

# CPG 4.0:

## Executive Summary

## Are you at the right side of the digital revolution?

Evolving consumer expectations and explosion in personalized buying choices have placed consumer packaged goods (CPG) companies at the tipping point of a digital revolution.

The growing relevance of private labels is reducing the dominance of category leaders and making it tougher for fledgling brands to survive. Additionally, consumer packaged goods brands have a new set of market challenges:



Diminishing returns on traditional channels



Ever-widening choice of assortments to manage



Increasingly complex and distributed supply chain



Focus on health and sustainability

### US CPG Market share shift from 2017 - 2019

Private Labels **4.3%** ▲

Niche Brands **1.7%** ▲

Large Brands **1.5%** ▼

McKinsey & Company

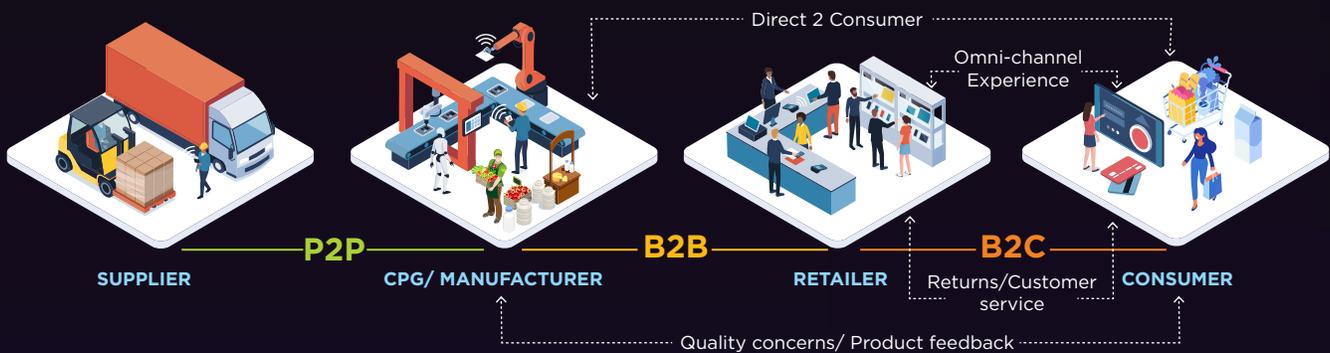


Out of stock instances happen due to defective Retail Execution

Results to a loss up to 3.9% to sales due to poor on-shelf availability



It is imperative for consumer packaged goods (CPG) organizations to reinvent themselves into an agile enterprise with flexible manufacturing, adaptive supply chain, and capabilities to make intelligent data driven decisions for pricing, promotions, and portfolio mix. In a nutshell, every touch point in the CPG value chain needs to transform and adopt innovative solutions to create business differentiation and digital transformation.



- Adaptive supply chain
- Collaborative planning and forecasting
- Optimized and automated procurement
- Concept to launch new products

- Intelligent fulfillment
- Personalization of products
- Transparency of product information
- Strategic promotions
- Smart retail execution

- Omni-channel commerce
- Technology modernization in stores
- Personalized campaigns
- Customer lifecycle management
- Increased focus on social media

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# Have you embraced the right capabilities to accelerate your growth?

While technologies like AI, big data, automation, and IoT are the building blocks of digital transformation, it takes more than technology for a holistic transformation. Technology must be applied in the context of an organization's unique business process and customer journeys to help realize the ever-elusive productivity gains and meet consumer expectations of hyper-personalized experiences.

The principles of industry 4.0 provide a framework for utilizing digital technology innovation with data-driven insights to help organizations innovate beyond the product. Successful enterprises that have cracked the code to digital transformation are characterized by three common traits. These include:



**B2B Sales** interactions between suppliers and buyers will occur **through digital channels**

**Gartner**



**Customer value obsessed:** Companies that are witnessing growth have clearly demonstrated that they have put the consumer at the center of their digital transformation. These companies are always at the forefront of creating products and services that deliver unique consumer experiences. Leading organizations measure success by creating outstanding value for the consumer.



**Data-driven decision making:** Data has become a resource with critical value and significance. Successful CPG organizations leverage data to generate actionable insights based on consumer preferences, create smarter products, and take intelligent pricing and promotions decisions. These organizations can forecast consumer demand accurately and use it for flexible manufacturing, thereby creating differentiation in the marketplace and emerging as clear winners.



**Platform-centric approach to technology:** A modern technology platform plays a pivotal role in innovation thereby helping organizations create competitive advantage. Technology leaders must define a vision for technology architecture that is service-oriented, flexible, and scalable, allowing a high degree of collaboration and reusability. A platform-centric agile mindset to enterprise architecture allows considerable choices between available packaged software and building differentiated capabilities in-house. This provides for speed of execution, scalability, and strategic alignment with organizational objectives.

# CPG 4.0—Enabling **convergence of people, data, and technology**

Based on decades of experience working with global CPG organizations, our deep software engineering heritage, and significant investments in emerging technologies, we have developed solutions for the entire CPG value chain. These solutions embody the concepts of the industry 4.0 to leverage the convergence of people, data, and technology to help you in your journey toward a next-generation enterprise. We are pleased to introduce to you CPG 4.0—our arsenal of transformative solutions for your enterprise.

<p><b>Consumer centric Sales &amp; Marketing</b></p> <p>Digital Consumer Engagement</p> <p>Reimagine Retail Execution</p> <p>Smart Revenue Management</p>	<p><b>Demand Aware Adaptive Supply Chain</b></p> <p>Intelligent Planning</p> <p>Smart Execution &amp; Fulfillment</p> <p>Business Process Observability</p>	<p><b>Smart Product Manufacturing &amp; PLM</b></p> <p>Smart Manufacturing</p> <p>Product innovation and PLM</p> <p>Predictive Maintenance &amp; Asset tracking</p>	<p><b>Agile Care Digital Core</b></p> <p>HCL DRYICE for AI Ops</p> <p>S4/HANA Factory+</p> <p>Scaled Digital Execution</p>
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Discover how HCL can enable innovative solutions for your enterprise by sending an email to [rcpg.solutions@hcl.com](mailto:rcpg.solutions@hcl.com).

**Explore CPG 4.0 solutions**

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**HCL**

HCL Technologies (HCL) empowers global enterprises with technology for the next decade today. HCL's Mode 1-2-3 strategy, through its deep-domain industry expertise, customer-centricity and entrepreneurial culture of ideapreneurship™ enables businesses to transform into next-gen enterprises.

HCL offers its services and products through three lines of business - IT and Business Services (ITBS), Engineering and R&D Services (ERS), and Products & Platforms (P&P). ITBS enables global enterprises to transform their businesses through offerings in areas of Applications, Infrastructure, Digital Process Operations, and next generation digital transformation solutions. ERS offers engineering services and solutions in all aspects of product development and platform engineering while under P&P. HCL provides modernized software products to global clients for their technology and industry specific requirements. Through its cutting-edge co-innovation labs, global delivery capabilities, and broad global network, HCL delivers holistic services in various industry verticals, categorized under Financial Services, Manufacturing, Technology & Services, Telecom & Media, Retail & CPG, Life Sciences, and Healthcare and Public Services.

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