Veeva

COMPLIANCE CLUB

Bringing together Quality and Consumer Goods professionals to collaborate, learn and network

Consumer Goods Risk and Compliance in the Age of COVID-19

Bruce Beilfuss, Vice President, Consumer Goods Strategy

True transformation requires exploring new ways of doing business, so we are prepared when new challenges come into view. Data-driven organizations with streamlined processes in place can make decisions faster, reduce risk and increase speed and agility to generate more opportunities. That's why companies that proactively invested in digitization were able to better adapt and address disruption caused by COVID-19.

As organizations continue to navigate digital transformation, the challenges they face are evolving and sometimes completely unexpected. Who could have foreseen the impact of COVID-19?

The pandemic is stress-testing a lot of how we operate. Can we afford business as usual or should we instead delay or accelerate initiatives?

Key takeaways – prioritized initiatives in the current pandemic:

- Resilience and business continuity
- Updating business continuity planning / disaster planning
- Digital transformation in practice
- Identifying consumer behavior trends and implications
- Knowledge and best practice sharing amongst manufacturers
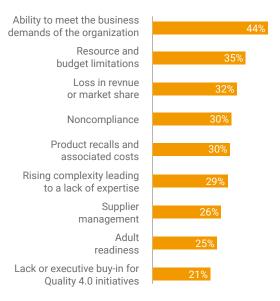- New ways to the consumer directly from manufacturers
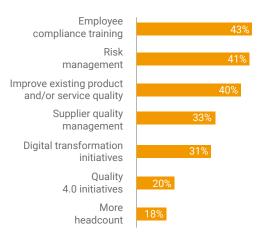
Sophia Finn, Director, Strategy, QualityOne

Veeva's Quality Management Trends Report is based on a survey of 300 professionals from the CPG, Chemical and Cosmetics space carried out at the end of 2019. The purpose was to gain insights into wider industry challenges and what people were looking to address in 2020.

The image below shows what the survey participants considered to be top quality challenges and top investment prioritize to address those challenges.

Top Quality Challenges in 2020 and Beyond

Challenge	%
Ability to meet the business demands of the organization	44%
Resource and budget limitations	35%
Loss in revnue or market share	32%
Noncompliance	30%
Product recalls and associated costs	30%
Rising complexity leading to a lack of expertise	29%
Supplier management	26%
Adult readiness	25%
Lack or executive buy-in for Quality 4.0 initiatives	21%

Investment Priorities in Next 18-24 months to Address Challenges

Priority	%
Employee compliance training	43%
Risk management	41%
Improve existing product and/or service quality	40%
Supplier quality management	33%
Digital transformation initiatives	31%
Quality 4.0 initiatives	20%
More headcount	18%

Are these challenges and needs still the same a few months on? Has COVID-19 shifted trends and prioritizing?

Key takeaways from our discussion:

- There's a need for different, more flexible ways to work with suppliers. Having capability for **remote auditing** should be part of a contingency plan and **supplier quality management** climb further up on the challenge list.

- **Risk management** remains a high investment priority. Even with BCP in place, can you really plan for a pandemic? Should we start planning for what we may think is impossible?

- **Training** has become more critical due to distance working measures and staff reduction, especially at the factory level.

- **Digital upskilling** is a new challenge as people get comfortable with the tools enabling remote and distance working.

- Should **digital transformation initiatives** be higher on the challenge list given the role technology is playing in helping companies with business continuity?

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