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CORE ELEMENTS THAT ENABLE TRANSFORMATION

Certain pillars stand the test of time even in the current marketplace. “New and improved” is the known mantra for food, drink, and consumer goods (FDCG) companies, the consumer will always be the most important stakeholder to a successful business, and product innovation is and always will be a mainstay strategy for growth.

But today a myriad of pressures ranging from rapidly advancing technology, empowered consumers, rising cost pressures, increased speed to market, and changes in consumer spending habits are all coming together at once. This also includes staying ahead and navigating changes in the regulatory environment, which 22 percent of respondents in this survey noted was on their agenda.

In a recent KPMG publication titled Business Transformation and the Corporate Agenda that explored the types of business transformations being undertaken and the confluence of factors that triggered them, we found that over 90 percent of U.S.-based multinational companies acknowledged being in some stage of transformation. It is clear that change has become the new normal for corporations.

Transformation is about making comprehensive changes to the business at a time when incremental shifts are not sufficient. Businesses are challenged to think holistically, to develop operating models that will empower them to respond to current pressures. Business transformation begins with defining a strategy, but it does not end there. It is important to bridge strategy and execution.

Strategy development through implementation is key to realizing a sustainable competitive advantage and generating quantifiable results.

A change of this level requires the support of leaders with an enterprise perspective. It also involves creating environments where teams must be able to collaborate and coalesce around a specific business objective and execute together, breaking down silos and driving change at all levels and across key functions.

In our FDCG Outlook survey this year, we will highlight our latest findings and shed some more light around strategic steps in order to increase the odds of successful business transformation, including the following:

- Leveraging consumer-driven technology changes to engage dialogue around protecting brand and creating product innovation
- Creating an organizational culture that fosters new invention ideas and product design
- Focusing on an agile, collaborative, and transparent supply chain
- Leveraging data more effectively to drive decision and analytics.

On behalf of KPMG LLP (KPMG), I would like to thank those who participated in this survey. I hope the findings are useful to you in addressing current market challenges and opportunities. Please do not hesitate to contact me if you would like to discuss this study and its implications for your business in the year ahead.

Patrick Dolan
National Line of Business Leader, Consumer Markets
KPMG LLP

Pat serves as the U.S. leader of KPMG LLP’s Consumer Markets practice, which encompasses our food, drink, consumer goods, and retail practices. He has 35 years of experience in the consumer markets industry.
TRANSFORMING THE ORGANIZATION –
THE NEW NORMAL

As part of their efforts to help drive profitable and sustainable growth, many companies are taking a look at the current state of their model with a transformation lens.

Q: Where are you on the business transformation continuum?

<table>
<thead>
<tr>
<th>Transformation Stage</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Started the implementation of a transformation initiative (within past two years)</td>
<td>33%</td>
</tr>
<tr>
<td>Planning a transformation initiative</td>
<td>22%</td>
</tr>
<tr>
<td>Completed at least one major transformation initiative (within past two years)</td>
<td>18%</td>
</tr>
<tr>
<td>Have completed several major transformation initiatives (within past two years)</td>
<td>18%</td>
</tr>
<tr>
<td>We are not considering any business transformation initiatives at this time</td>
<td>9%</td>
</tr>
</tbody>
</table>

Our findings show that a majority of companies are focused, in varying stages, on transformation initiatives.

Businesses that undertake transformation initiatives and are forward-looking in challenging the current state of their operations are better focused on their customer, stay ahead of the competition, and manage successful future innovations.

Business transformation has taken hold across the broad corporate landscape due to the confluence of several important triggers, including:

- A tipping point in globalization
- A major slowdown in Western economies
- Significant shifts in technology and energy costs
- The challenges of regulatory compliance
- New forms of competition.
Forty-nine percent of FDCG companies define business transformation as the continuous process of aligning our business/operating model to support our business strategy while optimizing performance.

Q: Which of the following best describes how business transformation is defined by your organization?

- Enterprise transformation projects that involve an evaluation of a cross-section of markets, products, organizations, and/or processes within the enterprise and result in new and different ways of doing business
- Continuous process of aligning our business/operating model to support our business strategy, while optimizing performance
- Localized projects within functions and processes
- Continuously evolving specific organizational areas or processes
ROAD MAPS TO PLANNING: KEY ELEMENTS

To enable strategic visions, keep up with customer demands, and keep pace with disruptive technologies, FDCG executives will be focused on operational efficiencies, technology updates, and cost reduction initiatives.

Q: In the next twelve months, which of the following operations initiatives will consume most of senior management’s time and energy?

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational efficiencies and applicable technology updates</td>
<td>52%</td>
</tr>
<tr>
<td>Cost reduction initiatives</td>
<td>47%</td>
</tr>
<tr>
<td>Staying ahead of or navigating changes in the regulatory environment</td>
<td>22%</td>
</tr>
<tr>
<td>Improvement of enterprise risk management programs/processes</td>
<td>17%</td>
</tr>
<tr>
<td>Marketing mix optimization</td>
<td>17%</td>
</tr>
<tr>
<td>Improving supply chain visibility and resilience</td>
<td>16%</td>
</tr>
<tr>
<td>Financial system/process updates and applicable technology updates</td>
<td>16%</td>
</tr>
<tr>
<td>Customer experience management across channels</td>
<td>12%</td>
</tr>
<tr>
<td>Addressing changing workforce requirements</td>
<td>12%</td>
</tr>
<tr>
<td>Improving customer profitability</td>
<td>10%</td>
</tr>
<tr>
<td>Improvements to data and analytics infrastructure</td>
<td>10%</td>
</tr>
<tr>
<td>Business model transformation</td>
<td>9%</td>
</tr>
</tbody>
</table>

Multiple responses allowed

Key elements of a successful business transformation include:
- Getting the right strategic vision
- A successful design, allowing for multiple triggers and the short span of business trends
- A leader unwedded to past or current success
- A broad view of customer demand.
GROWTH: THE RANGE OF SPENDING FOCUS

While a majority of FDCG companies are looking to make operational, technological, and cost changes as components of their transformation, how they are focusing their efforts is diverse. The primary focus will be on spending to generate growth and to enhance productivity.

Q: In which of the following areas do you expect your company to increase spending the most over the next twelve months?

<table>
<thead>
<tr>
<th>Area</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expanding or improving facilities</td>
<td>28</td>
</tr>
<tr>
<td>Technology</td>
<td>27</td>
</tr>
<tr>
<td>New products or services</td>
<td>27</td>
</tr>
<tr>
<td>Sales and marketing/branding</td>
<td>26</td>
</tr>
<tr>
<td>Acquisition of a business</td>
<td>26</td>
</tr>
<tr>
<td>Geographic expansion</td>
<td>19</td>
</tr>
<tr>
<td>Research and development</td>
<td>17</td>
</tr>
<tr>
<td>Supply chain and logistics</td>
<td>16</td>
</tr>
<tr>
<td>Business model transformation</td>
<td>15</td>
</tr>
<tr>
<td>Green/sustainability initiatives</td>
<td>14</td>
</tr>
<tr>
<td>Regulatory compliance</td>
<td>12</td>
</tr>
</tbody>
</table>

Multiple responses allowed
INVESTING IN THE DISRUPTIVE TECHNOLOGY LANDSCAPE

To continue to drive profitable and sustainable growth, companies need to develop strategies to appeal to today’s consumers and leverage technology to enhance customer experience. This can clearly be seen with technology and sales/marketing and branding on the minds of 53 percent of respondents.* It is not a surprise that part of the transformation efforts in the next twelve months will involve technology platforms.

**Q:** In the next twelve months, which channels will be supported by technology investments? (Select all that apply.)

<table>
<thead>
<tr>
<th>Channel</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Web site</td>
<td>63%</td>
</tr>
<tr>
<td>Social media (Facebook, Twitter, Pinterest, etc.)</td>
<td>54%</td>
</tr>
<tr>
<td>Physical (permanent) stores</td>
<td>29%</td>
</tr>
<tr>
<td>Mobile</td>
<td>29%</td>
</tr>
<tr>
<td>Customer Contact Center</td>
<td>28%</td>
</tr>
<tr>
<td>Other Web sites (e.g., Amazon, eBay)</td>
<td>19%</td>
</tr>
<tr>
<td>Pop-up physical stores or kiosks</td>
<td>16%</td>
</tr>
<tr>
<td>Catalog</td>
<td>13%</td>
</tr>
<tr>
<td>Not planning to invest in technology</td>
<td>5%</td>
</tr>
</tbody>
</table>

*Multiple responses allowed*

**Q:** In which of the following areas do you expect your company to increase spending the most over the next twelve months?

<table>
<thead>
<tr>
<th>Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expanding or improving facilities</td>
<td>28%</td>
</tr>
<tr>
<td>Technology</td>
<td>27%</td>
</tr>
<tr>
<td>New products or services</td>
<td>27%</td>
</tr>
<tr>
<td>Sales and marketing/branding</td>
<td>26%</td>
</tr>
</tbody>
</table>

*Multiple responses allowed*

* when aggregated

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THE DELICATE RELATIONSHIP OF BRAND AND SOCIAL MEDIA

In being a good corporate steward of a product brand name, companies realize that part of any technology transformation involves the critical need to take advantage of digital platforms. Better performing companies focus on how to leverage social media and translate it into growth and opportunity.

Q: Which of the following technology-related trends is having a significant impact on your organization? (Select all that apply.)

- Waning brand loyalty as consumers become more empowered
  - 42%
- Social media (Facebook, Twitter, Pinterest, etc.)
  - 40%
- Multichannel consumer engagement/commerce
  - 38%
- Location-based marketing and promotion
  - 28%
- The use of digital channels by consumers to compare products and pricing
  - 25%
- Influence of peer rankings and reviews on consumers purchase decisions
  - 23%
- Next-day/same-day delivery expectations
  - 17%
- Digital/mobile payments
  - 15%

Multiple responses allowed

Today, the consumer is an integral part of the innovation process, and FDCG companies need to continue to take advantage of digital platforms to interact with them and learn from them wherever they are—i.e., Facebook walls, chat rooms, blogs, and product-, category-, or brand-specific Web sites. The findings as seen above are impacting companies in different ways. Better performing companies focus on how to leverage social media. In harnessing the power of social media, market research, and data analytics to glean consumer insights about desire, expectations, and buying trends, FDCG companies can learn about untapped or even unknown product opportunities and customer segments. As the organization generates new ideas—or builds on new ideas of eager consumers—they can spot potential issues early in the ideation phase, test new products and new customer bases more quickly and cheaply, “fail fast” and move on, or ideally reduce the overall failure rates of new product development. The result will be innovating more targeted and in-demand products for the most high-value customer segments—a clear path to growth.

Rather than relying solely on information from retailers, social media represents a real opportunity for FDCG companies to better understand the preferences and needs of their customers and anticipate what future consumer products will be successful in the market.
TRANSFORMATIVE PRODUCTS

In today’s increasingly competitive, consumer-driven marketplace, successful product innovation and customer retention for FDCG companies are more important than ever before. FDCG executives say new product development will consume most of senior management’s time and energy. As illustrated in the pie chart, 44 percent expect their companies will increase spending on new products and services.

Q: Which of the following do you believe will be the most significant drivers of your company’s revenue growth in the next one to three years?

<table>
<thead>
<tr>
<th>Category</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product innovations</td>
<td>52</td>
</tr>
<tr>
<td>Customer retention</td>
<td>36</td>
</tr>
<tr>
<td>Customer acquisition</td>
<td>33</td>
</tr>
<tr>
<td>New sales channels and distribution strategies</td>
<td>28</td>
</tr>
<tr>
<td>Pricing and promotional strategies</td>
<td>27</td>
</tr>
<tr>
<td>Mergers and acquisitions</td>
<td>19</td>
</tr>
<tr>
<td>Entering into new markets</td>
<td>19</td>
</tr>
<tr>
<td>Technological advancements</td>
<td>16</td>
</tr>
<tr>
<td>New merchandising strategies</td>
<td>13</td>
</tr>
<tr>
<td>Changing consumer/customer dynamics</td>
<td>13</td>
</tr>
</tbody>
</table>

Multiple responses allowed
More than half (52 percent) of the FDCG executives in our survey say product innovation will be the key growth driver for their companies over the next one to three years. With consumers more empowered and informed than ever before, the ability to react to market signals with new products and services is a key differentiator to win in the marketplace. However, in furthering exploring, customer retention, customer acquisition, and new sales and distribution channels, when aggregated, are a major focus of these companies. Product innovation in the FDCG industry is also more challenging than it has ever been. There is little room for error in product innovation, despite the fact that new product failures exponentially outnumber successes. Private label brand competition, decreased consumer spending, rapidly advancing speed-to-market expectations, and rising costs involved in bringing a new product concept to reality have put tremendous pressure on companies to achieve consistent product innovation success.

Q: In the next twelve months, which of the following GROWTH initiatives will consume most of senior management’s time and energy?

- New product development: 44%
- Customer acquisition: 29%
- Customer retention: 27%

With product innovation critically important to delivering on growth aspirations, FDCG companies need to focus on tapping into new idea sources, aligning product innovation strategies to customer demand and creating more agile innovation and engineering processes.
ORGANIZATIONAL TRANSFORMATION SETS THE STAGE FOR TRUE INNOVATION

Without cultural behavior changes and practices being implemented, realizing the full potential of transformation and innovation will remain a challenge despite investment and general leadership support.

Q: On scale of 1 to 4, where 1 = Strongly disagree and 4 = Strongly agree, please rate your level of agreement with the following statements about your organization with respect to large-scale project implementation.

Our organizational culture supports innovation

- 13% disagree
- 4% don't know
- 83% agree

Our organizational structure supports cooperation between functions and departments

- 20% disagree
- 2% don't know
- 78% agree

Percentage of respondents
1 = Strongly disagree, 2 = Disagree, 3 = Agree, 4 = Strongly agree, and Don’t know
While most FDCG companies are actively investing and supporting innovation as part of their transformation efforts, we believe that truly creating a culture of innovation requires specific behaviors, attitudes, and practices. Without these changes, realizing the full potential of innovation will remain a challenge despite investment and general leadership support. Leaders should assess their organization along four key dimensions that we consider critical to creating a culture of innovation capable of delivering sustainable, long-term business value.

**Teaming and collaboration (internal and external)**
- How easy is it for cross-functional, cross-business unit teams to come together, and how frequently does this type of teaming take place?
- Are you encouraging and observing your talent to work across functions, take on short-term assignments, and move to new roles beyond traditional career paths?
- Is there a strong, existing framework of incentives and rewards to recognize teams who innovate—whether that innovation is customer facing or internal, or process- or product-related?
- How does your organization work with vendors and suppliers? Are they viewed as an extension of the organization and key to delivering value?
- Do you seek partners who bring new capabilities and institutionalize those throughout the working relationship?

**Measurement and accountability**
- How are you measuring innovation across the organization? What metrics are you using, and are you looking across the entire organization versus just product innovation?
- Do you know how many of your innovations have failed and why? If you are not failing you may not be taking on the risks that are often required for growth, learning, and innovation, or perhaps there is institutional fear of failure which is preventing people from thinking in new ways. The organization should have a clear view of the acceptable level of risk tolerance that still allows for some risk-managed failure.
- How does the organization harvest new ideas and decide which ones to act on? Where do employees turn to with their ideas and do you know how many of those have been pursued and to what?
- Are there stated incentives or performance metrics associated with innovation, collaboration, or teaming that drive the desired behaviors?

**Rapid prototyping and testing**
- How fast are you turning an idea into reality or at least testing the potential?

**Sharing of information and communication**
- How effective is the organization in identifying great ideas and sharing them across geographies or business units? Are the forums or vehicles available to communicate and share these in a meaningful manner?
- Do you celebrate success and communicate wins and accomplishments associated with different innovations and their impact on the business across all levels of the organization?
- Do you share stories regarding how innovations came about and were supported and encouraged by leadership? Does your organization continuously highlight and encourage others to create their own success stories?

63 percent of executives in our survey noted sourcing and retaining key talent was a significant challenge for their human resource function in the next one to three years.
SUPPLY CHAIN TRANSPARENCY

Part of enhancing business models and operations to help improve margins involves streamlining operations and sustaining efficiencies. With that in mind, supply chain transformation is a key area of focus for leading organizations as 49 percent seek to have a more effective and efficient supply chain. It is paramount to understand that to create an agile and transparent supply chain, efforts should not be seen as a single project or a series of independent activities, but a carefully coordinated set of interdependent initiatives, each contributing to the greater effort.

Q: Which of the following are top reasons for your organization to increase supply chain visibility?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>More effective, efficient cost management</td>
<td>49%</td>
</tr>
<tr>
<td>Enabling “right product, right time, right place” strategy</td>
<td>48%</td>
</tr>
<tr>
<td>Increase speed and decision making</td>
<td>30%</td>
</tr>
<tr>
<td>Capability to expand into new products and services</td>
<td>23%</td>
</tr>
<tr>
<td>Ability to move into new geographic markets</td>
<td>23%</td>
</tr>
<tr>
<td>Management of supply chain risk</td>
<td>22%</td>
</tr>
<tr>
<td>Compliance with regulatory changes</td>
<td>21%</td>
</tr>
</tbody>
</table>

Multiple responses allowed
A new product is only as good as the supply chain that supports it. Not only do FDCG companies need to deliver enticing products that meet customer demand, but they also need to distribute them efficiently to reduce operating costs and create the shopping experience today’s empowered consumers expect. As such, many FDCG organizations are focused on optimizing their supply chain—including product launch planning, product processing, and product delivery—to be able to execute product launch strategies flawlessly. Indeed, as speed-to-market pressures increase in the FDCG industry, the back end of the supply chain is becoming as critical to a new product introduction as R&D and engineering processes, and is therefore calling for increased investment. FDCG companies, as a result of a variety of product recalls and other quality issues, are keen to understand the identity and nature of their suppliers, back as far up the supply chain as possible. When they accomplish that visibility, it also allows them the opportunity to be more efficient.

**A new product is only as good as the supply chain that supports it.**

Increasingly, FDCG companies are placing the supply chain at the center of their strategies to transform. FDCG executives can enhance product launch execution by improving coordination of supply chain processes, systems, and people.

Only 29 percent of FDCG companies cited that their supply chain is fully integrated across the business and channels. Achieving a successful future-state vision, a true sustainable structural change, and long-term transformation depends on an organization having a fully integrated supply chain.

Q: Which statement best describes your organization?

- Supply chain is somewhat, but not fully integrated across the business
- Supply chain is fully/mostly integrated across the business and across all channels
- Supply chain operates independently, but executes according to business needs
- Supply chain is not integrated with other business units
- Don’t know
DEMAND-DRIVEN SUPPLY CHAINS

Supply chains must not only improve cross-functional planning, but also align operations to real-time fluctuations in customer demand. Creating end-to-end supply chain visibility is critical.

Q: Which of the following supply chain challenges does your organization currently face?

- Aligning operations to real-time fluctuations in customer demand [37%]
- Inadequate IT systems for supply chain visibility, planning, and execution [33%]
- Lack of information and material visibility across the extended supply chain [33%]
- Supplier performance KPIs to measure risk, reliability, quality, and service level [31%]
- Lack of skilled talent to manage supply chain execution/planning [30%]
- Ensuring sufficient supplier capacity to meet demand across all business channels [29%]
- Inefficient supply chain tax structure [16%]
- We do not currently face supply chain challenges [6%]

Multiple responses allowed

Many FDCG companies are moving from linear to demand-driven supply chain systems. Demand-driven supply chains use transparency and collaboration between supply chain network participants to improve responsiveness to real-time customer product demand, overall service performance, and manufacturing planning. To enable these benefits and create a high-performing, demand-driven supply chain, FDCG companies are seeking ways to enhance visibility into every step of their increasingly large and complex supply chain networks and improve synchronization of planning, procurement, production, and replenishment processes. With a complete, real-time picture of supply, demand, and total capacity, FDCG companies are able to anticipate customer needs, respond to problems and changes, and better satisfy customers.

Visibility is the new watchword in supply chain optimization and a major opportunity for many FDCG companies. Improving visibility, information flow, communication, and alignment of decisions across supply chain partners is critical.
Analyzing market effectiveness and using business intelligence to focus efforts are important components of the transformation mandate. Customer insight, pricing decisions, brand and product management, and supply chain optimizations are the top areas of strategic decision making.

Q: In what areas does your organization use data and analytics to help support strategic decision making? (Select all that apply)

- Customer insight: 56%
- Pricing decisions: 49%
- Supply chain optimization: 47%
- Brand and product management: 45%
- Market expansion: 40%
- Operating model optimization: 36%
- Merchandising strategy: 36%
- Portfolio rationalization: 27%
- Identifying business risk: 21%

Multiple responses allowed

Predictive analytics about customer demand can increase forecast accuracy. It is tremendously powerful for an organization to be able to receive and share data in real time about their products (i.e., demographic and geographic insights on who is buying their products, on what channels, and in what locations). With insights like that, FDCG companies gain an enhanced perspective about the demand for their products, enabling them to track the most profitable products, improve the targeting of marketing efforts, improve iterative product design, and predict future trends and innovate new products accordingly. Today’s technology makes that possible. For example, organizations can use supply chain data to analyze consumer demand, merchandising, and sales and marketing activity, gaining insight into new product introductions and promotions performance.

FDCG companies can use data analytics to obtain real-time market and operational intelligence to facilitate improvements of end-to-end supply chain processes, product research, and pricing decisions.
INFORMATION, INTELLIGENCE, INNOVATION

Big data is fundamentally transforming food, drink, and consumer goods companies. FDCG companies are taking steps to cope with the volume and velocity of customer insight data across all parts of the business, but challenges remain.

Q: Please select the top challenges your organization faces with big data and analytics. (Select up to three.)

<table>
<thead>
<tr>
<th>Challenge</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectively using data residing across different functions for effective decision making</td>
<td>39</td>
</tr>
<tr>
<td>Data quality</td>
<td>28</td>
</tr>
<tr>
<td>Dealing with new types of data</td>
<td>24</td>
</tr>
<tr>
<td>Data is so overwhelming to my organization that it slows down decision making</td>
<td>23</td>
</tr>
<tr>
<td>Adopting new or more advanced analytics techniques in operations or decision making</td>
<td>23</td>
</tr>
<tr>
<td>Information overload makes it difficult to prioritize data to use in decision making</td>
<td>22</td>
</tr>
<tr>
<td>The extra data isn’t providing extra insight for decision making</td>
<td>22</td>
</tr>
<tr>
<td>Aggregation of data into a central data warehouse</td>
<td>19</td>
</tr>
</tbody>
</table>

*Multiple responses allowed*
By harnessing big data technologies and point-of-sale, mobile, and social platforms, many FDCG companies are capturing granular customer insight at great scale and speed in order to increase the relevance and value of their product portfolios, assess opportunities, enhance innovation, and speed time to market. Modern big data platforms are becoming more commonplace in the industry. These powerful tools can handle the analytical workload of huge amounts of complex and fast-moving data. But the oftentimes overwhelming amount of data available to collect, organize, mine, analyze, and distribute only leads to better insights and empowers decision making when organizations develop a thoughtful approach to data analysis and information management. Before investing in big data technology, FDCG business and IT leaders need to align all stakeholders on its intended business value and develop quantifiable metrics around each priority business initiative. To realize the promised impact of their investment, they also need to develop a repeatable and automated process for data acquisition, integration, and consumption and “operationalize” big data technologies in the business by transforming governance policies and addressing talent gaps.

FDCG organizations that turn customer data into actionable intelligence can improve sales and customer retention and achieve lasting competitive advantage. FDCG companies can make the most of exciting advances in big data technology by clearly defining an information management strategy and transforming operations around the platform.
BUSINESS TRANSFORMATION: A PART OF TODAY’S CORPORATE LANDSCAPE

As we have seen, current pressures and trends are forcing FDCG organizations to take a look at transforming their business in an unprecedented way. Transformation is top of mind on the corporate agenda. The survey results provided further color and demonstrated how executives are approaching and executing their business transformation strategies.

To truly transform, FDCG companies should start by asking the following questions:

1. Does our organization have a culture that fosters creation of innovative and even disruptive and breakthrough products?

2. Is our company positioned to roll out new, innovative products on a continuous basis?

3. Are we effectively leveraging our suppliers and partners in this process to improve speed and lower costs? Are we able to identify the bottlenecks and remove the obstacles?

4. Does our culture, operating model, and workforce support us in fully leveraging technology advancements to capture, analyze, and act on deeper customer insights?

Attributes of successful food, drink, and consumer goods companies include:

• True understanding of, and focus on, the customer
• Strong brand – clear and distinct positioning/differentiation
• Willingness/ability to innovate – speed and flexibility
• Well-defined approach to risk management
• Culture – that supports the customer focus, brand, and innovation

5. Are we tapping into all available customer data sources, both internally and externally, to become an insight-driven and customer-focused organization?
KPMG’s 2014 Food, Drink, and Consumer Goods Industry Outlook Survey reflects the viewpoints of 100 senior U.S. FDCG executives on key issues and trends in the FDCG industry. The Web survey was conducted during the spring of 2014.

SURVEY METHODOLOGY

About KPMG

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