Rethinking the Value Chain

NEW REALITIES IN COLLABORATIVE BUSINESS

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The CGF Board initiated this study to address the new realities in collaborative business.

The Consumer Goods Forum ("CGF") is a global, parity-based industry network.

It brings together the CEOs and senior management of 400+ retailers, manufacturers, service providers, and other stakeholders across 70 countries.

Board Co-Sponsors of The Consumer Goods Forum’s End-to-End Value Chain & Standards Pillar

Muhtar Kent
Chairman & CEO
The Coca-Cola Company

Motoya Okada
President & Group CEO
AEON Co., Ltd
New thinking emerged from collaborative visioning

The Consumer Goods Forum is pleased to invite you, as a leader in the Consumer Goods Industry, to participate in a workshop that will help define the future of our business.
Example: what could urban living look like in 2025?
We need to address the challenges to traditional value chain models.

**Industry**

Driven Networks

**Consumer**

Driven Value Networks

Industry in charge

Consumers respond

Consumers in charge

Industry respond
We need to evolve towards value networks organised around consumers.
Example: Future Value Networks organised around ageing consumers
This has impact on further evolution of Industry Collaboration

Supply side Focus

Demand side Focus

Efficiency

Growth

Long-term growth by NEW VALUE CREATION

Mid-90s Efficient Consumer Response

Mid-2000s New Ways of Working Together

2015 – 2025 Value Networks
We prioritised 4 strategic collaboration thrusts where the industry is underperforming, which will help to establish new value creation:

1. **Consumer engagement**
   Taking part in a dialogue with consumers, justifying their trust in the industry.

2. **Transparency**
   Keeping consumers informed about products’ key attributes, ingredients, nutrients and provenance as well as their environmental and societal impacts.

3. **The last mile of distribution**
   Reconsidering the assumption that it is an area where companies operate independently of each other, and exploring opportunities to collaborate.

4. **Enabled by Modularised Technology**
   Ensuring business agility and rapid collaboration via component-based technology capabilities.
Future Value Networks for companies: impacting consumer experiences, business operations and business models
What are the capabilities that make you successful in Future Value Networks?

1. **Loyalty and Trust**
   Engage with consumers in a personal and contextually relevant manner, gain their trust and differentiate from your competition.

2. **Revenue and Satisfaction**
   Organise your commercial activities seamlessly around the dynamic paths to purchase of your consumers, across all digital and physical touchpoints.

3. **Traffic and Intimacy**
   Reinvent (and re-purpose) stores as physical and digital anchor points to offer the experiences and services that consumers are demanding.

4. **Profitability and Agility**
   Embed smart and actionable insights within every enterprise-wide business activity, enabling fast and right decisions and agile, fact-based operations.

5. **Availability and Efficiency**
   Organise your supply chain around dynamic consumer demands, ensuring the exact right localised product availability in the most efficient and sustainable manner.

6. **Long-term growth**
   Agile business and technology collaboration with consumers and complementary partners to increase consumer relevant reach and impact.

Serve up a seamless path to purchase

**Engage with empowered consumers**

**Reinvent the role of the store**

**Build a responsive insight-driven business**

**Operate consumer-centric supply chains**

**Collaborate in the Value Network**
Time for Action?

For individual companies

competitive differentiation, long term growth

For the industry

Trust, efficiency, sustainability
Thank You!

For more information, please contact Capgemini Portugal:

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