CHARTING THE DIGITAL SHIFT
CFO'S LEADING TRADITIONAL COMPANIES INTO THE SOFTWARE ERA

Amanda Downs, Managing Director

Application Innovation & Modernization (AIM) and CPG Technology Consulting Leader
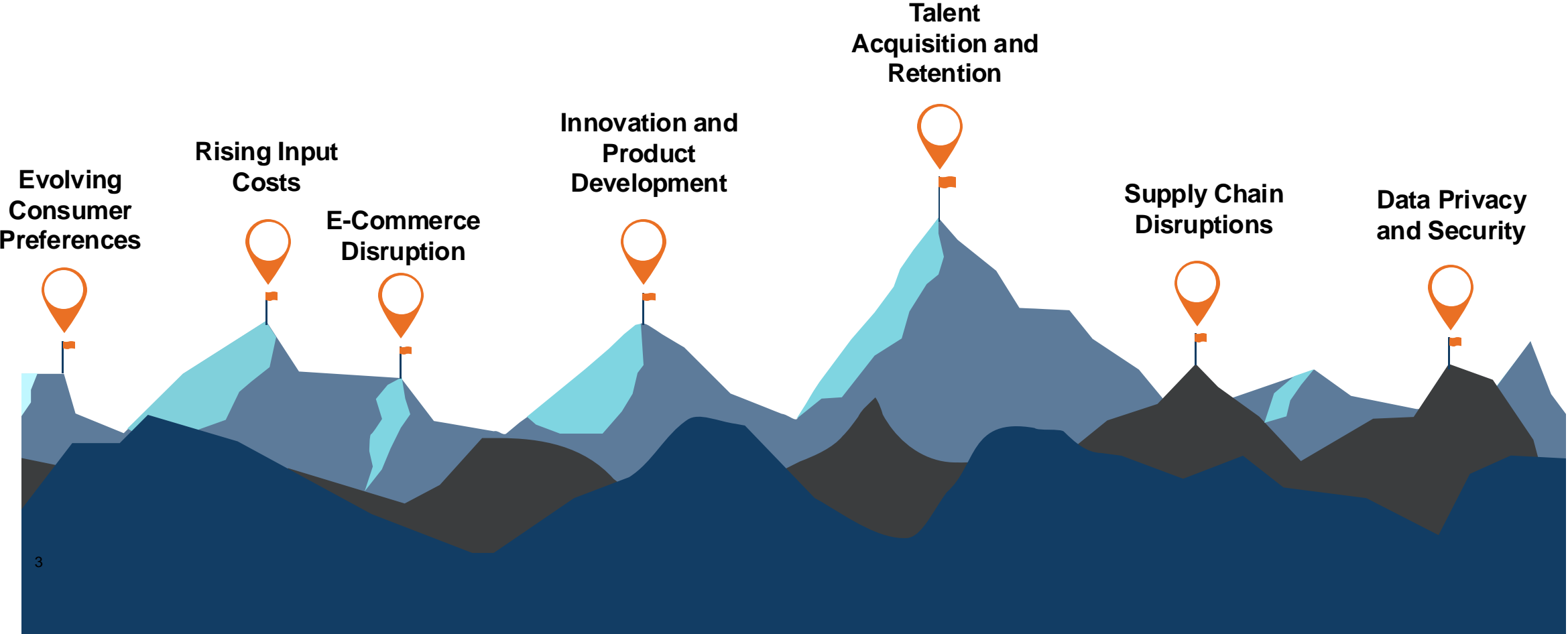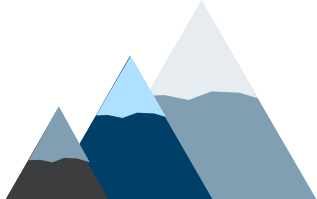
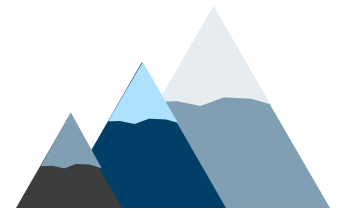September 24, 2024

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Global Business Consulting

Agenda

1	Navigating Today's Top Industry & Market Challenges
2	How Tech Modernization Intensifies Existing Industry Hurdles
3	Must-have Digital Transformation Skills for Every Organization
4	The Key Role of CFOs in Leading Digital Transformation
5	Harnessing Tech Innovation & Modernization for Business Growth
6	Foundational Software Development Methods and Tools
7	Gartner Hype Cycle Example for Consumer Products
8	Strategic Insights & Next Steps

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Navigating Today's Top Industry & Market Challenges

Evolving Consumer Preferences

Rising Input Costs

E-Commerce Disruption

Innovation and Product Development

Talent Acquisition and Retention

Supply Chain Disruptions

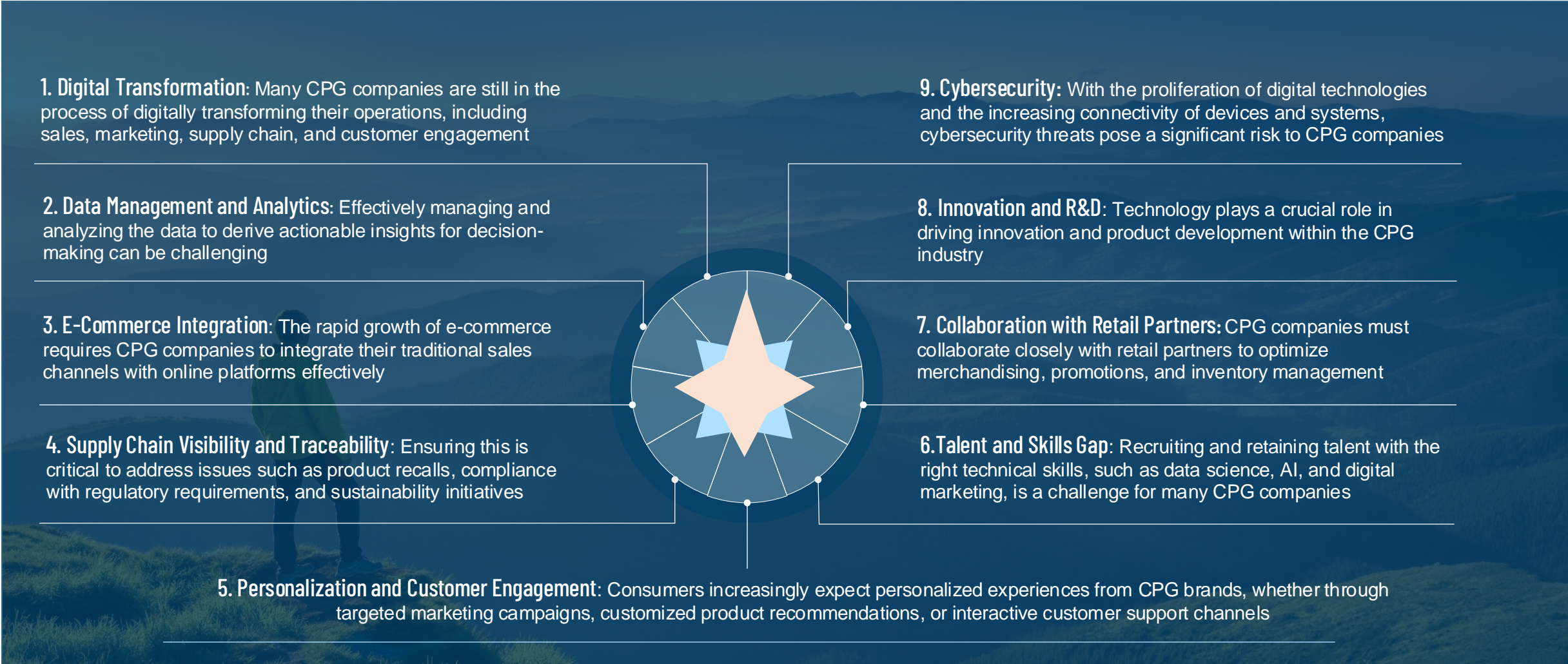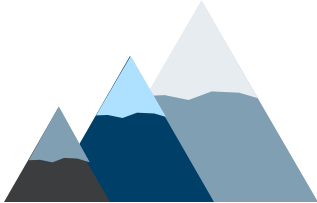**Data Privacy and Security**

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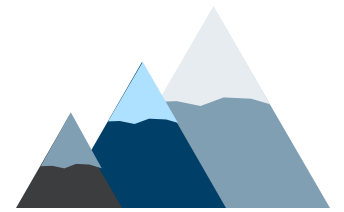# How Tech Modernization Intensifies Existing Industry Hurdles

1   Legacy Systems and Infrastructure

2   Data Silos and Fragmentation

3   Lack of Digital Skills and Talent

4   Resistance to Change

5   Complexity of Integration

6   Cost and Return on Investment (ROI)

7   Cybersecurity Risks

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Must-have Digital Transformation Competencies for Every Organization

1. Digital Transformation: Many CPG companies are still in the process of digitally transforming their operations, including sales, marketing, supply chain, and customer engagement

2. Data Management and Analytics: Effectively managing and analyzing the data to derive actionable insights for decision-making can be challenging

3. E-Commerce Integration: The rapid growth of e-commerce requires CPG companies to integrate their traditional sales channels with online platforms effectively

4. Supply Chain Visibility and Traceability: Ensuring this is critical to address issues such as product recalls, compliance with regulatory requirements, and sustainability initiatives

9. Cybersecurity: With the proliferation of digital technologies and the increasing connectivity of devices and systems, cybersecurity threats pose a significant risk to CPG companies

8. Innovation and R&D: Technology plays a crucial role in driving innovation and product development within the CPG industry

7. Collaboration with Retail Partners: CPG companies must collaborate closely with retail partners to optimize merchandising, promotions, and inventory management

6. Talent and Skills Gap: Recruiting and retaining talent with the right technical skills, such as data science, AI, and digital marketing, is a challenge for many CPG companies

5. Personalization and Customer Engagement: Consumers increasingly expect personalized experiences from CPG brands, whether through targeted marketing campaigns, customized product recommendations, or interactive customer support channels

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CFO's Pivotal Influence in Driving Digital Transformation

Strategic Budget Allocation

Allocates budget strategically for tech upgrades and innovations to enhance operational efficiency.

Risk Assessment and Mitigation

Identifies potential tech-related risks and develops strategies to mitigate them, ensuring smooth operation.

Driving Efficiency through Automation

Champions automation using AI and machine learning to streamline processes and reduce costs.

Data-Driven Decision Making

Utilizes advanced data analytics to inform business decisions and forecast future trends accurately..

Digital Transformation Leadership

Leads digital transformation initiatives, aligning them with the company's strategic goals.
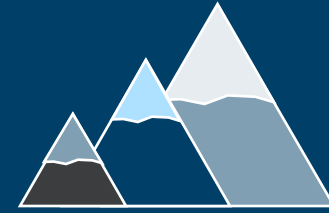
Cybersecurity Oversight

Oversees cybersecurity efforts to protect company data and maintain compliance with regulations.

ROI Analysis for Tech Investments

Conducts thorough ROI analysis to ensure tech investments deliver value and support business objectives.
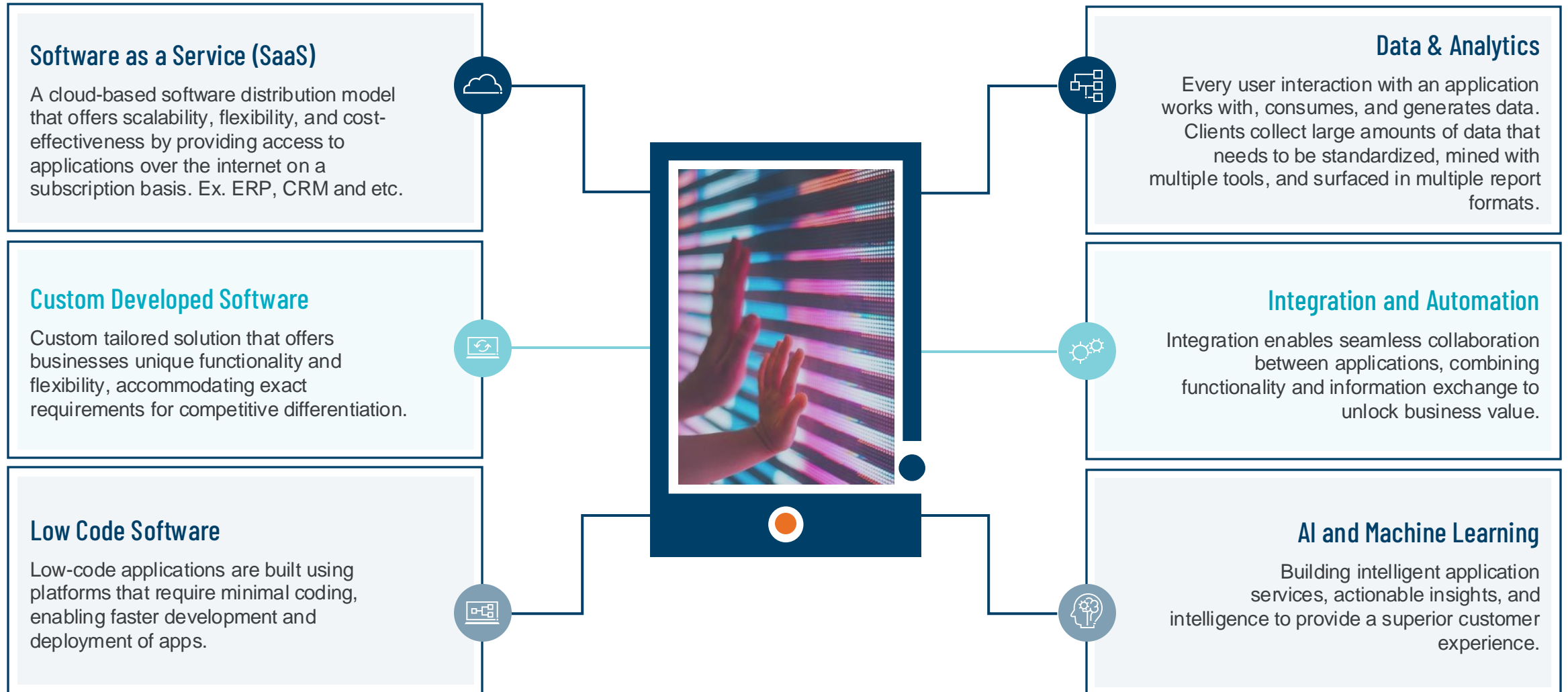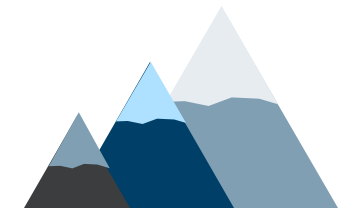
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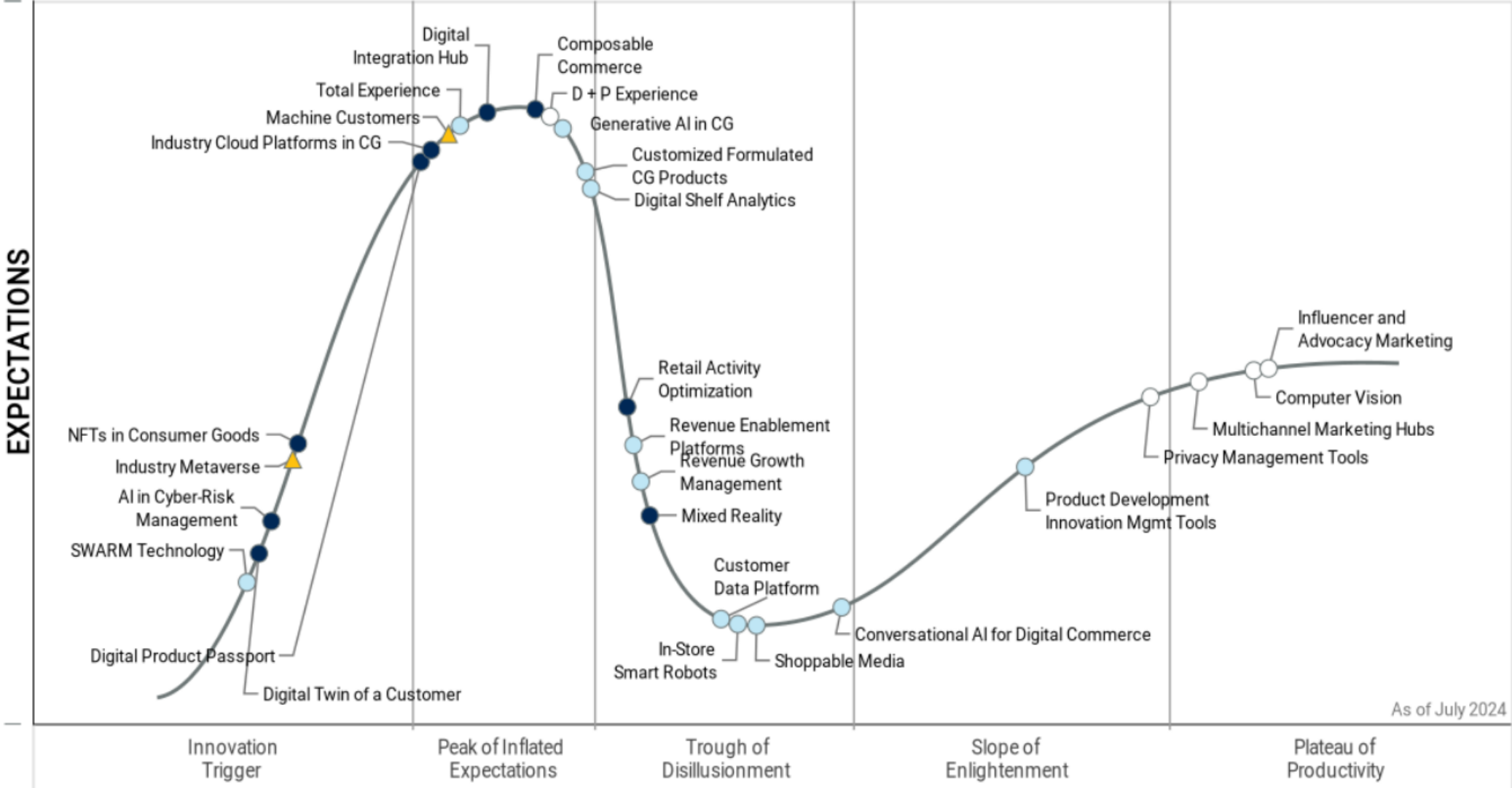# Harnessing Tech Innovation & Modernization for Business Growth

Embed Software into the Core of Business: For companies facing significant external business threats or looking for a big leap in growth, integrating software at the core of operations is key. This could involve adopting SaaS or low-code solutions to streamline processes and improve agility. As a CFO, you should be involved in allocating resources and tracking returns on these investments.

Build a New Software Business: If your company is encountering fundamental disruption or discovers attractive new avenues, launching a new software business could be beneficial. This new venture should operate autonomously from the core business with its own P&L account. This allows your company to diversify your revenue streams and potentially outgrow the original business over time.

Bring Internal Software 'Gems' to Market: This strategy involves monetizing internal software developed to solve operational issues by selling them externally. Each product needs its own management, engineering and go-to-market capabilities. In some cases, it might be beneficial to launch these products as independent entities.

Selecting the right software company approach is not a one-size-fits-all decision; it's about finding the best fit for your unique business circumstances and ambitions.

Source: McKinsey & Company

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Foundational Software Development Methods and Tools

Software as a Service (SaaS)

A cloud-based software distribution model that offers scalability, flexibility, and cost-effectiveness by providing access to applications over the internet on a subscription basis. Ex. ERP, CRM and etc.

Custom Developed Software

Custom tailored solution that offers businesses unique functionality and flexibility, accommodating exact requirements for competitive differentiation.

Low Code Software

Low-code applications are built using platforms that require minimal coding, enabling faster development and deployment of apps.

Data & Analytics

Every user interaction with an application works with, consumes, and generates data. Clients collect large amounts of data that needs to be standardized, mined with multiple tools, and surfaced in multiple report formats.

Integration and Automation

Integration enables seamless collaboration between applications, combining functionality and information exchange to unlock business value.

AI and Machine Learning

Building intelligent application services, actionable insights, and intelligence to provide a superior customer experience.

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Gartner Hype Cycle for Consumer Products

EXPECTATIONS

Digital Integration Hub
Total Experience
Machine Customers
Industry Cloud Platforms in CG
Composable Commerce
D + P Experience
Generative AI in CG
Customized Formulated CG Products
Digital Shelf Analytics

NFTs in Consumer Goods
Industry Metaverse
AI in Cyber-Risk Management
SWARM Technology
Digital Product Passport
Digital Twin of a Customer

Retail Activity Optimization
Revenue Enablement Platforms
Revenue Growth Management
Mixed Reality
Customer Data Platform
In-Store Smart Robots
Shoppable Media
Conversational AI for Digital Commerce

Product Development Innovation Mgmt Tools

Influencer and Advocacy Marketing
Computer Vision
Multichannel Marketing Hubs
Privacy Management Tools

As of July 2024

| Innovation Trigger | Peak of Inflated Expectations | Trough of Disillusionment | Slope of Enlightenment | Plateau of Productivity |

TIME

Plateau will be reached: ○ <2 yrs.   ○ 2–5 yrs.   ● 5–10 yrs.   ▲ >10 yrs.   ⊗ Obsolete before plateau

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Strategic Insights & Next Steps

- Exploring AI Opportunities

- Ensuring Data Accuracy

- Minimizing Technical Debt Risks

- Reskilling and Acquiring the Right Talent

- Fostering a Culture of Innovation

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Face the Future with Confidence®

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Our Offerings have Evolved with the Pace of New Technology

Artificial Intelligence	Platform & Process Transformation
• Identifying the right use cases to consider on your AI journey • Governing and securing your environments against AI risks • Implementing AI technology to drive strategic advantage	• Selecting and architecting application landscape • Defining business process improvements • Upgrading, replacing, and optimizing ERP and business technology platforms

Application Innovation and Modernization	Cloud Migration	Drive Business Agility & Resiliency	Improve User Experience
• Driving value through developing, refactoring and re-architecting application landscapes • Bringing new digital products & services to market.	• Moving workloads to the Cloud across "Big Tech" hyperscalers	• Enabling business and IT response to market demands • Enabling resiliency across the enterprise	• Optimizing the customer journey through a seamless user experience

Modern Delivery Methodologies	Industry aligned Risk Assessment	Supplement Staff and Talent	Robust Partner Ecosystems
• Implementing and driving adoption of modern ways of working - DevOps and Agile principles	• Standing up risk programs • Assessing the risk of modern technology adoption	• Finding and supplying talent across emerging technology markets	• Driving competitive advantage through innovation across a robust partner ecosystem

Protiviti has a set of industry offerings that integrates business and technology to help your enterprise on your journey to a more modern application estate

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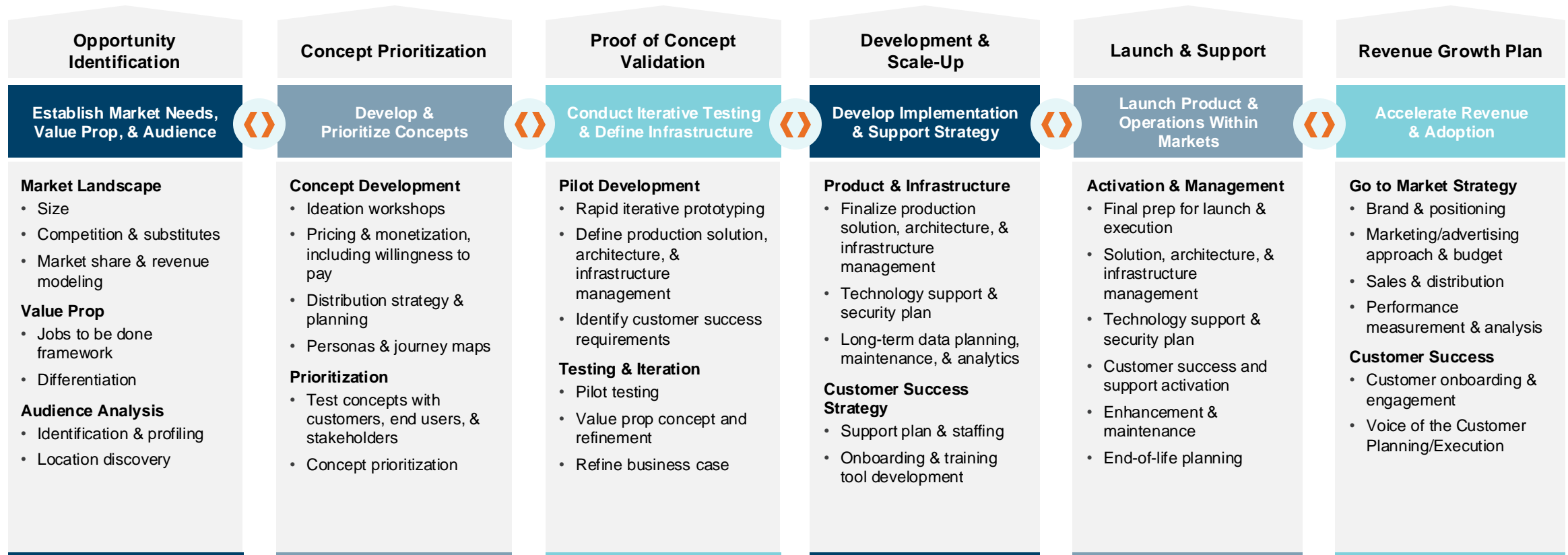# Outcomes of Digital Transformation and Technology Modernization

This set of outcomes emphasizes the tangible benefits organizations can expect from integrating AI, leveraging data analytics, improving customer engagement, managing talent effectively, innovating in product development, streamlining operations, and fostering an adaptive corporate culture.

- Accelerated Time-to-Value
- Enhanced Automation and Personalization
- Data-Informed Strategic Decisions
- Elevated Customer Experience
- Robust Talent Acquisition & Retention
- Diversified Revenue Streams
- Streamlined Business Operations
- Innovative Culture Development

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New Digital Product or Service Approach

Application Innovation starts with the **discovery and analysis** required to understand the value proposition for the new digital service or product, including customer personas and journeys, and then defining the product solution, design and architecting and pilot testing. Protiviti can advise, manage and deliver each of these phases in a holistic program of work.
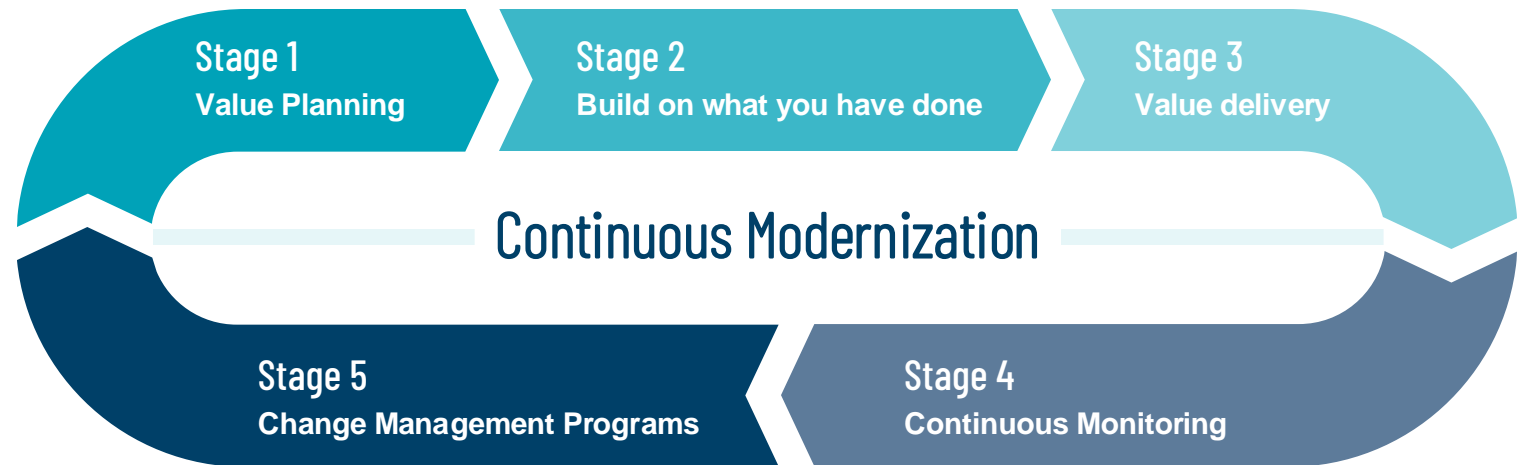
Opportunity Identification	Concept Prioritization	Proof of Concept Validation	Development & Scale-Up	Launch & Support	Revenue Growth Plan
Establish Market Needs, Value Prop, & Audience	**Develop & Prioritize Concepts**	**Conduct Iterative Testing & Define Infrastructure**	**Develop Implementation & Support Strategy**	**Launch Product & Operations Within Markets**	**Accelerate Revenue & Adoption**

Market Landscape
- Size
- Competition & substitutes
- Market share & revenue modeling

Value Prop
- Jobs to be done framework
- Differentiation

Audience Analysis
- Identification & profiling
- Location discovery

Concept Development
- Ideation workshops
- Pricing & monetization, including willingness to pay
- Distribution strategy & planning
- Personas & journey maps

Prioritization
- Test concepts with customers, end users, & stakeholders
- Concept prioritization

Pilot Development
- Rapid iterative prototyping
- Define production solution, architecture, & infrastructure management
- Identify customer success requirements

Testing & Iteration
- Pilot testing
- Value prop concept and refinement
- Refine business case

Product & Infrastructure
- Finalize production solution, architecture, & infrastructure management
- Technology support & security plan
- Long-term data planning, maintenance, & analytics

Customer Success Strategy
- Support plan & staffing
- Onboarding & training tool development

Activation & Management
- Final prep for launch & execution
- Solution, architecture, & infrastructure management
- Technology support & security plan
- Customer success and support activation
- Enhancement & maintenance
- End-of-life planning

Go to Market Strategy
- Brand & positioning
- Marketing/advertising approach & budget
- Sales & distribution
- Performance measurement & analysis

Customer Success
- Customer onboarding & engagement
- Voice of the Customer Planning/Execution

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Our tailored approach to helping you on your journey for the future

5 key components of a modernization project:

Value plan assessment to identify strategic priorities and vectors for progressive modernization and technical debt retirement	Re-align your architectural vision to the journey you are on based on your value priorities. This may require building on lessons learned or integrating new architectural principles.	An iterative approach to enable you to design and deploy solutions while managing cost and change along a staged and adaptable roadmap

Stage 1
Value Planning

Stage 2
Build on what you have done

Stage 3
Value delivery

Continuous Modernization

Stage 5
Change Management Programs

Stage 4
Continuous Monitoring

Structured change initiatives to align organizational focus and reduce operational disruptions	Optimize performance through support and ongoing monitoring of planned KPIs and agile refinements

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ABOUT PROTIVITI

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About Protiviti

Your journey, is our journey – We are with you every step of the way to ensure that you receive a 5-star experience.

11,000+ employees	85+ offices	25+ countries	Agile and personalized support

People	Experience	Partnerships
Our award-winning talent & culture is what we are known for and comprises top talent to serve our clients. Leveraging our parent company, Robert Half, Protiviti offers a blend of consulting and staffing solutions, allowing us to provide project-based resources at all levels.	Our teams are comprised of seasoned professionals that draw from diverse professional experiences. Our teams include: • Technical Developers and Architects • Business Strategists • Former Industry Executives • Consulting Professionals • Staffing Solutions	We maintain a robust ecosystem of 60+ partners that helps us bring modern solutions aligned to your challenges.
Our unique expertise and blended staffing models enable us to provide powerful insights and practical solutions.	*We understand the market challenges faced by global institutions across industry and we have deep, practical experience defining solutions that address challenges and enable strategic success.*	*These partnerships and our proven accelerators enable our teams to efficiently deliver and tailor solutions to your unique needs.*

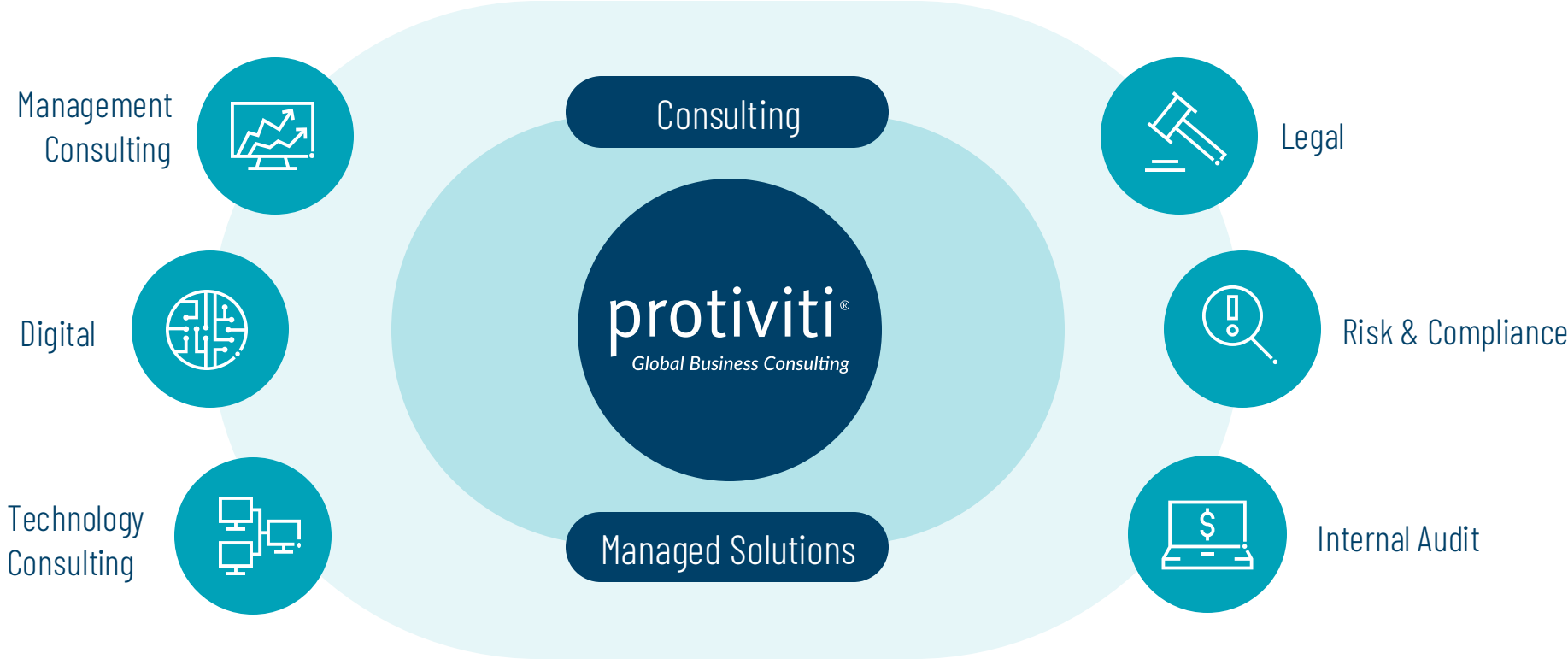| **Blended delivery models**	**+**	**Protiviti consulting expertise**	**+**	**Best in class ecosystem**	**=**	**Client value**

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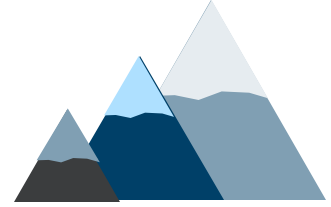
Protiviti Solution Offerings

We provide end-to-end advisory and support services leveraging our six value-added solution families, each of which brings fully dedicated, global teams and has industry-specific expertise:

TC Solution Overview

Business Platform Transformation
- Solution Design and Selection
- Salesforce
- Oracle
- ServiceNow / RegTech
- SAP
- Workday
- Product Development
- Application Modernization & Engineering
- Custom & Low Code Services

Cloud Solutions
- Advisory, Strategy, and Governance
- Cloud Platform Engineering
- Cloud Optimization
- Cloud Security
- Cloud Managed Services

Security & Privacy
- Security Program and Strategy
- Attack and Penetration
- Data Protection & Privacy
- Incident Response
- Digital Identity
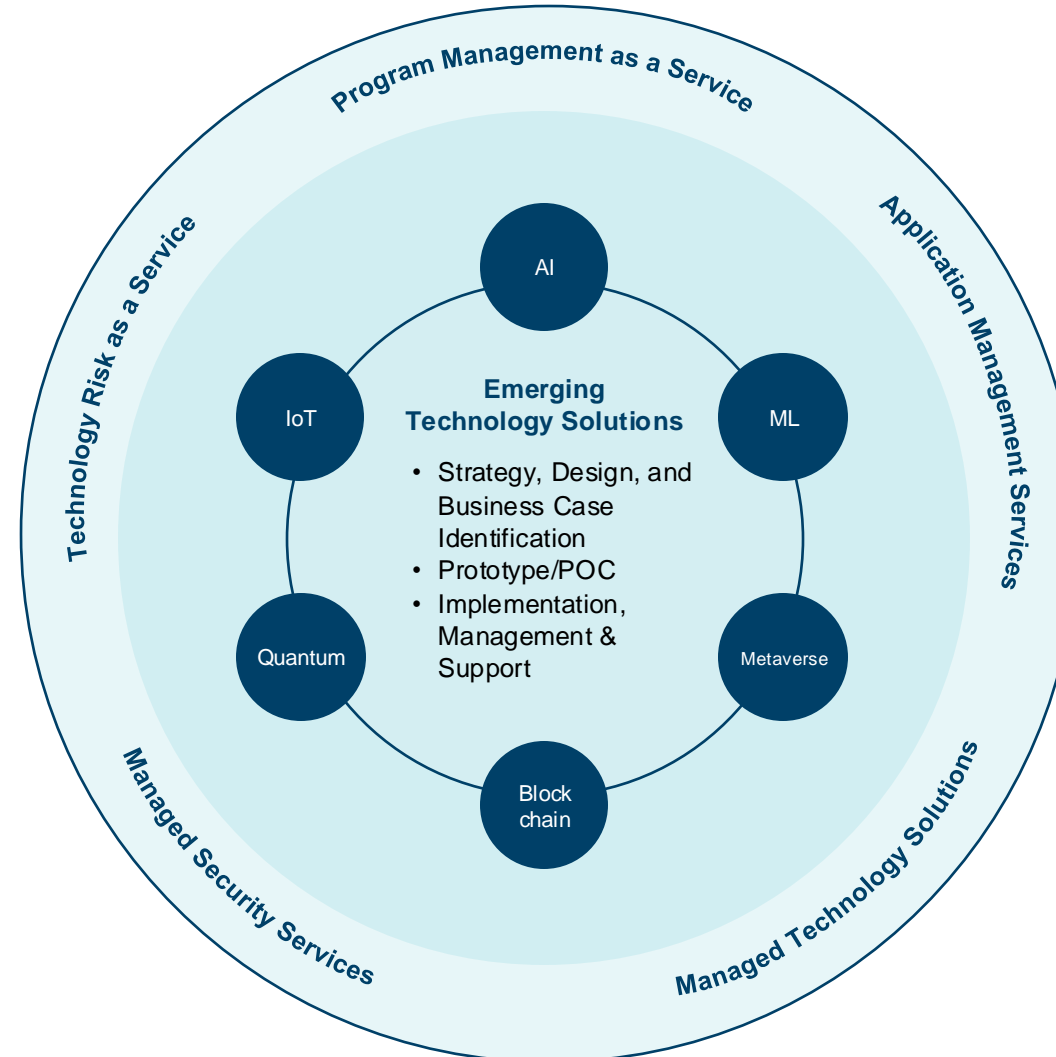
Enterprise Data and Analytics
- Business Intelligence Reporting
- Data Strategy & Products
- Data Architecture and Cloud Engineering
- Data Governance
- Master Data Management
- Analytics Automation

Technology Strategy and Architecture
- Technology Service & Modern Delivery
- Technology Strategy and Advisory
- Transformation Program Execution

Technology Risk and Resilience
- Technology Risk Management, Governance, & Enablement
- Operational Resilience
- Third-Party Risk

Microsoft Solutions
- Modern Work
- Security
- Business Applications
- Data & AI
- Digital & App Innovation
- Infrastructure

Program Management as a Service

Technology Risk as a Service

Application Management Services

Managed Security Services

Managed Technology Solutions

AI

IoT

ML

Quantum

Metaverse

Block chain

Emerging Technology Solutions
- Strategy, Design, and Business Case Identification
- Prototype/POC
- Implementation, Management & Support

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