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CPG companies need to broaden sales skill set to meet retailer needs, joint study finds

WASHINGTON, D.C. (May 6, 2009) – The relationship between retailers and consumer packaged goods companies has significantly changed and CPG companies need to broaden the skills of their sales forces to meet retailer expectations, according to a new study released today by the Grocery Manufacturers Association (GMA), the Network of Executive Women (NEW) and A.T. Kearney. “Talent Triage: Raising the Bar on CPG Sales Force Talent Management” reports that CPG sales and human resource executives rated their talent management activities as “highly effective” only 9 percent of the time and that 68 percent of these executives plan to increase investment in their sales force talent management programs.

“This study reveals that many CPG sales executives see a significant opportunity to improve upon the effectiveness of their own talent management programs,” noted Brian Lynch, GMA director of sales and sales promotion. “New opportunities exist in a low-growth economy and those companies who are willing to invest in the best and brightest sales force will be well positioned when recovery commences.”

The executives surveyed for the report also identified aligning talent with customer needs and effectively evaluating performance as primary talent management concerns within the CPG industry. Workforce diversity is also a priority for CPG sales teams, according to the study.

“This study confirms what NEW has always believed – that a diverse workforce delivers better business results,” said NEW Executive Director Joan Toth. “The study finds that many companies are gaining access to new talent pools, improving customer relationships and even increasing productivity by embedding diversity into their corporate DNA.”

In addition to supporting diversity, “Talent Triage” notes that successful companies are fostering sales talent by balancing formal, standardized talent management programs with less formal, individualized employee attention and support. It also asserts that the role of the CPG sales person has evolved from a product sales representative to a general manager able to interact with and make decisions across a range of retailer functions – from merchandising to supply chain to logistics and finance. Retail customers now expect CPG sales teams to bring strategic merchandising insights to the table in addition to traditional sales competencies such as lead generation, forecasting and negotiation.

“The survey and interviews we conducted show that leading companies are creating holistic talent management programs that engage all players, and focus on retention and development as much as recruitment,” said A.T. Kearney Partner Beth Bovis.

Donna Stella, A.T. Kearney partner said, “The survey found that only 63 percent of participating CPG companies feel that their talent management program aligns with corporate business objectives. Those companies that establish a clear sales force talent management roadmap that supports the overall business plan will see improved top and bottom line results.”

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“Talent Triage: Raising the Bar on CPG Sales Force Talent Management” is based on insights gathered from the following sources: A survey of 164 executives and customer-facing salespeople from 34 consumer packaged goods manufacturers and sales and marketing agencies in the United States; 30 one-on-one interviews with academic experts and executives from CPG manufacturers, sales and marketing agencies, and retailers representing the mass retail, national grocery, regional grocery and drug store segments; analysis of publicly reported company data and other published materials of sales talent trends and success factors, including A.T. Kearney expertise.

“Talent Triage: Raising the Bar on CPG Sales Force Talent Management” is available for download at NEW’s website, www.newonline.org

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The Network of Executive Women (NEW) has more than 2,000 members representing 300 companies in the consumer products and retail industry. Its mission is to attract and retain women in CPG/retail and advance industry diversity. For more information visit www.newonline.org

The Grocery Manufacturers Association (GMA) represents the world’s leading food, beverage and consumer products companies. The association promotes sound public policy, champions initiatives that increase productivity and growth and helps to protect the safety and security of the food supply through scientific excellence. The GMA board of directors is comprised of chief executive officers from the association’s member companies. The \$2.1 trillion food, beverage and consumer packaged goods industry employs 14 million workers, and contributes over \$1 trillion in added value to the nation’s economy. For more information visit www.gmaonline.org

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