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Inspire the Next

Global food manufacturer gains flexibility through improved customer insights
Respond quickly and effectively to market changes

Situation

A global food manufacturing company with a long track record of growth and profitability was experiencing the effects of quickly changing consumer trends. Without early insights into the changing consumer behavior, needs and preferences (demand signals), the company was not able to respond appropriately. As a result, it was facing market share and profitability pressures, as well as slower growth than was projected.

Solution

- The lack of timely and effective insights resulted in the company building a business and IT strategy and capabilities to improve relationships with their retail customers, as well as connections with the end consumers of their products.
- The approach is focused on using the data to understand the "Who" and "Why" of consumer/customer behavior, and translate these insights to:
  – Tailor a go-to-market approach
  – Develop an effective service model

"Who" and "Why"

- At the core of the solutions is an improved data and analytics capability: technologies, organization and skills enabling closer partnerships with their key retail customers and improved social listening to the consumers of their products.
- The key is not only to collect and integrate more data but also to use the data assets to create more actionable insights. Leadership can make decisions based on this information, which positively impacts the performance of the company.

Approach

- Update business strategy, develop key imperatives and their objectives
- Develop a solution strategy and implementation roadmap
- Develop a master data management capability covering data governance, data quality, key metrics (KPI's) and supporting master data, data quality and data governance processes, skills, tools and technologies
- Execute a multi-year roadmap focused on two key work streams around customer and consumer. Each roadmap has foundational initiatives, quick wins and longer term projects
- Execute initial POC's and pilots to demonstrate the selected technologies as well as business value. This includes using in-memory technologies for next generation of Customer Demand Signal Repository, advanced analytical and visualization tools, data appliances and Hadoop based technologies to enable a large data repository.
- Execute implementation projects based on defined Hitachi Smart Customer Experience programs

Solution work streams

Customer

- To improve the customer insight a new data repository and analytics platform (Demand Signal Repository or DSR) was built leveraging modern, high performance in-memory data and processing platforms as well as advanced analytical and visualization tools. This will enable power users, business analysts and data scientists to perform new types of analysis and create new insights.
- The solution brought together demand signal data from more internal and external data sources, including ERP systems, retail customers, POS, third-party data and market research data.
- Critical to a successful customer repository was the master data management solution, which allows data from across various systems and providers to match and merge.
- A vital piece is the data governance ability for certain business data owners, such as product category or retail leads, to manage master data attributes specific to their product and consumers.

Consumer

- Key to a better understanding of the consumers of their products was the ability to track digital content that is integrated from many sources, including all web-based assets.

- Instead of relying on web asset data located in cloud silos managed by different outsourced companies, the data is integrated into one internal very large data repository (big data "lake").

- This big data lake is used by data scientists and other power users to analyze data, develop models, and create business relevant insights allowing management and executives to make decisions related to a multitude of areas and processes.

Results

The new solutions and capabilities allowed the client to improve the customer and consumer insights resulting in decisions that ultimately improve both the top and bottom line.

These new insights are used to improve many different businesses, functional areas and processes across the organization including sales, supply chain and marketing. Examples include:

- Improved inventory management/ replenishment – reduced out of stock, increased on shelf availability, fewer distribution voids

- New product introductions better aligned with consumer trends (e.g. organic and health)

- Improved account management

- Improved forecasting—stores, DC's, lost sales, store level demand signals

- Improved category and brand management

- Improved product category performance for key customer retailers

- Improved digital marketing effectiveness, brands web site effectiveness, communication with consumers

About Hitachi Consulting

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