In search of balance: Which Retail companies can sustain profitable growth and ongoing disruption?

How companies see their business

- **66%** Retailers say that traditional value-creation tactics are losing their potency.
- **77%** They aim to keep relatively sustain profitable growth.
- **60%** It is expected to be more difficult in the future.
- **74%** Meanwhile they see margins getting squeezed...
- **81%** ...which they say increases the pressure to change operating modes...
- **68%** ...even though they admit many previous attempts have failed.
- **81%** Most retailers recognize the need for bolder measures...
- **55%** ...but most say they overemphasize quarterly results...
- **49%** ...and nearly half of them feel stopped from changing by the heritage which made them successful.

How companies want to evolve

- **Take a long-term view**
- **Focus on funding growth**
- **Emphasize flexibility over efficiency**
- **Decentralize decisions**
- **Enlist partners and expand outsourcing**

The biggest barriers to business transformation

- **Talent shortage**
- **Inconsistent governance and controls**
- **Inflexible operating models**
- **Slow decision-making methods**
- **Capital constraints**

Make-or-break capabilities: most retailers have a long way to go

- **7%** Innovate to meet changing consumer wants and needs
- **9%** Keep up with fast-changing technology patterns
- **18%** Rapidly align supply chain activity with changes in demand
- **11%** Drive actionable insights from all sources of data
- **9%** Secure talent to translate insight into action
- **13%** Understand the true profitability of promotional spending
- **13%** Unify and streamline processes that don’t drive value
- **31%** Drive actionable insights from all sources of data

Early 2016, EY interviewed 212 senior executives from Consumer Products globally. Visit ey.com/balance to find out more