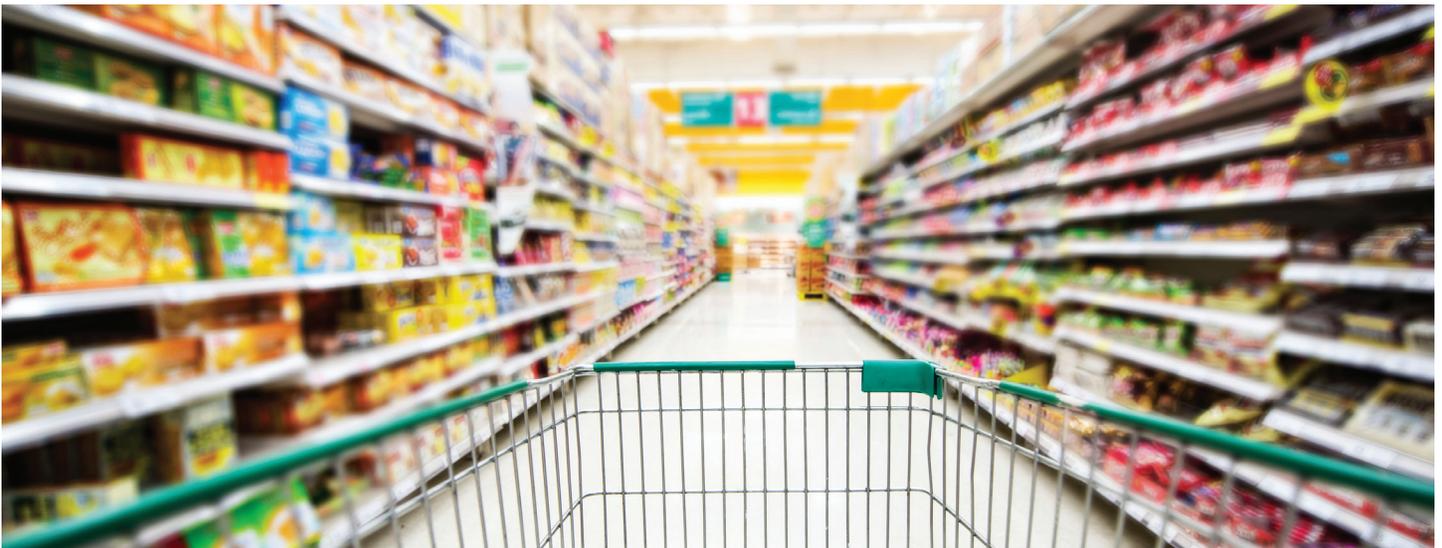




GENERATING CONSUMER GOODS IMPACT

# How a global consumer goods major transformed operations through a digital-first approach



## Client

A global consumer goods major

## Business need addressed

- How to increase sales amid changes in consumer preferences and competition
- Sub-optimal cost structures due to acquisitions and legacy operating models
- Complex, disparate processes causing slow decision-making and time-to-market

## Solution

- Transformation of global finance operations across 22 key markets to fund investments for growth and innovation
- Phased consolidation of over 60 processes across 75 countries into 6 global centers
- Focused use of digital, based on the Genpact Cora platform, to automate transactional activities, and provide instant visibility of information

## Business impact

- Streamlined processes enabled growth and efficiency improvements, and increased investments in innovation for growth
- Reduction in finance operations costs by 41%, with digital interventions like robotic process automation (RPA) and artificial intelligence (AI) potentially delivering an additional 45% reduction in costs
  - Better governance, more robust controllership, and a real-time view of operational performance
  - Integrated data from all ERP and related transactional systems for the global finance operations on to a single portal for instant access to information

Under pressure from changing consumer preferences and increasing competition, this consumer goods major needed new ways to sustain growth. The company's acquisition-led strategy and regional operations had resulted in increasing overheads, operating redundancies, and inconsistent processes. The business model was in need of transformation.

Today, artificial intelligence (AI) and machine learning power the organization's global finance operations engine – leveraging technologies and solutions from Genpact Cora, an AI-based platform – to serve 75 countries in 6 continents, and over 150 back-office processes. The result: Improved governance, and agility, faster time-to-market, and the ability to re-invest savings for innovation and growth.

## Business challenge

Limited centralization, lack of a standardized and integrated controls framework, and inconsistent processes for finance, procurement, supply chain, and related processes led to a level of complexity that restricted leadership's ability to execute on strategic priorities with speed and agility in a changing operating environment. The regional or country-based structure also prevented the company from leveraging the full benefits of its scale across the globe.

As the company sought to realign its product portfolio to meet evolving consumer demand, it needed ways to improve margins and cost structures so it could continue funding targeted investments for growth.

*The company sought to address evolving customer demand by realigning product portfolios in an effort to improve cost structures, and pursue investments for growth*

To realize its ambitions targets, the company needed a holistic transformation across its factories and functions. Transforming its back-office functions, including finance, gave the business the opportunity to implement consistent global processes and align them to support customer expectations and growth outcomes.

## Genpact solution

The aspiration to transform operations in an accelerated time frame while ensuring minimum

disruption required an alternative approach to conventional continuous improvement methods. This **transformation from a regional model to one that is product-category driven, required a reimagining of operating processes** to ensure alignment with operations.

The company intended to build a global shared service to simplify and standardize 150 back-office processes over three years. It expects to cut costs by approximately 50 percent.

*Genpact helped identify processes for centralization, decentralization, and standardization across 75 countries, 6 global delivery centers and 1,200 resources*

The program's size, spread, and complexity required an innovative approach to achieve this in three years. Beginning with a detailed analysis, Genpact helped the client identify processes for centralization and decentralization. Process standardization was driven by product categories, and assigned service-level agreements (SLAs) and metrics.

## Bi-modal transformation: Predictable operations, continuous experiments

The organization-wide global finance blueprint covered 22 key markets and required nearly 300 dedicated resources to assess the health of policies, processes, operating models, technologies, controls and metrics. Over 100 design elements and process/sub-process level

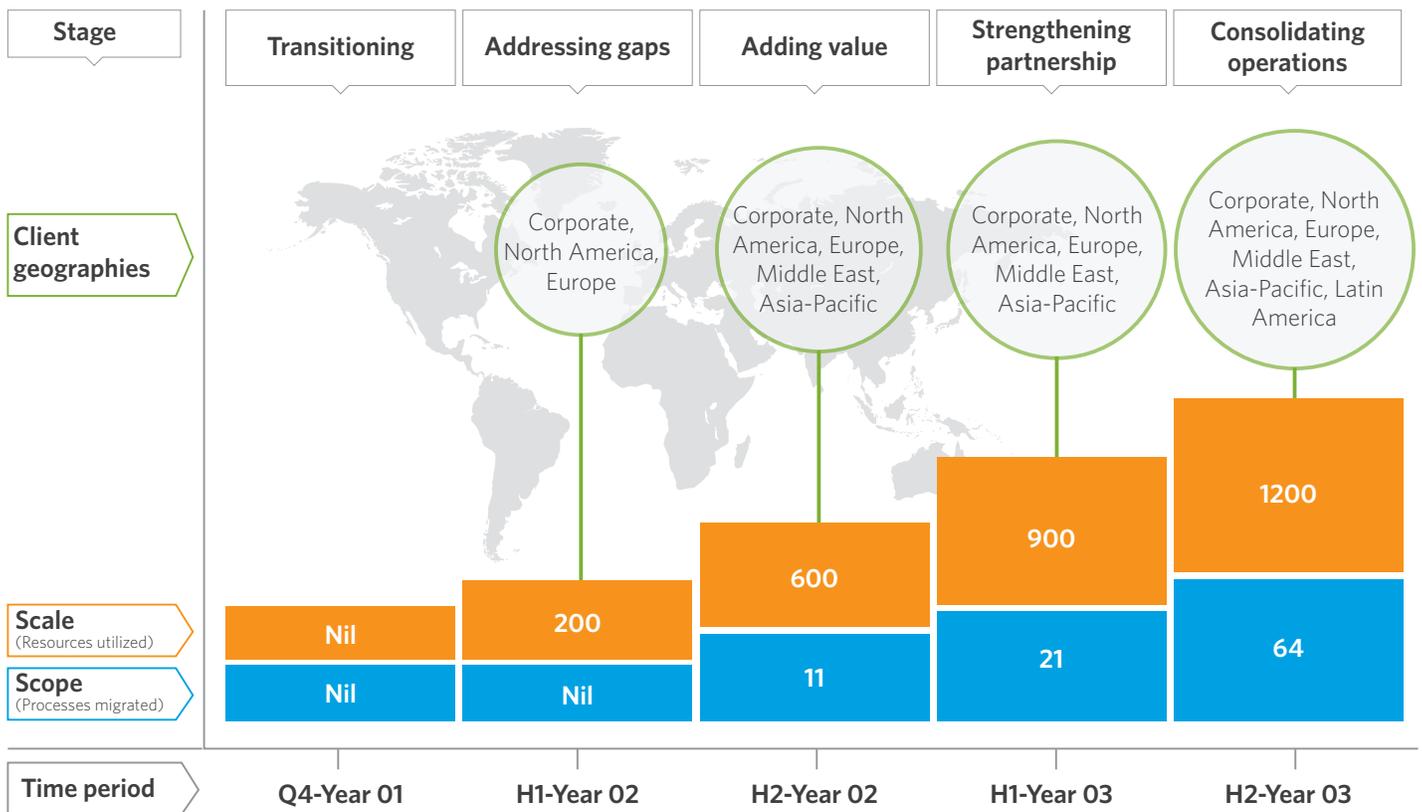


Figure 1: Engagement evolution towards globally consolidated operations

target-state schemas are being defined, prioritized and sequenced to transform from country-facing teams to process centric centers of excellence and assembly-line models.

To maintain business-as-usual during the transformation, the company pursued a bi-modal approach to enable change while de-risking the many change management requirements for effective process handover. Domain experts from Genpact and the client organization collaborated to design a migration toolkit to achieve speedy transitions that were right first time and repeatable across markets. Within 12 months, over 40 migrations operations from more than 75 countries to be consolidated into 6 centers with an end goal to transition nearly 70 processes.

Genpact's design accelerators, based on ProIndex – a diagnostic tool for measuring process health,

*To maintain business-as-usual during the transformation, the company pursued a bi-modal approach to enable change*

and the Smart Enterprise Processes (SEP<sup>SM</sup>) framework for granular, data-driven process re-design, enabled significant improvement in the operating metrics. For instance, the SEP<sup>SM</sup> framework focused on high-throughput processes, such as those integral to financial close, to streamline transactional tasks, improve thresholds for intervention, and governance.

### Avoiding the digital junkyard with a Lean Digital<sup>SM</sup> approach

While meaningful use of digital was critical to success, the company's inability to align digital transformation with strategic objectives had to be addressed. Gaps in integrating digital with legacy systems, processes, and organizational silos could have resulted in lengthy, complex, and eventually low-yield projects. To align the consumer-facing front end with the back office, the company combined a design-thinking-led discovery process and Lean principles to minimize waste. This allowed it to focus only on the most material sources of value.

To enable effective digital transformation, the organization adopted technology products delivered through the Genpact Cora platform. Systems of Engagement™ and nimble, process-centric digital technologies, like robotic process automation and mobility, accelerated benefit realization by working with existing technology and simplifying transformation. Some of the targeted interventions included:

- **Real-time visibility into finance operations**

By adopting Genpact's Enterprise Performance Analytics Systems of Engagement™, the company could integrate data from all ERP and related transactional systems for finance and accounting process metrics on a single portal for instant access to information, in-depth analytics, and agile decision-making.

- **Automating manual tasks**

A touchless journal processing solution with proactive rule-based validation, enhanced analytics, and exceptions management delivered accurate data, more timely reporting, and improved close.

- **Accelerating data-to-insight with machine intelligence**

Analysts were spending most of their time navigating spreadsheets, multiple systems, and disparate data sources to prepare reports for regional finance controllers. Given limited time and resources, they were neither able to provide expert commentary nor analyze unstructured data from external sources.

An AI-based reporting solution, which is part of Genpact Cora, has been introduced to solve this problem by extracting the relevant finance information from structured and unstructured data (including data from external sources), and validating and making corrections based on lessons from previous cycles. This was supplemented with scenario and trend analysis to provide multi-dimensional reporting views.

Timely and accurate analysis and forecasts are generated and enriched by analysts' qualitative judgment.

## **Establishing a culture of compliance**

Setting up a global controls hub—an internal controls center of excellence—helped standardize, optimize, and automate internal controls across all operational and support processes. A re-designed Sarbanes-Oxley program enabled advanced control monitoring solutions, including self-assessment and continuous monitoring. The controllership teams are now able to focus less on policing businesses and functions, and more on enabling businesses to be compliant.

## **Translating strategy to execution with robust governance**

Governance is critical for enterprise-wide transformation projects that span multiple geographies, and complex processes.

A governance model comprising of strategic, steering, and operational layers enables partners, business functions, and shared services organizations to be aligned with the strategic direction.

*The combination of an internal controls COE, a re-designed SOX program helped transform governance, and align day-to-day operations with business strategy*

## **Innovation driven by technology**

An innovation council led by the client organization drives leadership support, enables funds, and builds partnerships based on future-facing technology, with several interventions planned for roll-out (figure 2).

## **Business impact**

Genpact helped the client accelerate transformation across global operations through consistent processes supported by technology and analytics, to improve customer experience, growth outcomes, and cost structures.

Streamlined processes enhanced efficiency, and enabled simplified, global standards that can scale to support growth. Continuous controls monitoring and self-service reporting enable data-driven decisions to be implemented faster, with the resulting savings contributing to increased investments towards innovation and special projects to drive revenue growth.

Technology	Description	Impact
<b>Process lifecycle manager</b>	Process workflow automation solution	Increased productivity and error reduction while enhancing governance, flexibility, control and user experience
<b>Best-in-class financial closure suite</b>	Targeted implementation of best-in-class financial closure suite for task management, and system-to-system reconciliation on top of revamped processes	Reduced process variability, costs and effort. Supporting a scalable operating model through better governance and visibility
<b>Rapid automation solutions</b>	Initiatives currently being assessed across three towers: integrated supply chain, FP&A, and R2R	Improved process standardization, throughput, minimized manual errors, and improved governance and reporting

*Figure 2: Technology initiatives due for roll-out*

A time-bound road map for automation across financial planning and analysis, record to report, and integrated supply chain is in place, with a potential to extend experimentation using the Internet of Things and remote monitoring, to minimize the loss of point-of-sale vending devices.

Impact delivered to date includes:

- Quality of service:** Positive movements in timeliness and accuracy of SLAs over the past 18 months
 

  - Compliance:** Centralization of controls into a global center of excellence, automation of controls, and continuous monitoring have greatly improved process compliance
  - Cost:** 41% reduction in finance operations costs through a combination of increased process standardization, better ERP utilization and a more integrated supply chain. Digital interventions are poised to deliver additional savings of 45%

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## **About Genpact**

Genpact (NYSE: G) is a global professional services firm focused on delivering digital transformation for our clients, putting digital and data to work to create competitive advantage. We do this by integrating lean principles, design thinking, analytics, and digital technologies with domain and industry expertise to deliver disruptive business outcomes - an approach called Lean Digital<sup>SM</sup>. We deliver value to our clients through digital-led, domain-enabled solutions that drive innovation, and digital-enabled intelligent operations that design, transform, and run clients' operations. For two decades we have been generating impact for clients including the Fortune Global 500, employing 77,000+ people in 20+ countries, with key offices in New York City, Palo Alto, London, and Delhi.

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