



# REDEFINE BEST IN CONSUMER PACKAGED GOODS (CPG)

Five Ways Business Leaders Can Use Disruption to Power Innovation

March 7, 2023, Version [1.0]

Copyright © 2023, Oracle and/or its affiliates

Public



# Introduction

The consumer packaged goods (CPG) companies are facing a rapidly changing industry, with rising consumer expectations for safer and sustainable products, personalization, seamless shopping experience, and speedy delivery. In addition they are battling a steady erosion of brand loyalty, increasing global competition, supply chain disruptions and talent shortages.

Many CPG companies are rising to the occasion. For them, change is no longer just a constant—it's an opportunity. Rather than adapting to change as it comes, leading CPG companies are finding new ways to get ahead of challenges. They are creating a culture of continuous innovation to identify and solve business problems fast. They are breaking with conventional best practices, empowered by cloud and advanced technologies to plot new paths. They are, in essence, redefining best.

In particular, leaders in finance, operations, customer experience and HR play a critical role in managing change and redefining best. They must guide company investments in new technologies that provide deeper visibility and more precise control; they must anticipate and predict disruptions rather than react to them; and they must attract the right talent with skills to drive a culture of inclusivity and innovation and elevate the consumer experience.

The ability of the C-suite executives to partner with each other, as well as across the business, has become a prerequisite for well-informed decisions. In this brief, we'll explore how technology is helping the Chief Revenue Officer (CRO), Chief Information Officer (CIO), Chief Supply Chain Officer (CSCO), Chief Financial Officer (CFO), Chief Operation Officer (COO), and Chief HR Officer (CHRO) collaborate to manage change redefine their best practices.



# Key imperatives for CPG companies

## 1. New revenue streams and faster time to market

Not only do customers have little patience for mistakes or delays—they also expect more from the buying experience. They expect multiple buying options for where they buy (online, physical stores, direct sellers) and how they buy (purchases versus subscriptions and other “as-a-service” models).

Inefficiencies, manual processes, and lack of visibility from legacy solutions and disparate home-grown systems prevent CPG companies from scaling business and developing **new business models**, such as omnichannel, direct-to consumer, and subscriptions, which they need to keep pace with their competition.

Expectations can be exceeded when the technology you’ve embedded in your business delivers real-time insights by connecting the front-and back-office processes. Advanced technologies such as cloud, AI and data analytics will be table stakes for CROs, COOs, CSCOs and CFOs who want to leverage built-in analytics and tightly link feedback from customers, consumers, products, suppliers, and factories to promote innovation and speed time to market. Moving to connected cloud solutions allows them to:

- ✓ Launch new business models, like omnichannel commerce, and generate new revenue streams to drive growth and profitability
- ✓ Cross-functional teams have access to unified data across business processes to gain a holistic view of customers, orders, inventory, and pricing and uncover profitability drivers.
- ✓ Increase brand loyalty with personalized customer and consumer offerings
- ✓ Faster issue resolution by enabling full visibility of data at every touch point
- ✓ Deliver a seamless and positive customer service experience through end-to-end visibility of order management and execution.

### BISSELL adopts faster and more connected process with Oracle

BISSELL went from fragmented legacy systems to a faster, seamless, more connected process with Oracle Cloud. They gained flexibility to tweak plans as needed and adapt to changes in the market. After the pandemic, a larger percentage of its sales coming via its online channels.

A PwC survey shows the majority of CEOs (61%) say their business model will be more digital in the future—a change accelerated by the pandemic.

—PwC, ["CEOs: Post-Covid changes are permanent and there are more to come."](#) 11 August 2020



## 2. Enhanced customer satisfaction with resilient supply chain

To survive the next crisis, CPG companies must be able to respond quickly to changing demand, supply, and market conditions. CSCO, CFO, CIO and COOs are investing in cloud solutions connecting their supply chains to create a resilient operating network. This enables them to optimize operations, enhance visibility across supply chain, help make better decisions around supply planning, procurement, inventory, demand forecast, logistics and workforce planning.

The key lies in integrating front-office and back-office systems. When you digitally connect data and processes across the entire company—from omnichannel sales, order management, procurement, and planning to warehousing, transportation, and workforce management—you can significantly improve the operations of your supply chain while up-leveling customer and employee experiences. Cloud based solutions allow CPG companies to:

- ✓ Gain full visibility into and control the flow of goods across your company and global supply networks
- ✓ Find patterns and insights in the entire distribution network to achieve optimal inventory levels and working capital investments.
- ✓ Adapt quickly to changing market conditions and increase customer satisfaction.

### Mondelēz adopted an agile mindset with Oracle Fusion Cloud applications

Mondelēz International accelerated and embedded innovation into its delivery networks by switching to Oracle Cloud SCM, running real-time simulations and taking immediate actions.

"70% of companies focus on improving supply chain visibility, and 80% look for ways to be more agile."

—IDC, ["The Agility Imperative: Technology's Role in Finance and Operations"](#)

### 3. Strong brand loyalty

Consumer loyalty continues to waver as they ask for better service, personalized offerings and more transparency around sourcing, manufacturing practices, packaging, and sustainability. CPG companies must be able to harvest intelligence from customer experience, operational, and product data and personalize the engagement with the end consumer. To outperform competitors CRO, CFO, CIO and COOs in leading CPG companies are connecting their supply chains to create a consumer-centric go-to-market strategy and a sustainable supply chain. This enables them to optimize operations, enhance visibility across supply chain, help make better decisions around supply planning, procurement, inventory, demand forecast, logistics and workforce planning.

At the same time, they face challenges to meet new expectations around environmental, social, and governance (ESG) standards and respond to climate change concerns. In a 2021 McKinsey & Company survey,<sup>1</sup> 22% of respondents said they generated value from sustainability initiatives over the past five years; nearly double that number (40%) expect to generate value in the next five years.

By making strategic technology investments and moving to the cloud, you can reduce energy consumption by 65% and carbon emissions by 84% or more, according to Accenture research.<sup>2</sup> You can also create resilient, sustainable supply chains to meet the following challenges:

- ✓ Increase brand loyalty with personalized customer and consumer offerings.
- ✓ Faster issue resolution by enabling full visibility of data at every touch point from manufacturer to distributors.
- ✓ Deliver a seamless and positive customer service experience through end-to-end visibility of order management and execution.
- ✓ Deliver social benefits related to eco-efficiency through lowering carbon footprint, reducing fuel consumption, emissions and eliminating waste

#### SPECIAL.T by Nestlé enhances customer experience using Oracle

With more than 2,000 global and local brands, Nestlé is using Oracle to help improve their customer interactions. Managing their customer interactions with Oracle CX Service, enables them to move very quickly, implement best practices, features, and functionalities to optimize their customers' digital experience.

<sup>1</sup> McKinsey & Company, "[How companies capture the value of sustainability: Survey findings.](#)" April 28, 2021.

<sup>2</sup> Accenture, "[The green behind the cloud.](#)" September 22, 2020.

## 4. Increased operational efficiency and reduced costs

Rising costs have led to inventory shortages, fulfillment delays, and dissatisfied customers. To bounce back, COOs, CFOs and CIOs are looking to increase automation in order to optimize their processes, people, inventory and data in order fulfillment, warehouse management, rebate programs, and other areas. Shifting from manual, disparate, siloed systems and investing in unified, automated digital applications that offer real-time visibility, ensure compliance, and provide predictive analysis, will help increase operational efficiency.

Leading CPG companies are adopting smart manufacturing. Advanced technologies such as the cloud, AI, and machine learning (ML) can help CPG companies speed up business processes, better manage supply chains, cost-effectively improve logistics and increase efficiency. Cloud solutions allow CPG manufacturers to proactively manage their complex mix of channels, products, and pricing while gaining real-time visibility across their supply chains. This move also allows them to:

- ✓ Automate repetitive manual excel based process to free up expensive employees to focus on more cognitive tasks.
- ✓ Increase automation in order fulfillment, rebate program management, warehouse management, and transportation management.
- ✓ Connect processes across the product lifecycle for faster innovation
- ✓ Adapt quickly to changing market conditions and increase customer satisfaction.

### The Wonderful Company improves efficiencies with Oracle Cloud

The Wonderful Company eliminated a lot of manual processes and automated operations, from front-office functions all the way to back office and transportation and logistics, to improve efficiencies.

## 5. Improved recruitment and retention of talent

Continuing challenges with recruiting, training, and retaining the right talent, as well as labor shortage in the entire back-office organization was made worse by the pandemic and an aging workforce. In 2021, 47.8 million workers quit their jobs<sup>3</sup> an average of nearly 4 million each month. That's the highest average on record, topping the 2019 average of 3.5 million. The competition for top talent is fierce.

To meet growing labor requirements, CPG companies need strong recruiting, HR and talent management tools to capture the skills that define the most critical roles, and the key qualifications that best differentiate talent both external for recruiting but also internal for re-skilling and up-skilling. The CHRO and HR executives who seek to attract and retain talent and re-skill the workforce must elevate the employee experience. Digital technology solutions can provide personalized employee programs to provide specific and immediate assistance to employees. Automated digital platforms can ensure compliance with regulations and safety.

Investing in the right technology allows them to:

- ✓ Recruit the right talent, and onboard quickly with personalized, embedded, guided learning
- ✓ Understand talent pipelines and pools to prevent shortages
- ✓ Use workforce planning to design the optimal resourcing strategy
- ✓ Run business on a single platform and minimize complexities
- ✓ Ensure compliance with regulations and safety standards

### [Hormel drives stronger performance with Oracle Cloud](#)

With Oracle Cloud EPM, ERP, and HCM, the global food company modernizes and connects its core systems to drive stronger performance.

Organizations that invested in digital transformation technologies in 2020 saw a 20% increase in employee productivity.

—IDC, [“Employee Experience and Customer Experience – What is the Connection?”](#) September 17, 2021.

---

<sup>3</sup> SHRM, “Interactive Chart: How Historic Has the Great Resignation Been?” March 9, 2022.



# Tying it all together

Ultimately, CPG companies that will be most successful at managing change are the ones that tackle it head-on. Leaders in the industry are turning to connected cloud applications to:

- Generate new revenue streams and accelerate time to market
- Enhance customer satisfaction with resilient supply chain
- Strengthen brand loyalty
- Increased operational efficiency and reduced costs
- Improve recruitment and retention of talented employees

The pace of change isn't diminishing anytime soon. But when armed with the right technology, you'll be ready to turn that change into opportunity.

See how Oracle Cloud solutions help CPG companies digitally transform to meet new challenges.

Visit the site <https://www.oracle.com/industries/consumer-goods/>

Connect with us

Call +1.800.ORACLE1 or visit [oracle.com](https://www.oracle.com). Outside North America, find your local office at: [oracle.com/contact](https://www.oracle.com/contact).

 [blogs.oracle.com](https://blogs.oracle.com)

 [facebook.com/oracle](https://facebook.com/oracle)

 [twitter.com/oracle](https://twitter.com/oracle)

---

Copyright © 2023, Oracle and/or its affiliates. This document is provided for information purposes only, and the contents hereof are subject to change without notice. This document is not warranted to be error-free, nor subject to any other warranties or conditions, whether expressed orally or implied in law, including implied warranties and conditions of merchantability or fitness for a particular purpose. We specifically disclaim any liability with respect to this document, and no contractual obligations are formed either directly or indirectly by this document. This document may not be reproduced or transmitted in any form or by any means, electronic or mechanical, for any purpose, without our prior written permission.

Oracle, Java, and MySQL are registered trademarks of Oracle and/or its affiliates. Other names may be trademarks of their respective owners.