

CPG: ready for any future

Optimize your processes and turn whatever comes next to your advantage

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Possibility --- in CPG unpredictability

Predictability is old news for CPG brands. Instead they're operating in a world where change is the only constant. From ongoing macroeconomic pressures and socio-political upheaval, to rapidly evolving customer expectations, technologies, and go-to-market models, the next big opportunity or challenge is always just around the corner. And CPG brands need to be ready to turn it to their advantage.

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CPG pressures at a glance

CPG and retail leaders are struggling to balance macroeconomic uncertainty with the need to innovate:

- Over half (52%) of CPG manufacturers see inflation as their biggest external obstacle
- [Almost 80% of consumers](#) are trading down to save money when they shop, including buying different pack sizes, and switching to lower-priced retailers or brands.
- Although pressure on supply chains is [easing](#) globally, [62% of CPG execs](#) expect supply chain issues to remain a challenge this year.

Resilience and

readiness

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Even through the worst of the recent disruptions, some CPG brands have continued to invest in people, process, and technology, building a foundation of process excellence and operational improvements. By continuously evaluating their operations, they know they will be able to act quickly and decisively when opportunities arise.

These innovators are poised to react with speed, flexibility and confidence, thriving in any possible future. They can turn every challenge and opportunity to their advantage, no matter what the market throws at them — while others risk falling further behind.

Process innovation

Smart brands are focusing on strengthening their operations by improving the quality of their processes. As the CPG industry returns to a growth mindset, those who embrace *process innovation* as much as *product innovation* are the ones that will win. Whatever comes next — challenge or opportunity — they will be ready to turn it to their advantage.

But building readiness into CPG operations is no easy task. Cutting costs, creating value, and improving service levels are formidable challenges for CPG brands in a climate of supply chain disruption, inflation, and business model reinvention.

These challenges are compounded by complex CPG operations made up of multiple processes siloed in different

is the new product innovation

systems and teams — across the back office, supply chain, and customer service functions.

The challenge is, CPG companies often operate in silos, and across multiple systems, departments, and regions making it challenging to identify how processes are running end to end, let alone the value opportunities that can cut cost, boost sales and provide a differentiated customer experience.

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A breakthrough for CPG operations

More and more, enterprises are embracing process mining as a powerful technology that helps them gain end-to-end visibility into their operations, identify value opportunities, and make process improvements to drive rapid impact. And CPG is no exception.

Celonis gives your CPG company a highly secure, hyperconnected, scalable, and robust cloud platform that seamlessly integrates three main components:

- **Real-time data:** Integrates data across systems, desktops, documents, and event streams

- **Process intelligence:** Gives you an MRI of your processes to identify inefficiencies, value opportunities, and suggested improvements
- **Targeted action:** Executes on insights automatically and orchestrates your systems

Next we'll look at the outcomes these capabilities unlock for your CPG businesses, starting with improved customer satisfaction.

Improve customer

satisfaction

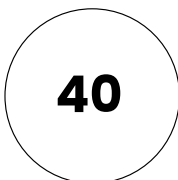
The ability to meet consumer demand in the face of operational challenges has become a key differentiator for CPG businesses. In this highly competitive market, where consumers can change their minds (and their preferred brands) quickly, customer satisfaction is a critical metric for every brand.

Unavoidable disruptions will always be a threat to CPG supply chains. The key is to maximize your resilience, and empower your order management and logistics teams to tackle these challenges and proactively protect and improve the customer experience.

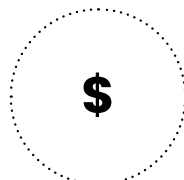
Whether it's identifying alternative stock sources in real time to avoid stockouts, synchronizing with suppliers' delivery performance to set realistic lead times, or setting customer expectations by flagging delays, there are many ways to boost customer satisfaction and long-term loyalty.

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Customer story: Reckitt



40 processes optimized with Celonis



Tens of millions of dollars unlocked



84% no-touch order rate - 147% increase

Celonis helps Reckitt drive digital transformation at speed, realizing millions in operational gains in areas such as Order Management.

By prioritizing critical orders at risk and recommending actions, Reckitt can now quickly resolve order blocks, directly impacting customer satisfaction. Thanks to one of the out-of-the-box solutions Celonis offers in Order Management, the team can resolve order blocks intelligently, directly improving customer satisfaction

This has led to an increase in no-touch order rate from 34% to 84%, improved on-time delivery by 12%, and unlocked millions of dollars in value.

In this way, Celonis helps Reckitt mitigate fines for late deliveries which, according to IT & Digital Director Kuldeep Dudeja, has a direct impact on customer satisfaction — and on Reckitt's bottom line.

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Our Order Management has to work like clockwork. And it's never been feasible without Celonis Process Mining.

” Kuldeep Dudeja, IT & Digital Director at Reckitt

[Read the story](#)

Increase operational

efficiency

At a time when the CPG industry is experiencing new growth opportunities and lingering disruption threats in pretty equal measure, brands are realizing that readiness is everything. And the ones that can operate at maximum efficiency are the ones that will be best prepared to deal with both sides of the coin.

Whatever the future holds, you need to be able to cut unnecessary costs and improve productivity across all your processes, giving your business the agility to excel in any environment.

This means empowering your finance operation to avoid duplicate payments and unwarranted cash discounts. Helping your procurement teams automate manual tasks and eliminate rework. And enabling your supply chain teams to consolidate loads while also meeting ESG targets.

When prices rise, you can look at how increases propagate from the original raw material all the way to the finished good, as well as the emissions produced at each step of the process, so you can understand the impact on your bottom line and green line.

As an example, a leading retailer realized that they were not making the most of every shipment by failing to consolidate effectively in their inbound logistics. They used Celonis process intelligence to understand where they could consolidate better and enable cross-functional collaboration between supply planning, transportation, and distribution operations teams. The retailer achieved a **31% improvement in shipment utilization**, saving on transportation costs and reducing carbon emissions across the network.

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Customer story: Kraft Heinz



30%
reduction in overdue
payments

Kraft Heinz uses Celonis to gain visibility into customer payment behavior, enabling the company to renegotiate existing discounts and optimize how new discounts are offered.

In just nine months, an increase in visibility helped them to achieve a 30% reduction in overdues.

“Celonis really helped us understand what our teams were doing wrong. We gained a lot of visibility into customer payment behavior, which has helped us renegotiate a lot of discounts, and optimize how new discounts are offered — recovering a lot of lost money in the process.”

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So far, we've already seen returns more than five times greater than what we invested into the use case, which has been fantastic.

” Fernanda Freire, Associate Director at Kraft Heinz

[Read the story](#)

Optimize

working capital

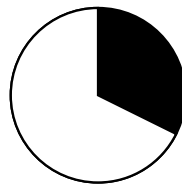
Free cash flow is one of the strongest indicators of business resilience, and optimizing working capital should be a high priority for CPG companies.

CPG companies can accelerate their cash conversion cycle by collecting more intelligently, leveraging favorable payment terms and ensuring financial documents are created and entered correctly the first time.

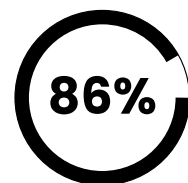
It takes a concerted effort across functions and teams. AR teams must prioritize and accelerate cash collections. AP teams must harmonize payment terms and apply the right data to the right invoice to ensure payments are made on-time. Together, they can accelerate cycle times by ensuring orders are right the first time.

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Customer story: PepsiCo



>1000 hours per
year saved in Accounts
Payable



86%
reduction in rejected
sales orders

“Celonis shows our teams a picture of their world they’ve never known before. It’s a treasure map for our transformation journey,” says Chris Knapik, Senior Director of Process Transformation at PepsiCo.

Using Celonis to analyze and prioritize value opportunities, PepsiCo’s Accounts Receivable team chose Days Sales Outstanding (DSO) as a focus area for improvement — then identified actions that would quickly move the needle on customer payment collection times.

PepsiCo also discovered, thanks to Celonis, that 30% of their sales orders were being rejected in some markets following a new S/4HANA rollout.

With Celonis intelligently layered on top of their source systems, PepsiCo understood the problem was multifaceted — the rejections were caused by problems such as exceeded credit limits or customer cancellations, but also system integration issues and inventory stockouts.

With Celonis identifying the biggest opportunities to go after, PepsiCo drastically lowered order rejections to 4%. And happy customers equal an even better business.

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The working capital impact that Celonis has had — in the range of millions — is quite astonishing.

” Chris Knapik, Senior Director of Process Transformation at PepsiCo

[Read the story](#)

See a digital twin of your

end-to-end supply chain

Your supply chain is really a mega-process made up of thousands of sub-processes which are split across multiple systems, teams, and locations. Without a full and complete picture of these interconnected processes, you can't make informed decisions about where and how to unlock value.

The latest advances in process mining are solving this challenge of fragmentation and the resulting process blindness.

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Celonis is pioneering object-centric process mining, also known as [OCPM](#), to enable organizations to better visualize and analyze how processes are interconnected across entire business operations and supply chains.

In effect, CPG brands get a digital twin of their end-to-end supply chain.

This means you can:

- Identify bottlenecks across source, make and deliver, and solve issues at the root cause
- View all business activities from any perspective using a single source of truth
- Discover valuable opportunities at the intersection of processes and departments

Be ready for

any future

The 2020s have been quite a ride for CPG brands so far, and no one's betting on things becoming more predictable in the coming years.

Instead, leading CPG brands are taking a unique approach and proactively investing in their operational readiness so that whatever comes next — disruption or opportunity — they're ready to turn it to their advantage.

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Brands like these:



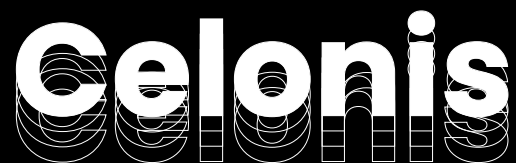
They're unlocking tens of millions of dollars in value, optimizing processes across supply chain, order management, finance and beyond, and driving end-to-end improvements that ultimately impact working capital, operational efficiency, and customer satisfaction.

Along the way, they're recognizing that *process innovation* is just as important as *product innovation*.

Join these CPG innovators and get ready for whatever the market throws at you.

[Learn more](#)

About



Celonis enables customers to optimize their business processes. Powered by its leading process mining technology, Celonis provides a unique set of capabilities for business executives and users to continuously find improvement opportunities within and across processes, and execute targeted actions to rapidly enhance process performance. This optimization yields immediate cash impact, radically improves customer experience, and reduces carbon emissions. Celonis has thousands of implementations with global customers and is headquartered in Munich, Germany and New York City, USA with more than 20 offices worldwide.

Are you ready to accelerate your long-term finance transformation initiatives, while also driving immediate value and hitting your quarter-on-quarter goals?

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Let's talk