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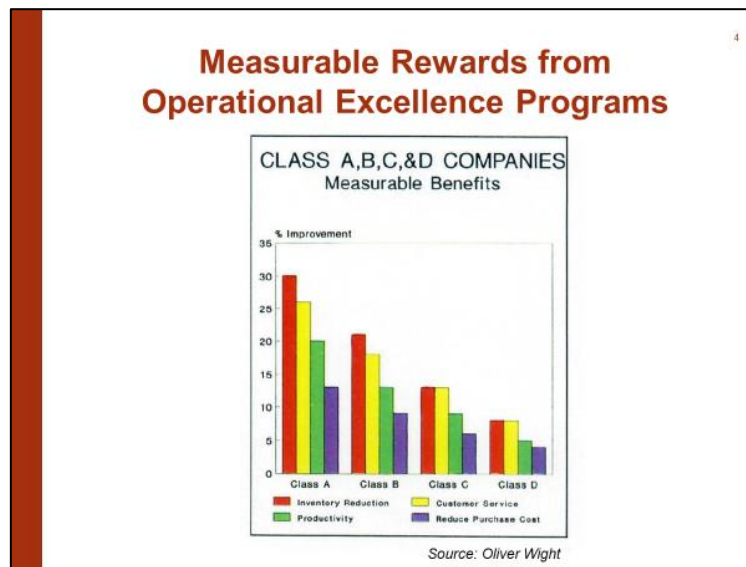
Operational Excellence Compass



**An Innovative Solution to
Reinvigorate Operational Excellence
in an Unstable World**

Foreword

The pursuit of Operational Excellence has been a top priority around the business world for ages. Back in the 1950s, companies started to realize that the systematic application of emerging “best practices” was key to guarantee long term competitiveness. To achieve that feat, countless company-wide Operational Excellence frameworks and programs were designed, deployed and maintained over the years, many still active today. Such global initiatives, typically sponsored by boards, generated truly remarkable results, turning companies’ operations globally more reliable, leaner and predictable, translating into major lasting improvements in customer service, margins and working capital. The correlation between Operational Excellence and increased long-term profitability has been well documented.

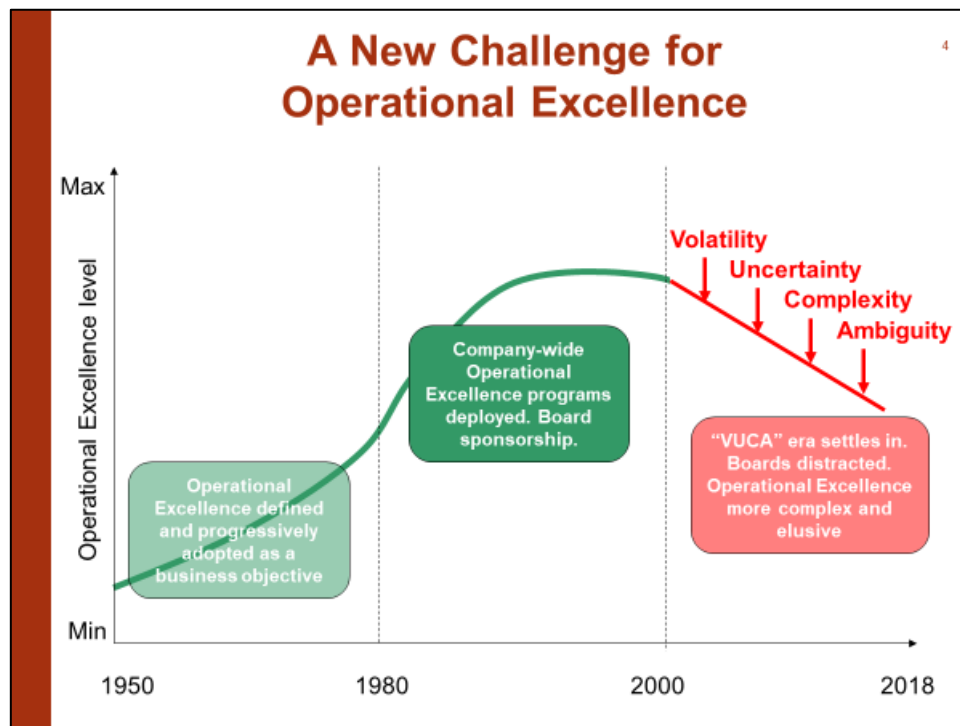


Despite these recognized, major tangible benefits accumulated over the years, Operational Excellence is now facing new challenges, risking to undermine some of these benefits. Fueled by disruptive megatrends such as digital transformation and mass disintermediation, the business environment has quickly evolved to a point where the “new normal” has been coined as “VUCA” (Volatility, Uncertainty, Complexity and Ambiguity). This is forcing companies to redesign their physical operations and to increasingly diversify their business models more frequently than ever.

A challenging era for Operational Excellence

Operational Excellence programs have been suffering under these new set of circumstances. Not only have boards been resetting their priorities to digitalization and business remodeling, but the new level of instability has also turned the pursuit of Operational Excellence much more complex. As a result, many Operational Excellence programs have lost steam and luster in the recent years: increasingly perceived as ill-suited, too slow, too cumbersome, outdated

and incomplete, they have even been accused at time of acting as a straightjacket preventing companies to adapt fast enough to this new, constantly evolving environment.



Does this mean that Operational Excellence is an outdated management concept that does not fit in the VUCA era? The answer is a resounding no! The business environment may be changing fast, but the fundamentals for competitiveness do not: to be sustainably profitable, companies still need to maximize customer satisfaction at the lowest possible cost, which in turn requires a set of key capabilities, such as deep customer intimacy, a well-structured Sales & Operations Planning process, adequate inventory calibration, ability to react swiftly and smartly to unexpected events, effective supplier collaboration, etc., etc.

Time for an Operational Excellence reset

While it is clear that the pursuit of Operational Excellence must remain a top priority, it is also clear that companies must embrace a more agile way to achieve this elusive goal in unpredictable times. To be more precise, they need to transform their Operational Excellence framework and programs so that they are "VUCA-proof". This means for instance developing the following capabilities:

- Use of a **permanently updated Operational Excellence repository** that reflects the latest operational best practices.
- Ability to **easily customize this up-to-date repository** to reflect the unique and fast-changing characteristics of the company's business ecosystem.
- Ability to differentiate the logic of Operational Excellence assessment for each organizational unit, considering their unique specificities in terms of physical operations and business models.

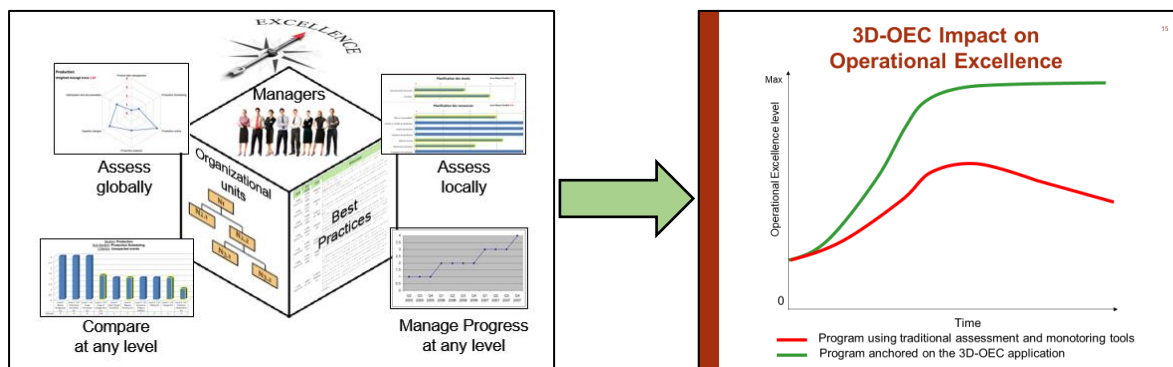
- Ability to complete company-wide **Operational Excellence assessment with maximum speed and efficiency** despite this greater level of diversity and complexity.
- Ability to **consolidate scores and improvement plans across all units with maximum efficiency at minimum cost**

Introducing the “3D Operational Excellence Compass” solution

The “3D Operational Excellence Compass” application (“3D-OEC”) was specifically engineered by a team of Operational Excellence experts to help companies rejuvenate their Operational Excellence frameworks and programs.

The application is built around an innovative “3D” data model, a fully integrated workflow and state-of-the-art Operational Excellence repository, whose combination delivers all the abovementioned capabilities with a high degree of usability.

In other words, 3D-OEC provides companies with an **entirely new way of designing, deploying and managing Company-wide Operational Excellence programs**, one that is **faster, more accurate, more cost effective and more adaptable**, translating into stronger and more sustainable operational performance.



The 3D-OEC application has helped several companies in Europe and North America right the Operational Excellence ship. Among other things, it has helped disseminate knowledge and align organizations on the most recent best practices, quickly reveal unforeseen excellence gaps and cross fertilization opportunities between units, prioritize action plans and structure global excellence programs. It is also presently being deployed to assess the level of operational maturity of several hundreds of direct suppliers.

The 3D-OEC application has now been fully merged into the Evalu+ base license.