Preparing CPG R&D Leaders for a Volatile Regulatory Future

The three levers of the superior product engine.

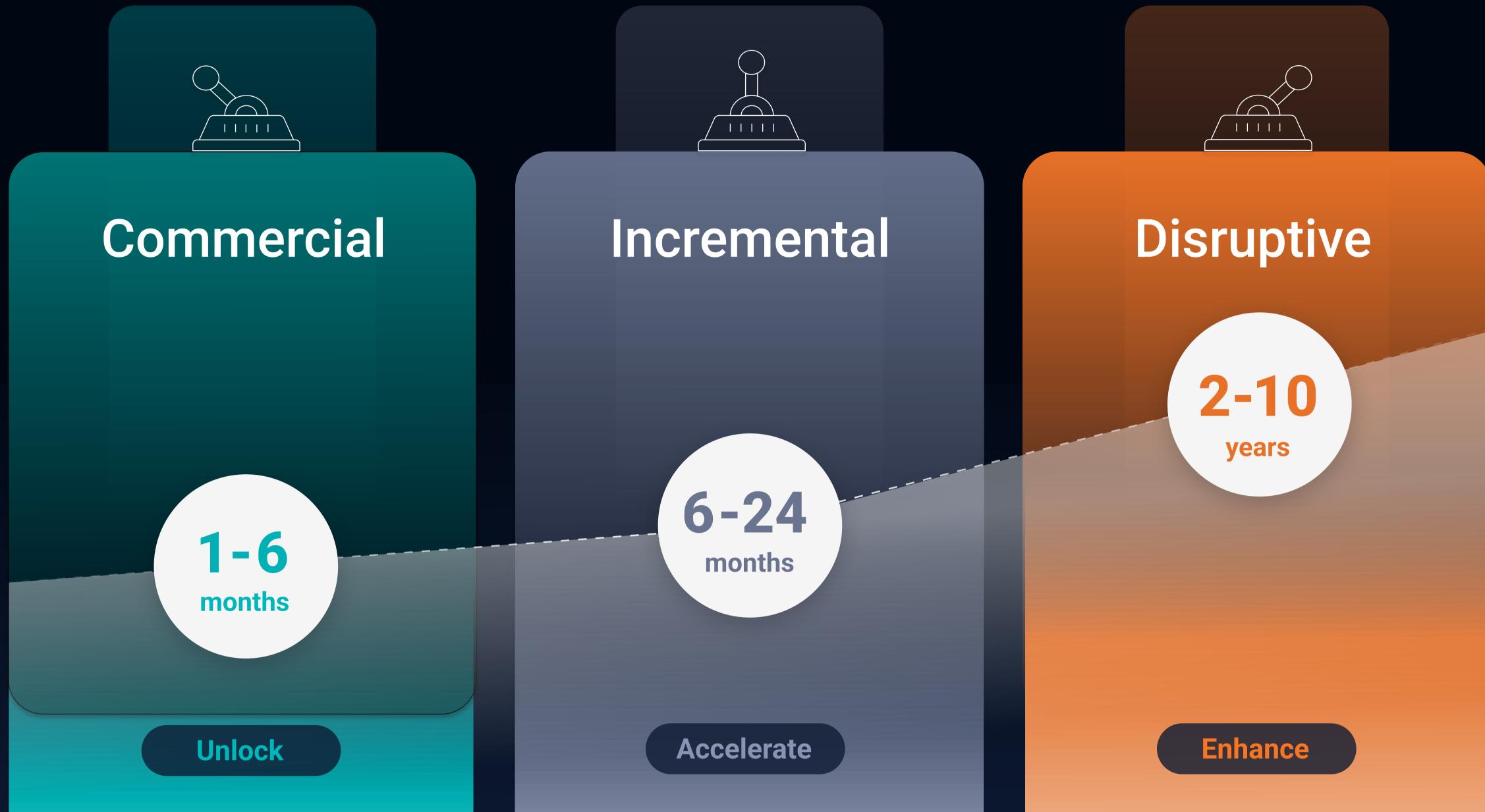


The primary function of R&D at leading CPG organizations is to innovate and consistently deliver superior products to consumers, ensuring year-over-year accretive growth. However, the unprecedented pace and magnitude of regulatory change is pushing R&D leaders toward an existential moment requiring a reimagined innovation process. That is so that design for compliance and sustainability are foundations that ensure product benefits and claims align with consumer needs and stringent regulations, such as the EU Green Deal and MoCRA.

In this new reality, managing product markting claims in the CPG industry has become increasingly complex. These claims are the lifeblood of marketing and sales but place incredible burdens on R&D teams to deliver. Product claims need to be traceable, substantiated, and managed all the way through the supply chain. This means ensuring processes and systems are in place to systematically track and leverage product compliance and sustainability information in innovation and finding ways to free up limited resources to meet this challenge.

Thus, R&D leaders who can optimize the value and flow of product claims will deliver more ROI to the company. Ensuring R&D can deliver new benefits to marketing without changing a product (commercial innovation) maximizes market speed and unlocks critical resources to focus on higher-value incremental and disruptive innovation.

With the right systems in place, R&D leaders can pull three key levers to deliver differentiated product claims in innovation: Commercial, Incremental, and Disruptive.





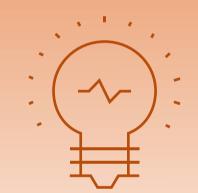
Reveal new claims to unleash marketing on existing products

- Expose every possible product claim to marketing.
- Enable marketing autonomy to maximize claims agility and consumer value.
- Requires claims transparency for every product and constituent.
- Free up R&D resources for higher-value projects.
- Examples include free-from and sustainable sourcing claims.



Make changes to existing products to deliver new claims

- Increased regulatory requirements create barriers to product change.
- Even minor changes to a product can open a Pandora's box of requirements and tasks.
- Requires a new product innovation and data management model to maximize speed and minimize risk.
- Examples include altering or updating colors, fragrances, packaging, or ingredients.



Create new products and categories to disrupt the market

- Allows R&D to significantly enhance contributions by focusing on groundbreaking developments and product platforms.
- Developing long-term innovation roadmaps that align with the company's strategic goals.
- Requires a new product innovation and data management model to incorporate design for sustainability and compliance.
- Examples include new technology platforms and new product categories.

"With no room left for price increases, CPGs must fundamentally reshape their businesses to reignite profitable, volume-driven growth."

Bain & Co., Consumer Products Report 2024: Resetting the Growth Agenda

Maximizing commercial innovation and accelerating incremental innovation frees R&D to focus on high-impact disruptive innovation, whilst ensuring consistent growth and ROI.

Every day, Veeva works with the world's leading consumer products companies to accelerate product compliance, differentiation, and transparency.

Learn more about Veeva <u>RegulatoryOne</u>

Learn more about navigating complexity, Digital Product Passports, EU Green Deal, and more.

Veeva Industries Regulatory Webinar Series