

Industry Insights – Retail and CPG

January 2022: Complimentary Abstract / Table of Contents



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- ▶ Value and Quality Assurance (VQA)
- ▶ Work at Home Agent (WAHA) Customer Experience Management (CXM)

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Introduction

Background of the research

The report provides fact-based data and analysis on key trends and developments in global outsourcing for the retail and CPG industry. The report captures key developments across offshore locations leveraged for service delivery, offshore/nearshore penetration and sourcing mix, global sourcing maturity, and adoption of digital services in the retail and CPG industry. It also presents opportunities, implications, and challenges for providers and enterprises in the next normal.

The scope and methodology of this report includes:

- Key global sourcing trends in the retail and CPG industry
- Value chain processes in the retail and CPG industry
- Leading offshore locations leveraged for service delivery
- Offshore penetration and sourcing mix across key functions, including retail and CPG operations, corporate functions (F&A, HR, and procurement), and digital services such as analytics, automation, Artificial Intelligence (AI) / Machine Learning (ML), cloud, Internet of Things (IoT), and blockchain
- Global sourcing maturity across key functions – retail and CPG operations, IT services, corporate functions, and digital functions
- Adoption of digital services (analytics, automation, AI/ML, cloud, IoT, and cybersecurity) in the retail and CPG industry
- The talent war and mitigation measures

Scope of this report



Geography
Global



Industry
Retail and CPG

Focus of this report



Key questions addressed

- What are the key offshore/nearshore locations leveraged by retail and CPG firms?
- What is the global sourcing maturity achieved for delivery of retail and CPG services by third-party service providers and GBS organizations?
- What are the key digital focus areas for retail and CPG firms?
- What is the offshore penetration and sourcing mix trends for retail and CPG firms?



Key market players

- This report focuses on the global sourcing adoption (of both GBS centers and third-party service providers) by leading retail and CPG firms
- Examples of key market participants:
 - Retail and CPG enterprises – Mondelez International, Procter & Gamble, Coca-Cola, Walmart, Amazon, Nestle AG, and Johnson & Johnson
 - Global service providers supporting the retail and CPG industry – IBM, Accenture, Wipro, and Centric Software

Overview of the retail and CPG industry

Overview

- Retail and CPG firms are at the forefront of innovation and Research and Development (R&D). Other than supporting high-maturity retail and CPG operations, the adoption of next-generation technology services has gained more focus in recent years with the changing retail and CPG industry landscape
- Retail and CPG enterprises are increasingly investing in transformation through digital products and platforms. Digital technologies such as Artificial Intelligence (AI) / Machine Learning (ML), cloud, blockchain, cybersecurity, IoT, mobility, and data analytics are redefining the overall retail and CPG industry landscape
- Many retail and CPG firms are establishing global capability centers, center of excellence centers, innovation labs, and technology centers to focus on automation of internal business and IT processes leveraging automation, big data analytics, and AI technologies
- GBS centers and service providers are increasingly leveraged for shared service centers, supply chain management, order management, product life cycle management, customer services, distribution services, inventory management, etc.
- India is the leading offshore/nearshore location for services delivery followed by Poland, the Philippines, China, and Costa Rica amongst others
- There is a need for retail and CPG enterprises to focus on the retention of their staff by managing their overall physical and mental workload and reskilling them with digital skills

Key market players

- This report focuses on the global sourcing adoption (of both GBS centers and third-party service providers) by leading firms
- Examples of key market participants:
 - Retail and CPG enterprises – Mondelez International, Procter & Gamble, Coca-Cola, Walmart, Amazon, Nestle AG, and Johnson & Johnson
 - Global service providers supporting the retail and CPG industry – IBM, Accenture, Wipro, and Centric Software

This study offers six distinct chapters providing a deep dive into key aspects of life sciences market; below are four charts to illustrate the depth of the report

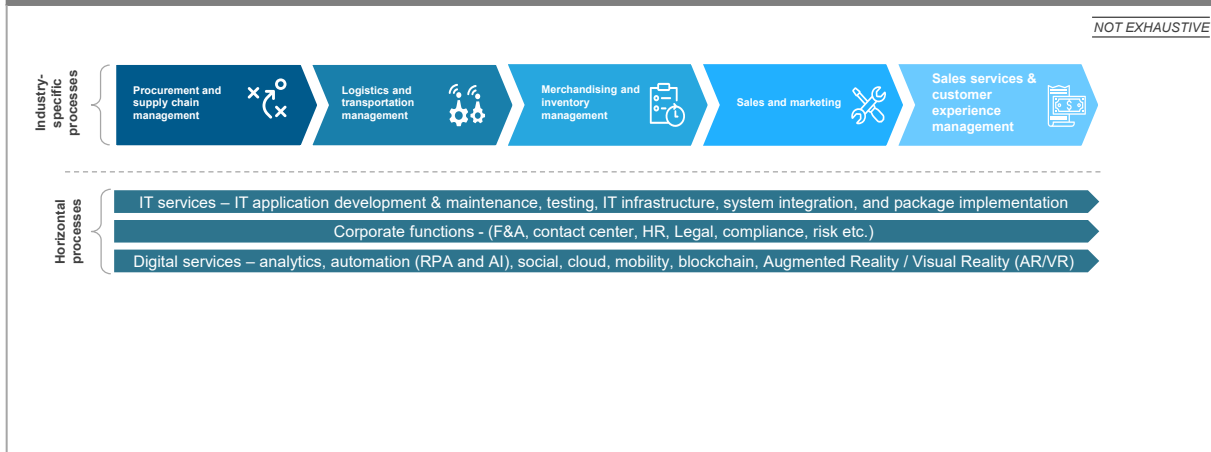
Key trends for global sourcing in retail and CPG industry



Leading offshore locations leveraged by retail and CPG organizations



Key value-chain process in retail and CPG industry



Framework to assess global sourcing maturity across functions

| Factors | Dimensions of assessment | Assessment rating – how to interpret | | |
|---|---|--|--|---|
| | | Low maturity | Medium maturity | High maturity |
| Nature of work | Mix of rule-based vs. complex / judgment-oriented work | Predominantly rule-based work supported | Both rule-based and complex work supported, with a skew toward rule-based work | Both rule-based and complex work supported, with a skew toward complex work |
| Average scale of operations for global / regional work | Size of teams handling the function | Evidence of small-scale centers (<100 FTEs per function for leading players) supporting global/regional operations | Evidence of medium-scale centers (100-200 FTEs per function for leading players) supporting global/regional operations | Evidence of large-scale center (200+ FTEs per function for leading players) supporting global/regional operations |
| Number of key players supporting global / regional work | Number of leading players leveraging back-office for the function (supporting global / regional work) | No/limited companies supporting the function | Some companies (four to six) supporting the function | Multiple companies (seven to ten) supporting the function |
| Level of ownership | Degree of independence / end-to-end execution of a process | No independence in carrying out a process | Provides some level of independence in executing a process | End-to-end execution of a process |

Research calendar

Market Vista™

■ Published
 ■ Planned
 ■ Current release

| Reports title | Release date |
|---|---------------------|
| Industry Insights – Banking and Financial Services | December 2021 |
| Trump Cards: Driving Healthcare Innovation During Uncertainty | December 2021 |
| It Is Not a Talent War; It Is a New Reality – 2022 Key Issues in Global Sourcing – Enterprise Perspective | February 2022 |
| Market Vista™: Q1 2022 | February 2022 |
| It Is Not a Talent War; It Is a New Reality – 2022 Key Issues in Global Sourcing – Service Provider Perspective | March 2022 |
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| Industry Insights – Telecom and Network | May 2022 |
| The Growing Need for Inclusive Talent Models: Learning from Impact Sourcing Specialists | May 2022 |
| Impact Sourcing Specialists Profiles - 2022 | June 2022 |
| Market Vista™: Q2 2022 | June 2022 |
| Market Vista™: Q3 2022 | September 2022 |
| Industry Insights – Healthcare | October 2022 |
| Market Vista™: Q4 2022 | December 2022 |
| Industry Insights – Retail and CPG | January 2023 |
| Market Vista™: 2022 Year in Review and Outlook for 2023 | Q1 2023 |
| 2023 Key Issues in Global Sourcing | Q1 2023 |

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