Agile and Open: Keeping up with the consumer
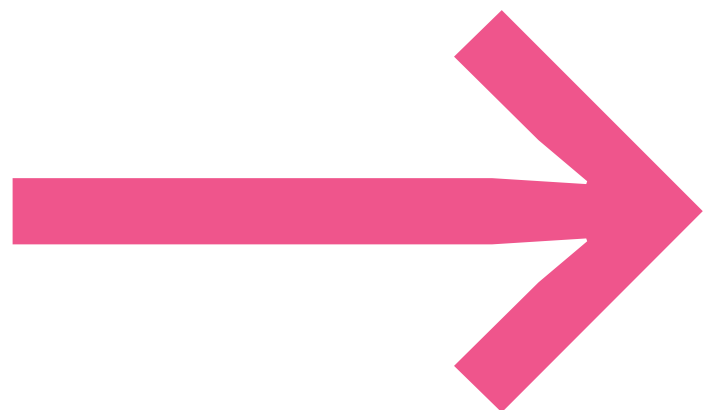
Agile and Open:
Keeping up with the consumer

Table of Contents

"As businesses shift to cloud, we understand that each industry and client has unique business needs in their cloud adoption journey."

　　　　–Howard Boville,
　　　　　SVP IBM Cloud

If it feels like the industry has been in a constant state of disruption, you aren't far off. The race to compete has driven change for decades and has increasingly been impacted by trends in technology adoption and evolving consumer expectations. The pandemic has accelerated several disruptive trends already in motion and the dramatic shift from physical to digital commerce has shaped new consumer expectations and behaviors that will endure. Today's consumers know what they want, and when, where, and how they want it. Their individual preferences are more apparent than ever, splintering the idea of segments of like-minded consumers into an understanding of the needs and wants of each individual. The empowered consumer is driving micro trends to become macro with the strength of their voice and choice. Moreover, beyond value, consumers are now more than ever driven by purpose, elevating the need for trust and transparency. All of these facts indicate how successful consumer companies will evolve their business models to thrive in the new "normal".

Extraordinary demands bring about opportunities that result in success when they are met with vision. Delivering best-in-class customer experience, buttressed by a supply chain with the agility to support it, is now possible on the foundation of hybrid cloud and artificial intelligence (AI). This foundational technology provides essential integration and streamlining. It enables the underlying capabilities necessary to meet operating demands that are bound to evolve, setting you up for accelerated transformation and the agility needed for ongoing success.

- **Engage customers seamlessly to drive revenue**

  Deliver a seamless, personalized brand experience for customers wherever they choose to engage. Gain more insight into your customer and build trust by leveraging more rich data sources responsibly, no matter where those data sources reside.

- **Build agility into your supply chains**

  Gain greater agility across your supply chain, from planning through order fulfillment, by starting with a commitment to technology that brings better transparency and a renewed focus on supply synchronization. Transparency enables you to place product provenance into the hands of consumers, empowering and inspiring purpose-driven consumption.

- **Reinvent operations to reduce costs**

  Drive flexibility and responsiveness in your operations to achieve agile execution. The store is more important than ever, even as its role morphs into something new. For shoppers who crave convenience and immediacy, stores have become critical nodes in the omnichannel supply and fulfillment ecosystem. For consumers who desire experiential or communal shopping, stores have become showcases for them to have hands-on engagement with products and brands.

The COVID-19 pandemic greatly accelerated business transformation. Leaders understood that the ability to quickly re-invest in innovation and meet consumer demands, no matter the circumstance, helping them stabilize during an unprecedented period of disruption. Industry leaders have adapted and are combining new ways of working with the latest technologies, particularly hybrid cloud and AI, to provide a 21st century approach to innovation and flexibility.

On average, nearly 60% of companies are investing to improve customer experience from end to end.

source: IBV Study

Seamless customer experience and commerce

Today's consumers have high expectations, demanding a seamless experience wherever they engage with a brand—from online to in-store. They also expect the brands with which they do business to align with environmental and social sustainability values, all while giving them the best value for their money. Consumer products companies are going directly to consumers, using the explosion of newly available data to create increasingly personalized shopping experiences.

The integration ability of hybrid cloud enables you to curate and connect a network of new, rich data sources to deepen your understanding of customer behavior and motivation. You can then leverage previously siloed internal data, enriched by third-party data, to optimize all facets of the customer experience. Add to this AI, which enables the use of vast pools of data and helps to empower better, faster, and more confident decisions. Companies, such as Harry Rosen, use hybrid cloud and AI to enhance and personalize the customer experience.

Harry Rosen, a leading menswear retailer in Canada, had been planning to eventually digitize their business, but the onset of COVID-19 turned their plan into an urgent need. With IBM hybrid cloud architecture, they were able to transform their business in six months, as opposed to the 12-14 months that they had originally planned. Without the IBM Cloud, this transformation would not have been possible.

Learn more →

3

Individualized customer experience has always been a cornerstone of the Harry Rosen brand. They have now successfully extended this individualized attention to their customers through their digital experience, one of many positive outcomes from their digital transformation. Read the Harry Rosen case study for more information.

Every company is at a different point in the transformation journey. For those that are ready, the IBM Garage offers the ability to deliver agile approaches for transformation and innovation. Using IBM Garage, user-centered design and strategic technology implementations are creating smarter employee and customer experiences; the user must be able to effectively use the technology the very first time they engage with it. Frito-Lay North America is embracing change, using IBM Garage, so they can remain competitive in today's changing landscape. Read more in the case study.

Frito-Lay North America strives to deliver the best-tasting snacks. With IBM Garage, the brand created the framework for researching and testing solutions. After nearly 1,500 hours of user research and the creation of roughly 40 personas, a team created Snacks to You, a platform to help service the 300,000 retail customers of Frito-Lay North America. Thanks to AI, data can be applied to deliver the right snack to the right customer. Sellers and other employees are now positioned to fully function in a virtual environment and quickly adapt to challenges that arise.

learn more →
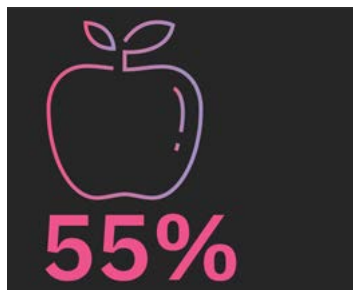
Update to read: 55% of companies are focusing on increasing supply chain agility

source: IBV Study

The intelligent supply chain delivers speed, agility and transparency

While concern over supply chain resiliency is not new, the pandemic has exposed the extent of supply chain brittleness. Consumer supply chains must constantly adapt and evolve to thrive in today's fast-paced, dynamic environment. Solving the need for vastly improved planning capabilities, as well as order fulfilment capabilities, will go a long way towards providing that agility.

With built-in agility and end-to-end supply chain visibility, companies are positioned to transform their business models to meet market changes as they unfold, and to reap the rewards of delighting customers. For example, according to Nielsen, buy online and pick-up in-store (BOPIS) has grown over 400% in the past 5 years across all product categories. However, providing this service adds complexity that can either strain a business or enable it to differentiate through an exceptional, seamless customer experience that is delivered with efficiency.

JOANN Stores is an omnichannel business. Online channels are used to take orders, while stores are used to take care of customers. With the advent of COVID-19, almost half of the 850+ stores were closed to foot traffic. With the help of IBM, JOANN Stores pivoted its supply chain to handle skyrocketing online orders. IBM was able to quickly scale to handle the rapidly increasing demand for materials and successfully help JOANN Stores deliver PPE as promised and maintain customer satisfaction.

Learn more →

5

With IBM, clients can harness data to create granular traceability across the entire supply chain for a combined single view, with AI-powered decision-making to understand, prioritize, and resolve critical issues in real-time. By implementing these capabilities, teams can be quickly empowered to make better decisions that will improve sales and customer loyalty while reducing risk and costs. The foundation of hybrid cloud, automation, IoT, and AI can accelerate this transformation and position you to meet the constantly changing needs of the consumer.

Kvarøy Arctic, a major producer of Norwegian farmed salmon, reports a dramatic increase in demand for fresh seafood in the U.S., shipping twice the volume anticipated. To help meet this need, Kvarøy Arctic has joined IBM Food Trust, an ecosystem of food producers, distributors, manufacturers, and retailers that uses a permissioned, permanent, and shared record of food system data stored on blockchain.

Learn more →

Value is shared through the supply chain – you can save capital through waste reduction and efficiency, while also ensuring customer satisfaction and loyalty by passing on to the customer visibility into where and how goods are sourced. You can then reinvest in your people and operations, setting a new standard for innovation.

Integrate and streamline operations, and unleash AI

Beyond the immediate need of workplace and store safety, where nearly 75% are focusing on making improvements, companies are innovating to prevent disruptions with a split between procedures and process, we see much of the investment placed on agility.

source: *IBV Study*

Operations have always relied on a push model, where forecasted demand drives scheduled production and distribution. But given the recent volatility experienced by manufacturers and retailers alike, many are realizing the challenge in producing viable mid- to long-range plans. Consumer behavior is continuing to shift demand, absenteeism is impacting plant throughput, and workloads are squeezing logistics capacity. Moving forward in such an uncertain market requires more emphasis to be placed on the pull, where actual demand is met by flexible and responsive execution.

Agile, flexible operations, profitable business models, and empowered employees are now, more than ever, top priorities for retail and consumer goods companies. With hybrid cloud and AI, you can increase your agility and performance by removing complexity and accelerating new capabilities. Intelligent workflows can transform management of key business functions. Lower-cost operating models and increased operational efficiency will become competitive differentiators for retailers and manufacturers alike. Retail is rapidly changing across all facets of business and market challenges make it essential for retailers to innovate and transform their stores. For the company Future Group, legacy stores and new stores were combined to gain a holistic view of energy consumption.

Implementing this type transformation was historically seen as too complex and time consuming. That's why IBM's hybrid cloud approach is so valuable; brands can take what they have and build from there. Unlike other companies' cloud solutions, IBM doesn't encourage an organization to re-invent its entire infrastructure, but rather to save time and resources by integrating and streamlining existing infrastructure.

Coca-Cola European Partners (CCEP) embarked on a journey toward an open and secure cloud architecture, driving greater digital advancement. A key priority for CCEP was to streamline its existing IT infrastructure to create a platform for standardized business processes, data, and technology. Data analytics, IoT, and AI technologies help to provide new insights across its operations to help drive further efficiencies. CCEP is modernizing applications using Red Hat OpenShift and Red Hat Enterprise Linux. The move to the cloud is designed to reduce CCEP's operational expenses and increase IT resiliency.

Coca-Cola European Partners (CCEP) embarked on a journey toward an open and secure cloud architecture, driving greater digital advancement. A key priority for CCEP was to streamline its existing IT infrastructure to create a platform for standardized business processes, data, and technology. Data analytics, IoT, and AI technologies help to provide new insights across its operations to help drive further efficiencies.

Learn more →

In one instance, hybrid cloud architecture enabled Coca-Cola European Partners (CCEP) to integrate and manage the legacy systems and private and public clouds from a single dashboard. With a consolidated view and one point of control over your entire IT infrastructure, you will benefit from faster response time when adjusting to shifts in the marketplace. CCEP is one company that is modernizing applications using Red Hat OpenShift and Red Hat Enterprise Linux. The move to the cloud is designed to reduce CCEP's operational expenses and increase IT resiliency. Read more about CCEP in the case study.

Future Group wanted an IoT- and AI-based solution that would integrate heterogeneous infrastructure consisting of both legacy stores and new stores to have a holistic view of its energy consumption. The goal was to reduce the carbon footprint and its energy consumption by leveraging IoT, big data, and AI. As a result, the stores experienced a 10% reduction in carbon footprint and annual energy cost, improved asset maintenance with reduced equipment failures, and enhanced customer experience.

Learn more →

An open hybrid cloud approach can offer the best of both worlds: scalability and reliability of public cloud, with the security and customization of private cloud. Data and workloads can easily shift between public and private clouds based on business needs. If basic cloud computing enables businesses to develop products faster and make full use of their data, then hybrid cloud is the logical next step forward. With a hybrid approach, your enterprise can quickly pivot IT resources to match shifts in business strategy. It also sets an ideal foundation to harness AI and data analytics.

The IBM hybrid approach gives enterprises the flexibility to explore new business opportunities without putting a halt to the work they've always done best.

Your opportunity:

The reality we all know too well is that disruption is now a market characteristic. Agility with efficiency are now more than just aspirations, they are becoming imperative to consumer business success. All the industry leaders we referenced prevailed and went on to thrive in the face of substantial obstacles, and they all had a few things in common. First, they each had the vision and leadership to examine and address the root causes of their challenges. Second, their due diligence and the right partner to meet them where they were in their digital journey gave them the confidence to make the necessary bold moves.

Ready to set your priorities?

Sign up to receive your complementary virtual garage session →

With cloud, a "one cloud fits all" approach does not work. IBM has the unique ability to deliver a hybrid cloud platform that works with all of your current technology architecture, both integrating and streamlining to enable valuable efficiency while creating unparalleled opportunity to evolve your business model. In this integrated environment, the promise of AI comes to life as intelligent workflows enable the end-to-end management of key business functions, driving efficiency and making available unparalleled insight.

Hybrid cloud and AI solutions offer a single consistent segmentation for all of IBM's clients. The transformation is highly experiential and interactive, using both digital methods and IBM Garage. With hybrid cloud and AI, you can achieve your business goals and be positioned for further growth on the hybrid cloud platform.
IBM's consumer industry hybrid cloud and AI solutions are industry-specific and reflect our decades of consumer industry experience. Coupling our industry expertise with these unique hybrid cloud and AI capabilities enables us to support our consumer industry clients to lead in this highly disrupted market.

In addition to our deep industry expertise, we understand the demands on the business and our custom consultation experience is designed to reveal your core needs based your specific goals. Many of the client examples we discussed began with the IBM Garage process.

It's your time. A smart next step in your transformation to a truly agile business is to take advantage of our Garage virtual frame working session that brings together consumer experts and technologist to help define your goals and position in your transformation journey. This session can give you valuable insights and the confidence drive forward to a true agile operation.

Ready to set your priorities?

Sign up to receive your complementary virtual garage session →