

Reimagining Work 2020

Today's Only Constant Is Change:

Reimagining Work in
the Fast-Moving Retail
and CPG Industries

CATALANT

The nature of work is changing dramatically and irreversibly. For innovation-driven companies working in the retail and consumer non-durable goods industry, the stakes could not be higher.

The retail and CPG industries are known for changing trends and the need to adapt to them, demanding deep expertise in areas like **market and consumer trends**, product innovation, marketing, packaging, manufacturing, technology and data analytics.

As a McKinsey **report on trends** in the retail and consumer non-durable goods industry makes clear, you're in a complex, highly-competitive industry and must continually monitor consumer behaviors, optimize supply chains and drive product innovation. Without the right talent deployed strategically, however, none of that important work will get done.

Disruption can happen overnight, as it has to countless flat-footed enterprises. While there may be some obstacles in the way of your company reimagining work, including outmoded mindsets that believe a full-time staff is the only approach to workforce solutions and/or a lack of organizational structures to support agile talent solutions, change needs to happen now.

For the unprepared, the future will disrupt your customer base, revenue streams, best-laid plans, most carefully crafted strategies and perhaps your very existence. The future won't wait for your enterprise, especially where innovation happens fast, as it does in industries like retail and CPG.



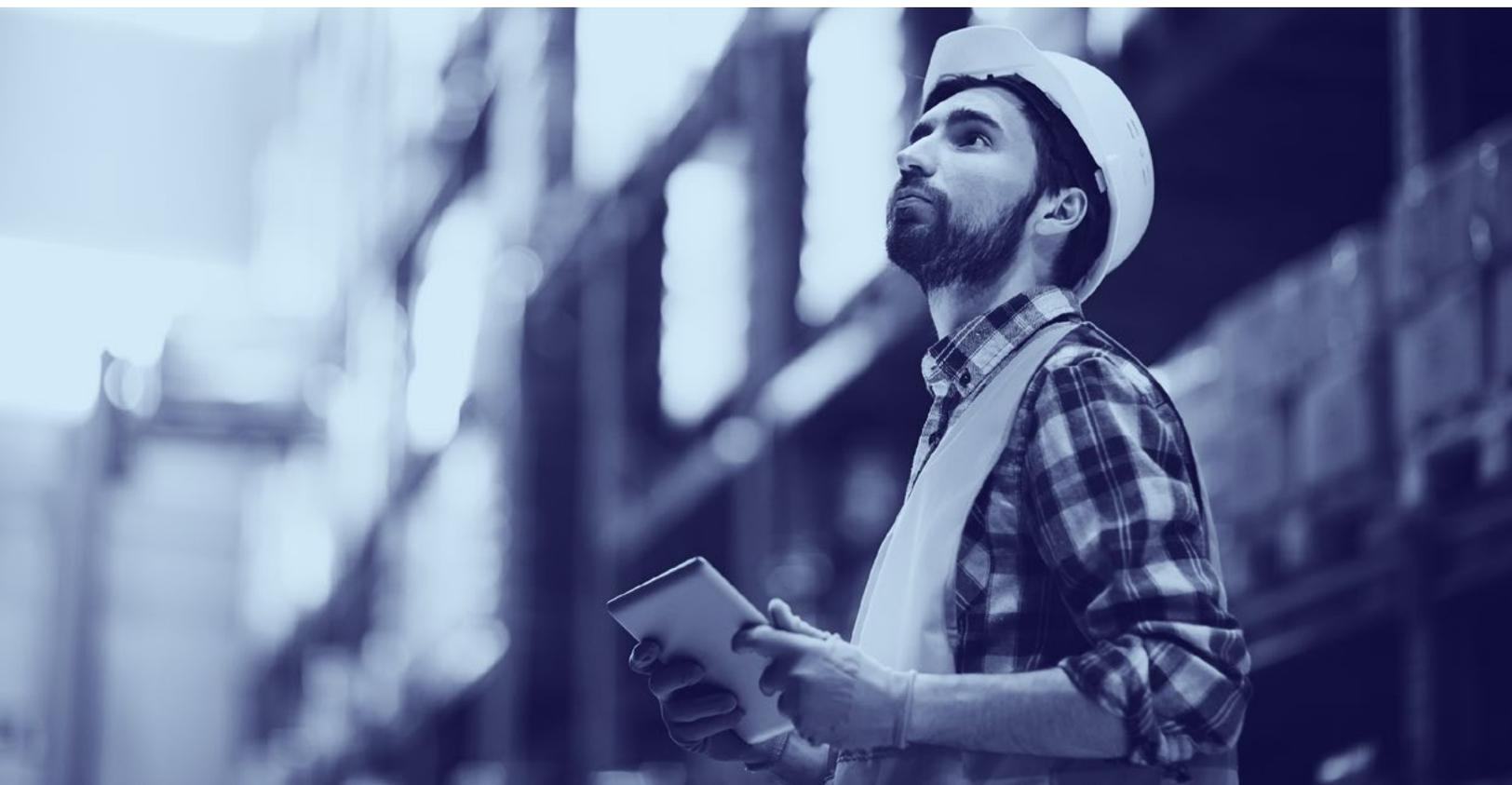
The Driving Forces Behind the Need for Agility

1. Shifts in Technology, Automation and AI

Technology has created unprecedented opportunities to grow existing capacities and innovate what you can do and how you do it. AI and machine learning are reshifting tasks between workers and technology, eliminating jobs, transforming others and creating whole new categories and career paths, some of which we can't even imagine.

Manufacturing plants of the future that make apparel, food products and cosmetics will run on “smart” data-enabled systems that will require tech-savvy talent to operate. Retail will be increasingly dependent on insights gained from data. Businesses will be able to leverage data to anticipate historical patterns, such as higher sales of a certain product in the northeast region in the winter, and a simultaneous drop in sales of this same product in the south.

These data-enabled insights will help you make smarter business decisions about production, inventory and distribution. Leveraging this kind of innovation takes cross-functional teamwork, blending external specialists with in-house company experts.



2. Accelerating Skills Obsolescence and Talent Gaps

As technology, marketing trends and consumer behavior evolve, they outstrip the capacity of most people and enterprises to keep pace. Consequently, companies need to continuously access new skills, many of which are in short supply.

It isn't just Google or Amazon that need AI, automation and big data expertise — so do all companies in the retail and CPG industries. Can you outcompete tech behemoths in Silicon Valley or Seattle for that expert's full-time services?

The more urgently you need talent, the more challenging it is to hire. According to a **recent Catalant survey** of 100+ senior level HR execs, one in two report that openings for critical roles remained unfilled for at least 90 days. In many instances, organizations suffer at least two quarters of lost productivity due to these talent gaps.

Business leaders don't know which skills will be in demand in 3–5 years. Just as upskilling is essential for workers to remain relevant, enterprises must find ways to obtain emerging, specialized expertise.

3. Organizational Challenges

Companies are under pressure to do more with less. All capacity must be used, with absolutely no internal staff “sitting on the bench” waiting to be tapped when needed. But the volume of work, unpredictable timelines and limited bandwidth across a lean team often result in a mounting backlog of work.

In addition, traditional organizational silos create islands of expertise, making it difficult to efficiently tap into the wealth of internal experience. The opportunity cost of dedicating internal resources to ramping up subject matter knowledge creates a great risk, especially for speculative initiatives and early-stage R&D projects where the outcome is unknown. Although learning and development is critical to innovation, it can be difficult to justify.

CPG and retail companies must break down these silos and work in new, cross-functional ways to drive research and development. It's far more cost-effective to “rent” the expertise you need externally, and only when you need it. By accessing and leveraging external talent in agile ways, you can quickly scale up and down your needs.

4. Expensive and Inefficient Big Consulting

When faced with skills gaps, business leaders often default to bringing in big, global consulting firms — largely because it's the path of least resistance — but they have limited insight into the amount of spend or quality of these engagements' outcomes. There's a tremendous amount of expensive bloat that accompanies legacy consulting, including in the CPG industry, where bundled services and rigid team structures create inefficient and expensive engagements.

Big consultancies are the most expensive and often the slowest talent solution. Brand-name firms can be like buying a gold-plated tool set when all you need is a flat-head screwdriver.

5. Workforce Desire for Flexibility

As if the four reasons above aren't enough, a monumental driver of all this change is that professionals with in-demand skills want flexibility in how, when, where and for whom they work. They are increasingly choosing to work independently and start their own boutique consulting firms.

The number of independent professionals in the U.S. is expected to triple by 2020, while 97 percent of now-independent workers have absolutely no desire to return to traditional work. This is especially true for subject-matter experts who can help drive cutting-edge innovation in areas like product R&D.

Independent subject-matter experts work for multiple companies, whether for the variety of the work or for lifestyle reasons. Organizations have no choice but to accommodate and respond by assembling teams in more agile ways.

A Workforce Technology Platform Solution

Agility in the Real World

An agile enterprise can augment staff as needed, tackle unfamiliar initiatives, avoid unnecessary expenditures, integrate disparate talent pools, dynamically build hybrid teams, right-size consulting engagements and track business needs. It sounds like a lot to cover, but trusted, AI-powered workforce technology platforms can help your team become agile.

Online workforce marketplaces grant visibility into internal skills and access to high-quality, on-demand independent experts and boutique firms, who, unlike legacy consulting firms, are more willing to unbundle their services and map engagements to your individual needs. This kind of workforce solution allows you to manage quality of work and project performance. By leveraging the right digital tools, your company can innovate more efficiently and meet volatile business demands.

Overcoming Obstacles

Enterprise leaders know they need to be more agile: 84 percent of executives readily agree that new ideas and enhanced capabilities sit outside enterprise walls, waiting to be accessed. That said, there remains a massive gap between where companies should be and where they actually are.

According to Catalant's survey, 43 percent of HR leaders report that they're either "behind or way behind" in adopting necessary practices supporting the future of work. So, what's standing in the way?

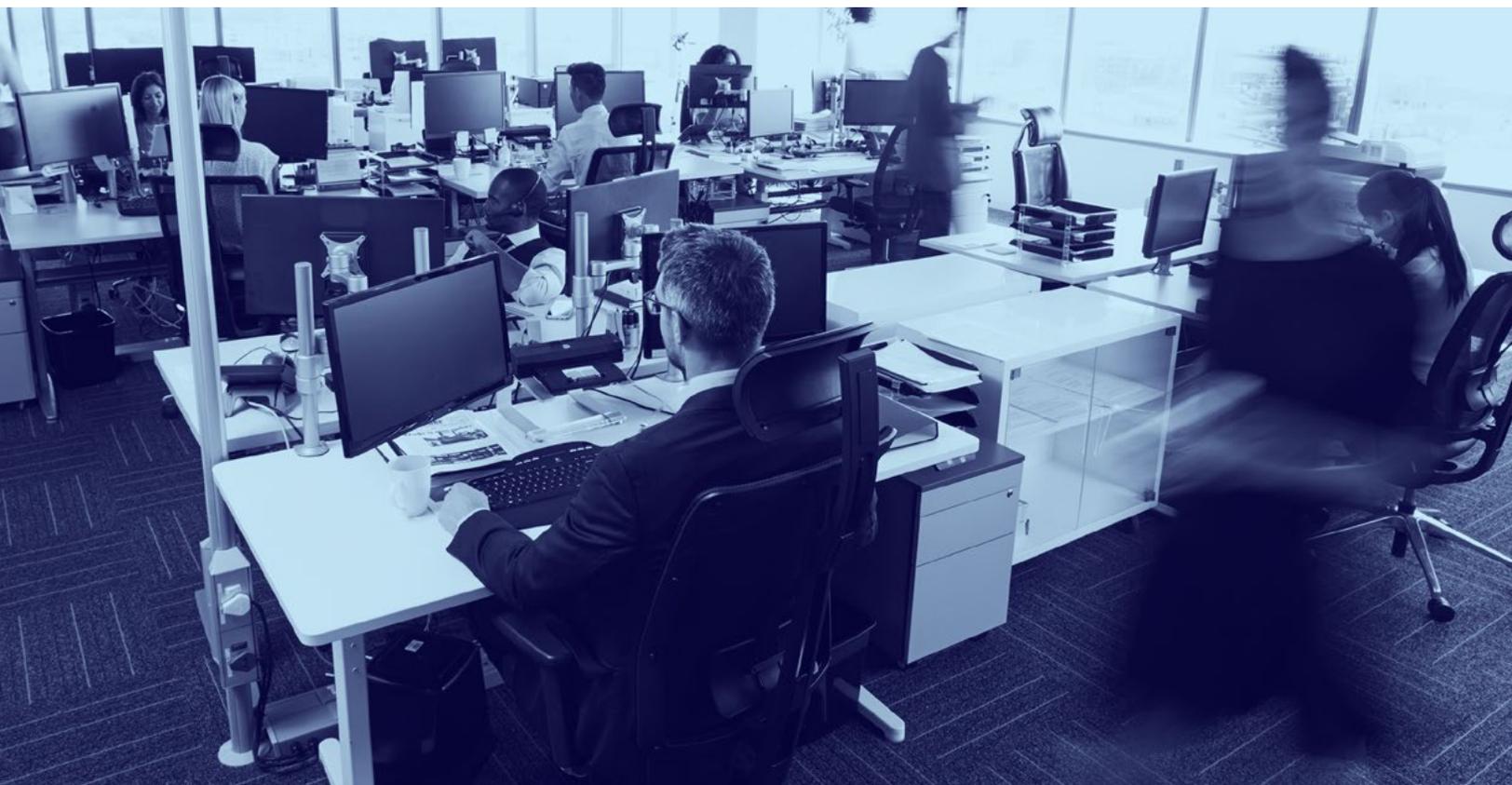
Lack of experience. Enterprises and managers are not prepared to effectively onboard on-demand consultants and manage blended teams, while projects lack frameworks to integrate and optimally engage external specialists. This gap in training was the top-ranked roadblock of agile talent solutions, cited by 44 percent of respondents.

Put simply: Structures, processes and systems that support agile work need to be developed and integrated within the enterprise.

Organizational processes are not in place. A roadblock cited by 38 percent of respondents was a lack of planning and budgeting processes to support outside talent. Cultural integration also matters — 34 percent of respondents mentioned achieving the right cultural fit as an obstacle to leveraging on-demand knowledge workers. It’s no different whether you hire someone full time or bring them in on demand. Your people need to understand your enterprise’s mission and vision, as well as the way “things get done around here.”

Unleveraged digital tools. Tech to support the onboarding and remote collaboration of on-demand experts exists, but enterprises are not leveraging the tools available. The roadblock around challenges in identifying, trying, evaluating and using digital tools was cited by 37 percent of respondents. As a result, ad hoc approaches are running rampant, meaning that managers and workers are making it up as they go along — but you can’t drive change on a case-by-case basis.

Building a portfolio approach to talent access allows the most forward-thinking companies to establish a virtual bench of people and skills that can expand or contract with their business needs. In fact, McKinsey & Company found enterprises that use gig economy digital platforms increase their productivity by 9 percent. Why leave this enterprise value on the table?



Adapting to an Agile Workforce

Align the Executive Team and Assess Strategic Talent Gaps

The accelerating pace of change widens skills gaps, so as a business leader, you need to know what expertise you already have and what you need, blending that knowledge with the capacity to close gaps as they inevitably arise. As in all change-management processes, embracing change takes leadership buy-in and consistent support from the enterprise team.

Pilot Technology Tools and Launch an Initiative

Define what success looks like, create a plan and put structures behind it. Start with pilot programs or low-risk projects where you can prioritize learning. Experiment with the best tools and technologies, seed teams with on-demand knowledge workers, integrating them into your enterprise's reporting and communication structures. Launch initiatives with a startup mentality, giving people freedom to try things, make mistakes and see what works and what doesn't.

Continuously Improve and Refine

Take the lessons you've learned and integrate them into your processes, systems and training as you scale up your capacity. Such an iterative approach comes directly from lean and agile methodologies that prioritize taking action, collecting feedback and applying lessons learned going forward. In a world of uncertainty and constant change, this may be the only approach that can deliver success.

Concluding Thoughts

If you build in agility only when you need it, it's already too late. The future of work is here, and it will present numerous challenges to enterprises that are unprepared for it. It takes flexibility and having the right mindsets and partnerships in place as you move forward.

Developing agile organizational structures that support enterprises in new ways of working requires integrating new technology, business processes and systems. Best-in-class enterprises are working towards clearing away roadblocks so they can future-proof their talent strategies and open up the way for business growth. This is especially true in industries where innovation, keeping up with fast-moving consumer trends and highly specialized know-how are key success drivers.

Is your company ready to tackle the future of the retail and CPG industries? Let Catalant be your agile workforce expert. Download our full report to learn more: [Reimagining Work 20/20](#).



About the Author

Writer and Expert in the Future of Work

Chuck Leddy has been sharing HR and talent-related insights since 2012 as a writer for ADP, Catalant Technologies, Harvard Gazette, MIT News and the National Center for the Middle Market. A Boston-based expert in the Future of Work, Leddy spent a decade as a corporate communication trainer for Fortune 1000 business leaders and, before that, worked as a commercial lawyer. Learn more at www.ChuckLeddy.com.

About Catalant Technologies

Catalant helps companies build an agile workforce, with technology and programs that enable them to access the talent they need, when they need it, wherever it is. Forward-looking executives partner with Catalant to transform the structure of how their companies' work gets done and the behaviors that drive or delay agile workforce transformation.

More than 20 percent of the Fortune 1000 use Catalant's best practices and platform to frictionlessly access and deploy internal and external talent, including more than 50,000 independent consultants and 1,000 boutique firms in Catalant's expert marketplace. Anonymized data from leading companies train Catalant's AI-powered talent matching and recommendation engine, inform its program design and best practices and surface counterintuitive insights that get smarter over time.

Catalant is based in Boston, Massachusetts, and serves customers around the world. Visit us at gocatalant.com.