COVID-19 and the ensuing recession exposed and accelerated underlying issues. In recent years, growth for traditional CPGs has been limited, with digitally native competitors realizing the majority. Incumbent, large global companies continue, in aggregate, to see market share erode.

Executives in consumer goods companies agree that advanced analytics are critical: 89% of them believe they must leverage data and advanced analytics to achieve their strategic objectives. However, 74% acknowledge they are struggling to scale these capabilities across their business². And being insight-led is

a continuous process: the work doesn't stop. It just gets better. And the gap expands exponentially between those who are insight led and those who are not.

Becoming insight-led has to start at the top and become part of the company's "DNA". It means becoming outcome focused. It means changing who does what, and how teams work together. It requires reusable analytical assets that are designed to give people "super powers" and elevate the work they do. And it means insights are available and easily understood when and where teams need them—so users adopt them.

Five things to get right.

Accenture has identified five elements that companies need to address across leadership, organization, talent, technology and culture (Figure 1). Differing stages of maturity and widely varying business cases mean there is no single end-to-end solution to address the challenges and move CPG companies forward at pace. And, tackling this will never really be completed, as changing technology and analytics capabilities will likely continue to advance.

Figure 1: Five things to get right to become insight-led

1.	2.	3.	4.	5.
Organize end-to-end	Deliver value by developing robust analytical products	Create a highly sustainable data foundation	Capitalize on the journey to cloud	Unlock organizational adoption
Vertically integrated multi-disciplinary, multi-business teams with analytical product management, capability development & data skills	Prioritize highest-value opportunities to enable business strategy, scaling analytics products as any other tool, reduce reliance on people power	Highly automated data foundation to ensure all critical data assets and data management – i.e. data quality, lineage, governance - are in place	Shift workloads to cloud to unlock speed of execution, cost savings, security, intelligently manage storage and consumption to maintain high ROI	Embed analytics and enhance day to day processes, build the muscle via culture hacks, learning plans and the right business metrics

1. Organize end-to-end in multidisciplinary teams



1. Organize end-to-end in multidisciplinary teams

Accenture research has found that very few CPG companies have made the leap from “Proof of Concept Factory” to starting to be able to scale data, analytics and AI enterprise-wide.

Research shows a common characteristic of companies that are scaling is that they leverage multi-disciplinary teams that enable faster cultural and behavioral changes³.

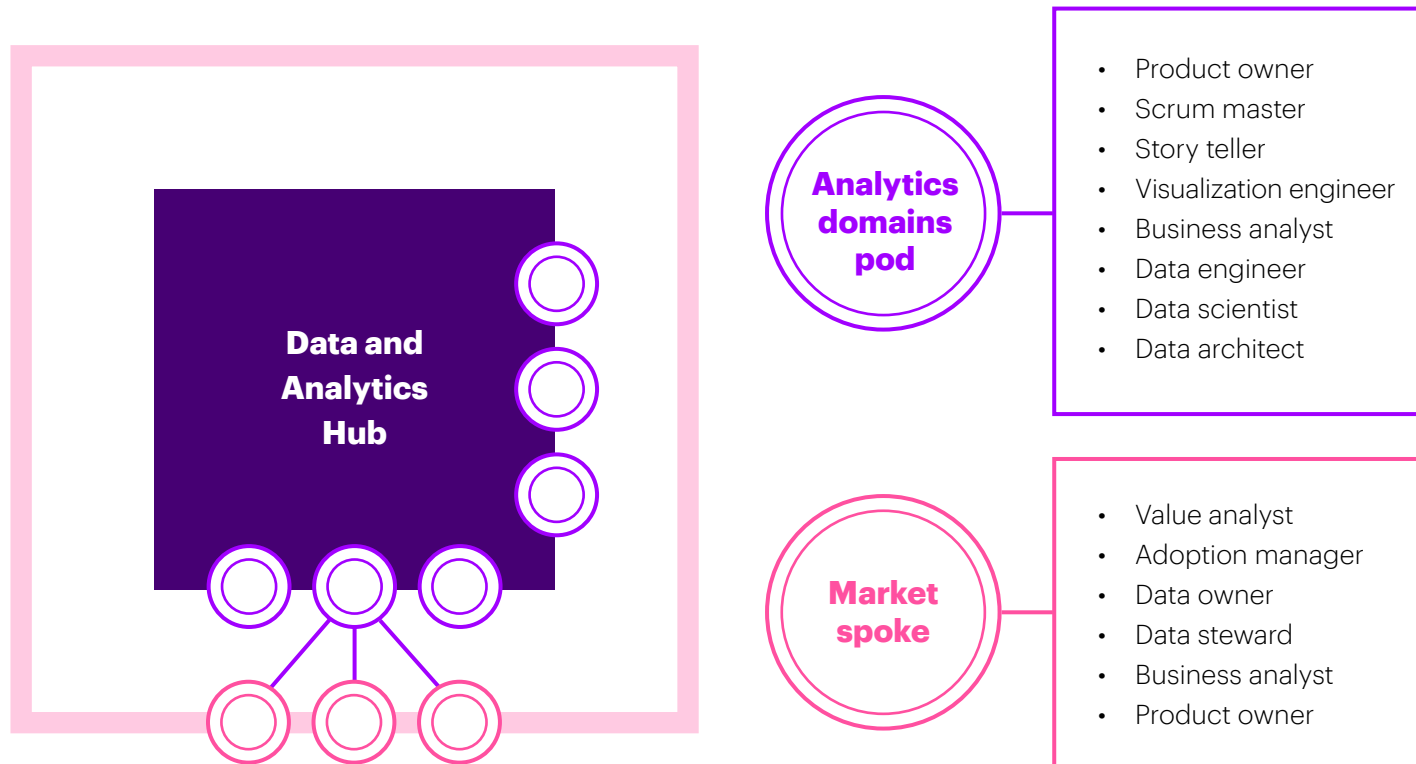
Establishing “pods” within a “hub and spoke” framework is the practice leading companies find helps when setting up data and analytics capabilities. These pods are the core organizational construct powering a CPG company’s data and analytics transformation, with a central hub setting their respective goals and providing an operational drumbeat. The hub defines what each pod will do, agrees its operational parameters, and sets expectations for ways of working across the organization.

Market or functional “spokes” work alongside pods to ensure the correct business questions are being answered. They understand the business challenges and act as the interlock between the analytics organization and the rest of the business throughout the countries where it operates (Figure 2).



1. Organize end-to-end in multidisciplinary teams

Figure 2: The hub and spoke delivery model meets business needs



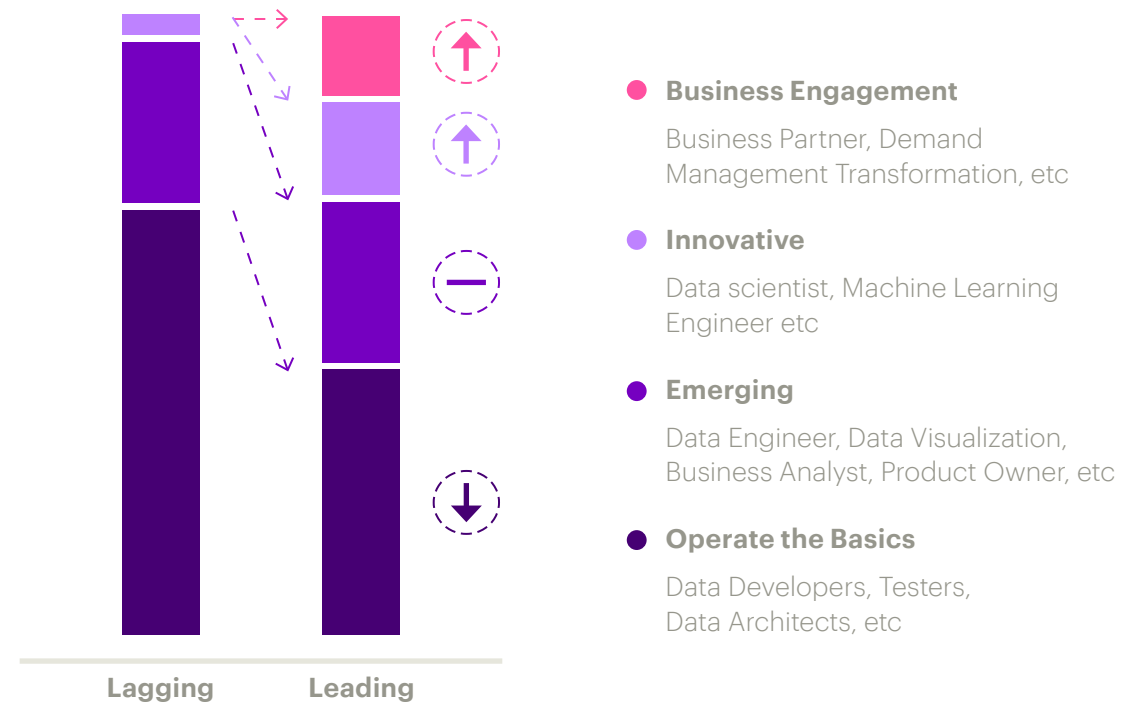
Pods are responsible for delivering robust analytical products to the broader organization. Their brief will align with a “business domain” and could cover areas like revenue growth management or route-to-market optimization.

1. Organize end-to-end in multidisciplinary teams

This is a clear departure from historically siloed data functions. In this new model, cross-functional data and analytics teams focus on projects closely aligned to the business strategy, with resources more proportionately distributed toward higher-value skills and activities (Figure 3). New insights and ways of working help realize the potential of human ingenuity.

In Accenture's experience, by organizing in pods, a CPG may increase throughput of Data & Analytics teams up to 2-3X, increase speed to market of analytical products up to 50%-80% and scale analytical products and business outcomes in priority areas.

Figure 3: Pods help allow resources to work on higher value-add tasks





2.

**Develop
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The most important shift here is from a one-time or static “use case” mindset to an “analytical product that becomes stronger over time” mindset.

Analytical products are industrialized tools and data applications that can be scaled, enhanced and maintained. They are not simply a use case, an algorithm, or a proof of concept (POC) by a data analytics lab. They are enduring business challenges such as intelligent revenue growth or revenue growth management (RGM) or integrated business planning.

Co-development and co-creation with people across the organization is vital to make analytics products as impactful on business-wide operations as possible. Prioritized analytical products must be embedded into every step of day-to-day operations, with clarity on the value each analytical product can bring to the company, consumer and customers.

Clear ownership will help ensure accountability for analytical product ideation, delivery, continuous innovation and scaling. Once domain analytics are built, they can be connected to embed analytics into the fabric of operations. Interlinkage and feedback systems are essential. Rather than linear information only flowing downstream, consumer and demand insights can impact sales and supply, and vice versa, creating a flywheel effect that helps increase transparency, deduplication, adaptation and cost efficiency.

3.
**Build a
sustainable
data
foundation**



3. Build a sustainable data foundation



The ability to scale analytics economically rests on having an integrated and highly automated “intelligent data foundation”. This provides flexible and robust access to relevant and comprehensive datasets that are updated in real time. Organizations that don’t make this investment are likely to find their data and AI experiments perpetually stuck in the lab.

Organizations should invest in building this foundation from reusable data assets that can be deployed across and within different domains. Rather than data assets that are “one and done”, this approach looks to create data assets from multiple sources and re-use them across multiple analytical products. This enables analytical products to achieve the scale that unlocks value, while dramatically reducing manual workloads and the costs of data and technology.

Providing flexible and robust access to relevant and comprehensive data requires five key capabilities:

- 1. A relentless focus on business-critical data elements**
- 2. Robust data management and governance**
- 3. Continuous data maintenance**
- 4. A scalable data platform and infrastructure**
- 5. Highly-automated data and analytics operations**

3. Build a sustainable data foundation

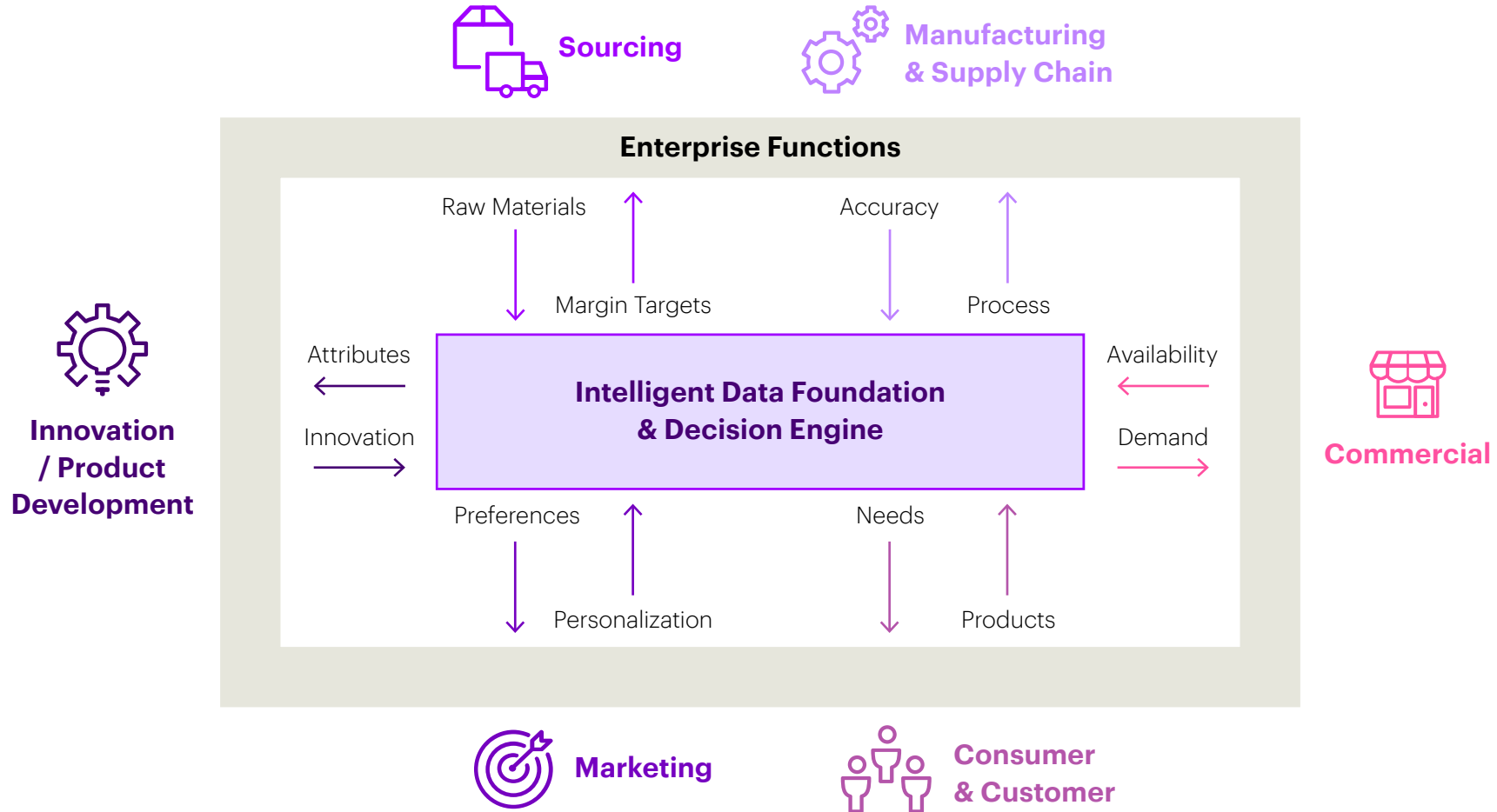
CPGs will need to revisit existing data systems and processes and their data strategies to incorporate different sources of data (1st, 2nd, 3rd party).

The objective? To build a robust and intelligent data foundation that links the most critical data elements to generate insights and ultimately value for the business. A set of data assets should be rapidly built to enable data ingestion, curation, transformation and, most importantly, integration across discrete layers (Figure 4). Only then can a robust, highly automated and scalable data platform be created while minimizing risks and avoiding any unnecessary rework.



3. Build a sustainable data foundation

Figure 4: A strong data foundation benefits the entire business



3. Build a sustainable data foundation

Using many data sources for one view of the consumer.

A global consumer goods company didn't have the information it needed to personalize consumer interactions or provide a consistent user experience across channels. The company had disparate data sources and lacked one consolidated view. It didn't have insights into how consumers were using its products, so couldn't effectively identify next-best actions. Accenture worked with the company to develop a customer data platform and extensive analytical

capabilities. The company was then able to collect and create insights from multiple internal and external data sources to create a single view of consumers (a "single user persona").

By understanding category trends and their brand positions, the company now has insights to help them provide more relevant, tailored interactions with consumers, regardless of channel.





4. **Capitalize on the journey to cloud**

4. Capitalize on the journey to cloud

Cloud is a vital accelerator of the data and analytics transformation, enabling a step-change in how CPGs can innovate through the democratization of advanced technologies like AI, big data, and analytics – all previously only accessible in isolated areas and/or through significant CAPEX.

Cloud gives companies new agility, with the ability to rapidly scale up/down capacity as needed, and it supports new ways of doing business. Once data is in the cloud, many historical silos are easier to integrate. With data from consumers, customers and the supply chain co-existing in one “place”, cloud becomes a platform for organizations to manage comprehensive toolsets, access the latest breakthrough technologies, build and run an intelligent data foundation, and deliver scalable analytical products at speed.

When deployed in a way that is aligned to business needs and strategy, this new infrastructure and processing capability supports the development of data-driven businesses, not just IT cost reductions. The cloud can help enable increased innovation and access to critical data in real time.

According to Accenture analysis⁴, marketing optimization powered by analytics and AI enabled by the cloud can potentially:

**lift ecommerce
revenue up to
8-14%**

**reduce marketing
expenses up to
15-30%**

4. Capitalize on the journey to cloud



Providing fast fuel.

This company was challenged by leadership to become a truly digital quick-service restaurant (QSR) within three years. With siloed pockets of unstandardized data and analytics capabilities primarily outsourced across multiple partners, it had struggled to scale digital products. Though maintaining market position, it was under increasing pressure from smaller digital-born competitors that were deploying digital initiatives at scale. Accenture worked with the company to build and accelerate

their data and analytics capabilities in a cloud-native way, identifying around 30% savings on cloud computing costs along the way. As an example of speed of insights, one of the products we and the client developed has helped reduce a business-critical daily report from seven hours preparation to 45 minutes. These are only the first steps on the organization's broad transformation journey to deliver 20% top-line growth over the next five years.

5.

**Unlock
organizational
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5. Unlock organizational adoption and end-user enablement

Becoming an insights-led business depends on... people.

As noted above, it must start at the top with leadership's commitment to operational and culture changes. It also requires enterprise wide adoption. Analytical products must be accessible, readily understood, and easy to use and have relevant insights. How do successful companies do this? By putting the user—not the data—at the center of analytical products' design.

It starts with understanding what outcomes people need to deliver and the challenges they face. According to research conducted by Accenture and the Data Literacy Project⁵, only 25% of people surveyed felt fully prepared to use data effectively when entering their current role. Executives realize that their people lack vital

skills to understand or argue with data. But when it comes to improving the way people use data and analytics tools, instead of asking ourselves how people need to be changed, we might do better to ask questions like: Bend technology around people vs. people around technology

- How do we co-create analytical solutions that are designed by and for our employees?
- How do we democratize the insights so they are accessible, easy to understand and actionable?
- How can we reinvent work, and do things differently through a better use of insights and technology?

All stakeholders should be inspired and aligned around a common vision, and purpose, for insight-based decision making. Results and benefits should be made tangible through a group of champions that can role-model change.

5. Unlock organizational adoption and end-user enablement



Delivering insights where,
when and how they can be used.

A consumer goods company wanted to be data-led. The company had spent multiple millions developing self-serve business intelligence tools. But, employees rarely used them. Was it a flaw in their technology? Their people? This company asked Accenture to help understand why. We began by looking at people's everyday experiences when it came to data, analytics and decision making. We captured the data and platforms people used, where they were, who they were with and how they felt. What we found was a mismatch. The analytical tools had not been designed for where and how big decisions were made. Our analysis showed this wasn't a problem of technology or training. Rather, the solution didn't address the business need. We helped the client fix this by matching data and analytics tools to meaningful opportunities and clearly communicating the value to users.

The result? Adoption of specific tools increased by as much as 20% month on month during the first quarter of this year.

A young man with a large afro hairstyle is smiling broadly, looking upwards and to the left. He is holding a red bubble wand in his right hand. Numerous colorful bubbles are floating around him, some in the foreground and some in the background. The background is a soft-focus green, suggesting an outdoor setting with trees. The overall mood is joyful and carefree.

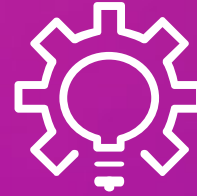
How to get started

How to get started



Organize end-to-end.

Start with defining the core data and analytics team, their current capabilities and required ones. Create clarity about what is required of them. Define individual and team metrics, governance, rewards and incentives. Design the hub and spoke model that fits your business; test it by setting up a small number of PODs—and be ready with a plan to scale.



Develop robust analytical products by domain to accelerate value.

Prioritize the domains and markets where data and analytics can have the highest impact. Have a clear vision, and also a value realization plan you can follow through on. When designing and developing the products, ensure you are focusing on enduring business challenges, and give the product owners the ability to make decisions.

How to get started



Build a sustainable data foundation.

Ensure clear ownership, governance and quality of the data foundation—embed data control frameworks. Drive reusability of data assets, and apply AI techniques from ingestion to curation, for smart identification of data quality issues and continuous improvement. Form an understanding of your data universe (first, second, third party data) and how it is used; look for any missed opportunities.



Capitalize on the journey to cloud.

Build a company-wide understanding of what cloud can offer. Reinforce a sense of urgency. Establish a core IT team to lead the initiative and secure support. Evaluate the current cloud maturity, set your goals and ensure these are in line with the overall data and analytics vision.



Unlocking organizational adoption and end-user enablement.

Lead from the top and ensure leadership commitment to becoming an insight-led organization. Engage with the “end-users” from the beginning, to understand their needs and make decision making simple for them. Set the right expectations about timing for the transformation, and keep an honest two-way communication with the business.

The race is on.

The marketplace demands new ways of working for which many CPGs are unprepared. From rapidly evolving consumer behaviors, to distributed workforces to established growth models turned upside down, businesses need to reengineer themselves in order to gain market share and grow.

Wherever they are on their data and analytics journey, CPG companies must recognize they are in a race. Data-driven organizations can improve corporate performance, helping create greater total enterprise value. Leaders that get their digital transformation in place can get to the finish line first and reap the rewards.

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