



Create the Future You Want to See

3 Ways CPG Companies can (and must) Innovate Now

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One thing's clear from the ongoing uncertainties of 2020: innovation is essential. Remote-working capabilities have kept countless operations running. Social distancing begs for increased automation. Supply chain disruptions and government interventions demand agility. You can be ready for the uncertainties ahead if you digitalize, analyze and enable rapid adaptation.

The challenge is how to coordinate all an enterprise's moving parts with the precision to flex and counter when consumer preferences and needs change. For many manufacturers, staffing innovation projects is a major barrier - with skill and bandwidth being equal challenges. And, while most of these innovations will deliver financial and productivity returns, many companies are looking for places to reduce spending. Finding a partner with the skills, scope and resources to drive innovation projects (and possibly handle other IT functions) can save you time and money while bringing your vision to life.

Take one bottler's vision of IoT-enabling 1.4 million beverage coolers (see the video) - a massive task both at the device and infrastructure levels. Fruition came through a partner with the resources and expertise to do the heavy lifting. In this case, it was the Atos global CPG center of excellence.

Innovation at this scale does not happen by accident. It's a repeatable process that most manufacturers can follow. Here are three ways CPG companies are innovating now to create their futures:

1. An unobstructed view of production

When one machine stops, critical failure is close behind. We all know the cost of unexpected production stoppage. The key is production visibility.

One of Europe's largest food and drink brands likes to see its packaged juices as half full - as long as they're halfway through the filler. But management had no real-time visibility into impending stoppages or the station- and line-losses they caused. So, the company worked with Atos to create a unique, real-time manufacturing intelligence (MI) platform. After just one month, overall operational efficiency improved by 20%.

The new MI platform interfaces with

legacy and other shop floor systems such as maintenance, quality, SCADA/DCS, PLCs, etc., to improve production data capture and control. The operational team has simple drill-down displays of current performance and broader production status. Data such as:

- Overall equipment efficiency (OEE)
- Hourly production target vs. actual figures
- Quality
- Shift performance efficiency
- Line- and machine-performance efficiency

Now, when a machine fails, overhead LED-displays count down the time until line stoppage or variance from standard procedure. The new system also self-diagnoses faults to predict future failures in time to prevent them. Today the food group is deploying this standard, configurable manufacturing intelligence system across its other plants so it will always know exactly how full or empty its packages are.

By working with a partner, the company was able to implement powerful innovations to avoid costly outages that could prove crippling in these uncertain times.

Predictive maintenance improved operational efficiency 20% in just one month.

2. Employee experience that creates customer loyalty

Keeping your workforce at peak productivity is challenging right now. With people working from home and onsite staff reduced to support social distancing, supporting the digital workplace is more important than ever.

Disjointed, redundant IT processes coupled with endless helpdesk hold times are the downfall of employee satisfaction in the best of times. Today, it's exacerbated by distance and the inability to ask a colleague for help if the help desk can't respond.

You can't fix repetitive manual processes with a bandage – though one of the single most powerful tools available for digital efficiency is nearly as affordable, from an enterprise-scale business perspective. This is intelligent

automation (IA), which fuses artificial intelligence with analytics and robotic process automation. One manufacturer of medical devices and consumer products, like bandages, deployed IA-powered IT support as-a-service to more than 200,000 workers.

The solution provides a mobile interface, self-service portal and cloud-based contact center. It also uses end-user journey analytics to anticipate the workers' needs, and automation to prevent IT issues or resolve them efficiently through chats and self-service. When someone needs to request support by phone, live agents are aided by user-intent prediction and the same IA the virtual agents use. All the while, their manual processes are recorded for

future automation.

Bottom line: Chat adoption has increased to 55% of all contacts, with 45% of chats fully handled by artificial intelligence. Manual tickets decreased from 0.57 to 0.4 monthly per user. First contact resolution increased from 68% to 80%. And nearly 60 full-timers could stop working on chat contacts in favor of more strategic and critical thinking. Naturally, the workers are happier, reporting an 88% satisfaction rating. A partner with competencies in user support and digital workplaces can help you prioritize and implement these solutions and possibly reduce your costs by taking on user support.

Intelligent Automation and chatbots freed 60 full-time employees for other tasks.

3. A commercially geared digital core

While innovation is the key to responding to new business challenges, it's better to see challenges coming. That insight comes from analysis of data collected from your entire value chain – farm to table, as it were. Or farm to pour-over latte in this final example.

There is nothing simple about enabling quality, automated analytics. Right now, however, there are also few things more critical. High quality decision-making, early detection of changes in supply lines or consumer behavior, cash management – all of these require investments that drive business insight. Amidst uncertainty, the companies that know the most will grow the most.

A global coffee company's insight was obstructed by a 30-year-old enterprise resource planning (ERP) system. The

coffee team worked with the Atos SAP Practice to implement S/4HANA and migrate from an in-house infrastructure to the Google Cloud Platform.

Following a proven migration methodology delivered savings and efficiencies at every step:

- **10% to 20% lower ERP system costs and 20% to 30% higher productivity by improving user experience and business process execution while accelerating financial closing**
- **30% to 40% reduction in implementation and platform costs through cloud migration and accelerated provisioning that allows faster innovation of new services**
- **100% virtualized Google Cloud infrastructure that reduces the risks of unpredictable business change by**

scaling with great flexibility – and the coffee company only pays for what it needs

- **15% to 20% yearly reduction in app management costs and 15% to 18% fewer incidents using analytics and IA for application management and modernization**

The next step for the coffee company is servitization and personalization of its traditional coffee products through IoT-connected devices and mobile apps integrated into its new systems. But again, this will demand the experience and bandwidth to do it right and do it quickly. With help from its digital service partners, the company can transform its customers' cravings into loyalty and their behaviors into a richer brew of demand forecasting and R&D.

“Amidst uncertainty, the companies that know the most will grow the most.”

Create your future

This is a critical time for innovation in CPG. [A partner that understands your industry](#) and has the skills and experience to bring innovations to life quickly can position you to move ahead and make the most of every investment.

To find the resources you need to bring your vision to life, visit https://engage.atos.net/Innovate_CPG.