



SOLUTIONS

Accelerated Commercialization in CPG

Consumer preferences are evolving at the fastest pace in history; the “need for speed” in new product development has never been greater. Against that backdrop, smaller consumer packaged goods (CPG) and private label players are winning. Big brands, which have scale but lack agility, are losing, in large part because they can’t get innovation to market fast enough. Meanwhile, the rise in GLP-1 penetration combined with slowing population growth is creating volume headwinds across the industry.

What’s necessary in this environment is moving more quickly to bring new products to market that meet rapidly evolving consumer and retailer needs. CPG companies must leverage artificial intelligence (AI), both generative and agentic, to remove waste and optimize offerings in ways that reduce time to market and maximize competitive positioning.

Faster and stronger wins the race, but requires reimagining the commercialization process

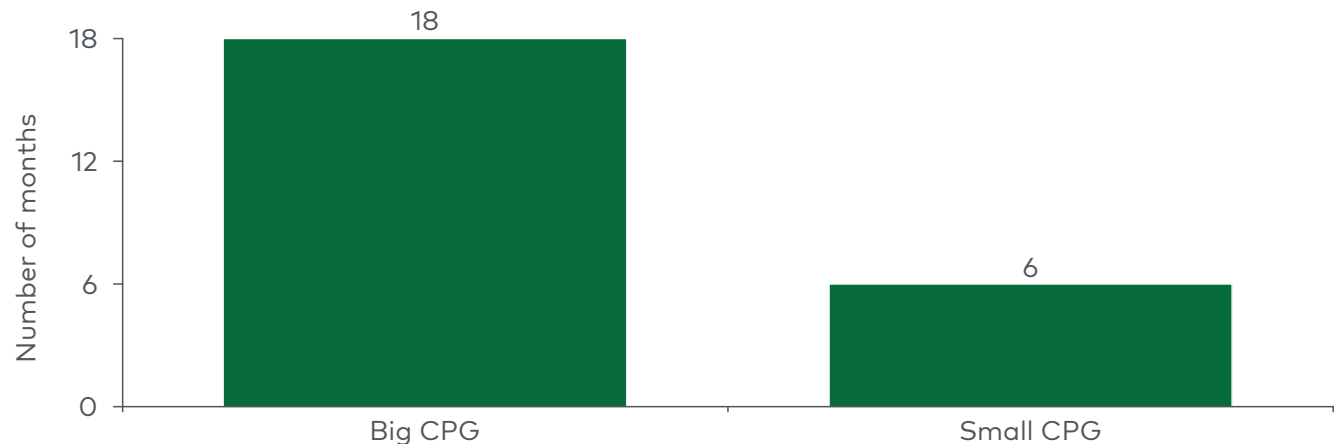
Retail food and beverage volume has been under pressure for years, and in this volume-challenged environment, best-in-class commercialization is crucial. Faster and stronger commercialization creates value through:

- Rapid, consumer-driven innovation
- Incremental revenue from earlier launches given the improved time to market
- Higher success rates of innovation, with fewer failed launches
- Fewer, bigger bets with agility and responsiveness to market needs
- Less waste and lower cost of failure through fewer “late kills”

But whereas large CPG companies typically take 18 months to commercialize innovation, smaller, nimbler companies can do so in six months or less (see Figures 1 and 2).

Figure 1

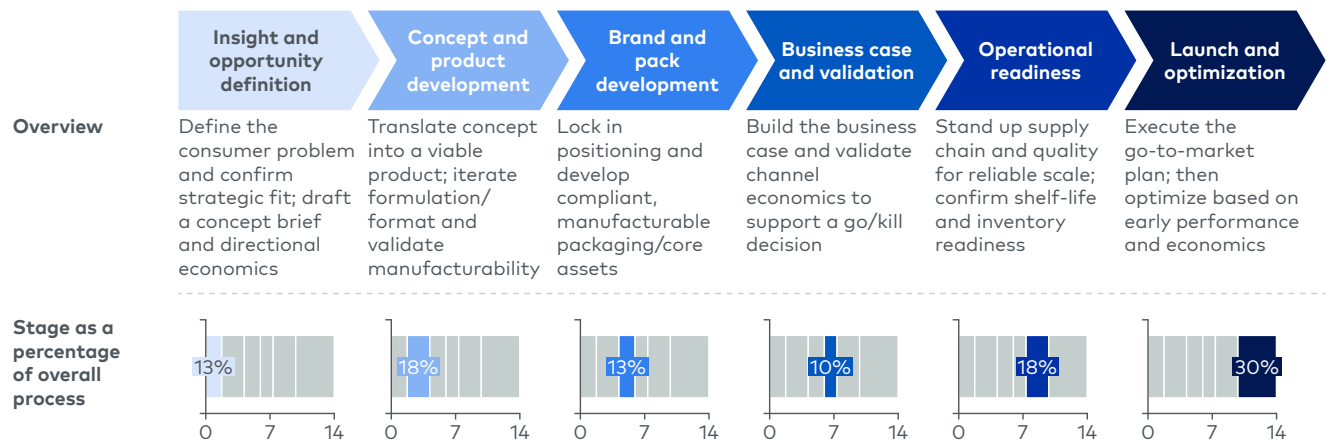
CPG commercialization timeline



Note: CPG=consumer packaged goods
Source: L.E.K. research and analysis

Figure 2

End-to-end commercialization process



Note: CPG=consumer packaged goods; P&L=profit and loss; MOQ=minimum order quantity; RFP=request for proposal; FMCG=fast-moving consumer goods; F&B=food and beverage
Source: L.E.K. research and analysis

AI and digital enablers

It's no longer possible to maintain competitive advantage if it's taking a year and a half to scale. Consumer preferences are constantly evolving, and there's more innovation than ever before, especially from start-up brands. Indeed, while companies of all shapes and sizes are rapidly reimagining business processes with AI, many large CPG companies are lagging on this front.

But new digital technologies, AI and automation have created new ways to transform business processes. Agents can synthesize and reason across large, complex and multimodal datasets (e.g., specs, forecasts, retailer requirements), enabling faster, more consistent product and commercial decisions. They can also be embedded as coordinators across siloed functions, systems and tools, reducing manual handoffs, rework and reliance on manual status chasing. And targeted automation can enable “right first time” artifacts (e.g., specs, financials, stage-gate materials) by enforcing standards, pre-validating inputs and flagging inconsistencies before they cause downstream issues.

Automation and agentic AI can be used to provide real-time visibility into readiness, risks and economics to support faster, data-driven decisions that address sector complexity and retailer and category nuance. One AI-native CPG innovator uses generative AI to spot unmet demand early, translate insights into shelf-ready products quickly and launch with retailers as a live testbed. By iterating in near-real time based on velocity, repeat and basket data, this company compresses time to market and uses speed to outpace slower, stage-gated incumbents.

Importantly, the use of AI, both generative and agentic, is not limited to nimble start-ups; it is increasingly being used by some of the most well-known CPG brands.

Taking a lean approach is as important as ever

In addition to the transformational opportunities that new digital technologies bring to commercialization, there is still a place for applying lean principles to remove non-value-added steps, reduce variation and minimize rework. Doing so will not only enable faster throughput but also produce more predictable outcomes.

Best-in-class CPG companies, especially smaller, nimbler players, can both launch products faster and quickly identify underperforming products — and pull them from the market as soon as four weeks from launch. Key enablers include:

- **Less bureaucracy** — Small CPG companies are outpacing large ones, reinforcing the advantage of nimble decision-making
- **Increased R&D spend** — Ensuring effective deployment is key
- **Strategic use of co-manufacturers** — F&B growth, for example, is about two times the market rate when they're used as partners

How L.E.K. optimizes the commercialization process

At L.E.K. Consulting, we combine our deep sector expertise with our digital and performance improvement capabilities to help companies reimagine their commercialization process. We have a battle-tested approach to streamlining innovation, combining our commercial and supply chain capabilities in parallel to achieve optimal results. We bring outside-in perspectives from our over 2,000 client projects in F&B and CPG. We can move quickly to get this project done in weeks versus months.

If you want to transform your commercialization process, get your innovation to market faster and drive growth, **contact us** today.

About the Authors



Rob Wilson

Rob Wilson is a Managing Director in L.E.K. Consulting's Chicago office and heads the Food & Beverage practice. Rob brings over 20 years of strategy consulting experience with 500+ food and beverage projects spanning the value chain from farm to fork. Rob is a regular speaker at industry conferences, white paper author, was recognized for Excellence in Strategy Consulting by Consulting Magazine and is regularly quoted by leading media publications.



Brian Zapf

Brian Zapf is a Managing Director in L.E.K. Consulting's Chicago office. Brian helps companies create value through supply chain strategy, procurement, performance improvement, value creation and operating model design. He has significant experience in the industrials, consumer products, retail and healthcare industries. Brian helps leaders translate strategy into practical execution that delivers measurable results.

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