



Fuel for the Digital Transformation Engine of Consumer Products

Drivers of Change in Consumer Product (CP) Manufacturing

Top 3 Drivers of "Future Change"



Selling to the Consumer



Growth



New Markets/ Opportunities

New-product and development approaches will focus on personalization and differentiation

By 2020, new-product revenue will increase **20%**



Top priority of CP companies

43% "Improve the process of bringing new products to market."

Digital Transformation Driving Disruptive Competition

By 2018, 33% of CP market leaders will be digitally disrupted



Companies that embrace emerging social and sensor data will have a significant leg up on competitors

40%

of CP companies say their analytics capabilities are "average" or "below average"



An "analytics gap" is going to be increasingly problematic for many firms

The Role of Analytics

Areas of digital transformation linked to analytics:



76% of CP companies say IoT is "important" or a "very important" source of data

Digital-enabled businesses will have the capacity to sense, analyze, optimize, and act upon internal and external data in real-time—directly in the context of the business process



Use Case: IoT-sourced real-time data for an analytics-integrated demand management system acts as automated alternative to traditional demand planning

RESULT: DRAMATIC REDUCTION IN FORECASTING ERROR AND IMPROVED SERVICE PERFORMANCE

Analytics Benefits and Best Practices

Emerging uses: Improve demand forecasting

By 2020, 1/3 of CP companies will reduce reliance on short-term forecasting

Reduce systemic disruption effects by

50%

Reduce innovation costs by

10%

Reduce overall time to market by

30%



Enables shift to "consumer grade" business process applications



Analytics will increasingly become a seamless part of the business process experience

Develop a functional strategy for analytics and end goal:

What kind of company do you want to be? When?



How do you want to alter the consumer experience?



PREPARE!



Early-mover advantage will be significant. Make investments now in technology, platforms, and other infrastructure to get ready.

For more on how analytics is transforming consumer products companies, download the IDC Analyst Connection paper, *Using Data to Digitally Transform Consumer Products*, sponsored by SAP