

# Consumer Products: A Workday Perspective

## Pursuit of profitable growth in challenging times

Consumer products, as an industry, is based on stability and consistency. Now the value-chain squeeze and whipsaw of change could make this one of the most difficult periods to navigate in recent decades. Today's environment is marked by record inflation, supply chain issues, labor shortages, global conflicts, climate change, a potential recession—and perhaps most disconcerting, the shifting demands of rapidly changing consumers. To achieve profitable growth in this environment, consumer products

companies must now solve a more complex objective function—investing to keep consumers engaged while finding ways to do more with less.

Workday and Deloitte are well-positioned to help consumer products companies invest, transform, and adapt—whether that means automating financials, optimizing the workforce, driving data through supply chains, enabling faster decision making, or evolving operating models at scale.

The [Deloitte Consumer Products Outlook](#) offers readers detailed insight into the key themes facing the consumer products sector and how companies can turn emerging challenges into competitive differentiators. Explore the report, along with this document, to discover what distinguishes Workday as a key technology enabler for consumer products companies on their journey toward embracing the changing consumer and driving profitable growth.

## Industry Challenges

### 1 Embracing the changing consumer

What consumers want has changed dramatically and frequently during the past several years, and the trend is expected to continue. However, many profitable growth companies are finding ways to get closer to consumers, mainly through more significant digital investments that help them engage and personalize. Another way profitable growers are embracing the changing consumer is by prioritizing new products and services created to meet evolving needs. They are investing more in product innovation, and using data from their digital engagement systems to quickly identify new opportunities.

### 2 Going for market share

The challenging business environment expected for this year can provide an excellent opportunity to grow market share. In order to do this, some companies may raise prices yet keep them lower than competitors and use promotions. Others are looking to invest in emerging markets and in more innovative products to attract the changing consumer. Some may also consider opportunities to grow market share through acquisitions. Such share growth, among other benefits, helps improve unit volumes and opens subsequent opportunities for economies of scale.

### 3 Creatively transforming

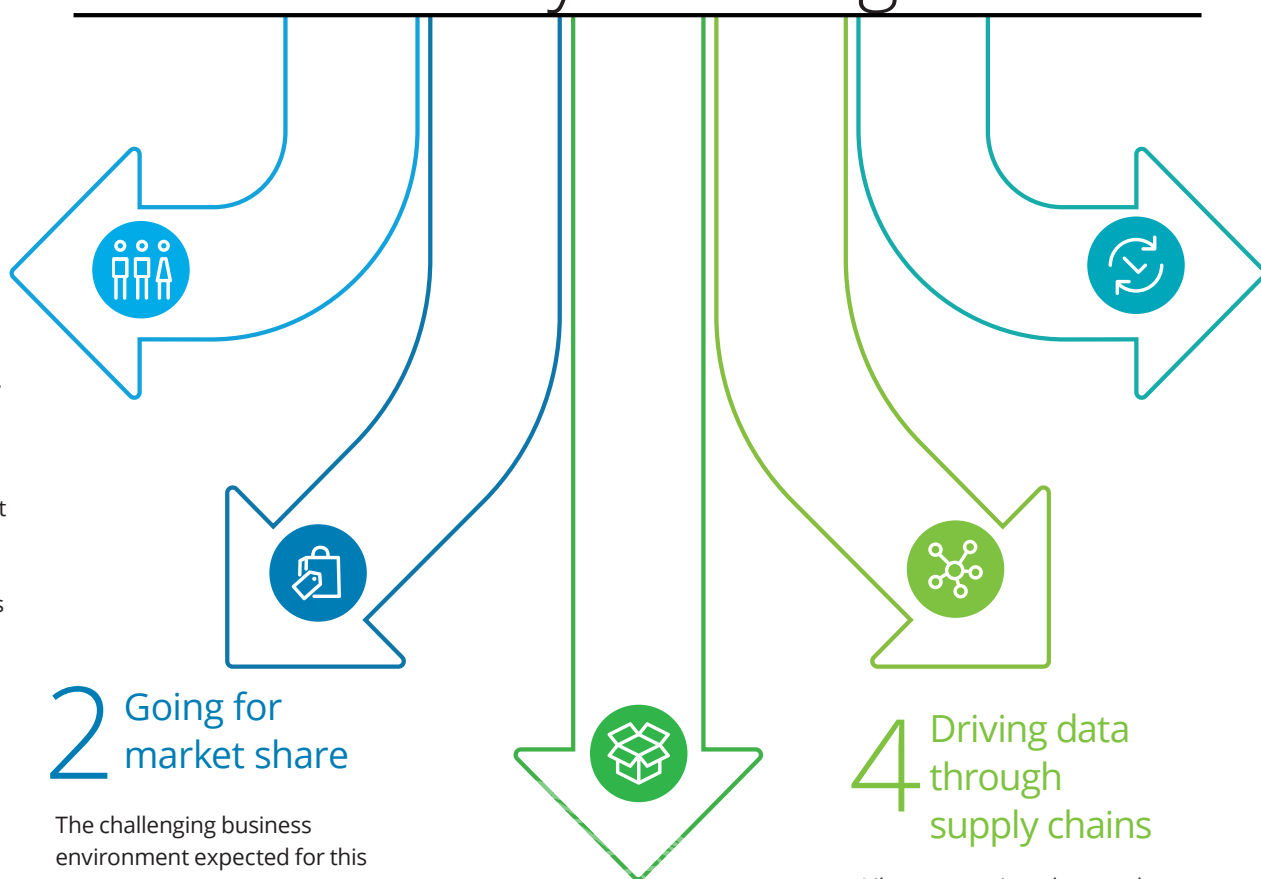
Many profitable growers are changing their businesses as consumer needs evolve. For some, this involves transformation through divestitures and portfolio optimization. Creative examples in the marketplace include joint ventures and innovative partnerships with private equity to turn over businesses that would operate better externally. Profitable growers are doing something else unique: vertical integration. Integration may provide flexibility in times of significant turbulence. It is not without potential downsides, but it can be used as a lever to gain greater control, ensure supply, and protect margins from input cost increases.

### 4 Driving data through supply chains

Like cost cutting, the supply chain is a priority for almost every consumer products company, with many investing in supply chain improvement and operational excellence this year. However, supply chain data is an area where profit growers stand out. Many are looking to invest in data capabilities and want to share more data with consumers and partners. Companies that are committed to driving data through their supply chains are likely better positioned to meet tracking and traceability requirements, to assess supply chain carbon footprints, and to monitor and comply with ethical working practices.

### 5 Prioritizing ESG

(ESG) objectives. Examples from high performers include investments in reusable packaging and bottles, deforestation prevention initiatives, sustainable palm oil sourcing efforts, and climate-smart farming practices. Those that invest in improving their ESG reporting tend to outperform in making positive sustainability progress, and those that invest in diversity, equity, and inclusion (DEI) initiatives tend to benefit from greater ease in hiring and retaining top talent. Although a slowing economy could make it more difficult to prioritize ESG initiatives, taking strategic and intentional steps now could ultimately help consumer products companies to grow their profits in the long-run.




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## Key Workday Differentiators

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**1 Embracing the changing consumer**

Workday's unified platform brings together financial, workforce, and operational data at scale to support changing business models and strategic growth. In addition, Workday's flexible business processes allow consumer products companies to quickly restructure existing operations and workflows to support new business models, M&A activities, and consumer experiences. With its open-platform architecture and no-code integrations, Workday gives consumer products leaders the insights needed to meet consumers exactly where they want to be met, further helping the organization to maximize the value of its full tech stack.
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**2 Going for market share**

With Workday's ability to enable enterprise-wide planning and execution, consumer products leaders can rapidly model future market conditions, evaluate changes to the business and cost drivers, and understand how new products, distribution channels, and business models will impact profitability. Workday further combines external data, such as inventory and supply chain, with consumer product and revenue data for clear visibility into profitability mix by sales channel. A native data model gives consumer products organizations greater visibility into business drivers for a deeper understanding of staffing needs and evolving supply costs.
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**3 Creatively transforming**

With embedded AI and machine learning, Workday automates finance and HR processes and provides intelligent insights for enhancing analysis and decision-making. For instance, consumer products leaders can forecast business demand based on sales and out-of-stock data to optimize scheduling and worker productivity, or they can mitigate risk through journal anomaly detection. Workday also offers proactive workforce insights to control labor costs and align workforce decisions to strategic business goals—all while mitigating risks and improving workforce efficiencies with intelligent scheduling, automated compliance, operational workflows, and robust analytics.
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**4 Driving data through supply chains**

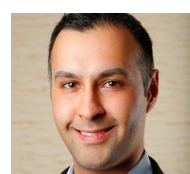
Workday integrates and transforms high-volumes of third-party data, such as inventory and supply chain, into transactional data and accounting to give consumer products organizations an accessible, real-time view of results. For instance, leaders can predict the impact of supply chain costs on profitability at the business unit, SKU, and department levels, as well as understand how fluctuations in demand or price will impact cash flow. With Workday, consumer products leaders can easily view and analyze business performance down to the transaction level to pinpoint opportunities to manage margins, control costs, and drive revenue and profitability.
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**5 Prioritizing ESG**

With rich reporting capabilities, Workday enables retailers to consolidate and analyze data on workforce composition, organizational health, diversity, and workforce investments in a single platform. This allows leaders to track progress toward ESG and DEI goals, determine where to make improvements, and implement an inclusive, equitable, and skills-based approach to recruiting. The platform also offers visibility into supplier risks and sustainability, as well as emissions modeling and planning capabilities, to help retailers assess where material emissions come from and what the impact of reducing them may be.

## Learn more

For questions please contact:



**Rakesh Duggal**  
Principal,  
Deloitte Workday Financials  
Consumer Industry Lead  
Deloitte Consulting LLP  
[raduggal@deloitte.com](mailto:raduggal@deloitte.com)



**Derrick Jenkins**  
Principal,  
Deloitte Workday HCM  
Consumer Industry Lead,  
Deloitte Consulting LLP  
[dejenkins@deloitte.com](mailto:dejenkins@deloitte.com)



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