

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

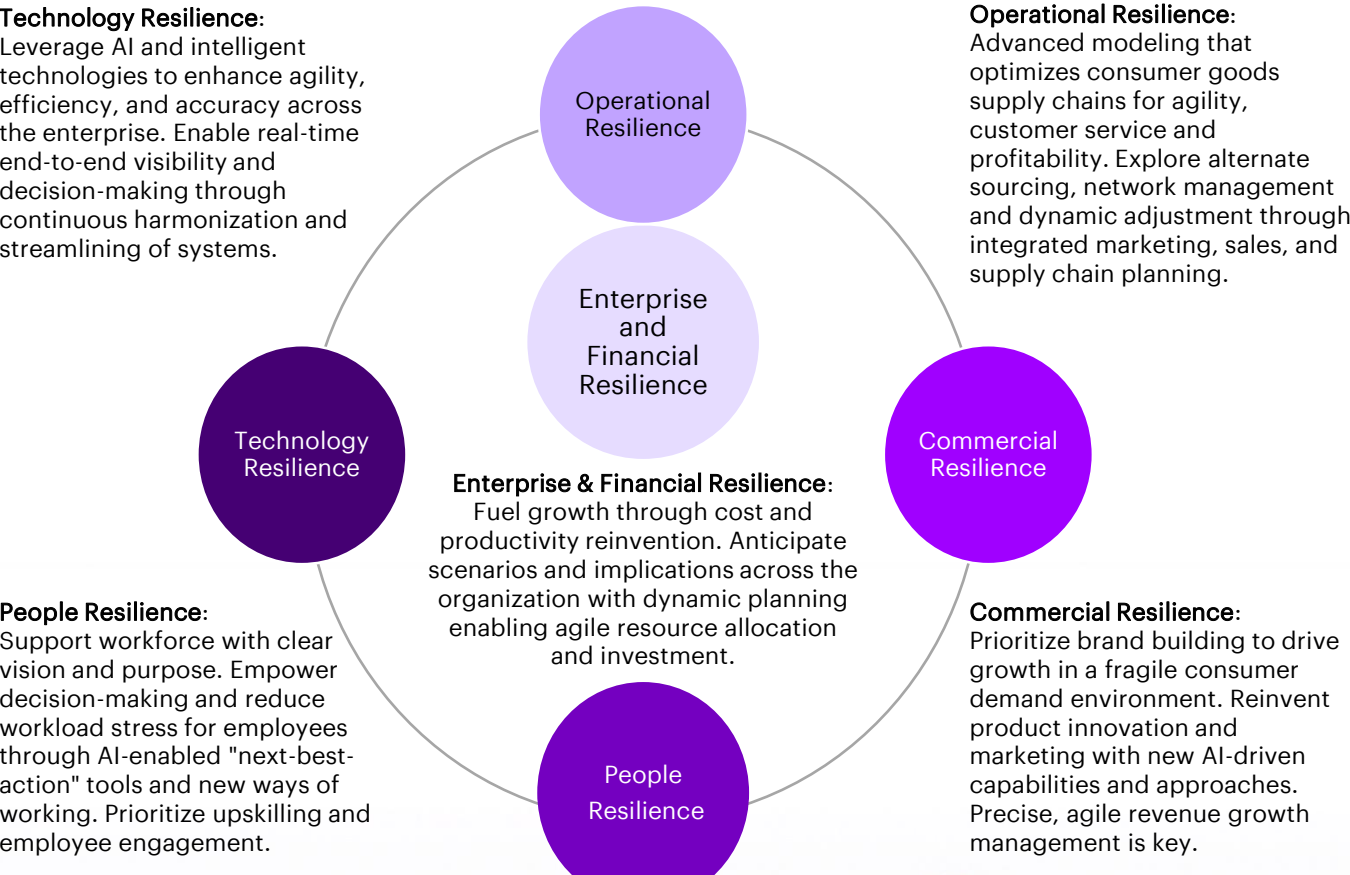
Source: Press Searches, Accenture Research Analysis
*Impact subject to change as new trade policies are introduced or revised based on international negotiations

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.



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">Build capability for ongoing scanning and sensing and scenario planningEnd-to-end visibility to drive holistic decisions	<ul style="list-style-type: none">Dynamic value management + resource allocation based on changing growth & profit poolsCost and productivity reinvention to fuel growth
Operational Resilience	<ul style="list-style-type: none">Build supply chain visibility and model scenariosSupplier diversificationIntegrated business planning	<ul style="list-style-type: none">Restructure network and investments to optimize across markets and profit poolsExplore alt. models for desired outcomes (composable mfg.)
Commercial Resilience	<ul style="list-style-type: none">Consumer sensing/scenariosContinue to invest in marketing to bolster demandOptimize RGM for growthAdaptive innovation strategyUse AI to derisk innovation & optimize speed to market at scale	<ul style="list-style-type: none">Build real-time consumer insight with data/ AIReinvent R&D, marketing and sales including content , next-best-action and dynamic optimization
People Resilience	<ul style="list-style-type: none">Leverage ecosystem and new workforce models to add people capacity & skillsBuild next-best-action capabilities through AI	<ul style="list-style-type: none">Integrate strategic workforce planning to optimize work/roles for an agentic orgLeverage GCCs to accelerate reinvention
Technology Resilience	<ul style="list-style-type: none">Build end-to-end visibility across the enterpriseLeverage agents to reinvent productivity	<ul style="list-style-type: none">Ongoing architecture to drive simplification, rapid response & reinvention (incl. SAP + platforms like O9)

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

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