MJV

FMCG Guide:

New Challenges, New Solutions

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THERE IS NO "NEW NORMAL". THERE IS ONLY THE NOW.

The Covid-19 pandemic has reconfigured our reality, our routine, our work, and even the way we consume and interact. We have never talked about **new paradigms** this much.

Much is said about the new normal or post-normal. The truth is, they don't exist. They are being built as we speak. What we are doing today will be the framework for these so-called "normals of tomorrow".

A great cycle of innovation is taking place, and participation is involuntary. People, companies, and even countries are reconfiguring themselves to start building the future.

Even though we are living in critical times, we have to keep progressing. The question is:

How to move forward given the circumstances?

Here at MJV, we believe that the crisis has two sides: **there is risk and there is innovation.** Our goal is to be available for all opportunities, while being aware of the risks.

To that effect, we've created this content in order to help you understand what we can do today in order to help be more prepared for tomorrow.
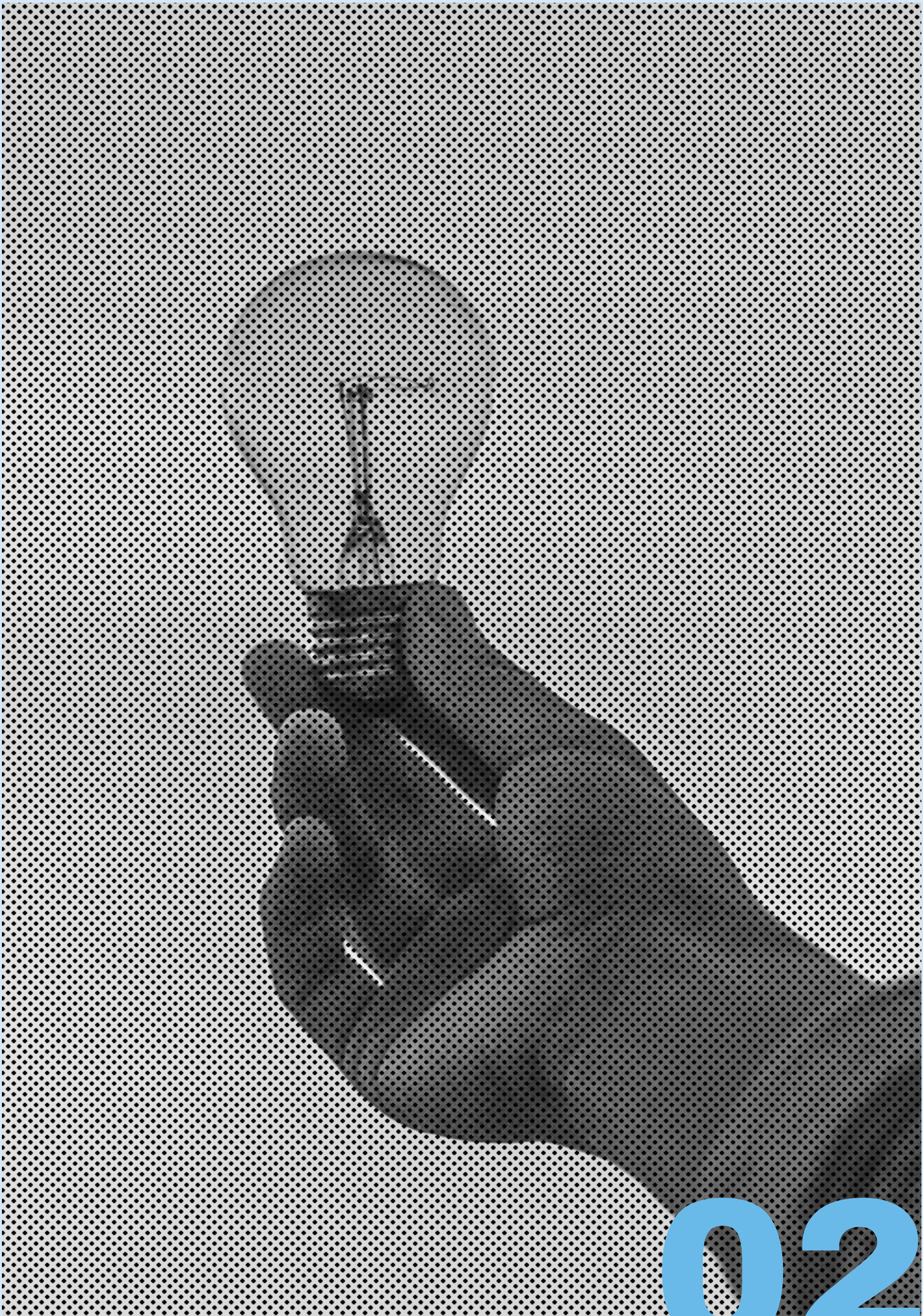
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THE NEW
SCENE

The pandemic has brought about unimaginable change in an unbelievably short timeframe. It wasn't just social isolation or migration to remote work. **Everything has changed.**

From this new configuration, the question becomes: **what will the future look like?**

With regards to the Fast Moving Consumer Goods sector, we notice a few important factors:

- Consumers have changed — and continue to change every day. They are becoming more and more discerning.

- Average household spending has drastically reduced. At the same time, a greater sense of awareness about collective health has sprouted.

- Transformation in the **way** consumers buy and **what they** buy.

- Major disruption in supply chains, manufacturing lines and different markets around the world.

One thing is certain (and we've heard it countless times): **A lot of these changes are permanent.**

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THE NEW FMCG

In the context of consumer goods brands and their relationships with retailers, the primary vehicle for the consumer, **what would that relationship look like in a post-Covid world?**

The truth is, given the volatility and uncertainty of the times we live in, no one really knows exactly what will happen to B2B and B2C ecosystems.

FMCG is a B2B marketplace. So it depends on large and small retailers. It's product journey is very dispersed, selling a lot through super markets, bars, restaurants. That is, it depends on other businesses to sell its product.

With the pandemic's economic impact on small businesses, an uncertainty emerges that may haunt this market:

Will these small businesses be able to bounce back in order to sustain this business model, or will they go bankrupt?

This brings about a new concern for FMCGs, helping out *small retailers.* On the other hand, this is an opportunity for FMCGs to cut out the middleman, *go digital,* become B2Cs, and begin selling directly to consumers.

We have to take into account that, up until now, this sector has been structured as a B2B, relying on very large scale distribution. What would this new product journey, of delivering a single bottle directly to customers, look like?

Today, within the current structure (B2B), delivering small orders is very expensive, as businesses are not designed for the end user. Everything revolves around this ecosystem of small retailers.
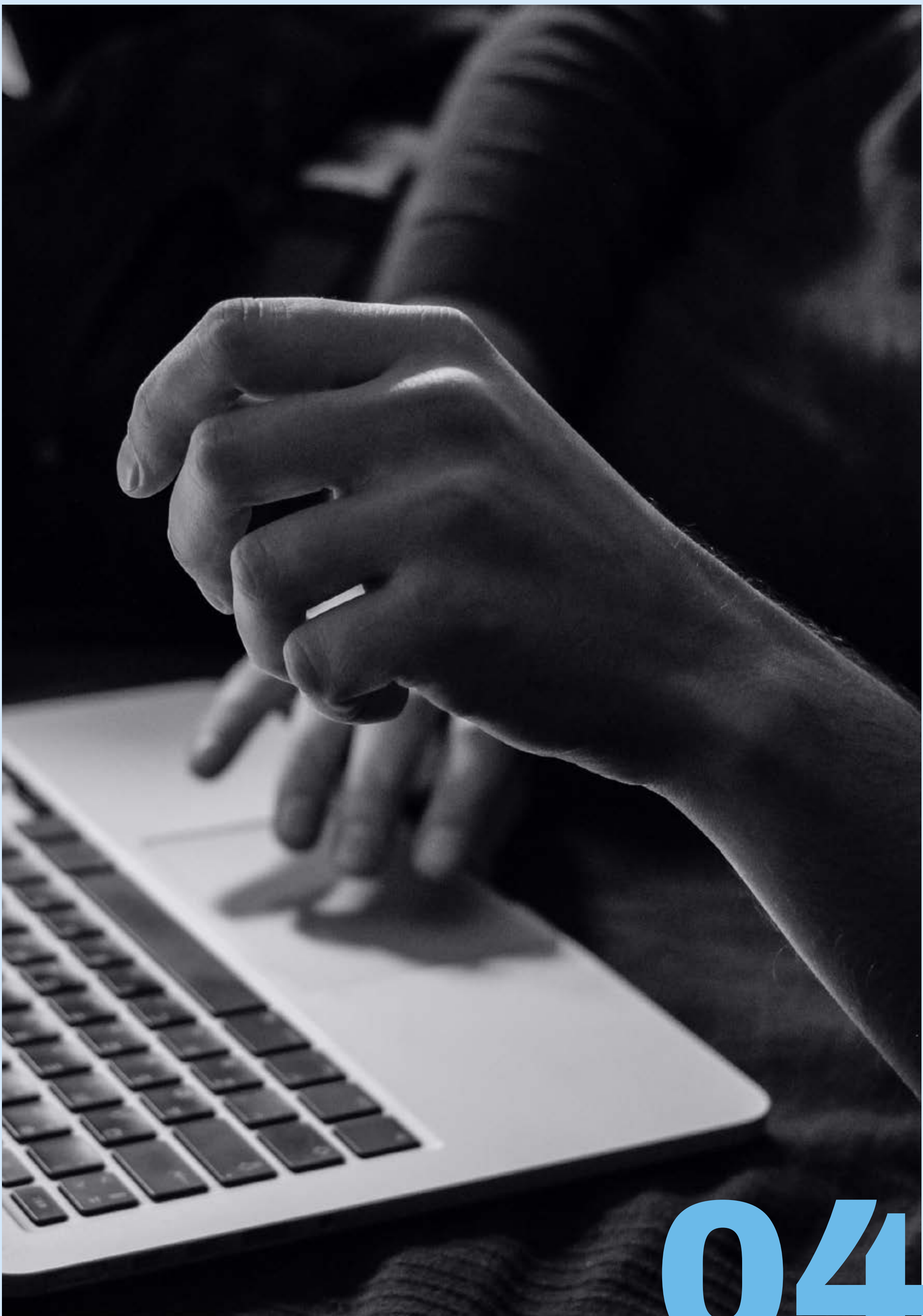
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THE SECTOR'S CHALLENGES

There are two major market challenges for this sector.

Last mile development

- There are huge opportunities in last *mile* **development.** Today, FMCGS are not structured for this demand. This **new network** still needs to be generated, as well as the **last mile supply chain.**

- What will/should change within this sector is the opening of the last mile front. There are still a number of hurdles before this can be implemented and becomes part of the business model.

New consumption habits

Another challenge: understanding that consumers and consumption habits are changing, as well as understanding which direction they are going in. Here are just a few:

- Healthier and more "natural" foods.

- Sustainability and quality.

- Purpose and truth.

But how do you meet these new demands for customization without losing sight of your margin, factory model, and scale?

It is necessary to think of products for other niches (small clusters, small markets), but without neglecting production objectives.

Believe me: many projects won't make it. They might even have potential, but they do not take into account the very nature of the business, a large-scale manufacturing model.

The result in these cases is very low profit margins — the investment in a factory plant to support the new product is too high for the return. The innovation trail ends up not generating very satisfactory results.

If the innovation value is not aligned with the company's value, it doesn't make sense.

What to do to change this picture?

You will need to understand a few points.

- Digital Transformation for Retail.

- How to propose a logistics journey that meets the requirements of B2C (last mile) in a profitable way.

- The new patterns of user behavior.

- How to get value from the innovation treadmill.

- How will partnerships with small retailers look post-pandemic?

Remote work is the new black

The home office has also hurt the industry. Much of the profits come from single servers (unit packages). When the user is not at home, they consume products individually. However, in the remote model, they choose family packages.

As much as consumption at home has increased, the profit margin ends up being smaller.

In addition, the adoption of the remote working model (which in many cases has become permanent), creates the possibility for exodus from cities, as well as the possibility of people producing their own food once they move to more rural areas.

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WHERE TO START: WHICH AREAS SHOULD BE PRIORITIZED?

Now that we've presented the challenges, we move on to the practical part: how to solve them? In this sense, some areas should be prioritized. Let's talk a little more about each of them.

Innovation is not a destination, it's a journey

Here at MJV, we believe that innovation must be a constant driver in any company to generate value organically. Many organizations are betting on the creation of innovation departments as a means to an end, seeking quick results.

This type of action, without a defined objective, tends to waste resources. To avoid misconceptions like these, it is necessary to encourage the absorption of innovation values into the corporate culture.

Peter Drucker defines innovation as "the specific instrument of entrepreneurship [...] that endows resources with a new capacity to create wealth".

|| Scott Berkun, of Carnegie Mellon University, believes that "innovation is a significant positive change".

|| Another well-respected concept is from Tim Kastelle. For him, innovation "is not just having an idea, but executing it in a way that creates value".

For us, innovation is a **process of creating value and applying new solutions to problems.**

In the current context, innovation is essential. There is no other path for companies that want to survive than to reinvent themselves.

Let's show you **seven reasons:**

Seven characteristics of innovative companies:

1. Innovative companies have unique and relevant strategies.

2. They use innovation to achieve their goals.

3. They are leaders and exercise leadership as a value.

4. They go beyond ideas: they implement innovation.

5. They are not afraid to fail—they see failures as learning opportunities.

6. They create and maintain an environment of trust.

7. They value autonomy and encourage it.

It is important to remember that, like other departments, the innovation area must have a team dedicated to innovating. It is made up of handpicked professionals, who may be employees or external hires/consultants, depending on the needs and purposes involved.

In the near future, all companies will be in the technology and innovation segments, in their own way. It is precisely for this reason that IT departments need toactively participate in the design of the company's new products and services. It is IT that knows exactly how long it takes to implement deliveries, as well as how feasible it is to do so.

Technology is an integral part of our new reality. It is important not to limit innovation to the use of technology. Technological tools are means of arriving at innovative solutions, but it is culture (the mindset, the ideas, the tests, the mistakes, and successes) that will lead to true innovation.

TI

In the digital age, IT is present in all departments and has incorporated new skills within the job market. This amalgamation of skills is one of the main effects of Digital Transformation.

This means that the department must take on a new role within the organization. The time has come to think about a much more strategic IT department.

The concept involves repositioning the department, bringing the Chief Technology Officers (CTOs) even closer to the center of decision-making.

In addition, we must also consider optimizing the entire department so that faster and higher quality deliveries can be made. Not to mention giving IT professionals the power to be much more proactive, leaving behind the stereotype of IT being a "reactive area" once and for all.

The four Pillars of Strategic IT

The starting point for rethinking IT is to work on its foundation. Today, we understand that the ideal department needs to perform well on four main pillars:

Innovation/
Disruption

Performance/
Maintenance

TI

Culture/
Mindset

Planning/
Strategy
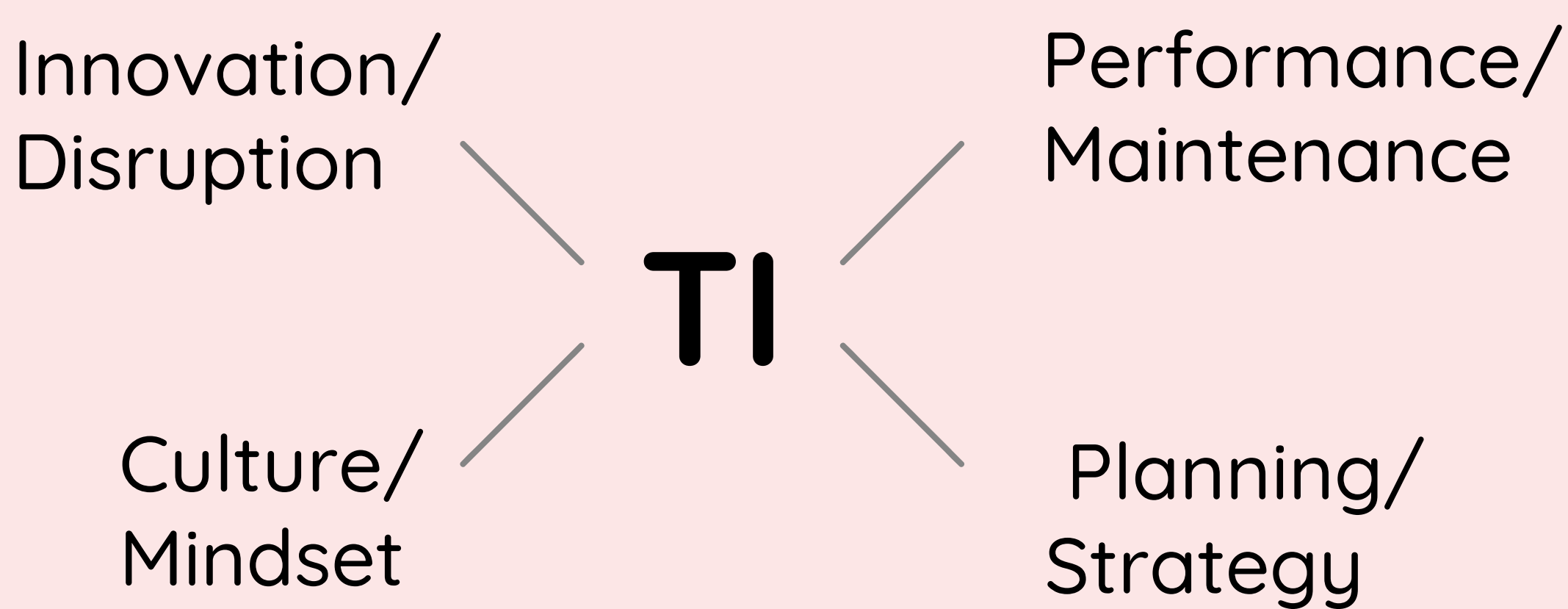
Innovation/Disruption

It's not just other departments that should incorporate new skills into their routines. Today, IT professionals also need to pay attention to the best innovation practices - and this involves the incorporation of Design Thinking and Agile methodologies in their daily lives.

Performance/Maintenance

How to innovate without losing performance? The development of new applications cannot impact the maintenance of the entire IT operational structure.

The **DevOps** approach, which brings development and operations closer together with the help of governance process automation, breaks the barriers between the two environments, speeding up and improving the quality of new applications.

Culture/Mindset

With IT at the heart of your strategy, you need to rethink the entire culture and mindset of the department. From an organizational point of view, it is essential that IT strengthens its communication and relationship with other areas, with processes that favor the exchange of information and needs.

On the other hand, it is also essential to foster a culture of experimentation, creating environments that are conducive to testing.

Planning/Strategy

The department needs to be at the center of decision making, especially when we take into account the impacts of Digital Transformation on other areas.

It is IT that must analyze the feasibility of new projects in the organization and incorporate the **Lean Startup** culture, which seeks more agility and tolerance to errors for quick adaptation of planning.

Operational IT vs Strategic IT

Operational IT Model	Strategic IT Model
Focus on task execution	Participation in decision making
Reactive	Proactive
Problem focused	User focused
Incremental solutions	Innovative solutions
Isolated IT Operational	Collaborative
planning	Agile strategic planning

TI + Innovation

The union between IT and Design Thinking is fundamental for the department to guarantee not only the deliverability of new applications, but also the development of innovation itself. You'll have to embed the user-focused mindset into the core of your company.

Analytics and Business Intelligence

Data Science is the new apple of IT's eye, as it is the science that **covers all phases of data processing.** It handles processes of capturing, transforming, generating, and analyzing all unstructured data. This is one of the best deliverables the department can offer for decision making.

And here comes the question that is most commonly heard when we talk about data: **is it really the new oil?**

This sentence is from Clive Humby a British mathematician in the field of data science. He states that:

> *"Data is the new oil. It's valuable, but if unrefined it can't really be used. It needs to be turned into gas, plastic, chemicals, etc, to create a valuable entity that drives profitable activities; so data should be detailed and **analyzed to have value"**...*

We agree and believe that companies need to follow this notion to a T, however, if handled incorrectly, data can become the **new kryptonite.**

> Yes, if you don't know how to manipulate your data, you will be weakened and doomed to lose your most valuable asset: the customer.

Business Intelligence

A lot is said about BI in the context of strategic decision-making. You've certainly come across this concept in corporate meetings. But let's better understand what it means before we go any further.

Business Intelligence is the process of acquiring, storing, retrieving, and interpreting data to stay informed about how the business is operating and how it compares to how it was operated in the past.

A Business Intelligence strategy — made up of solutions and methods — helps companies **make better decisions by understanding what happened and how it happened.**

It also guides business planning and execution, providing insights and reporting on the status of key metrics and how they are progressing.

> Business Intelligence, through the orchestration of Big Data and Data Mining, is the strategy that provides corporate managers with the possibility of making truly smarter decisions, based on an expanded view of phenomena and supported by data that is "deciphered" in real time.

Using data for more aligned decisions

A company's success is directly linked to the right business decisions. But how to make them objectively and impartially?

As you already know, in the course of its activities, a company generates and collects numerous information. Information needed to identify the aspects that need to be changed and those that must be maintained.

This data is the raw material used by the Business Intelligence process. Through various techniques, in order to achieve an **improvement in corporate decision making.**

The impact of Business Analytics

The real competitive advantage of a corporation is not the product it sells, nor the service it offers. **The difference is in their data analysis.** Data is the raw material that sustains your business.

It is necessary to take advantage of its inputs to develop new tools, processes, services, and products for the customer - in both times of crisis and calm.

Important tip: for data to function, in fact, as a basis for making improvements in a company, it is necessary to implement a **data-driven culture.** This means that data needs to be the basis of everything, from decision making to the development of new services and products.

The industry's main challenges: major obstacles for optimization

Culture

As we have seen, the absence of a data-driven culture directly impacts the organization's analytical capacity. This makes it difficult to make decisions, innovate and implement improvements.

Integration

Often, even with data integrated into single platforms, those responsible for data analysis are dispersed throughout the company, moving away from other departments.

Business vision

Many companies still find it difficult to bring data specialists closer to professionals with broad business vision. This is an important step in making tangible action plans.

Processes

Integrating data analysis as a natural part of the organization's processes is another challenge. For this, it is necessary to work on the three points we mentioned: integration, business vision, and culture.

Next Steps: how to prepare your business

Big Data Solutions

Investing in technologies and processes oriented around *Big data* is an indispensable step when entering the data age. This allows you to identify solutions to real problems, even in terms of just storage, processing, and analysis.

User centrism

This one should be your utmost priority: creating a *consumer-centric* culture. The data collected must be transformed into practical solutions for customers. This is quickly becoming the north star that will guide organizations in the coming years.

Agile Governance

Integrating *data scientists* with the professionals who have business knowhow is essential for the success of your *Business Analytics* strategy. Agile Governance helps create this integration by implementing an innovation culture. Reviewing processes and strengthening expertise is the key to success.

Data-Driven Mindset

Finally, it is necessary to consider changing the organization's *mindset.* Implemented actions need to be justified by data analysis. This helps optimize results, reduce costs, and improve efficiency in all processes.

Communication and relationships

The new normal for companies will be based on communication. Yes, **communication is a new value driver.**

Everyone is eating and breathing Artificial Intelligence. Data is no longer a differential and has become part of the mainstream. Data Science is just another step in the process.

In this scenario, what is considered a strategic difference is the relevant content. It is what will provide the necessary input for your customers and potential customers to make increasingly conscious choices.

Write it down: it is essential to prioritize a relationship strategy and be available on several channels.

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FLIGHT PLAN: ADJUSTING THE ROUTE

The most immediate and drastic changes for corporations in the FMCG industry are directly linked to consumer activities.

Closing of local retailers, such as restaurant chains and movie theaters.

Greater feeling of anxiety about the transmission of the virus, causing consumers to avoid crowded places such as supermarkets.

Financial difficulties that most families are facing.

A sudden shift towards online channels, stocking up, the search for value, and a shift to shopping locally (to name just a few).

Whether these changes in behavior are permanent or temporary, they have brought about structural changes in every business. In order to maintain these "symbiotic" relationships, brands are striving to find new ways to deliver value to their customers and support them through the crisis – while protecting profit margins on both sides and offering an exceptional overall consumer experience.

In an ideal world, we're talking about **hyper-personalized** customer treatment, priority digital service and sales models, customized production lines, fast logistics, and real-time tracking of customer data from every angle.

UX e UI

Social isolation brought about a series of behavioral changes - most linked to the dizzying increase in the consumption of digital products and services. Therefore, there is no other way to serve your customer: **you need to rethink the scope of the digital space to build a fluid and valuable experience, as well as taking into account the level of digital maturity of new entrants.**

No one better for the job than user interface (UI) and user experience (UX) professionals.

When we experience processes, we manifest a positive, neutral, or negative feeling when we reach the end of the journey (**whether** we reach our goal or not).

UX studies and shapes these processes to build fluid journeys. The goal is for the user to carry out the actions they want with the minimum number of interruptions or "friction".

What can't be missed?

Five steps to make your customer happy

1 **It has to be useful**
In addition to being simple, quick and easy to understand, your product or service needs to be relevant.

To do this, understand:

1. How it fits into your client's life and routine.

2. How to facilitate the experience they will have using your product or service.

3. How to provide a differentiated experience that is really useful and makes the user happy before, during, and after use.

2 Understand your customer

In this new consumption scenario, bombarding the consumer with products and services is nonsense.

1. The buzzword is: segmentation.

2. Understand which products and services truly meet your needs, goals, and interests.

3. Align your offer: By customizing, you make your offer much more relevant. And an aligned offer earns customer loyalty.

3 Surf the wave of self-service

Be adapted to self-service. More and more customers prefer this option. And bots are the main tools for that.

Spoiler: Soon we will witness the first bots that will be able to respond to human emotions effectively and convincingly. Yes, **Artificial Intelligence** will take that leap.

4 We'll say it again: your customer is your most valuable asset!

- **100% digital and user-centric** solutions are a crucial part of the strategy to win over the market and customers.

- **Know your consumer.** This will be crucial in order not to waste time and resources.

- It's not just digital that your customers live on. The future of this sector is moving towards a **greater focus on the psychological and emotional needs** of consumers.

5 Rethink your role

Reevaluate your role in the lives of users and be proactive in maintaining this relationship. It's time to re-plan and recalibrate the Risk Management scale!

Build a more humanized strategy, structured on transparency and truth. And, most importantly: one that solves the customer's problems - the main objective of UX.

> Prioritize UX solutions before it's too late.

E-commerce + social shopping

Social isolation has put (almost) everyone at home and forced a drastic migration towards digital. Even the most resistant consumers, who were not adept at shopping online, had no choice.

With that, e-commerce through social networks and through mobile devices has exploded exponentially.

If you're not yet familiar with the term, be prepared to hear a lot about Social Shopping. It refers to an e-commerce practice in which the shopping experience is shared with a social network of friends and contacts.

Social negotiations impact an individual's purchasing process using social media networks to share, recommend, suggest, and comment on products or services. The idea behind them is that individuals are influenced by their friends' acquisitions and recommendations.

Retailers need to rethink their shopping journeys and start working with social networks like Instagram, Facebook, and applications like WhatsApp.

> It is essential to start treating social networks as marketplaces/ sales platforms.

Retail marketing and sales strategists will need to work on actions such as:

- **Remarketing:** serving targeted ads on networks to people who have already visited or performed actions on your website.

- **M-commerce:** commerce via mobile devices.

> Mobile Commerce and mobile payments are a must!

Most online purchases are already carried out via smartphones.

> **Super convenience**

An ecosystem that mixes omnichannel strategies, e-commerce, frictionless experiences, delivery, and super-tech stores.

The New Retail is a mix of logistics, supply chain, payment systems, automation, and technologies such as Artificial Intelligence. It is the **meeting of different business fronts to create new consumption possibilities.**

At the heart of this process is the concern to offer **greater convenience to the user during the purchase journey.** Being *user-centered* is the "new black" of global retail.

Supply Chain

Today's current scenario calls for a more optimistic look at the future. Not just in terms of possibilities but also with respect to aligning company objectives with the more sensitive values that customers are looking for more and more in the products they buy.

Here are a few trends that take it upon themselves to rethink and reframe a more sustainable way for logistics and supply chains to operate.

Circular Economy

Before we start talking about this, let's make one thing very clear: the circular economy model is **not** against capitalism nor does it advocate against profit. On the contrary, there is a cornucopia of business opportunities hidden within this trend, made invisible by linear logic.

The driving force behind this structure is its ability to generate a **positive impact** on society and the environment, while businesses **develop and profit.** Circular economy is going to look at the way we produce, consume, and dispose of refuse. But don't think it's just that, what we have here is a **mindset,** a new Industrial Revolution.

Environment

On average, only 5% of the raw material needed to prepare consumable goods goes into their actual physical construction. That means that the product needs 20x more input in order to be ready for retail.

It's pretty obvious what we're going to talk about here, but it's necessary: **resources are finite, and society is feeling this firsthand.**

In order to transport the world's production of goods, air, sea, and land transport systems have become overloaded, generating more and more pollutants.

Not to mention the struggle to become free from plastics - more than half of the packaging of all products in the world is made of plastics. It is estimated that by 2050, there will be more plastic than fish in the oceans by mass.

New business models

The new economy is already here! Understanding this change is a priority.

- Technology is the epicenter. It is what can promote the disruptions necessary for businesses to take the lead in their market and even create new markets to lead.

- We are heading towards the end of feudal competitions. Much of this is thanks to GAFA (Google, Amazon, Facebook and Apple), the four giants that set the rules in the market when it comes to cutting-edge technology, and pamper their users with enchanting experiences.

There is no escaping the migration towards this new logic:

- More ecosystem and less company
- More abundance and less scarcity
- More horizontal and less vertical

Classical Economy: pyramid model. Wide high dome. More centralized, top-down management. More linear and industrial. Many are already digitized, which doesn't mean they run on the digital mindset.

Digital Economy: small, lean, light, and innovative. As they are smaller, they have more decentralized leaders, which makes them very efficient. Automation and artificial intelligence underpin management. The startup era has changed the face of companies a lot and this type of business model is nothing new.

Post-Digital Economy: This is where we are in the business model transformation journey. Here, we have virtual companies. Their life cycles are also different from what we know: top management invests in the company for a while and then leaves. There is no management, everything is made from emerging technologies, such as blockchain.

Futures Design + Key Account Management

Let's start with a question: what if, regardless of the complexity of the situation, there was a methodology that could provide some kind of clarity, allowing you to extract insights from emerging trends and human behavior? Giving you the opportunity to adapt your strategy?

The good news is that it exists: **Futures Design in the context of Key Account Management.** Let's explain how it works!

The Role of Key Accounts for FMCGs

The degree to which consumer goods brands have been able to minimize the pandemic's negative impact on their businesses depends very much on where their paths to consumers are.

For these brands, "Key Accounts" is one of the main channels, from fast-food chains and local movie theaters to leading retailers and supermarkets. In some cases, these customers can contribute an astonishing 40-80% of the overall business revenue.

Therefore, the importance of maintaining these relationships (especially during a pandemic) cannot be underestimated.

This is arguably even more critical in mature markets with high customer concentration, where sales volume can be accounted for by a small handful of accounts, as opposed to emerging markets that tend to have a wider range of accounts in their customer base.

However, these relationships are highly strategic. We can describe them as almost "symbiotic", where there is a mutual dependence to increase profit margins and achieve growth.

On the consumer goods brands side, the key account teams responsible for managing these strategic partnerships with key customers have a critical role to play in ensuring profitability and that the needs and objectives of both parties are met.

This role requires an in-depth understanding of all customer touchpoints, channels, the market, and the end consumer. The insights these teams bring to the business are crucial: determining marketing and point of sale strategies, promotions, volume, revenue, profitability, etc.

Buying and Selling

Needless to say, the lack of "physicality" directly affected the field sales teams. Regular customer visits, viewing store layouts, identifying alternative paths to brand activation, and reporting to internal teams to implement new strategies ceased to exist overnight.

In a remote world, we suspect that executive boards making these contractual decisions may be reluctant to approve an asset or trade-heavy transaction without an actual on-site visit.

For top account managers, the essence is customer relationship building, working in partnership to ensure the growth of product categories, conducting joint business planning to ensure that mutual goals match.

Of course, prioritizing employee safety comes first, and the remote effect has turned these activities into virtual calls and virtual business planning. But does the lack of physical presence create barriers to the amount of data we can collect for feedback?

The dominant factor here is not really knowing what the future holds, something that is already impossible in a "normal" scenario.

Constant change makes it incredibly challenging to conduct joint business planning and action plans with customers, especially when both parties are focused on protecting their core business.

We know that taking your eyes off the ball is not an option but we are also aware that **innovation is critical to survival.** Some questions we ask ourselves in these moments:

- How do we stay agile and relevant to our customers and consumers?

- In such a volatile environment, how can we keep up with rapidly changing requirements and strategies?

- How should we react internally in terms of our structure, building new channels, and transforming our operating model?

- What new features, processes, technologies, and systems might this trigger?

- What future skills should we need to invest for our core account workforce?

While we can't look into a crystal ball and predict the future, the answer to these questions lies in a methodology - which we particularly like a lot - Futures Design.

Futures Design

Futures Design requires us to be proactive rather than reactive in times of volatility in a rapidly changing world. To be proactive, we need to anticipate the future by creating strategies built around future scenarios that consider different uncertainties and variables.

When we prepare for the future, we don't just build resilience – we grow stronger.

Future Scenarios can also be used as provocative spurs to gain support from senior leadership in discussions about potential adjustments that need to be made to the main accounts – in a post-normal and post-Covid19 world.

The buzzword here is: collaboration!

There is no denying that there is still great uncertainty on the horizon. For both FMCG companies and corporate customers, the impact of this lack of clarity leads to one thing: fighting for survival.

However, in the times we live in, that answer will likely be found by joining forces with partners to reinvent and discover alternative ways to achieve growth. In this context, exploring new partnerships, especially in the digital ecosystem, and reflecting on possible scenarios is the best way to prepare for the future - whatever it may be.

Agile Management + Digital Communities

Never has a challenge been so common among so many companies at the same time: remote work. With a worldwide pandemic forcing employees to stay at home, respecting social isolation, companies had no choice but to roll up their sleeves and face Digital Transformation once and for all.

But changes bring many questions and insecurity.

Will the processes work? Will the team continue to be productive? Is it possible to maintain the same volume of deliveries as before? How to keep employees engaged?

It's possible. And it's less difficult than it seems: **the driving force of this entire transition is Agile Management.** It is the Agile mindset in managing remote teams that enables the development of more strategic projects and streamlined processes. This adaptability makes the implementation ideal in scenarios of uncertainty.

Benefits:

- Increased productivity, performance, and autonomy between teams
- Quickly adapt to changes
- Horizontal management
- Constant value deliveries
- Greater flexibility in taking action

Always keep in mind: **remote work is about people,** not tools. The tools are used so that you can solve a problem faster and enhance your work.

Agile is also about people. It enables the much talked about "Digital Community".

Three Steps towards Creating Your Digital Community:

1 **Keep Employees Committed and Motivate**

This is a challenge for most corporations: not being physically close ends up causing a gap between employees. Agile will help a lot in the necessary turnaround, as we realize that **the fact that we are not physically connected is not an impediment to a quality delivery.**

On the contrary, constant physical interaction is no longer a key factor in the success of a process or project. More than ever before we see **distributed, decentralized, and remote structures** come into play.

2 **Strengthen employees' bonds with the truth of your company**

It is very important that the corporation's values are always aligned with its employees. This makes them work more securely and with more certainty of what they are doing. **The purpose needs to pulse in everything your company does.**

3 **Making history and not telling stories**

Today, we live in a time when interpersonal relationships are physically distant, but they can come together virtually. Here's an example from us, here at MJV. Our Marketing team runs within Agile, communication and exchange between the team occurs all the time.

Collaborative tools and WhatsApp groups have never been as important as they are now. Technology can help to shorten that distance (a lot).

Industry 4.0: intelligent factories

The Fourth Industrial Revolution is the phenomenon of the adoption of innovative technological tools, resources, and services to optimize the management of the most varied industrial aspects.

This includes everything from design to automation of manufacturing processes, passing through the supply chain, among other aspects of the daily operations and administration.

There is no doubt that smart factories enable a huge cost reduction, due to the rise of efficiency.

When it comes to factories, there is an urgency for industry 4.0 (smart factories). It is worth remembering that it is a manufacturing model and that we are talking about a segment that has huge manufacturing plants.

So **is the market ready to run a model without human contact?** Before embarking on this path of no return, it is necessary to acculturate the contactless model.

A good start is the **automation of simpler processes,** which generate less risk to production.

Experts point out four major forces that drive this movement:

1. Surprising growth in data volume (Big Data).

2. Emergence of tools, resources, and methods for data analysis.

3. Innovative human-machine interaction possibilities.

4. Improvements in transferring digital instructions to the physical world.

Realize that it's not simply about implementing tools to automate business processes. It's something much deeper and superior to simple automation.

Data + Industry 4.0

Data driven factories: this is Industry 4.0.

- Invest in technology to increase productivity.

- Reduce equipment maintenance costs and energy consumption.

You might be wondering what justifies all this investment? The increase in **work efficiency.**

The Internet of Things has become critical to ensuring the ability of cyber-physical systems (parts support, assembly stations, and products), people, and intelligent factories to communicate with each other.

It enables, **with all that collected data,** the improvement of processes and decision-making in key moments, like the one we are experiencing now.

Privacy by Design

This concept is directly about integrating privacy into the creation and operation of new devices, IT systems, network infrastructure, and even corporate policies.

The development and integration of privacy solutions in the early stages of a project identifies potential issues early, avoiding high investment of resources, effort, and loss of time-to-market.

Any action that a company takes that involves the processing of personal data must be carried out with data protection and privacy at every step.

Remember: any department that processes personal data must ensure that privacy is built into the system throughout the lifecycle of the system or process.

Privacy by Design: think about data privacy when designing processes, products, and services.

07

A NEW B2B SCENARIO

Across the B2B ecosystem, smaller companies or those that relied on the consumer's physical presence to operate may not weather the COVID storm.

Globally, we are already witnessing a trend of larger companies acquiring smaller players to gain scale or absorb new categories or capabilities.

Einstein's quote "in the midst of every crisis, there is a great opportunity" could not be more relevant. In the current climate, it is therefore fair to predict that Covid-19 could act as a catalyst for future mergers and acquisitions.

This scenario gives way to a more centralized scenario, with a shift towards a greater concentration of customers and, consequently, these "symbiotic" relationships. Some might argue that the nature of such relationships is high risk, especially in a retail context where we see strong growth of supermarket private labels competing with well-known consumer goods brands.

As a way to mitigate risks, what we see is a growing investment in D2C strategies for brands, leveraging digital to open new paths for the consumer.

We are seeing new business models and partnerships emerge across the FMCG ecosystem in an attempt to meet the rapidly changing demands of consumers.

08

FOR THE FUTURE: DRIVERS OF CHANGE

The impacts of the pandemic, the vast technological advances, environmental issues added to changes in consumer behavior are drivers that point to the urgency of digital transformation in FMCGs.

Let's look at the drivers of change that are disrupting the FMCG market.

3D printers

3D printers promise, in the coming years, that printing will be possible with over 30 different kinds of materials - including food.

Understanding what consumers will choose to buy ready-made in the market, what they will produce at home and what they will prefer to print is step number one.

Food

The development of **food in the laboratory,** as in the case of protein (vegetable and animal), is increasingly closer to becoming a reality.

There is a scenario that is starting to show itself: today, cattle are **expensive** and the production of animal protein **generates a lot of pollution.**

In this way, more sustainable food gains strength. The reduction in the consumption of animal meat - due to the facilitation of pandemics - is gaining more and more followers and makes more and more sense.

09

LET'S PLAN FOR 2022!

The truth is that 2022 is already knocking at the door. We want to believe that it will be a much more promising horizon than 2021. But, for that, we need to be prepared. We know that building this new normal is a very big challenge. It may not be easy, but it is possible.

The time to build is now. Zygmunt Bauman calls this transition period we live in **times of interregnum**. We are between *what no longer is and what is not yet.* The old model no longer fits us and the new one is not yet ready.

With a world of possibilities to be explored, New FMCGs will not be a closed model, but something that will evolve in a fluid, gradual, and incremental way according to the constant changes we are experiencing.

Pay attention to the next moves done by large retailers, which promise to alter the market a great deal in the coming years and profoundly transform the way we consume.

The tip here is: think about the triad of **technology, commercial performance,** and **relationships.** And follow up on the tools, methods, and practices needed to leverage them.

Rest assured! We believe that many things will change for the better in the coming years. This requires discipline and resilience to sustain these transitions until we are fully adapted.

We take this opportunity to leave you a little invitation. Shall we build the new normal together? Before it's built for us.

About MJV:
people transforming business

For more than 20 years, MJV Technology & Innovation has helped to influence innovation and solve business challenges with some of the largest companies in the world . With offices in Europe, the United States and Latin America, the consultancy has a multidisciplinary team, composed of more than 700 professionals divided between designers, engineers, anthropologists, data scientists, developers, entrepreneurs and more.

We believe in collaborative Work and apply Design Thinking and Agile Methodology as a guide for all the projects we develop.

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MJV is built upon four pillars, structured with complete synergy:

INNOVATION IN BUSINESS:
Development and implementation of innovative solutions to reduce costs, increase revenue, and generate new business models.

TECHNOLOGY CONSULTANTS:
Develop and implement personalized services such as Business Intelligence (BI) IT and the Internet of Things (IoT).

DIGITAL STRATEGY:
Develop and implement corporate strategies and user experience in a way that "being digital" and thinking digital" become intrinsic to the business model.

OUTSOURCING PROFESSIONAL PROFILES:
Allocation of UX, UI, Marketing, and IT professionals contracted with the total support of MJV concerning the work realized and quality control.

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