

Accelerating Time to Market in the **Consumer Packaged Goods Industry**

A recent McKinsey study emphasizes the importance of speed in the CPG industry, recommending the formation of cross-functional teams within days and the rapid development of marketable products in weeks. The report *"What Got Us Here Won't Get Us There: A New Model for the Consumer Goods Industry,"* advocates for a new operating model that leverages technology and digitization to eliminate barriers quickly. McKinsey suggests mature CPG companies should transition from legacy IT setups to a cloud-based approach focused on customer-driven processes designed for machine communication, not human reliance on email and Excel spreadsheets.



The new operating model McKinsey describes uses technology and digitizes wherever possible, facilitating a spirit of "fast-track removal of barriers". McKinsey goes on to say: "In the past 20 years, SG&A cost reductions came from doing the mess for less, making operations cheaper but not better." This paper highlights the challenges organizations must overcome to achieve the goals defined by McKinsey, and highlights how a proven solution has been successfully implemented in multiple Fortune 100 CPG companies.



Now is the time to overhaul the processes built for the ERP environment of the 1990s and use emerging technologies like intelligent automation and artificial intelligence to modernize the back office, creating a service-oriented, low-touch/low-code environment to democratize automation, analytics, and artificial intelligence.

Death by a Thousand Cuts: Small Inefficiencies Accumulate to Hinder Organizational Speed

When a CPG organization experiences a multitude of small inefficiencies, minor points of failure, and subtle barriers, these seemingly insignificant issues can accumulate, leading to major consequences that significantly slow down the organization's overall performance and progress. This phenomenon is often compared to the "death by a thousand cuts," where no single issue is catastrophic in itself, but collectively, they create a substantial impact. If speed is the goal, these small barriers slow you down.

Below are the impacts to speed from many "small cuts":

- **Cumulative Time Loss:** Each small inefficiency, like a cumbersome approval process, might only waste a few minutes. However, when multiplied across multiple instances and employees, the total time loss can be substantial, reducing overall productivity.
- **Increased Frustration and Decreased Morale:** Constantly encountering small roadblocks or inefficiencies can lead to employee frustration. Over time, this can erode job satisfaction and morale, leading to decreased engagement and potentially higher turnover rates.
- **Opportunity Costs:** Time and resources spent dealing with these inefficiencies could be redirected towards more productive tasks, innovation, or strategic planning. The organization misses out on these opportunities, potentially impacting its competitive edge.
- **Impaired Decision-making:** Minor points of failure in data collection or reporting can lead to inaccuracies. These inaccuracies, while small on their own, can skew the big picture, leading to misguided strategies or decisions.
- **Scaling Challenges:** As the organization grows, these inefficiencies and barriers become more pronounced. What might be manageable in a small team can become a significant obstacle in a larger, more complex system.
- **Risk Amplification:** Small points of failure can interact in unforeseen ways, amplifying risks. In critical situations, this could lead to significant operational or financial setbacks.
- **Innovation Stagnation:** A culture bogged down by inefficiencies may lack the agility and motivation to innovate. Employees consumed by daily inefficiencies may have less time and energy to think creatively or pursue new ideas.
- **Brand Image Impact:** Cumulative minor issues can affect the organization's reputation. Stakeholders, including customers, investors, and potential employees, may perceive the company as inefficient or behind the times.
- **Delayed Response to Market Changes:** An organization slowed down by many small inefficiencies may be slower to respond to market changes, losing out to more agile competitors.

In conclusion, a large number of small inefficiencies, points of failure, and barriers can collectively lead to significant organizational slowdown, impacting productivity, morale, innovation, customer satisfaction, and ultimately, the bottom line. Addressing these issues proactively is crucial for maintaining operational efficiency and competitive advantage, and ultimately the speed needed to lead markets.

Examining Root Causes: Inefficiencies, Obstacles, and Points of Failure

Perhaps the biggest obstacle to accelerating time to value in everyday work is that people fail to see the specific inefficiencies that slow them down. Due to a complete lack of visibility and many other root causes, the inefficiencies just blend into the background and nobody pays any attention to them.

Examples include:

1. Over-collaboration (Lack of Explicit Coordination)
2. Unassigned/Unclear Responsibilities and Deliverables
3. Lack of Standardization
4. Missed Dependencies
5. Poor Work Transitions
6. Lack of Visibility and early warning
7. Overutilization of Non-constrained Resources
8. Lack of Automation



Let's dive into each of these root causes and explore why they happen and how they slow down an organization:

1. Over-collaboration

Excessive time spent in collaboration tools is often a result of poor coordination, leading to several inefficiencies. There is a notable waste of time in ensuring that steps are carried out in the right sequence, in providing complete information, in defining clear deliverables, and in maintaining real-time status updates. Furthermore, teams from different departments, like sales and installation, frequently engage in unproductive meetings without clear agendas or defined roles, which prolongs decision-making processes and leads to repetitive discussions.

The recurrence of the same coordination issues in regular meetings is symptomatic of a failure in the current coordination mechanisms. Teams, instead of concentrating on innovation, strategy development, or process improvement, are preoccupied with clarifying roles, adjusting timelines, and resolving conflicts. These challenges could be effectively managed with improved coordination, suggesting that tools like Work-Relay could be beneficial by clearly defining responsibilities and standardizing work transitions.

2. Unassigned/Unclear Responsibilities and Deliverables

Poorly defined deliverables and responsibilities in business processes can lead to a cascade of problems, significantly impacting the efficiency and effectiveness of an organization. When deliverables are not clearly outlined, it creates ambiguity regarding the expected outcomes, leading to misaligned efforts and subpar results. This lack of clarity often results in teams working towards different goals or producing outputs that do not meet intended objectives or quality standards.

Similarly, unclear responsibilities can cause confusion and overlap in roles, leading to duplicated efforts, inefficiencies, and delays in project completion. It also hampers accountability, as it becomes challenging to

pinpoint who is responsible for specific tasks or errors. This ambiguity can diminish team morale, as employees may feel uncertain about their roles and contributions.

Furthermore, poorly defined responsibilities and deliverables can lead to communication breakdowns between teams, stakeholders, and clients, resulting in missed opportunities, decreased customer satisfaction, and potential financial losses. Overall, the absence of clear deliverables and defined responsibilities can significantly disrupt the smooth operation of business processes and hinder an organization's ability to achieve its strategic goals.

3. Lack of Standardization

The lack of standardization in business processes can result in numerous challenges and inefficiencies across various operational aspects. It can hinder scalability, making it difficult to onboard new staff or expand into new markets. In fulfillment, divergent packing and shipping practices can cause inconsistencies and errors in package handling.

A lack of such standardization in design to print and manufacturing processes can lead to inefficiencies and increased costs. Repetitive adjustments, redesigns, and reprints due to non-standardized designs or processes can escalate production costs significantly.

The challenge extends to decreased accountability, as identifying errors and responsible parties becomes difficult without standardized processes, leading to increased operational costs from inefficiencies, rework, and mistakes.

Non-standardized processes complicate collaboration with partners, suppliers, and external agencies. This lack of uniformity can lead to misunderstandings, errors, and delays, especially when working with external designers, printers, or manufacturers.

Standardization issues also complicate the implementation of technology and automation solutions, reduce process flexibility, and risk violations of legal or industry standards. This lack of uniformity can impair decision-making due to inconsistent data, hinder continuous improvement efforts, and lead to customer dissatisfaction from process variations.

Training new employees becomes more complex and time-consuming, and general inefficiencies arise from different approaches to the same task, possibly resulting in varied quality outcomes. Lastly, the absence of standardized procedures can lead to poor interdepartmental collaboration, characterized by miscommunication and alignment issues.

4. Missed Dependencies

Dependencies refer to the reliance of one activity, task, or process on another to achieve a particular outcome. Missed dependencies in business processes can lead to a cascade of problems, both immediate and long-term. In the fast-paced CPG industry, timing is crucial, and failing to account for these dependencies can lead to several issues.



Delayed product launches: Often result in missing key market opportunities such as seasonal sales or promotional events. Delayed product launches can result in significant revenue losses and weakened competitive advantage.

Design to print and manufacturing processes: Missing dependencies such as design approvals, material selections, and print specifications can lead to delays in packaging design, which is critical in a CPG environment where packaging plays a key role in marketing and brand perception. Delays in finalizing designs can push back print schedules, affecting the entire production timeline – ultimately increasing costs.

Business processes: Missing dependencies in business processes can result in various issues, impacting both immediate operations and long-term outcomes. Examples include project delays, rescheduling, wasted resources in premature production, expedited shipping costs, increased labor costs for overtime, and higher material wastage rates.

Repeatedly facing unresolved dependencies disrupts workflow, lowers productivity, and frustrates stakeholders with stop-start patterns, necessitating constant process adjustments. Over time, consistently missing dependencies can damage a company's reputation, increase risks, complicate decision-making, and result in lost business opportunities. It can also demoralize teams, leading to reduced morale, potential turnover, and complicating problem-solving as issues become more complex and costly to resolve when detected late.

5. Poor Work Transitions

Poor work transitions in business processes refer to the inefficient or ineffective handing over of tasks, responsibilities, or information from one stage, team, or individual to the next. When these transitions are not managed well, it can lead to a myriad of problems. Misunderstandings or lack of clarity can arise when transitioning tasks without clear communication, leading to mistakes and confusion.

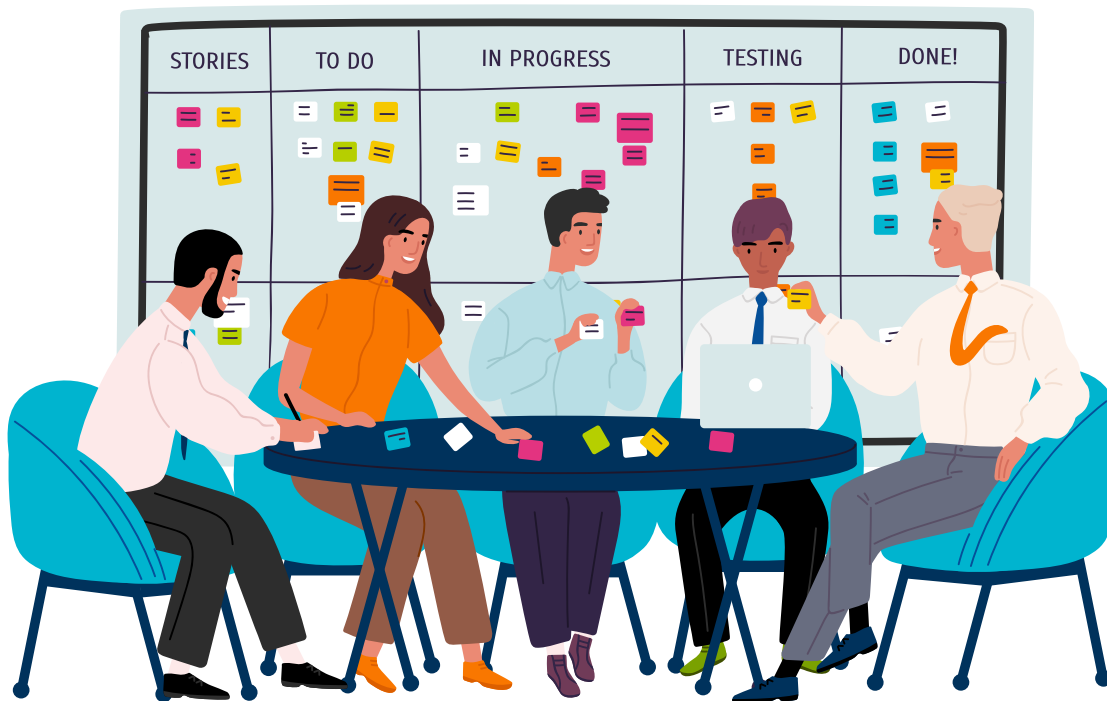
Poorly managed transitions contribute to bottlenecks and waiting times, further delaying tasks, and resulting in the loss of vital information. This can also cause duplication of efforts, where multiple teams inadvertently perform the same task, wasting time and resources. Overall productivity decreases due to these disruptions and uncertainties. Inefficiencies in transitions can increase operational costs due to rework and delays.

In a CPG environment, poor work transitions, especially in the design to print and manufacturing processes, can create significant challenges that impact the overall workflow, product quality, and time-to-market efficiency.

- A. Delays in Product Development Cycle:** Poor transitions between design, print, and manufacturing phases can cause significant delays. For instance, if the handover from the design team to the print team lacks crucial information, it can result in additional rounds of clarification, delaying the entire production cycle. This not only slows down the product launch but also impacts the ability to capitalize on market trends.
- B. Compromised Product Quality:** When transitions between stages are not smooth, critical details can be lost or miscommunicated. For example, if specific color palettes or design elements are not accurately conveyed from the design to the print phase, it could result in products that do not meet the intended quality or brand standards, leading to customer dissatisfaction.
- C. Inefficiencies and Increased Costs:** Poor transitions often lead to redundancies and rework. If the manufacturing team receives incomplete or incorrect specifications from the printing phase, it might lead to production errors, waste of materials, and increased operational costs.

- D. Interdepartmental Misalignment:** Poorly managed transitions can cause a disconnect between different departments. Without a clear and consistent flow of information, teams may work in silos, leading to a lack of cohesion in the final product and inefficiencies in the workflow.
- E. Decreased Employee Morale and Productivity:** Frustrations due to inefficient handovers and the need to repeatedly address transition-related issues can negatively affect employee morale. This can decrease overall productivity and lead to a higher turnover rate.
- F. Supply Chain Disruptions:** Inefficient transitions can have a cascading effect on the supply chain. For instance, delays in finalizing designs can affect the procurement of materials, scheduling of manufacturing processes, and ultimately, the distribution of the final product to retailers and consumers.
- G. Challenges in Meeting Compliance and Standards:** In the CPG industry, adhering to regulatory standards is crucial. Poor transitions can lead to oversights in compliance, particularly if key information regarding materials, labeling, and packaging is not accurately passed along each phase of the process.

Impact on Brand Reputation: Consistent issues with work transitions can lead to a pattern of delays, quality issues, and unmet customer expectations, which can tarnish the brand's



6. Lack of Visibility and Early Warning

In a CPG environment, particularly in the design to print and manufacturing processes, the lack of visibility into project progress and early warning of potential problems can lead to significant challenges:

- A. Delayed Detection of Issues:** Lack of visibility means potential problems in the design, print, or manufacturing stages are not identified early enough. This can lead to costly delays as issues are often only recognized once they have already impacted the project, at which point rectification becomes more complex and expensive.
- B. Inefficient Project Management:** Without clear insight into project progress, managing timelines and coordinating between different stages of production becomes challenging. This can result in missed deadlines, rushed jobs, or bottlenecks, particularly if one stage of the process is lagging without the knowledge of other teams.

- C. Compromised Product Quality:** In the absence of proper visibility, quality control can suffer. Problems in design integrity or manufacturing quality may go unnoticed until the final stages, leading to subpar products that fail to meet brand standards or customer expectations.
- D. Increased Operational Costs:** Hidden inefficiencies and late detection of problems can inflate operational costs. Rework, expedited shipping, and additional labor costs due to last-minute changes or corrections contribute to increased expenditure.
- E. Impact on Innovation and Market Responsiveness:** In a fast-paced CPG market, the ability to quickly innovate and respond to consumer trends is critical. Lack of visibility hinders a company's ability to adapt swiftly to market changes, potentially resulting in lost opportunities.
- F. Strained Stakeholder Relationships:** Poor visibility can strain relationships with stakeholders, including suppliers, retailers, and customers. Inconsistent or delayed communication due to a lack of insight into project progress can erode trust and impact long-term partnerships.
- G. Difficulty in Strategic Decision Making:** Strategic decisions require accurate and timely information. Lack of visibility into ongoing projects impedes informed decision-making, impacting the overall strategic direction of the company.
- H. Reduced Employee Morale and Productivity:** Teams working in an environment with poor visibility often face increased stress and uncertainty, leading to reduced morale and productivity. This is exacerbated when teams are unaware of how their work aligns with larger organizational goals.

7. Overutilization of Non-constrained Resources

In the context of operations and production management, resources can be classified as constrained (or bottleneck) resources and non-constrained resources. Constrained resources have limited capacity, and when they are fully utilized, they can become bottlenecks in a system. On the other hand, non-constrained resources have surplus capacity relative to demand.

Overutilizing non-constrained resources without considering the capacity of constrained resources can lead to multiple challenges. Overutilizing non-constrained resources without considering the limits of constrained resources in operations and production management can create several problems. For example, if a company's legal team is a bottlenecked, constrained resource, while the design team has excess capacity, increasing the design team's size without addressing the legal team's constraints worsens workflow imbalance. This leads to inefficient resource allocation and work accumulation at the bottleneck.

Expanding non-constrained resources incurs unnecessary costs without improving system throughput and causes delays in project completion, as overall timelines are still dictated by the constrained resources. Non-constrained resources might produce work faster than it can be handled, resulting in wasted efforts and potential rework. This imbalance can also demoralize constrained resources, who may struggle with excessive workload without adequate support, potentially compromising quality.

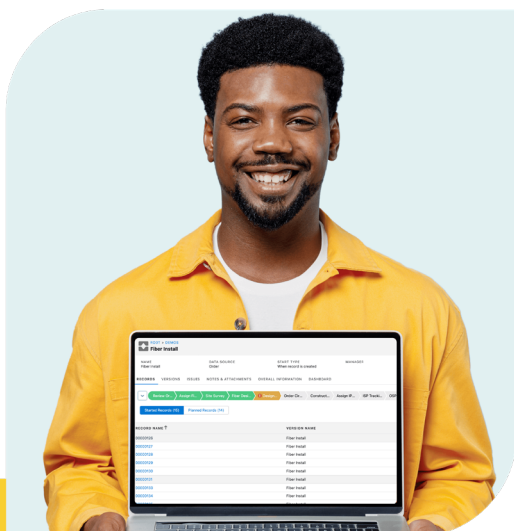


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8. Lack of Automation

The lack of automation in a Consumer Packaged Goods (CPG) environment, can have several significant impacts:

- A. Increased Manual Labor and Time Consumption:** In the absence of automation, tasks such as data entry, design adjustments, and updates in production specifications have to be done manually. This not only consumes more time but also increases the likelihood of human error, leading to inefficiencies and potential delays in the overall process.
- B. Slower Response to Market Changes:** The CPG industry is dynamic, with rapidly changing consumer trends and market demands. Lack of automation in design and manufacturing processes can hinder a company's ability to quickly adapt to these changes. Manual processes are often slower to implement new designs or alterations, causing delays in getting new or updated products to market.
- C. Increased Production Costs:** Automation significantly reduces the cost of production by streamlining processes and minimizing the need for manual labor. Without it, companies may face higher operational costs due to increased manpower requirements and longer hours to complete tasks that an automated system could handle more efficiently.
- D. Quality Control Challenges:** Automated systems often include quality control mechanisms that ensure consistency and adherence to standards. Manual processes, however, are more prone to errors and inconsistencies, which can affect the final product's quality. This is particularly critical in the CPG industry, where product consistency is key to maintaining brand reputation.
- E. Reduced Scalability:** Automation allows for scalability in production, enabling companies to adjust more easily to increases in demand. Without automation, scaling up production can be a slow, labor-intensive process, potentially causing companies to miss out on capitalizing on high-demand periods.
- F. Difficulty in Data Analysis and Forecasting:** Automation facilitates the collection and analysis of data, which is crucial for forecasting and strategic planning. Manual processes make it difficult to gather and analyze data effectively, impacting a company's ability to plan for future trends and market demands.
- G. Employee Morale and Productivity Issues:** Manual processes can be tedious and less rewarding for employees, potentially leading to lower morale and reduced productivity. Automation can free staff from repetitive tasks, allowing them to focus on more strategic and creative aspects of their work.



As a reminder, we see the biggest obstacle to accelerating time to value in everyday work is that people **fail to see the specific inefficiencies and inadequacies that slow them down**. The complete lack of visibility combined with many other root causes, result in the inefficiencies blending into the background with nobody able to see or pay any attention to them.

Areas such as the lack of Explicit Coordination, Missed Dependencies, Poor Work Transitions, and of course a Lack of Automation, not only slow down an organization, but can also paralyze it and render it incapable of meeting market demands.

Fortunately, there is a path forward. Or, more precisely, a way to frame the work that will accelerate your ability to meet business objectives. It's the WSRT model.

The WSRT Model

Work-Relay provides a comprehensive solution for managing the complexities of modern business operations, ensuring efficient coordination and execution of tasks, enhancing compliance, and driving acceleration of business outcomes across organizations.

It does this by providing a simple model designed to get

- the right **Work**
- in the right **Sequence**
- to the right **Resource**
- at the right **Time**

(WSRT)



This requires combining the functionality of business process management (to address repetition and sequence) with project management functionality (to address time and resources).

The WSRT approach cannot be effectively implemented using current solutions, which are typically either project or process management tools. Current solutions either focus solely on the project aspect, ignoring the process, or use two separate tools for designing the process and managing the project, which can be challenging to synchronize.

There are several problems with this approach:

- **Projects Driven by Hidden Processes:** Projects consist of activities performed in a sequence to achieve a goal, based on an implied process. However, in project management tools like Gantt Charts, this underlying process often remains obscured. These tools focus on tasks and deadlines without providing a holistic view of the workflow, task integration, or identifying bottlenecks. In addition, project management tools are unable to handle complexities like alternate paths based on business rules. Consequently, projects may fail due to a lack of understanding of the underlying processes.
- **Processes with Unmanageable Timelines:** Processes, like projects, have a start and end point and are designed to reach a business objective. Process management tools lack a concept of time, failing to represent durations and task completion timelines, which are crucial for project management.
- **Different Skill Sets Required:** Project managers and business process analysts possess different skill sets. A project manager focuses on scheduling tasks, tracking dates, assigning resources, and handling deviations. In contrast, a business analyst determines business needs, task sequences, skills required, responsibilities, task durations, and data collection. Merging these roles can lead to inefficiencies and issues.

As such, the current separation of process and project management in software tools and roles leads to inefficiencies and challenges in effectively managing activities that require both process and project management capabilities. An integrated approach or tool that effectively combines both aspects is necessary for more efficient and effective management of such activities.

The solution to effectively managing activities that require both process and project functionality lies in process-driven project management. This approach involves designing a process using a specialized process

design tool and then managing it with a project management tool, utilizing the same underlying data but different views for each function. Process-driven project management integrates the core elements of both process and project management.

The key advantages of this approach include:

- A single, comprehensive platform that unifies the definition, visualization, and management of production work flow throughout an organization.
- Implementation and support of both processes and projects through one tool, offering a consistent interface for users engaged in either type of work.
- The integration of a time dimension for processes, which is typically lacking in traditional process management tools.
- The incorporation of process management elements into project management, providing a more holistic approach to handling tasks.
- The ability to assign responsibilities for process design and project management to resources with the appropriate skill sets, thus optimizing the use of expertise.
- Elimination of the need to import and export data between multiple tools or duplicate data entry, thereby streamlining workflow and reducing errors.
- A unified repository for all organizational processes and projects, simplifying access, analysis, and management.

Work-Relay combines structure and control with flexibility and self-organization, making it a robust platform for managing complex workflows. Its integration of the WSRT (Work, Sequence, Resource, Time) methodology ensures that tasks are precisely sequenced and assigned to the ideal resources at the right time, regardless of who performs them, the methods used, or the origins of the data. This approach guarantees seamless coordination and unparalleled efficiency across the organization.

The essence of Work-Relay lies in its ability to revolutionize value streams, maximizing worker productivity, fostering business agility, and providing comprehensive visibility. The platform facilitates a seamless connection between different aspects of a business, removing obstacles that impede the swift flow of work. It provides a panoramic view of organizational activities, offering total control and unmatched transparency in operations. This holistic approach allows businesses to overcome outdated workflows and embrace a more efficient, modern method of work management.



Moreover, Work-Relay offers the flexibility of incremental implementation. Businesses can start by leveraging modularization and optimization options for processes and projects, gradually moving to more advanced features like aggregated contingencies and buffers for individual projects. Eventually, organizations can utilize Work-Relay to manage their entire portfolio of processes and projects, effectively pipelining projects for optimal operational flow.

Work-Relay also lays the foundation for the implementation of AI solutions by providing a database of standardized, consistent data that AI needs to work its magic. Potential us of AI includes:

- **Automated Design Processes:** AI algorithms can automate certain aspects of the design process, such as layout creation and color scheme selection. This not only speeds up the design process but also ensures consistency in branding across various products.
- **Customization at Scale:** AI enables mass customization in manufacturing processes. It can help in adjusting processes on-the-fly to produce customized products without slowing down the overall production line.
- **Process Optimization:** AI can analyze manufacturing processes to identify inefficiencies and bottlenecks. By modeling different scenarios, AI can suggest process improvements that enhance productivity and reduce costs.
- **Real-Time Decision Making:** AI enables real-time data analysis for quick decision-making. For instance, if a design element is not printing correctly, AI systems can immediately flag the issue for correction, minimizing the time and material wasted.

Conclusion

Accelerating time to market in the Consumer Packaged Goods industry will separate the market leaders from the market laggards. But it's not just about speed. It's about efficiency in execution, error-elimination, and exceptional coordination of complex business operations.

As McKinsey highlighted across the CPG industry, speed across teams "will be critical to the success of every CPG company." And digitization, wherever possible, must focus on customer-driven processes "built for machines talking to each other, not humans emailing Excel spreadsheets."

Work-Relay is the most advanced solution in coordinated work management, empowering CPG businesses to transform their operations and step into the future of efficient, streamlined workflow management. Redefines how work gets done, propelling organizations towards unprecedented levels of coordination and acceleration.

Work-Relay reshapes the future of coordinated work, enhancing the entire workflow from quote generation to revenue realization. It enables enterprises to accelerate time-to-market, boost efficiency, and achieve ambitious business goals by maximizing worker productivity, fostering agility, and providing holistic visibility across processes.

*<https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/what-got-us-here-wont-get-us-t-here-a-new-model-for-the-consumer-goods-industry>