

Genius in consumer goods

Consumer goods manufacturers need to adopt a new model of business intelligence, according to FABIO VACIRCA of Accenture. Information capital, he argues, is typically highly underused in such companies; only a fresh look at business intelligence systems can make a difference



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Companies in the food and consumer packaged goods (CPG) industries are increasingly realising that intangible assets represent a vital source of competitive advantage for them. And the most relevant intangible asset of any company is the information capital it builds during day by day business life. It is, therefore, crucial to collect and exploit information capital. Compared to other industries CPG is more dynamic, competitive and subject to a high level of mergers and acquisitions activity — and thus is more affected by this issue.

In recent years, most CPG companies have undertaken ambitious information systems projects for the implementation of best practices in business intelligence (BI) and knowledge management solutions. These BI initiatives were mostly focused on control models that were used to unify and harmonise enterprise reporting solutions, data and processes. On the other hand, knowledge management programmes generally aimed to manage and organise the flow of knowledge capital, create a culture that would look to leverage this information within the organisation, and actively promote collaboration and the sharing of knowledge.

Big benefits were promised, including more accurate business planning and the ability to serve customers better, cheaper and faster. Despite the large investments and copious amounts of attention devoted to these programmes, a recent survey by Accenture CPG experts showed that a clear majority of food and CPG manufacturers have only partially realised these benefits. The key cause of failure was the poor use of best practice tools in real life. With this in mind, usability of tools and coherence with daily activities are becoming distinctive elements of a new generation of BI solutions.

To help organisations determine just how to leverage their most under-used assets, Accenture conducted a qualitative analysis of information obtained from our experience working with many food and CPG organisations with enterprise solutions already in place. In addition, we studied the experience of many CPG companies

considered to be leading adopters of BI and knowledge management.

The results of this research show that the main consumers of these solutions — the so-called information workers — have habits and needs that are not fulfilled by implemented architectures. These employees, who cover key roles within the organisation and who spend a majority of their time analysing information about the business and making decisions based on these analyses, depend on e-mail, forms, and electronic documents to communicate and collaborate.

Since the typical BI architectures have been built on a process-based approach and knowledge management tools are not integrated, information workers rely on data from multiple sources as inputs to a single decision, and after decisions are made, actions they take can possibly involve many enterprise processes and applications.

This application hopping introduces numerous organisational inefficiencies, and information workers react to the difficulty of interacting with the company's information capital by tailoring their own set of tools and documents to support their work. Often this enterprise information capital is not fully leveraged, or even fully known.

Breaking off from one's primary activity to look for the needed information disrupts the flow of the decision or process. Forcing readers to keep track of information manually as they move between e-mail messages or documents and numerous other applications places a heavy burden on the information worker.

Typically, information workers react to this situation by building and maintaining their own set of documents summarising their information needs. In the short term this can be an effective (even if not efficient) approach but in the long term it could be very dangerous for the company to have knowledge too tied to specific people.

Our research shows the traditional approach to structuring information capital is often failing: despite the efforts of companies to extend databases and data warehouses and to store standard documents

in predefined repositories, a valuable part of information remains hidden — sometimes lost — within Office documents and mails on PCs and network folders.

For semi-structured documentation, classifying and sharing documents is generally a difficult operation which information workers only perform reluctantly. However company information and processes are organised, it is basically impossible to eliminate the custom spreadsheets and documents made by information workers to track their businesses.

The key to relieving these burdens is not to replace or update systems architecture and applications, but rather to re-examine the role of information capital.

To this end, we at Accenture, in collaboration with Microsoft, are using our experiences that have been proven in the field to promote a new paradigm in business intelligence and knowledge management: the Genius (Global Enterprise Information for key Business Users) solution for the food and consumer packaged goods industries. The Genius solution aims to exploit company information capital by enabling industry-specific solutions for information workers to discover, engage, and act on enterprise and personal business content, organised in meaningful way according to their role and using common Office and mail applications. The essence is simple: don't fight against information capital stored in Office or mail, but make it an asset.

The pillars of the Genius approach are:

- To take advantage of specific industry templates and decision paths;
- To access the company's information capital using a cross-process perspective focused on industry-specific key roles (as opposed to a process-focused approach) and favouring a synthetic yet complete approach;
- To define a corporate taxonomy model that drives a comprehensive yet easy to use classification of common unstructured information and the design of the related repositories; and
- To enable users to discover and act on enterprise business information from within Office and mail applications, exposing enterprise business entities tailored on the specific consumer.

Those organisations that are now embarking on implementing core BI and knowledge management (KM) solutions functionality have an opportunity to leverage proven models, empowered by a new approach, being able to capitalise quickly on the latent benefits of their new enterprise solution. But the Genius solution is not only for companies that have to start from scratch: for those organisations that have already implemented most core enterprise solutions functionality, Genius helps companies to leverage their most under-used assets.

Food and consumer packaged goods organisations in our research wanted improved decision-making more than any other benefit from BI and KM solutions. Driven by the desire for accurate, consistent, complete, real-time information, information workers are seeking an efficient, transparent and frictionless real-time decision making capability that only a new approach to accessing corporate information capital is able to provide: articulate contents following a cross-process perspective to support the most frequent activities of key roles in consumer packaged

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national key account managers).

To realise this goal, organisations can leverage the Genius solution to transform enterprise solutions data into context-rich information and apply it to support business analysis and decision-making, without forgetting that a robust analytic capability requires far more than data access and technological tools.

In the last ten years, Accenture has developed a knowledge bank related to these industries, summarised in the role-specific content of the Genius solution. It includes specific templates tailored to the key roles of the industries. Alongside traditional data warehousing on structured data, emerging technologies allow enterprises to gain market intelligence and monitor semi-structured and unstructured data from a variety of available sources. Unstructured data are any without a well-defined model for information access. Examples might be Word documents, e-mails, and audio/video files.

The Genius solution uses unstructured data to enrich structured data: managing unstructured data (statically or dynamically), associating it with structured data, mining the unstructured data and using taxonomy to find the appropriate (structured data) report.

Lastly, the Genius solution aims to bring information to the user office. For typical information workers who spend a majority of their time using Office applications, reliance on specialised enterprise applications can be a significant liability and a distraction. Using Genius, information workers are no longer forced to move or copy data manually between programmes but can establish dynamic links between the company's enterprise data stores and their documents. The solution extends the value of Office tools by providing the ability for information workers to consume line-of-business data — that is, to view, retrieve, and act on critical business information tailored on their profile (such as brand managers, trade marketing managers and national key account managers) — within Office applications.

So finally, whether consumer packaged goods companies are just embarking on their enterprise solutions journey or are well on their way, achieving value from these systems requires ongoing, consistent attention. CPG organisations that integrate and optimise information management through Genius go beyond establishing a business intelligence and knowledge management technical infrastructure: they integrate and internalise the system into their business, and use it to dramatically improve their ways of working. 

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