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AI innovation snapshot

Transformation in FMCG

November 2025

The transformation is already here

The scale of AI transformation in FMCG is clear:

$270b

McKinsey annual global profit potential from generative AI in FMCG

88%

of executives plan to increase AI-related budgets in the next 12 months

$86.7b

AI in CPG expected market growth by 2033 (from $2.46b in 2023)

Yet beneath these ambitious projections lies a reality: 80% of organisations are yet to see enterprise-level EBIT impact from GenAI investments. [4]

The gap isn't technological. It's organisational. For mid-market FMCG suppliers, it's widening.

This snapshot explores the critical questions shaping AI transformation in FMCG, drawing on insights from our recent Sydney and Melbourne innovation showcases, global research, and Quantum's experience navigating our own AI transformation. Whether you attended our events or are exploring AI strategy for the first time, these insights reveal where the real value lies, and where most organisations are getting it wrong.

Four critical questions before your next AI investment

These questions reveal whether you're building for transformation or just accumulating tools. Your answers determine which of four foundational elements you're missing.

Question 1:
Leadership
Who owns AI: Business or IT?

The global pattern

70% of organisations are in the experimental phase of AI transformation, starting with ready-made tools but lacking strategic direction. Only 30% have progressed to scale-up or transformation phases.[5]

Why it matters

AI transformation is a business opportunity, not a technology project. Organisations seeing real impact have business leaders framing AI strategy around commercial outcomes, not IT leaders optimising infrastructure. When IT drives AI strategy, you get technically impressive pilots. When business drives it, you get margin improvement and market share gains.

The Australian context

In conversations with Australian FMCG suppliers, we consistently see AI initiatives trapped in pilot phase for 12-24 months.

The pattern

Multiple team-level experiments, no single owner, unclear connection to P&L impact.

Ask yourself

Who presents your AI strategy to the board: your CIO or your commercial director? When evaluating AI investments, do you start with technology capabilities or business problems?

Question 2:

Governance

Do you have Executive commitment or just enthusiasm?

The global pattern

While 78% of organisations use AI,[7] only 1% call themselves "AI mature."[8] The difference isn't technology, it's governance. Less than one-third of firms follow best practices like tracking AI-specific KPIs or establishing governance teams.[6]

Why it matters

Individual productivity tools deliver 10-15% efficiency gains. Strategic transformation requires executive sponsorship with clear vision, dedicated resources, and accountability for outcomes. This means funded transformation (2-3% of revenue through partnerships), not hobby projects squeezed between day jobs.

The measurement challenge

Despite widespread AI adoption, organisations struggle to establish ROI and demonstrate business impact.[9] This reveals the difference between executives allowing AI experimentation versus executives owning AI transformation.

Our Australian observations

Category teams report feeling more productive with AI tools, yet struggle to articulate measurable improvements in margin, waste reduction, or forecast accuracy. Enthusiasm without governance delivers comfort, not commercial impact.

Ask yourself

Is there a single executive accountable for AI outcomes? Can you deploy a new AI capability across your category team in 30 days? Do you track AI-specific business metrics beyond "time saved"?

Question 3:
Foundations
Do you have foundation or just features?

The global pattern

66% of organisations struggle to establish ROI on AI opportunities.[9] AI amplifies what exists - poor data quality, shallow category insights, or transactional retailer relationships get amplified, not fixed.

Why it matters

Governance frameworks, data quality, and organisational readiness must precede deployment. Those breaking through to measurable impact establish agent categories, meta-layers, and guardrails that enable scale. Architecture matters as much as the AI itself.

The investment reality

McKinsey research shows organisations achieving measurable AI impact share common characteristics: defined processes for model validation, integration into core business processes, and most critically, appropriate investment levels.[10] Suppliers attempting transformation on minimal budgets consistently struggle to progress beyond pilot phase. Those breaking through typically invest 3-5% of revenue—funding both technology and the organisational transformation required to make it effective.

Building on strong foundation, not in a vacuum

Walmart's centralised governance, global FMCG organisation-wide transformation, and Colgate-Palmolive's use-case first approach all demonstrate foundation-building before deployment.

Ask yourself

Do your teams trust the data they work with today? On a scale of 1-10, how would you rate your current category intelligence capabilities? Are you investing at levels that fund transformation, or just licensing tools?

Question 4:
Strategy
Are you solving business problems or testing technology?

The global pattern

By 2026, 80% of workplace applications will have AI copilots embedded.[11] Real-time intelligence and rapid scenario planning are becoming baseline expectations. Yet most organisations optimise current processes (15% faster) rather than enabling entirely new approaches.

Why it matters

Strategic planning with clear value anchors must guide tactical implementation. If AI removed all time constraints tomorrow, would your category team produce different strategies or just produce current strategies faster? The difference determines whether you achieve 15% efficiency gains or 40-50% capacity transformation.

The relationship shift

Australian suppliers report early signs of transformation in retailer relationships, enhanced category management conversations, emerging shared consumer insights, collaborative demand forecasting discussions. Yet these improvements struggle to translate into commercial outcomes without strategic capability to act on insights rapidly.

The uncomfortable truth

Your analytical capability relative to retailers is equalising through AI platforms. In 24 months, analytical parity will be table stakes. What differentiates your value then? Speed from insight to action. Strategic scenario planning at scale. The ability to test multiple promotional strategies in 30 minutes versus 3 weeks.

Ask yourself

Are your AI investments tied to specific business metrics (margin improvement, waste reduction, share gains)? How many strategic opportunities do you miss because analysis takes too long? What's the revenue impact of missing a promotional window or ranging opportunity?

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The reality check

If you answered "no" to any of these questions, you're likely missing one of four essential elements.

Organisations that skip these foundations for tools consistently underdeliver on AI promises.

Quantium's AI Foundations Framework shows successful AI transformation requires four elements working together:

01

AI as business opportunity

Led and framed by business leaders, not IT. Commercial outcomes drive technology choices, not the reverse.

02

Top-down transformation

Executive sponsorship with clear strategic vision. Funded appropriately, governed actively, measured rigorously.

03

Built foundations

Governance, data quality, organisational readiness established first. Architecture that enables pilot-to-production progression.

04

Strategic planning, tactical implementation

Clear value anchors guide priorities. Technology serves business strategy, solving real commercial problems at scale.

The evidence

McKinsey's analysis of 200+ at-scale AI transformations confirms this pattern. Practices spanning strategy, talent, operating model, technology, data, and adoption all correlate positively with value creation.[10] No single element delivers transformation alone.

The 80/20 reality

AI transformation is 20% technology, 80% organisational change. Most organisations are investing backwards.

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What Quantium is building

What sets us apart

We're a data and analytics company that's gone "all in" on AI through operational transformation, not just product development.

We've completed our own AI transformation before bringing it to partners. Our category analysts shifted from 40% time on data gathering to 40% on strategic partnership. Briefing cycles compressed from 3 days to 3 hours. We experienced the organisational challenges our clients face and solved them.

Three pillars of our AI Strategy

Pillar 1

Getting the right tools

Building AI-native solutions from first principles. Not adding chatbots to legacy analytics, but reimagining how category managers should work when AI handles the mechanics.

Pillar 2

Internal transformation

Living the change before bringing it to partners. We learn by doing, then bring those learnings to clients. This operational experience differentiates our approach from vendors theorising about AI transformation.

Pillar 3

Reimagining customer impact

Human plus AI amplification, not replacement. Built through co-development with trade partners who shape our roadmap.

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Our unique foundations

23 years of global retailer checkout data

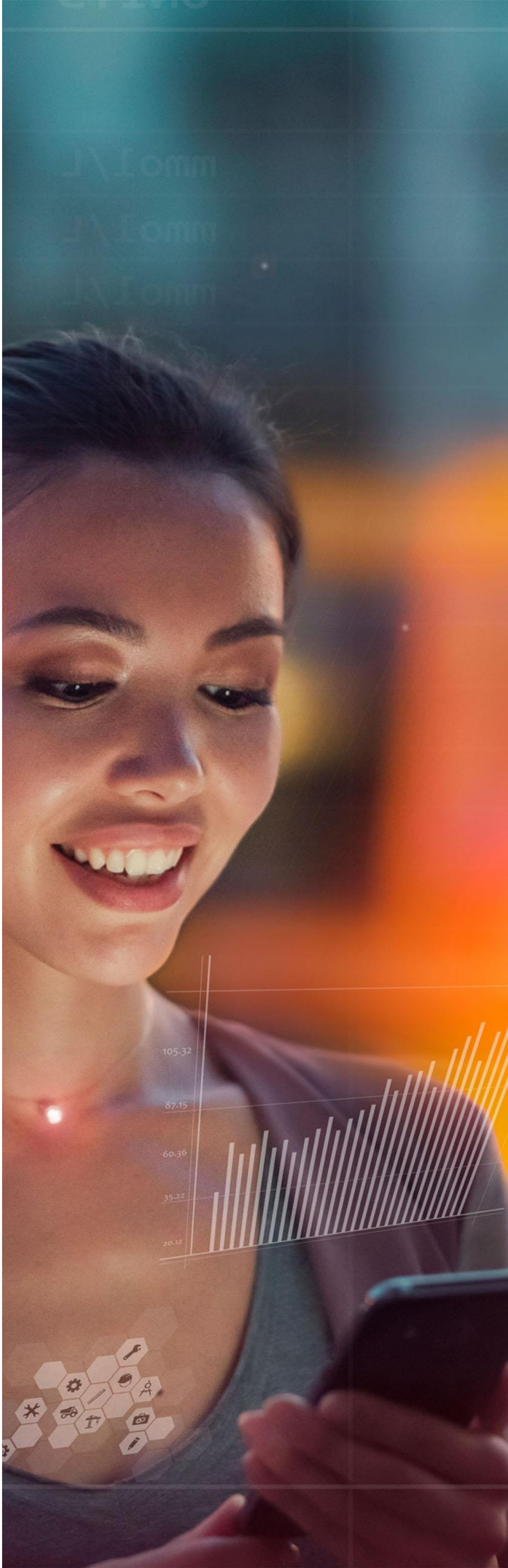
The deepest retail DNA in market. Not just volume, granularity, consistency, and category context that takes decades to build. Data quality determines AI output quality.

Decades of operations experience

Every solution honours commercial reality: fixture constraints, labour availability, retailer system requirements. Built by people who've lived retail operations, not theorised about them. We build for commercial reality.

Proven transformation methodology

We've navigated the 80/20 reality: AI transformation is 20% technology, 80% organisational change. Our strategic consulting addresses both, informed by our own 24-month transformation.



What does that mean for our FMCG partners?

Capabilities and innovations launching in 2026

Conversational analytics platform	Natural language to strategic analysis in minutes. Built on 23 years of checkout data and 20+ years of retail operations experience. Designed to address the gap between AI adoption and business impact that 80% of organisations currently experience.[4]
Real-time category intelligence	Competitive shift monitoring. Promotional opportunity alerts. Ranging decision intelligence delivered continuously, not quarterly. Market conditions don't wait for quarterly reviews, neither should your insights.
Automatic briefing and scenario planning	Explore multiple strategies in parallel. Transform timelines from days to hours with quality improvement through AI-powered best practice application. Test multiple promotional strategies (depth, timing, mechanics) in 30 minutes versus 3 weeks, the scenario planning at scale we demonstrated at our showcase.
Agentic AI for activation	From insight to action instantly. Dynamic retailer engagement at machine speed with human strategic oversight. Update promotional plans and adjust sponsored search in real-time. This enables the activation pathways we demonstrated - guided workflows from insight to action with direct integration to retailer systems.
Synthetic panels and NPD innovation	AI-powered consumer validation. Compress innovation cycles while maintaining consumer-centricity. Test concepts before expensive research programmes. Following the Colgate-Palmolive use-case first model highlighted in our showcase - embedding AI in operational reality with real constraints.

Why strategic consulting matters

Technology is 20% of AI transformation. The other 80% is organisational: governance frameworks, change management, process redesign, use-case prioritisation, executive alignment.

Quantium's strategic consulting team helps Australian FMCG organisations navigate transformation from foundations through deployment, combining deep category expertise with practical AI implementation experience from our own journey.

What we provide

- AI readiness assessment revealing gaps between perception and capability
- Governance framework development enabling pilot-to-production progression
- Use-case prioritisation targeting business metrics, not just productivity
- Organisational change roadmaps informed by our transformation experience
- Partnership through deployment until measurable impact achieved.

Who we work with

- Mid-market suppliers seeking competitive AI capability through partnerships
- Organisations trapped in pilot phase seeking pathways to production
- Category teams ready to progress from productivity gains to business metric movement
- Leaders recognising that minimal investment cannot fund transformation.

Capture your opportunity

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2. PwC AI Agent Survey, May 2024
3. Market.us, "AI in CPG Market Size Share and Trends Analysis Report," October 2024
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6. McKinsey analysis of 200+ at-scale AI transformations, 2024
7. Stanford HAI AI Index Report, 2024
8. BCG Global Study on AI Adoption, 2024
9. McKinsey, "The State of AI in 2024," November 2024
10. IDC Worldwide AI Forecast, 2024