NTT DaTa

CONSUMER GOODS

FROM CHALLENGE TO PROFIT IN A CHANGING CPG MARKET

WHITE PAPER

SAP Global Partner

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A CHANGING CONSUMER MARKET

Every part of the consumer market is changing, and it's not just because of the pandemic. The fact that many retail and hospitality outlets were closed for months on end certainly had an impact, but this simply accelerated changes that were already happening in most developed economies.

As a global technology company, we have a broad view across many different markets and this breadth of know-how means that we can identify trends in key areas, such as global supply chains omni-channel development and smart manufacturing. We believe these insights can and should prove useful to our clients in the Consumer Goods market.

That is the reason why we have prepared this paper: to present our point of view, suggest actions that could be relevant and start what we hope will be a useful debate. Here is our view on the big forces changing the market.

Brand evolution

Brands develop over many years, sometimes decades: Coca Cola, for example, appeared in 1886 and its formulation did not change in any major way for over 100 years (even now, the key ingredients remain -almost- exactly the same as on day one). Consumers get to know and trust these products and the "package" of design style, name, value proposition and experience that form the brand. They are willing to pay a price premium for the brands they like, which is why, despite their intangible nature, brands often appear as a large value item on corporate balance sheets.

Things are changing, now. Consumer tastes evolve at higher speed than in the past, so they are ready and keen to see new variants, each of which represents an investment cost and a brand risk to the business concerned. Consumers are also much better informed than in the past. They can find out what natural resources are used in specific products, and how they are made and transported. Consumers are far more health and environmentally conscious than in the past, and they are making their opinions felt strongly.

Brands can and must respond to this kind of close scrutiny from consumers, with changes that go far beyond new packaging. We are seeing major reformulations taking place to address concerns about allergens, excess use of salt or sugar, and other concerns, as well. Brands need to be more transparent and they also need to consider the fundamentals of sourcing and manufacturing.

One other point we need to consider is this: consumers want the ability to buy anytime, anywhere, any way they want. This no longer a "special" service but is seen as a basic right and necessity. **That trend is now even being extended across other B2B customer nodes.** This is also a challenge for some brands. And one more issue: we are seeing a steady rise in uptake of white label products, many of which are becoming more competent, higher quality and in some cases, associated with brands of their own (normally trusted retailers). Depending on the market segment, this is becoming a strong influence on brand profitability.

Finally, we need to consider how reduced brand loyalty is connected to the shopping experience, which is increasingly mediated by technology. Customers want to feel a strong sense of ownership and relevance when they decide to make a purchase. **Both customers and consumers** want to feel that the brand experience, from marketing to purchase to use, is positive and relevant to them as individuals. Promotions and sales management are important factors here in giving them this experience.

Channels to market

All of us are aware of how much the retail landscape has changed, no matter where we live or what our tastes might be. Some of us have lived through at least two retail revolutions already (from smaller shops on the High Street to Out of Town mega stores; from local brands to globalised mega-brands).

Now we are all being caught up in the latest, technology-driven change, in which omnichannel shopping is the absolute norm, with online ordering the default for many people and many items.   It is hard to over-emphasise the importance of this change, because it affects everyone and every segment.

For consumer goods companies, it is now important to scrutinise and critically examine every aspect of operational and brand management practice, and probably to change many of them. Data is now more than ever the defining factor in consumer product success, enabling richer and more profitable consumer relationships, while also helping to manage channel priorities better than before.

Digital channels come in many different varieties, including platforms that are collaborative in nature and not completely controlled by any individual brand. Managing in this hybrid, evolving environment brings its own challenges, which consumer goods companies need to master.

The hospitality market gives us a good example of how digitization is starting to work. In the past, sales channels into bars and restaurants focused largely on basic price and potential discounts. NTT DATA has been working on several initiatives to integrate the different value chain agents, such as brands, distributors and bars. This allows them to collaborate in understanding all relevant requirements, including consumer tastes and trends, looking for win-win relationships. B2B2C platforms, enriched by digital enablers (such as IoT, AR/VR, UX, chatbots and voice assistants) are driving efficiency and loyalty, while shared data with better analytics improves targeting, delivers higher consumer satisfaction and also builds profits for all.

Value chains and logistics

This is a period of unusual uncertainty in management of supply chains, and the main factors for this are both political and environmental. Globalisation has led businesses to outsource manufacturing of many items to countries where labour costs can be kept relatively low. This was done on the assumption that global logistics arrangements would not be subject to disruption and costs would stay low.

In practice we are seeing some major challenges to these assumptions. Political difficulties are placing some aspects of globalisation in question, which increases risks in extended supply chains. There is a modest but growing movement to "repatriate" some aspects of product manufacturing as a result of this, while the environmental costs of sea-borne freight, which have been hidden for a long time, are now becoming more clear.

Some aspects of supply chain management are now being looked at in depth by the entire consumer goods industry. In particular, we can see a drive to improve agility, enabling faster response to short-term changes, while "last mile" challenges are also high on the agenda. In particular, we are seeing a greater focus on how logistics have to adapt to more intense use of digital channels, which demands faster response and greater flexibility than before.

Manufacturing transformation

The move to Industry 4.0 **methods is also relevant on consumer goods production.** Marginal cost savings at every stage has a disproportionately larger effect when the unit price is low.

We also need to consider the fact that a high proportion of the consumer goods market comprises food and drink of different kinds. This sector is intensely sensitive to concerns about health and the environment, and that means manufacturing methods need to be continuously refined to reduce wastage (in the core products AND packaging); enhance quality; and cut down on use of power and consumables.

In these areas of business, therefore, companies need to improve operational efficiency, just to stay competitive while, at the same time, refining methods, ingredients, formulations and handling methods, just to meet consumer expectations around environmental performance.

They also need to innovate faster than before, which raises questions about traditional R&D methods and the potential for ecosystem working. We can expect to see much higher levels of automation than before and richer uses of data to establish product pedigree, enable multiple production assets to be managed from a single control area and drive much higher levels of operational efficiency.

Smart manufacturing will always be largely about costs and efficiency but, in the future, this will always need to operate within the environmental context. Meeting "circular economy" expectations and delivering a step change in "green" operations will be a basic requirement.

SIX STEPS TO LEADERSHIP

Consumer goods companies will have a lot of difficult decisions to make in the years ahead, and the market climate will remain unpredictable throughout. Whatever their business model and sector focus, we are confident they will concentrate on these four priorities.

Commercial Excellence

This is the term we use to cover every activity related to sales, marketing, relationship building and expert knowledge of channels and how to maximise their value. We focus on three key areas:

- Retailers and the channels to market.

- Promotional and marketing spend, and how to optimise this.

- Processes related to Sales Force Automation and retail execution, and how to make these as efficient and transparent as possible.

As we investigate the forces that are changing these three areas of activity, we need to remember that there remains a clear split between trade channels and off-sales, and also between "takeaway" food and drink and retailers. Different techniques apply to each of these channels and will prove more appropriate for some uses than for others.

While keeping these variations in mind, let's take a closer look at each of these and see how we can use the full toolkit of data, analytics, process management and emerging techniques, such as gamification, to maximise revenue and minimise costs.

*NTT DATA has supported several of the world's leading CPG companies (Brewery, Foods, Beauty Care), on their Commercial Excellence journeys. This involves first, defining Customer Strategy and helping to plan effectively, covering definition of the Account plan at the right level of granularity, then setting-up the required activities to execute the plan. Second, providing the processes and tools needed for trade promotion management and Optimization.
Third, Sales Force Automation and Retail Execution optimization.*

■ **Retailer Knowledge.** As we have already seen, despite the decades of expert knowledge built up by consumer goods companies about retail channels, we need to accept these are changing fast and will continue to evolve, perhaps in unpredictable ways, into the future.

Today, we are able to gather richer streams of data than before, using conventional means (sales, margins, demand trends) but also automated methods, with social media commentary, advertising trends, competitor product results, IoT data to show footfall, product selection, speed of movement through outlets, choices made for "on sales" as well as conventional retail, and trends across different outlets, brands and channels (online, face to face, off and on sales…).

By using advanced analytics, it is possible to build up a very accurate view of retail channel health and consumer preferences as they develop and emerge.

*A global beverage company, with a well-respected and universally recognised brand, needed to boost their sales in glass. NTT DATA supported them by: first, capturing and integrating all relevant information into a single data lake. Second, applying advanced analytical models to the data, enabling the business to understand and hyper-segment their clients. This helped them to identify the potential for increased glass consumption and propose methods for achieving this.
Third, designing and articulating a loyalty programme to frame the promotional activity needed to drive the targeted growth.*

■ **Promotions.** This is perhaps the strongest and most useful of all the tools at a consumer goods company's disposal. It enables companies to intervene actively in marketing activity, identifying the options that work best and, backed by the analytical insights covered above, enables much more agile, targeted and efficient activities.

Companies today can use personalised methods, enabling core propositions to be repurposed for multiple audiences, many of which are extremely specific in nature. Advanced management tools enable real-time views of which investments are performing best, permitting rapid reinforcement of some, adjustments or even termination of others, with continuously improved insights on what works best, where, when and how.

Creative teams can be directed by granular insights, leading to better ROI, while new techniques, such as gamification, can be deployed to strengthen impact and improve outcomes. Gamification and digitization go together, with digital channels becoming even more engaging to consumers through use of smart, well-designed and effective tools for winning the attention and support of consumers.

For promotions to the trade we are seeing:

■ Companies adding new services to basic products, with the aim of building intimacy and strengthening the relationship with customers.

■ Businesses seeking ways to build a 360 degree view of consumers, millions of them, by aggregating data from as many sources as they can to build deep insights and enhance targeting.

■ Procedures and tools to improve customer account planning and its follow-up and more accurate trade spend allocation and promotion management.

■ Loyalty programmes becoming more creative and ambitious, while positive feedback is used to attract attention and build more greater loyalty.

For consumer promotions the emphasis is on a Direct to Consumer (D2C) strategy, in which they use the full range of communications and entertainment technologies to develop new experiences to encourage greater loyalty. Here we can identify such ideas as:

■ A combination of gaming and advertising/collaborative interaction being used to develop greater customer intimacy, awareness and knowledge.

■ High profile toy businesses moving into the mainstream film and TV business, as all of us who have children are very much aware.

One of the world's top consumer brands has worked with us to develop a game that enables consumers in hypermarkets to search for and identify virtual items (smart "bubbles") in different store locations, using their smart handheld device. Once a certain number have been located, the person owning the device can be automatically entered into a prize draw. This is an engaging and fun game with several purposes: it connects the consumer to the brand, it offers a cash reward and it also encourages exploration of the hypermarket location. A smart way to promote both brand and retailer, costs are shared and rewards are significant for all.

- **Sales force Automation and Retail Execution.** Consumer product sales used to be labour intensive but conceptually simple, involving a sales force that had to visit numerous outlets each day, make sales and take orders. Today, the process is focused, precisely managed and transparent, as close to real time as possible, across national and even international markets.

  Using advanced management systems and analytics, we will help retailers to build a constantly updated account plan, which does not just set achievable targets but defines the most precise actions (promotions, communications, product mix, deliveries, consumer targeting and engagement…). Sales teams now are managed for results excellence, with a strong emphasis on improving the positioning of brand categories on store shelves, backed by point of sales activation, all aimed at optimizing the ratio of sales to square metre. These are the basic essentials for getting that "perfect store".

  This will require collaborative work between central purchasing in the retailer concerned, jointly developed promotions, hands-on activity inside each key location and continuous monitoring of what is actually happening, from flow of goods to sales achieved. The plan is never set in stone: constant updates will take place as the results come through, leading to a constantly enhanced, better targeted, better performing sales activity.

Salesmanship is still relevant, but modern retail execution depends on a growing range of new technology tools for success. These include data and analytics, of course, but also voice assistants (always on hand with information and advice), smart algorithms (to assist decision-making) and increasingly Artificial Intelligence, to automate best practice and ensure consistent execution excellence.

One of the world's leading consumer goods businesses, with interests in markets as diverse as home care to food to personal care, has worked with NTT DATA to improve the efficiency of its salesforce. A digital assistant, available via handheld devices, provides best practice informationabout the retail outlets that sales personnel are visiting, and also shows best options for prompting positive responses to sales propositions. This new tool greatly enhances the day-to-day work of the salesforce, their on-boarding process and their transformation from "order takers" to "portfolio recommenders", driving both efficiency and revenue growth.

Agile Supply Chain

Every stakeholder in the market is acutely aware that supply chains cannot be taken for granted. Long term planning is vital, to be sure, but unexpected changes will disrupt even the most effective plans, and companies must be ready for more or less anything.

Ensuring that millions of product items are moved to exactly the right place, at the right time, without disruption and at relatively low cost is a huge and complex undertaking. It only takes one or two emerging issues (such as a shortage in HGV drivers or disruption in global logistics) to cause major problems in retail outlets.

Today, it is essential to manage supply chains as interconnected, integrated systems, and it is only possible to do that through access to rich, close to real time data from right across these extended networks. Short term disruption will pass in the end, but need to accept that higher levels of volatility may be either permanent or at least much longer-lasting than we had originally assumed.

Technology tools developed and optimised by NTT DATA are used to capture transactional information from right across the supply chain, building a single "picture of the truth" in real time. Data gathered in this central "control tower" includes orders from the sales channels, inventory status at any given moment, production orders with suppliers worldwide, and up to the minute views of all shipments, enabling client companies to be clear about where each stock item is at any given moment.

By deploying analytical tools to this rich data, it becomes easier to see exactly where the most urgent issues are and rapidly formulate strategies for intervention, addressing problems, making best use of resources and ensuring that market share is protected, even at difficult moments. No matter what happens in the wider supply chain, this approach is playing a vital part in helping consumer goods businesses achieve their three main priorities:

- **High service levels.** The goal is always to reach the highest performance levels possible in service, with levels that are at or close to 98% customer satisfaction. One key factor in reaching this level and staying there is control tower alert generator, which identifies emerging problems, from stock availability to delays in delivery. Based on established business rules, this management tool can, to give one example, identify a potential shortfall in store of a product featuring in a promotional campaign. The issue will be automatically marked for instant attention, enabling fast response and safeguarding service levels.

- **More efficient logistics.** The current problems felt worldwide in the logistics chain will not go away quickly. There is a built-in shortfall in qualified drivers and increasing strain in a system that is struggling to deliver business as usual results in these unusual circumstances. The control tower analytics can mitigate these issues, while keeping costs coming down by analysing both optimal routes and delivery options, calculating stock and cost analysis scenarios to keep margins high by prioritising the right outlets for early delivery.

- **Faster incident resolution.** The most essential requirement of all is to establish integrated workflows that provide real transparency about developments across the supply chain. Data analysis can reveal emerging issues, and these can then be communicated by the control tower to every department that has a part to play in resolving them effectively. This approach ensures not just identification of problems early, normally before customers become aware of them, but also resolution through effective, rapid action.

A global beauty company wanted to find the most effective way possible of managing two key sources of volatility in their Supply Chain. These were supply issues with their vendors in one key category (glass packaging) and demand variability in the Travel and On-line channel. NTT DATA collaborated in developing an alert generation system, and in the re-organization and operation of a Control Tower across Customer Service, Supply Chain and Procurement. This integrated solution now gathers alerts and responds effectively to them, leading to service level improvements, both for customers and production.

Today, consumer product companies have a growing range of technology options available to them, focused on operational efficiency and excellence. By combining all of these different but interoperable techniques and systems we can help companies to reach higher levels of efficiency, reducing costs, increasing agility and enabling more accurate targeting.

In addition to these changes, Blockchain technology is being used to provide a "pedigree" for each individual product, while also enabling greater automation at handover points across the chain. As supply chains become more complex, the combined ability to manage all data related to product and component movements and the ability to guarantee the integrity of physical products at every stage will become increasingly important. The NTT DATA control tower does exactly that.

For a global food retailer, NTT DATA has developed a Blockchain-based traceability solution to manage and assure the integrity of fish being moved across a global supply chain. Every step in the chain is validated, with a distributed data ledger used to ensure that no interference can take place. Consumers can trust the pedigree of each item they buy and consume, and this enhances the brand value of the supplier and the retailers they deal with.

Smart Factory

Consumer goods manufacturers are continuously searching for ways, not just to make their industrial processes more efficient, but to extract data generated as a direct result of manufacturing and use this to improve their decision-making. Automation in the factory is now being enhanced by hyper-automation across wider value chains, enabling fast decision-making via Edge devices, while also permitting effective control of asset fleets from a single, central location.

Use of AI and digital agents can simplify and accelerate process stages, and enable faster data flows between them, while procurement and purchasing functions can monitor supply chain developments and switch buying of ingredients and components rapidly, as required, to ensure fastest, most efficient and low-cost supply.

A leading manufacturer of chilled foods wanted to improve visibility, efficiency and control over their factory operations. NTT DATA benchmarked operations, then designed and implemented an enhanced Manufacturing Execution system to drive standardisation, improve yield, reduce waste and delivery better, clearer traceability.

Manufacturing is a vast topic and one that NTT DATA has covered (and will continue to cover) through other white papers. For consumer goods companies, we believe the key is to integrate and manage operations across three key operational areas:

- **Industrial data layer.** This is the heart of modern manufacturing, where the basic processes are being increasingly interconnected and automated. We see systems of record (Supply Chain Management, ERP, MES) increasingly interfacing in real time with semi-intelligent Edge devices, gathering real-time data and making individual processes more data driven than ever.

Where we may have needed large groups of expert engineers managing production assets on multiple sites, we can now see greater logical and physical integration, making all processes more efficient and centralised. Industrial data is produced as a natural by-product of operations, leading to collection of data that can be vitally important, once analysed, for establishing product pedigrees, enabling production enhancements and predictive maintenance of assets.

■ **Augmented intelligence.** This is an area of growing importance in all aspects of manufacturing. In every sector, companies are starting to move from basic scenario planning to use of digital twins as a way of rapidly testing multiple production and delivery options, using these advanced simulation techniques to build the best and most efficient strategies without the need for trial and error. Predictive planning becomes easier, while the use of Extended Reality (XR) and Artificial Intelligence (AI) in place of conventional interfaces, makes it easier for production personnel to manage multiple assets more efficiently and enables higher levels of both automation and security.

NTT DATA has developed and implemented a security control system based on IoT devices and sensors, enabled by smart algorithms and Artificial Intelligence, designed to improve security in factories and warehouses. Cameras are able to detect personnel at risk of accident (for example, because they are out of the established security zones) and react by generating alarms and even stopping connected vehicles.

■ **Hyper-automation.** As key processes and management tools become more integrated, so we can see a rapid rise in use of hyper-automation across complex systems. This means enabling significant decisions to be made automatically, without intervention from humans.

This process will continue and probably accelerate as use of AI increases, and intelligent agents are more widely used across the manufacturing processes. The full power of this automated approach will be seen as integration happens between agents in manufacturing, supply chain and channel management, bringing machine intelligence into every aspect of the relationships between consumer goods companies and their customers.

Agile Finance

This is the critical enabler for every other change. Finance also has to evolve and become more viable as a tool for operational excellence and competitive advantage. We believe there are two priority goals for finance departments as they aim to serve their businesses better in a time of such rapid change. Both of these require a more end to end view of the entire business and its range of interests, backed by more agile processes and the ability to use advanced and emerging techniques, from RPA to Blockchain, and from AI to advanced analytics. The two key focus areas are:

- **Sustainable growth model.** It's the first rule for any business, the need to ensure that there is a long-term future by becoming in every way more sustainable. Data is at the heart of all this. We need to see finance departments moving to continuous closure models, for a real time view of the financial truth at any moment. ERP needs to evolve significantly and also extend its scope. We expect to see more data integration, with a wider range of data points across the value chain. Better and faster decision making should be ensured by uptake of hyper-automation and use of machine intelligence. All of these factors, if properly managed, should make the business more agile and competitive, with a better long term future.

- **Agile information provision.** This approach used to be characterised as becoming a "real-time enterprise", with relevant data always available across the business, when and how required. We expect to see the rise of dynamic budgeting, much more accurate cashflow forecasting and digital reporting, in multiple formats to suit each potential user.

Data Driven Company

All of these changes, together with so many of the others we have dealt with, require development of a new approach to data. This will involve such technologies as Blockchain, AI and advanced analytics. The two key focus areas are:

- Building new analytical models based around a specialist analytical services and data office, charged with unlocking greater value from data for the benefit of the entire business.

- Developing a resilient, effective data architecture. That means establishing tools and methods for secure, fast and transparent use of data.

- Data literacy and culture. This is the hardest but probably the most important factor of all. It is essential to change the entire culture of the business to make data a higher priority. This will feed through into recruitment, as the business comes to realise that some new kinds of talent will be needed.

Summary

The consumer goods sector operates at the leading edge of key technologies, in supply chain, manufacturing, data analytics and communications. That's because the industry, in all its variety, is based on building and constantly strengthening close relationships with millions of customers.

It is essential to know those people as groups (both large and very small scale) and as individuals, so leadership in data gathering and analytics is essential. It is equally important to be highly responsive to changing tastes and preferences, which makes it vital to show responsiveness and agility in everything from sourcing to manufacturing processes to supply chain fulfilment.

Many consumer brands are long-established, even traditional in nature. The greatest and most important of all consumer production segments is in farming, which is the oldest industry of all. Yet innovation, agility, speed and complete command of emerging technology is a basic requirement for competitive performance in the consumer marketplace now and in the future.

Finally, let's take a look at the role of consumer goods companies in driving improved environmental performance. All those companies engaged in food and drink production, and especially those engaged in the "Primary Sector", have particular responsibility for improving general environmental performance. They are also on the front line of helping to foster better health among our populations, and the pandemic has shown how important that is for safeguarding society from unexpected threats.

Yet these issues do not just relate to food and drink: all consumer product companies need to find ways of using improved operational efficiency as a driver for lower energy use and greatly reduced carbon emissions. That leads to major benefits for the planet, for their own brands (which become more credible and attractive as a direct result of improved environmental performance), and in competitiveness (with reduced costs leading to improved profitability).

There is now and will always be a strong focus on the consumer goods sector around all aspects of environmental wellbeing, from sourcing if raw materials, to human health to fair treatment of producers and workers. The industry needs to be mindful of this and work with partners that have a proven commitment in this area.

One of the world's largest consumer products companies is working with NTT DATA to implement a highly intuitive, global solution for managing corporate social responsibility and environmental policies and initiatives. The solution enables fast measurement of performance and automated reporting for synching up with data from all other CSR initiatives. This produces an accurate, real time view of environmental performance, enabling better strategizing and programme design.

NEW TECHNOLOGIES, FRESH THINKING

We have briefly introduced the four areas of business that must and will always be the top priorities for consumer product and service companies. We have also shown how ongoing projects are already leading to better performance in these key areas.

What is starting to change now, however, is the way that often very new technologies are becoming fully integrated with core production systems to drive large strategic changes across every aspect of a company's operations. Innovations, in other words, are not designed to improve results "around the edges" or in niche areas, but are transforming performance of core systems. This is how we know that strategic changes will be fundamentally transformative and permanent.

Most of the leading CPG companies were tackling big transformation programmes fifteen to twenty years ago, focusing on integration and standardization of their core processes, normally supported by implementation of an ERP solution, with SAP as the clear champion.

That model has evolved a lot since then, with CPG companies adding new components to their application landscapes, including applications, solutions or components to cover key activities such as CRM, SCM, PLM and MES. These strategies have not necessarily followed an homogeneous "SAP centric trend" as for ERP, but often still have SAP as the core component for integration with other apps and solutions.

These days, major transformation activities will probably not be based on large scale, "once and for all", single solution programmes. Markets are evolving at speed and in often unpredictable ways, based on volatility in several different dimensions at the same time, including finance, raw materials, changing customer needs and trends, environmental constraints, and technology developments. CPG companies and their different business units need to have the flexibility and agility to respond fast and cover all potential change factors.

1. Almost any business transformation needs to be enabled and/or supported by a mix of functional knowledge, technology capabilities and methodological knowhow.

2. The CPG technology is now extremely broad in terms of application types (ERP, CRM, MES, PLM, SCM, Digital Workplace, B2B2C solutions…); solution providers (SAP, Salesforce, Microsoft, best of breed, custom…); infrastructure (cloudification), and from the horizontal digital tools (such as IoT, Blockchain, AI, AR/VR, 5G and UX).

3. Projects are not always executed using waterfall techniques. New methods are now applied depending on the initiative, itself and expected Time to Market (Scrum, Kanban, MVPs, PoCs…) requiring new roles (including Product Owners, Scrum Masters, Tribes, Squads).

The NTT DATA CPG team (which includes more than 2000 Consumer Goods experts worldwide), together with our core Business and IT capabilities, is continuously innovating and developing its ability to add value to CPG companies as a reliable collaborative partner. We believe that key focus points for CPG in the near future will include:

Capturing data and transforming this into insights that support decision taking. Depending on the current status of each individual company, this is likely to require evolutionary change in Data Governance and Organisation, Culture change, Architecture (single data lake, data lake by function/application, mixed…), new skills (for example, employing more data scientists). Our NTT DATA Advanced Analytics Center Of Excellence is already supporting CPG companies on this path.

Platforms, which integrate different applications and solutions in specific areas of activity, will become more important. Examples are likely to include Supply Chain Control Towers and B2B2C platforms, and Digital Experience platforms, that bring together mobile apps, voice assistants, webs and other related components. These platforms will be developed as a meta-layer of core applications, and will play a key role when driving user experience and efficiency. Several NTT DATA collaborative teams (in User Experience, Customer & Digital, SAP Cloud) are playing a key role in creating concepts, developing solutions and implementing them.

To achieve and then maintain high levels of Commercial & Operational Excellence, all core business solutions, ERP and the others, such as TPM, SCM, PLM, MES, must continue to evolve, regardless of the supporting technology behind.

ERP is at the heart of these solutions, and SAP is the leading system of record within the CPG sector. A practice of +20.000 SAP NTT DATA consultants works on three lines in parallel:

- Ensuring the performance and integrability of SAP-ECC (Proprietary SAP FCMG items solving subsector specific issues, SAP Cloud Development enhancing current functionalities, lean integration with non-SAP applications…) on ecosystems that have not yet moved to S/4HANA.

- Supporting CPG companies during their transition to S/4HANA, from definition of Business case and Strategy to implementation, no matter which approach is chosen, from green field to pure technical migration.

- Collaborating with SAP to design, optimise and implement integrated solutions that deliver the agility and scalability of Cloud, backed by the industrial-strength design and build capabilities required for robust solutions in a complex marketplace.

When talking about other applications, Our Operations Center of Excellence (SCM, PLM, MES) and the CPG Commercial Center of Excellence both focus on supporting the evolution of those areas for our clients. We do this by combining deep functional expertise and skills covering all the leading solutions in the CPG sector.

We have different collaboration models to govern how we work with clients, from standard project design and implementation through to the highly innovative methods used in such complex and demanding requirements as setting-up Digital Factories, in which multi-disciplinary teams (Business, Technology, Methods) from NTT DATA and our clients drive transformation with an holistic end to end approach.

NTT DATA already works for some of the largest brands in the world, including Unilever, Coca Cola, Heineken, L'Oreal, Nestle, Kraft and many others.

Our job is to combine the global scope, power and innovation of SAP, with leadership in both data management and Cloud, backed by strong industry knowledge to build the right solutions for businesses competing in a changing market.

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