

How the CPG Sector is Rising to the Challenge in the Midst of Crisis



In these uncertain times, leaders in the consumer packaged goods sector are facing unprecedented questions and fears about the state of their business. A [recent Dun & Bradstreet report](#) revealed that at least five million companies (938 of the Fortune 1000) have Tier 1 and Tier 2 suppliers who have been massively impacted by the COVID-19 pandemic, in turn creating major disruption to the entire supply chain.

Despite the crisis, however, there are many companies seeing this situation as a call to arms. They are getting creative with their resources and living up to their responsibility to protect and serve their employees, their consumers, and –

best of all – their communities and the world at large.

Around the world, manufacturers of all stripes are discovering new ways to help. In the UK, [Rolls-Royce and Dyson, among many others, have been approached](#) to pivot their focus and contribute to manufacturing essential medical equipment and devices. This is a tactic not seen in Britain since World War II, when CPG manufacturers shifted away from their core products and worked towards the “common good.”

Meanwhile, in the U.S., GM, Ford, and Tesla are in similar conversations to help combat the outbreak by helping with the manufacture of ventilators and other equipment. These are ambitious goals – medical devices and equipment typically take years to manufacture, test, and gain approval – but with industry giants pitching in to get ahead of this crisis, there is hope.

They're not the only ones. Companies like L'Oreal as well as the multinational conglomerate LVMH, parent company of luxury brands like Dior, Sephora, and Givenchy, are shifting many of their perfume and cosmetics facilities to focus instead on manufacturing hand sanitizer – a product that is in short supply in this crisis. Many US-based distilleries (Diageo, Brown-Forman, Gruppo Campari) and breweries are doing the same. Likewise, clothing and fashion organizations like Hanes and Zara are re-directing their factories to produce surgical masks, hospital gowns, and other essential medical and personal protective equipment – 3M is doing the same, with massive efforts to keep up with demand for protective masks.

Although many of these for-profit brands will almost certainly be hit financially in coming months, it is heartwarming to see their significant humanitarian efforts in the midst of these turbulent times. They, like all of us, are genuinely concerned about the human race and are stepping up to help their communities and the world overcome this challenge.