



# Consumer-packaged goods (CPG)

## Kinaxis and Genpact

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### How prepared are you for inflationary pressures in the consumer-packaged goods (CPG) industry?

The CPG industry is facing unique challenges as a global recession looms. According to the McKinsey's CPG podcast: "With inflation persisting, consumer packaged goods manufacturers can't rely on the strategies that got them through the past two years. It's time for a reset."

Genpact and Kinaxis specialize in supply chain management and the application of advanced planning solutions for the CPG industry.

# Introduction

Genpact and Kinaxis' supply chain management expertise and knowledge of advanced planning solutions for the CPG industry can help solve critical industry issues to position companies for growth and increase resilience in supply chain networks.

## Industry challenges

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### **Network synergy**

Thousands of suppliers and partners, poor integration and missed commitments are costing firms millions and hurting customer trust.



### **Planning complexity**

An increasing complexity of products and business models cause poor visibility and integration of planning processes throughout the value chain.



### **Speed to decision making**

With rapid changes in demand patterns, the urgency to respond to disruptions is higher.



### **Organizational capability**

Considering recent market dynamics, the scarcity of key skillsets, new ways of working, and inflexible staffing models have many leaders off balance.



### **ESG**

Commitments are made. Reporting is underway. Practical connections between ESG and operational realities continue to lag.



### **Holistic demand management**

Lack of clarity is driving organizations to simply chase orders. Appropriate use of demand analytics has regressed. Macro industry trends neglected in IBP discussions.

## What market leaders are saying



Almost everything that we're doing in terms of combining demand and supply planning into a single heartbeat, looking at engines that could do optimization or scenario plans, is done with RapidResponse.

**VP OF GLOBAL TRANSFORMATIONS**  
**LEADING CONFECTIONERY, FOOD, AND PETCARE COMPANY**



Genpact was a critical partner for our successful transformation. Its team of experts helped us define our road map, guided our key design decisions, and moved us to a new operating model that maximized the new planning capabilities – just in time to successfully respond to COVID-19 market volatility.

**VP OF GLOBAL SUPPLY CHAIN PLANNING**  
**LEADING GLOBAL CPG COMPANY**

## Priority shifts

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### **Activation of P&L based decisions**

Customers need the capability to model costs to better monetize their supply base and drive performance with cognitive sourcing.



### **Incorporate ESG into supply chain decisions**

ESG commitments have been made. Data is gathered and can be used to drive both environmental and cost benefits.



### **Sourcing strategy**

The shift from single source to flexible response is critical. Many organizations are seeking advanced sourcing skills from partners to address supplier risk and resiliency.



### **Enterprise planning focus**

Companies need to assess their supply chain risk profile and use multidimensional constraints (internal and external) to make better decisions.



### **Portfolio expansion and reception**

While organizations are taking strong cost reduction actions, many are planning to invest for the rebound to secure their competitive place in the march to \$2.4 trillion.



### **Managing complexity**

The last few years have exposed many weaknesses in how companies plan and execute, strong resolve to address aging and incomplete processes and systems.





**Deep dive into CPG  
specific solutions for common  
planning problems**

# Network synergy

## CHALLENGE

Recent demand surges and raw material disruptions have driven the rapid extension of third-party co-manufacturers and co-packers to support a broader and more agile supply chain network.

While this expanded end-to-end network created critical additional capacity, it also led to additional challenges around capacity visibility, delivery commitments and flexibility in response to sharp changes in demand.

Furthermore, it has highlighted the need to understand these external costs relative to satisfying customers versus internal capabilities.

## APPROACH

- Ability to quickly adapt to changes and disruptions in a multiple tier supply chain network
- Create a future state target operating model including process, organization, and technology
- Implement supplier collaboration technology that provides insight and transparency into all supplier relationships both internal and external
- Establish direct supplier interaction with automated B2B data exchanges

# Organizational capability

## CHALLENGE

Significant technology investments require a sizable return on investment (ROI) which is predicated on capabilities deployment, user adoption, and realization of business value. Furthermore, organizations are increasingly under pressure to demonstrate ongoing ROI long after the system implementation.

Most organizations settle on a center of excellence model but face a myriad of challenges when creating or expanding including design, scope, purpose, target operating model, staffing, upskilling, KPIs, business case, funding, and navigation of broader internal politics.

## APPROACH

- Create a Supply Chain Center of Excellence for continuous improvement of processes, technology, governance and change management
- Key objectives are to service the organization, drive standardization, enable continuous improvement, allow specialization and economies of scale, support skill enablement, and lead governance and change
- Create a new career path for associates that is techno-functional in nature
- Upskill all associates with a new and expanded curriculum and tool set
- Supply chain specific, solution specific, change management

# Planning complexity

## CHALLENGE

Traditional planning tools were not built for easy connectivity across all users. From the start, these older tools require an iterative process of step-by-step, silo-based steps across multiple roles. Transparency across teams isn't intuitive because organizations are using spreadsheets for one or multiple roles due to limitations of the solution. This results in data latency, data inaccuracy, subpar recommendations, and a herculean effort just to pull it all together to properly respond to disruptions in the market or changes in supply chain performance.

The key to success is to create transparency by having as much data as possible in the same data model as part of an extended solution platform. This technology is required to transition to network planning which links demand and supply into a single role to enable better alignment to strategic planning and improved plan accuracy.

## APPROACH

- Create future state target operating model, including process, organization, and technology, to enable optimized network planning
- Implement concurrent planning technology to compress planning cycles from days or hours to minutes
- Enable horizon-based supply planning across the frozen period, firm zone, trading zone, and free zone
- Transition plan from traditional planning roles to network planners



# Supply chain resiliency

## CHALLENGE

There's been a period of steep industry growth that's occurred just as product and business models have grown in complexity. As a result, we've seen painful fractures in the supplier ecosystem. Companies are unable to quickly and thoroughly understand tier-2, tier-3 and lower nodes, which makes it a challenge to assess key areas of network exposure, and model scenarios for alternative sourcing strategies.

In addition, processes for onboarding new suppliers are often slow and human-capital intensive.

## APPROACH

- Create management processes and governance to knit together a living process across the enterprise focused on supply assurance, compliance, and supplier management
- Robust supplier sub-tier mapping and continual updates to establish the base data
- Promotion of cleansed data into analytical platforms for quick assessment, prioritization, and mitigation plans
- Linking ESG efforts across all key elements

## Why Genpact + Kinaxis

### The sum is bigger than its parts

Kinaxis provides industry-specific capabilities to enable foundational and differentiated structures required for CPG/FMCG, including promotion planning and management, co-pack orchestration, shelf-life and expiry management, multi-source optimization, transition and seasonal planning, product launch and lifecycle management, near-term demand sensing, and deployment coordination. The RapidResponse product has refined itself to serve a majority of the CPG industry leaders in Gartner's Top 25 supply chain companies to solve industry-specific challenges. As an operating partner for nearly one-third of the top 20 CPG companies, Genpact adds a practitioner perspective to the transformation journey and helps companies leverage the concurrent planning capabilities of Kinaxis to redesign their operating models and processes to drive agility, responsiveness, and visibility to manage consumer demand volatility. With over a dozen proprietary extensions, supported in production by 10+ industry leaders, Genpact can help accelerate value and capability realization while reducing deployment risk and ensuring user adoption.



#### **Genpact's industry practitioners**

- Average of 17+ years practitioner experience
- Global consulting footprint
- Supported SCM transformations for nine of the top 20 CPGs
- Run SCM operations for 25% of the top 20 CPGs
- 2,000+ CPG user stories



#### **End-to-end supply chain expertise**

- Data design and governance
- Supplier expansion and risk planning
- Integrated business planning
- Execution concurrency
- Network optimization
- Scheduling, logistics, and delivery



#### **Genpact's RapidResponse® expertise**

- 65% client base crossover with Kinaxis
- CPG Industry accelerators
- Kinaxis' only full-service Value Assurance Services provider
- Access to Kinaxis application R&D
- Access to Kinaxis application support



## KINAXIS®

Trusted by innovative brands and recognized as a leader by analysts like Gartner, IDC, Nucleus Research, Ventana Research and more, Kinaxis delivers companies the resilience and agility to make fast, confident decisions across their integrated business planning and end-to-end digital supply chains – from planning through execution. We combine human intelligence with AI and our unique concurrent planning to help companies plan for any future, monitor risks and opportunities, and respond at the pace of change.

[www.kinaxis.com](http://www.kinaxis.com)



Genpact (NYSE: G) is a global professional services and solutions firm delivering outcomes that shape the future. Our 125,000+ people across 30+ countries are driven by our innate curiosity, entrepreneurial agility, and desire to create lasting value for clients. Powered by our purpose – the relentless pursuit of a world that works better for people – we serve and transform leading enterprises, including the Fortune Global 500, with our deep business and industry knowledge, digital operations services, and expertise in data, technology, and AI.

Get to know us at [genpact.com](http://genpact.com) and on [LinkedIn](#), [X](#), [YouTube](#), and [Facebook](#).

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