

SPRINGBOARD

2nd - 5th MAY 2022 | 10 Hudson Yards NYC

Executive Summary



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In May 2022, The Consumer Goods Forums' (CGF) End-to-End Value Chain community met for the third time in-person at the SAP Hudson Yards office in New York City. This year the SAP SpringBoard ran under the 'SummerComes' insignia where in addition to running SpringBoard sessions, it hosted an End-to-End Value Chain Steering Committee meeting and the Product Data Coalition.

Foreword

After a virtual 2021, this was an excellent opportunity to meet in person again. However sophisticated video conferencing has become, there is not much that can replace the power and productivity of meeting face-to-face. As usual, the agenda provided food for thought and a space for networking.

The CGF End-to-End SpringBoards are, in brief, knowledge sharing sessions where industry leaders gather to discuss the latest issues and innovation in and around supply chain management and information technology.

The content was well balanced, and each presentation provided a different outlook and solution to pressing supply chain issues. Sapphire Ventures companies, Adverity, Alation, nwo.ai and yellow.ai showcased the potential of data and Artificial Intelligence.

Once again, we witnessed a perfectly organised event and are looking to meet again this year for our next **SpringBoard in Medellin, Colombia 27th to 29th July** and at the **Supply Chain Conference in Amsterdam 24th to 26th October**.

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Ruediger Hagedorn
Director, End-to-End Value Chain
The Consumer Goods Forum



Achim Schneider
Global Head of Industry
Business Unit Retail
SAP



Retail 2022: The State of the Industry

With his session on “SAP for Retail – Strategy and Outlook”, **Achim Schneider, Global Head of Industry Business Unit Retail, SAP**, talked about industry innovation scenarios and carving out key challenges that concern retailers around the globe on their path to a new world of retail. Beginning with geopolitical factors impacting all industries, Achim gradually zoomed in to unfold the implications, challenges, and trends for retailers on a granular level.

Triggered by recent world events, Achim focused on the challenge of complex multi-source, multi-level supply networks, accentuating the importance of redesigning supply chains into consumer value chains with full transparency and commitment to customer service.

Retail is changing faster than ever: Technology and constant access to information has changed every industry, but especially retail. Consumers are hyperconnected, expecting personalised experiences across all channels. They are aware of products, prices, trends, and innovation in the market and expect brands and retailers to adapt quickly.

“Retailers are currently updating their strategies to adapt to changing consumer and market trends.”

Sustainability is beginning to take prominence in the conversation around end-to-end logistics. Trends are indeed changing, especially about online shopping. Grocers typically claim that 1-3% of business comes through online shopping, but this number hit double digits due to covid. Meanwhile, more clothes are being bought online and sent back if they don't fit. But, beyond the basics of demand, how are we measuring the carbon footprint that is increasing largely due to unregulated movements in the supply chain?

This conflict of retailers needing to stay profitable on the one hand, while dealing with intense competition, escalating customer expectations, and staggering change on the other hand, is the root for the tension in the market. To shape their future, retailers need to innovate along five strategic priorities: marketing & customer experience, merchandising, sourcing & procurement, supply chains, and omnichannel & store operations.

It all starts with ideas: how to fix a problem, how to discover and unlock new value and how to deliver new business outcomes.

Inflation, Insights & Innovation:

What Can Supply-Chain Professionals Expect Moving Forward?

This year at the End-to-End Value Chain SummerComes event almost all presentations began with the challenges that supply chain professionals have faced over the last two years. The ever-present issue of inflation permeated each discussion. **Mike Bash, VP of Customer Success at Eversight**, claimed “Business cannot be as usual. As customers are becoming more price-aware, CPG manufacturers and retailers must rapidly acquire and extract relevant data to make the right decisions going forward.”

Inflation has become a fact of life. The Consumer Price Index (CPI) is hitting the 40-year high, most CPGs are two+ price

hikes in, and CEOs don’t expect the pressure to ease any time soon. Shoppers have finally taken notice, with almost half reporting that higher prices are leading them to buy more items on sale or with coupons. In his presentation, Mike outlines how new pricing and increased shopper-price sensitivity creates the need for a new strategy on promotions.

With diminished spending power, customers turn to promotions to decide what to buy. With this comes an increase in the use of promotional displays that we often see walking down supermarket aisles. What we don’t see is that the cardboard used to create these promotional displays

are often used in an unsustainable manner. “Worldwide, more than 1,000,000,000 kg of cardboard is wasted annually on promotional displays”, stated **Bram Van Schijndel, CEO of Pure Value**. He presented a case for more sustainable, reusable displays that can reduce the carbon footprint and track the sale of products.

The call to embrace sustainable growth in the supply-chain was also made by **Harry Fogel, Global Vice President** and **Tim Hood, Chief Technology Officer at Consumer Industries SAP**. According to Fogel, sustainability is on every FMCG companies’ strategic agenda with topics such as regenerative business, circular

Mike Bash
VP of Customer
Success
Eversight



Bram Van Schijndel
CEO
Pure Value



Harry Fogel
Global Vice President
SAP



Tim Hood
Chief Technology
Officer at Consumer
Industries
SAP



economy, plastic taxes and track and trace mechanisms. According to a SAP Deloitte Pulse Check Survey in 2021, around 51% of companies surveyed said that having a sustainable and transparent supply chain is critical for their business.

From the consumer's perspective, customers want to know where and how the product is coming to them. *"As 87% of global products are moving through the SAP system, we have a responsibility to lead the way in sustainable product promotion"*, said Tim Hood.

Machine learning, consumer-centric models of collaboration and digital sciences that combine AI and human behaviour were all discussed as various steps moving forward. For retailers and manufacturers this is a dangerous era of disruption and of tectonic shifts in structures, formats, and channels. *"A new epoch of retail has arrived, wherein, once again, only those most agile / most adaptable to change will survive"*, said **David Ciano**, Global Head of Grocery Retail at **dunnhumby**. He claimed that these five practices were essential for supply chain professionals in the future:

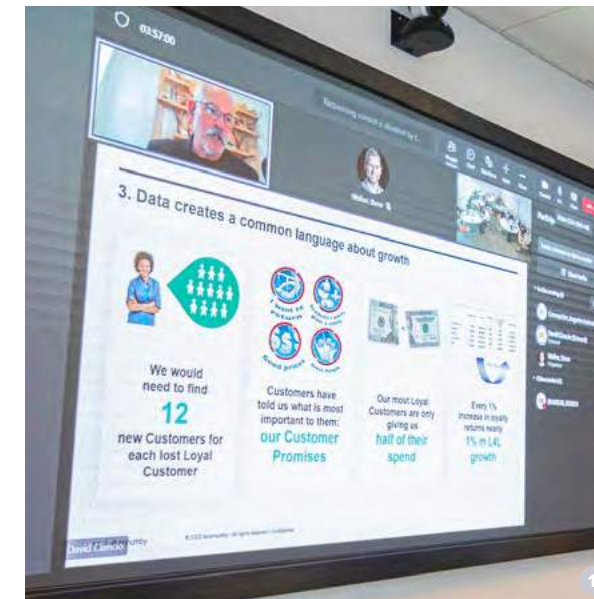
1. View data as strategic asset
2. Bravely face into the truth based on data insights
3. Use data to drive all key decisions and processes from end-to-end
4. Use data insights to improve the shopping experience
5. Have a common "Customer Language" based on the data

A common language and collaboration between retailers and manufacturers can indeed change the game. **Nick Gazzard**, CEO at **Incept** and **Peter Schultz**, Product Manager at **gicom** presented their solutions – that even though data sharing between manufacturers and retailers will always bring up issues of data privacy, there are significant benefits. Many ad-hoc studies have shown that collaborating to reduce cost and waste in supply networks can deliver twice the savings compared with working in individual company silos, according to Gazzard. Schultz explained that a collaboration between a retailer and CPG company need not only be organisational but also technical. Machine learning and AI with the use of a public cloud could potentially translate between the data worlds.

In 2022, it's more about the customer than ever before. **Stephen De Angelis**, Founder of **Enterra**, an autonomous digital sciences company, claims supply-chain professionals should view the value chain as a continuous flow of data, flowing mostly from consumers themselves. **Susan Mark**, VP of **RIZING** and **Jason Boyer**, Chief Solution Owner, **SAP**, propagated the customer-centric model of doing business for the future – through Assortment Planning intelligent enterprise and cloud technologies.

In conclusion, inflation was on everyone's mind as well as how to tackle the aftereffects of Covid-19 on the supply chain. The topic of sustainability was prominent and it permeated most presentations and discussions. With regard to solutions, data sharing and widening the scope of data was discussed as a new and potential solution.

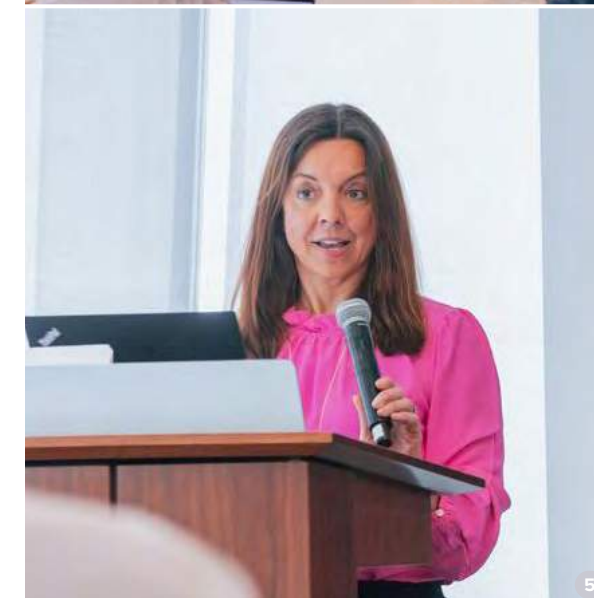
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Susan Mark
Vice President
RIZING



Jason Boyer
Chief Solution Owner
SAP

Fabio de Bernardi
VP of Business Development
Adverity



Derek Risley
SVP Americas
yellow.ai

AI and the Consumer:

A Sit-Down with Startups

In the time of supply chain disruptions and new emerging challenges, established enterprises look to discover new ideas and technologies. A feeling of collaboration and openness to new ideas was felt at the SummerComes event in NYC where participants from manufacturing, retailer and service provider companies alike heard presentations from up-and-coming start-ups revolving around the topics of using AI and product data in innovative ways to interpret consumer behaviour trends.

Taking a different approach to marketing analytics, **Fabio de Bernardi, VP of Business Development at Adverity** presented the benefits of condensing and streamlining data to make strategic decisions. A fast-growing data analytical platform for marketing and commerce from the Sapphire Ventures portfolio, Adverity's goal is to help companies put data first. Marketing is changing and data can no longer be siloed off and forgotten, but embedded and organised in a single format

– ready to go! Without a single, recognised, and trusted source of information, different teams use data that may not be correct, or may not present the full picture of what's happening in the organisation.

Fabio closed the presentation with the following quote, which vividly encompassed

“Every consumer’s journey begins with a question”, and this question proves to be a vital source of strategic information for the company moving forward.

the importance of data and analytics in today's business arena: “You can go broke saving money on analytics”.

The need to streamline data continued to dominate the discussion. **Derek Risley, SVP Americas, presented yellow.ai**, another company from Sapphire Ventures, discussed the creation of dynamic virtual agents a.k.a. the online bots that aid consumers online in the form of a chat box often present on companies' websites.

“Every consumer's journey begins with a question”, and this question proves to be a vital source of strategic information for the company moving forward. In the era of 24/7 connectivity, customers seem to want high engagement from brands, whether by a human or a robot. With 1,500 new questions created every day, product data is collected from all corners of a company's website and streamlined across all channels. In this way companies can use customer engagement data, collected in real time, to make more strategic decisions.

Myles Suer
Solutions Marketing Director
Alation



Miroslav Dimitrov
Chief Operating Officer
nwo.ai

However, can companies realistically benefit from embracing data in new ways?

Myles Suer, Solutions Marketing Director at Alation, a data intelligence solution company that combines machine learning with human insight to successfully tackle challenges in data and metadata management, gave the example of Zara stores using the RFID tag for more than just logistics. Normally used to keep track of logistics, Zara took the same data and used it to uncover fashion trends and create new collections more precisely based on what garments were selling out. Thus, data became a part of their integrated store concept.

But can there be such a thing as too much data? **COO of nwo.ai**, a data analytics enterprise that tracks microtrends, **Miroslav Dimitrov** claimed those insights acquired from alternative data sources can have long-lasting strategic benefits. He underscored the importance of democratizing access to these types of insights and technology across companies.

For example, he showed how nwo.ai's signal representing the consumer energy and momentum behind Hard Seltzer produced a 12-month forecast report vastly different

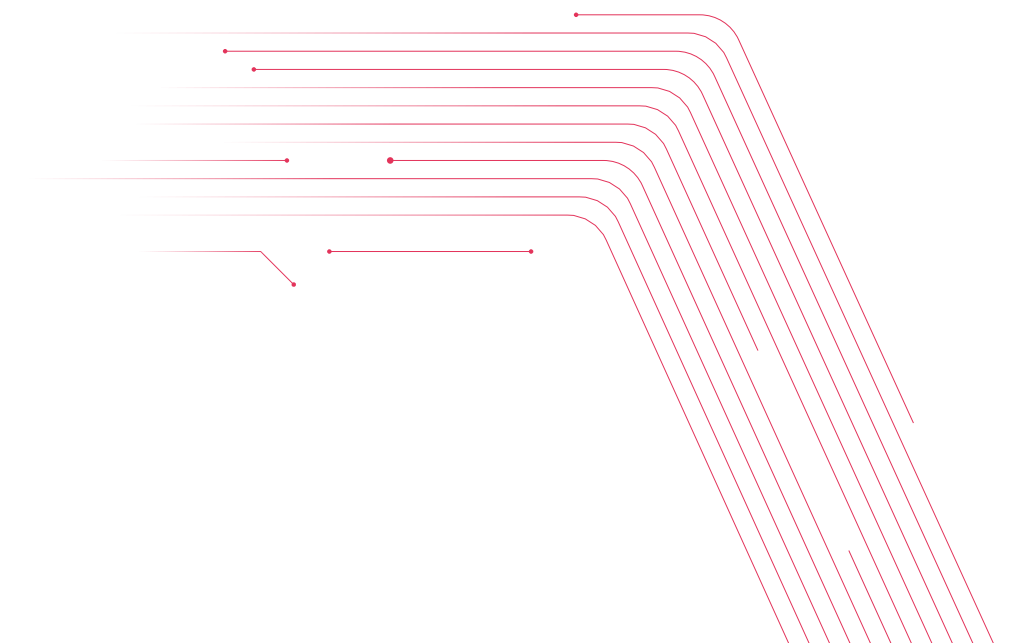
from what industry analysts were predicting by only looking at historical sales.

Further, he went on to showcase the depth of insights companies can get by ingesting data points from various sources, including search, social, scientific, e-commerce, and others. For example, brands can drill down and understand the growth drivers behind any consumer trend, e.g. Hard Seltzer, its microtrends, location-specific metrics, and a drill-down of the leading channels driving the conversation. This paves the way for marketers to spot emerging consumer trends and unpack the motivations behind them to create a more authentic connection with their audience.

What united the messaging of the start-up presentations was that companies should use data above all else to guide their strategic decisions. Customer centricity is the way forward, and information that you get from your customer is invaluable. Data sets are meant to be widened to include for example demographic and geographic factors. There is no going back to business as usual, and companies should get creative in the way they interpret and use product data.

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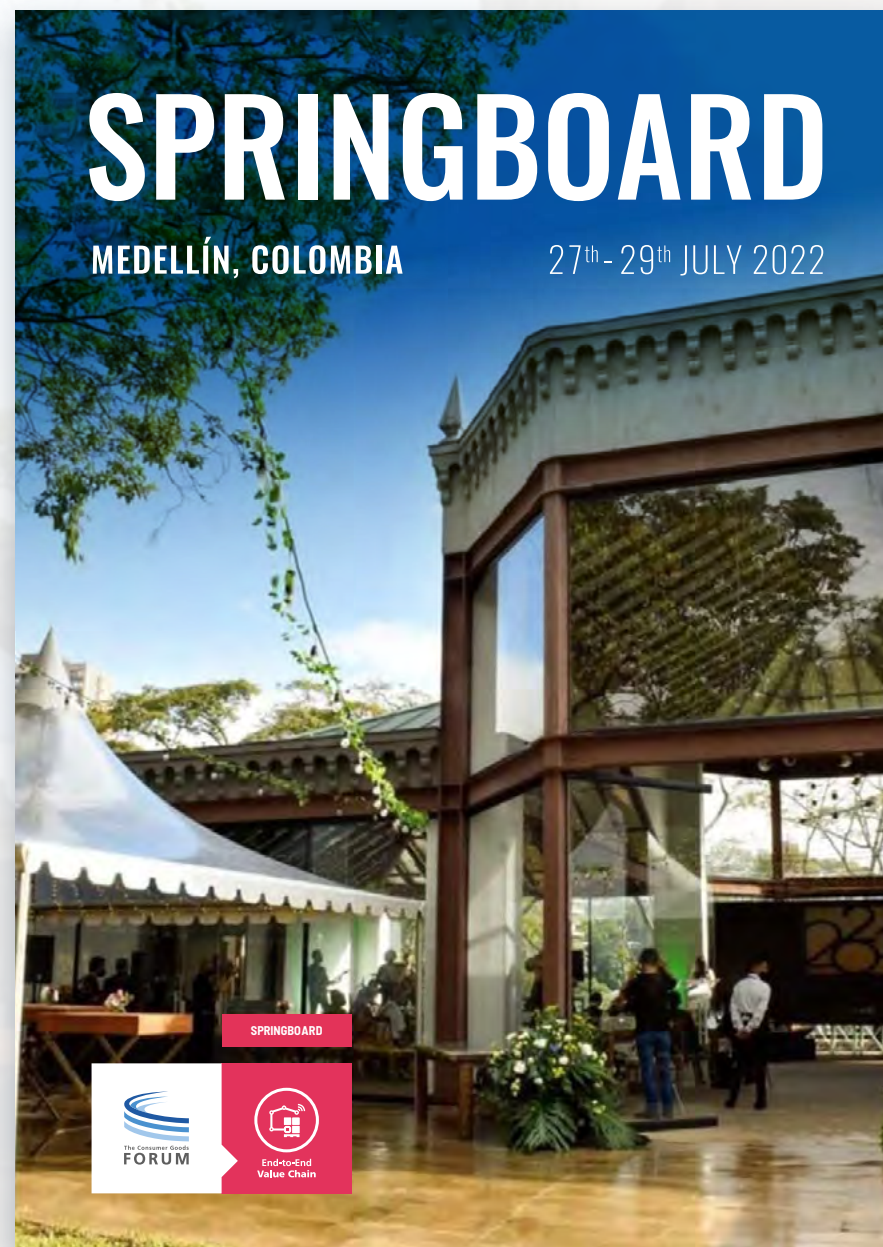






Events

Springboard
27th - 29th July 2022
Medellin, Colombia



Supply Chain Conference
24th - 26th October 2022
Amsterdam, The Netherlands





About The Consumer Goods Forum

The Consumer Goods Forum ("CGF") is a global, parity-based industry network that is driven by its members to encourage the global adoption of practices and standards that serves the consumer goods industry worldwide. It brings together the CEOs and senior management of some 400 retailers, manufacturers, service providers, and other stakeholders across 70 countries, and it reflects the diversity of the industry in geography, size, product category and format. Its member companies have combined sales of EUR 4.6 trillion and directly employ nearly 10 million people, with a further 90 million related jobs estimated along the value chain. It is governed by its Board of Directors, which comprises more than 55 manufacturer and retailer CEOs.

For more information, please visit:

www.theconsumergoodsforum.com

