Big Picture: Recognition vs. Reality

We surveyed 370 business leaders from consumer products (CP) companies to explore how they’re changing their operating models—and whether those efforts will be enough to guarantee success. Here’s what we found out.

CP companies recognize the urgent need for transformation. 98% consider transformation a priority. 86% believe they must transform to be future ready. 85% already have transformation efforts underway.

But CP companies may be less confident about their current and future operational capabilities. Most survey respondents are confident about their ability to use existing resources or to build or buy what they need for change. But…

Most lack clear priorities for transformation. 70% believe strong leadership is essential for enabling change, but respondents also cite three roadblocks:

- Conflicting internal priorities
- Cost of funding the transformation (especially technology and talent)
- Inability to develop a transformation road map

Without solid priorities and external expertise, these companies’ transformation efforts may fall short of their goals.

Operations leaders need to establish clear priorities, tap external expertise, and develop detailed road maps—and they need to do so now to achieve their transformation goals.

Technology, Talent, and a Key Trend

CP companies say the right technology is critical for transformation. 49%About half of those surveyed (49%) believe emerging technologies will be crucial. The three most crucial near-term technologies are:

- Artificial intelligence and machine learning
- 5G/IoT connectivity
- Automation/robotics

68% want to use data analytics to create a single view of customers, partners, and processes within the next two years. But most respondents expect to invest in upgrading existing technology rather than making new purchases.

They also need the right talent at the right time. 61%The three biggest talent-related needs are tactical rather than strategic:

- New tech skills
- Remote digital ways of working
- Workforce flexibility

The most popular way of obtaining those skills: new hires (54%).

The emphasis on acquiring new talent indicates that many companies need more specialized technical expertise than they can get by promoting or upskilling from within.

Operations leaders need to identify the technologies and talent acquisitions strategies that best support operating model transformation, generate speed and agility, and keep them close to the consumer now and in the future.

Actionable Advice

The Road Ahead

Bottom line: CP companies looking to ensure that their transformation journeys end in success must:

1. Develop a clear strategy and road map that anticipate multiple needs.
2. Focus on areas where change is most needed.
3. Tap ecosystems and collaborate with external partners for critical expertise.
4. Capture, integrate, and share data for impactful decision-making.
5. Combine automation and an adaptive workforce for new ways of working.

For more results from our research into operating model transformation, read the full report: mitsmr.com/futurefit-report2021