

As we approach the mid-point of the year, many feel that the outlook for 2013 is starting to appear healthier than it did, back in January. Across the Nordic countries we are seeing improved confidence as the European debt crisis has begun to stabilise, and the perceived risk of a *major* financial disaster, has largely disappeared. In the long term, although growth will continue to be slow, industry leaders are more optimistic about current conditions as well as the prospects for business, over the next six months.

Like other sectors, the consumer industry has to continue to move forward amidst the enduring burden of austerity and high levels of debt and unemployment. It also has its own specific problems to overcome - namely, the inconsistencies evident in procurement and supply chain practice which has led to the high profile 'horsemeat' scandal in the food sector; and the prolonged failure of retailers to counteract the changing nature of consumer habits and spending.

Overall however, the consumer sector is responding to these challenges in the same way it always has. Through innovation. The horsemeat scandal has led to greater emphasis on traceability and changes in the way food is sourced, processed, tracked and labelled. In particular, a streamlining of the supply chain is currently underway, with companies expressing a wish to establish more 'collaborative' 'long term' relationships, with fewer suppliers.

The continuing contraction of bricks and mortar retail is also leading consumer brands to diversify more into multi-channel distribution, online customer engagement and advertising. The FMCG sector spent more on advertising in 2013 than any other industry, with a large proportion of that investment now focused online. Consumers now expect to engage with products in a more intimate and personal way, and online has increased the opportunities for brands to be innovative in this area. Even in the context of the traditional retail format, the emergence of the 'showroom' model sets the scene for an interesting period of transformation in the sector.

Across the Nordic region we have, over the last year, seen further investment by FMCG businesses in developing category and customer marketing teams. Rather than attracting new customers, securing customer loyalty and increasing the 'share of wallet' is now considered more important. This is however, a complex and continuous process. Businesses have encountered problems trying to evolve from an intuitive marketing culture to a more of a scientific approach, hiring skilled specialists with very 'specific' capabilities. This step change in marketing has, in some cases, caused internal conflicts and delays, commonly observed when new areas of responsibility and influence are created.

Our belief, as well as the feedback from many of our clients, is that category management is becoming more and more important to retailers and manufacturers, in the consumer goods industry. With hundreds of new products entering the marketplace every year, categories are dynamic and brand performance can shift rapidly. Constant decisions need to be made to determine which items are underperforming. Category analysis is the only true measure of market performance.

As ever the question of competence remains. In this increasingly complex and challenging environment consumer businesses need to ensure that they have the necessary skills and leadership capability embedded in their organisations to allow new ideas to flourish. The market is flooded with candidates, but finding the best-match means a commitment to a recruitment and talent strategy which is directly linked to the businesses strategic priorities. As financial constraints begin to slacken, short term 'high volume' solutions are

being edged out by new targeted recruitment plans, with the objective of identifying talent for future development; often on an international scale.

At the same time, being mindful of the competitive market for talent, consumer businesses are working hard to retain their best people. By engaging employees in the company and creating innovative training and development, diversity and sustainability initiatives, companies are moulding their cultural environment so that it reflects today's society as a whole; while at the same time making themselves more competitive. Workforce planning will continue to dominate the agenda for HR teams this year and beyond, in effort to attract and retain the best people.

Nigel Wright continues to work alongside leading consumer brands, supporting them in the selection and development of talent across executive, sales, marketing and operations roles. Although our business is international we pride ourselves on our ability to be effective at the local level, within the countries we operate. We have an intimate understanding of the trends that are impacting the consumer industries and our experienced consultants can advise clients on key strategic areas that go beyond the hiring process.