

# Navigating Resilience

## Key Insights for Consumer Goods Companies

Inflation, GDP decline, and recession risks are increasing, leading to higher household costs and consumer anxiety.

### Category Impact\*

Agribusiness	Food	Beverage	Home & Personal Care	Beauty
~10%	20-45%	20-25%	20-30%	20-30%
tariffs on exports like soybeans, corn, and pork to China (after US-China tariff de-escalation). Without improved China deal, U.S. soybean and corn exports risk 20% and 13% drop	tariffs on global imports like rice, cheese, and chocolate are pushing up food prices and tightening grocery budgets	tariffs on imported alcohol and packaging (e.g., aluminum), may lead to consumers cutting back rather than purchasing domestic	tariffs on imports like soap, diapers and toilet paper, could lead to potential shortages and higher prices for consumers	tariffs on luxury imports and costlier global ingredients and packaging are significantly increasing beauty category costs

Source: Press Searches, Accenture Research Analysis

\*Impact subject to change as new trade policies are introduced or revised based on international negotiations

### Top CEO concerns

**Fragile consumer demand:** Increasing price sensitivity, shifts towards private label, boycotts and increased reliance on promotions create challenges to profitable volume growth

**Pressure on margins:** Cost volatility impacts margins, while derailing planning and delaying investments

**Supply chain disruption:** Shifts in sourcing and logistics, and constrained capacity, on-shelf availability and agility

**Workforce strain:** Uncertainty stresses workers and causes hiring freezes, shifting talent needs, and low morale

**Data and technology gaps:** Complex and fragmented systems hinder rapid response, productivity and timely decision-making

## What makes a resilient enterprise?

Resiliency will be the key differentiator for companies who can navigate this uncertain economic and policy environment. Enterprise resilience drives the ability to strategically invest in brand building, core operations, people and technology.

### Technology Resilience:

Leverage AI and intelligent technologies to enhance agility, efficiency, and accuracy across the enterprise. Enable real-time end-to-end visibility and decision-making through continuous harmonization and streamlining of systems.

### People Resilience:

Support workforce with clear vision and purpose. Empower decision-making and reduce workload stress for employees through AI-enabled "next-best-action" tools and new ways of working. Prioritize upskilling and employee engagement.

### Operational Resilience

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Advanced modeling that optimizes consumer goods supply chains for agility, customer service and profitability. Explore alternate sourcing, network management and dynamic adjustment through integrated marketing, sales, and supply chain planning.

### Enterprise and Financial Resilience

**Enterprise & Financial Resilience:** Fuel growth through cost and productivity reinvention. Anticipate scenarios and implications across the organization with dynamic planning enabling agile resource allocation and investment.

### Commercial Resilience

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Prioritize brand building to drive growth in a fragile consumer demand environment. Reinvent product innovation and marketing with new AI-driven capabilities and approaches. Precise, agile revenue growth management is key.

## Resilience for competitive advantage – today and tomorrow

Resilience across these dimensions is the key to responding to continually uncertain economic and policy conditions. Consider no-regret moves that will yield value, regardless of how the environment evolves.

	What to do Now	What to do Next
Enterprise & Financial Resilience	<ul style="list-style-type: none"> <li>Build capability for ongoing scanning and sensing and scenario planning</li> <li>End-to-end visibility to drive holistic decisions</li> </ul>	<ul style="list-style-type: none"> <li>Dynamic value management + resource allocation based on changing growth &amp; profit pools</li> <li>Cost and productivity reinvention to fuel growth</li> </ul>
Operational Resilience	<ul style="list-style-type: none"> <li>Build supply chain visibility and model scenarios</li> <li>Supplier diversification</li> <li>Integrated business planning</li> </ul>	<ul style="list-style-type: none"> <li>Restructure network and investments to optimize across markets and profit pools</li> <li>Explore alt. models for desired outcomes (composable mfg.)</li> </ul>
Commercial Resilience	<ul style="list-style-type: none"> <li>Consumer sensing/scenarios</li> <li>Continue to invest in marketing to bolster demand</li> <li>Optimize RGM for growth</li> <li>Adaptive innovation strategy</li> <li>Use AI to derisk innovation &amp; optimize speed to market at scale</li> </ul>	<ul style="list-style-type: none"> <li>Build real-time consumer insight with data/ AI</li> <li>Reinvent R&amp;D, marketing and sales including content, next-best-action and dynamic optimization</li> </ul>
People Resilience	<ul style="list-style-type: none"> <li>Leverage ecosystem and new workforce models to add people capacity &amp; skills</li> <li>Build next-best-action capabilities through AI</li> </ul>	<ul style="list-style-type: none"> <li>Integrate strategic workforce planning to optimize work/roles for an agentic org</li> <li>Leverage GCCs to accelerate reinvention</li> </ul>
Technology Resilience	<ul style="list-style-type: none"> <li>Build end-to-end visibility across the enterprise</li> <li>Leverage agents to reinvent productivity</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing architecture to drive simplification, rapid response &amp; reinvention (incl. SAP + platforms like O9)</li> </ul>

To learn more about how to turn resilience into a competitive edge visit:

<https://www.accenture.com/us-en/services/strategy/tariffs-resilience>