

FEBRUARY 2025

# Building a Resilient CPG Organization

---

David Cech

SENIOR VICE PRESIDENT & PRINCIPAL



**In an era of constant change, consumer goods companies must foster organizational agility while prioritizing talent development to thrive.**

Organizational resiliency has never been more critical to the long term success of business, especially within the CPG sector. Rapid technological advancements, shifting consumer preferences, and global disruptions have created a landscape where adaptability is no longer just an advantage—it's a necessity for survival. Organizations need executive talent that can lead through this turbulent environment with agility and vision.

## **The Evolving Landscape of Consumer Goods**

The past few years have witnessed seismic shifts in the consumer goods sector. eCommerce has reshaped purchasing behaviors; [sustainability](#) has moved from a niche concern to a mainstream demand; and supply chain disruptions have exposed vulnerabilities in long-established business models.

There are also [demographic trends that significantly impact CPG](#) that must remain top of mind. We're seeing an aging population, an increase in relocation, a growth in one-person households, and a rise in entrepreneurship. These shifts are changing the fabric of society, and CPG companies have a unique opportunity to make an impact.

This rapid evolution demands a new approach to organizational structure and talent management. Companies that cling to rigid hierarchies and traditional skill sets find themselves increasingly outpaced by more nimble competitors. The need for agility, to pivot quickly in response to market changes, has never been more critical.

## **The Pillars of an Agile Organization**

Building an agile organization in the consumer goods sector requires a fundamental rethinking of organizational structures and processes. At the core of this transformation is the move towards flexible organizational structures. Gone are the days of rigid hierarchies; today's agile companies are embracing more fluid, project-based teams that can form and disband as needed. This flexibility allows CPG leaders to respond swiftly to market changes and emerging opportunities.

Hand in hand with structural flexibility is the embrace of data-driven decision making. Agile

consumer goods companies are leveraging advanced analytics and real-time data to make informed, rapid decisions. This approach not only speeds up the decision-making process but also enhances its accuracy, allowing companies to stay ahead of market trends and consumer preferences.

Cross-functional collaboration is another crucial element of organizational agility. By breaking down traditional silos between departments, companies can foster innovation and dramatically improve their speed-to-market. This collaborative approach ensures that diverse perspectives are brought to bear on challenges and opportunities, leading to more creative and effective solutions.

Underpinning these organizational shifts is the adoption of digital tools. Embracing technologies that enhance responsiveness and operational efficiency is no longer optional in the fast-paced CPG industry. From supply chain management systems to customer relationship platforms, these digital tools provide the backbone for agile operations.

The power of these pillars working in concert is evident in companies like Procter & Gamble. In a recent [Annual Report](#), P&G highlighted their efforts to make the organization more agile and responsive. They stated, “P&G’s organization structure is designed to focus our human, technical and financial resources on our biggest opportunities for growth... This structure yields a more empowered, agile and accountable organization and culture with little overlap or redundancy—flowing to new demands, seamlessly supporting each other to deliver against our priorities around the world.”

## Prioritizing Talent Development and Cultural Alignment

While structural changes are crucial, the true engine of organizational agility lies in its *people*. Leaders play a pivotal role in fostering agility and prioritizing talent development. In the consumer goods industry, where market conditions can change overnight, CPG executives must be both visionary and adaptable, setting a clear direction while remaining flexible in the face of change—and talent development should be a top priority, with leaders allocating significant time and resources to nurturing their teams. A [Bain & Company report](#) reveals that effective C-suite leaders devote 30% of their time to talent development.

For example, it’s clear that the traditional approach of hiring specific, static skill sets is becoming obsolete. Instead, CPG leaders must focus on cultivating talent that is adaptable, curious, and committed to continuous learning. Simultaneously, organizations need to encourage a culture where learning is celebrated and failure is seen as an opportunity for

growth. An organizational growth mindset is crucial for maintaining agility in the face of uncertainty.

Furthermore, creating an environment where innovation thrives and calculated risk-taking is rewarded represents another critical leadership responsibility. Leaders must actively encourage and support smart risk-taking initiatives to drive organizational growth and adaptation.

## **Overcoming Challenges in the Agile Transformation Journey**

The path to organizational agility is not without obstacles. Leaders must be able to balance short-term agility with long-term strategy. While being responsive to immediate market changes is important, it's equally crucial to maintain a long-term vision. Leaders must strike a balance between quick wins and sustained growth.

Likewise, it's also essential to achieve the delicate balance between efficiency and flexibility. Although agility is crucial, it's important not to sacrifice the efficiencies that come with standardized processes. Leaders need to identify which processes should remain standardized and which require more flexibility.

Finally, sustaining product quality presents another key challenge for CPG leaders who are navigating the evolving market. Rapid changes must not come at the cost of product quality, which remains a key differentiator in the consumer goods space. This requires robust quality control systems that can adapt to new ways of working while maintaining high standards.

Addressing these challenges requires clear communication, demonstrable benefits, and a commitment to iterative improvement.

## **The Future of Consumer Goods: Agility as a Competitive Advantage**

As we look to the future, organizational agility coupled with strategic talent development will increasingly become the defining factor of success in the consumer goods industry. Companies that can quickly adapt to new market realities while continuously developing their workforce will be best positioned to thrive.

The convergence of AI, IoT, and advanced analytics will further accelerate the need for agility. CPG companies must be prepared to harness these technologies not just in their products and operations, but also in their approach to talent development and organizational structure.

In an era where change is the only constant, CPG leaders must reimagine their organizations as living, learning entities. By fostering agility through flexible structures, data-driven decision-making, and a relentless focus on talent development, companies can not only weather the storms of disruption but emerge stronger and more competitive.

As you consider your own organization's path forward, how are you balancing the need for agility with strategic talent development to stay ahead in the ever-changing consumer goods landscape?