

# FTD

SUPPLY CHAIN MANAGEMENT  
magazine

Volume 30 | No 3 | June/July '17 | \$5.00

**LOGISTICS & TECHNOLOGY**  
Logistics education & training

**FREIGHT & DISTRIBUTION**  
Freight handling innovations

**MATERIALS HANDLING**  
Storage & handling



**DEMATIC**  
We optimise your supply chain

**AGVs deliver cost-effective logistics for Bickford's**

**LOGISTICS & TECHNOLOGY**

# How to achieve business excellence

By Stuart Harman

Standing still is not an option in a world that is constantly changing. For any business to succeed, change is a given, but it must be carefully managed. The question is, how?

Combined with an appropriate level of leadership ambition, businesses must have the right people and behaviours, processes and tools in place with the dedication and commitment across the company to succeed in this fast-moving landscape.

Although the playing field is constantly changing, the rules remain the same: business excellence is ultimately about satisfying customers in the most profitable way. It's just that this has become increasingly difficult to do. In this article we look at how to achieve business excellence as customer expectation continues to rise in a faster-moving world.

### Consumer revolution

In recent years the financial crisis, increased globalisation, natural disasters and technological change have transformed the environment in which organisations operate. This year or the next, or the one after that, are unlikely to be any different, with political, economic and social challenges affecting businesses both at home and globally.

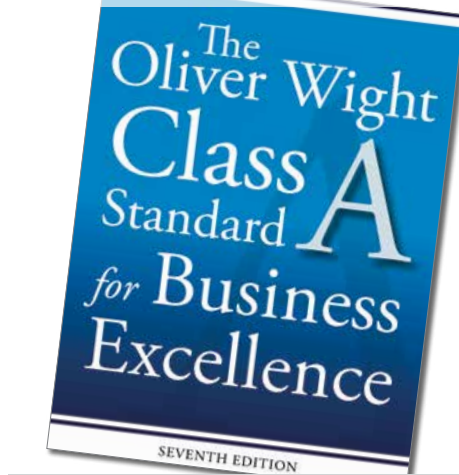
Perhaps most significant of all has been the revolution in consumer behaviour. Increasingly demanding, consumers today are presented with a greater choice of products and channels from which to purchase them.

Online shopping has become first choice for many: people are able to search for the best price and compare products, and their expectation is increasingly for the same or next-day delivery. This has made it harder for companies to generate customer loyalty – now it has to really be earned.

Meanwhile, opinions are formed and reformed instantly through online peer reviews, while social media can now destroy reputations as quickly as it creates demand, providing a real-time window on customer attitudes and behaviour.

Mobile technology dominates and is not only increasing consumer access, but is also opening up new markets in developing countries, bypassing the need for traditional computer infrastructure.

Markets have become segmented



The Oliver Wight Class A Standard for Business Excellence can be ordered online

and one size no longer fits all. Different customers require different value propositions, and supply chains have to be clear on their value discipline, fully aligned and optimised to deliver them. Analytics, modelling and supply chain optimisation are now part of the standard tool kit for managing demand, while analysts have become most sought-after as organisations grapple with the almost infinite number of insights on what customers want next.

Only those companies willing to transform their performance accordingly will survive the pace of change, and everyone, across all departments in the business, needs to embrace it. New ways of working, innovation and improved processes will ensure a business functions more efficiently to meet strategic goals and keep improving – not just to stay afloat, but to stay ahead of its competition.

### The standard for excellence

A key success factor is knowing what 'good' looks like and how to get there; how you measure up against your competitors in satisfying customers and what you can do to close the gap if there is one. For nearly half a century, Oliver Wight Class A has been recognised by organisations and industry commentators worldwide as the definitive standard for business excellence.

Achieving Class A is not the goal itself; it is the performance standard attained and the multiple

business benefits it brings which are all-important. There is no silver bullet for achieving business excellence; the essential ingredients are commitment, leadership, robust integrated planning and execution processes, as well as excellent communication delivered through hard work and dedication.

Sustainable results will only be delivered by an organisation's own people. This said, Oliver Wight Class A is a proven route to the top and provides a clear roadmap for how to get there.

### A benchmark for high performance

Oliver Wight has just launched the seventh edition of its Class A standard. From its humble beginnings as a 20-question checklist in 1977, the standard has become a benchmark for some of the world's highest-performing companies. This seventh edition reflects all the change that has happened in arguably the most volatile and rapidly changing era in business and all the cool stuff you can do to thrive in this brave new world.

Through its nine chapters, the standard uncovers how to manage the key aspects of the business in today's environment, including strategic planning,

people, the supply chain, internal supply, external sourcing, market demand, product and service portfolio, and integrated business planning, as well as how to drive business improvement.

It's important to say that industry, market sector, or the type and maturity of the business are not limiting factors to reaching Class A; the starting position may be different for each company, but the steps on the journey are the same. And throughout that journey there are key milestones, each of which represents a targeted improvement programme that businesses can work towards. Every milestone has definable financial, operational and business benefits.

It's a practical, common-sense approach, focusing on simplifying complexity throughout the business.

### Tangible gains

However, the objective for any business should not be just to improve processes, but to drive for tangible gains. Improvements such as increasing forecast accuracy and managing inventory better are not the end game; the focus should be on revenue growth, increased margin and greater market share.

Success in a challenging market will be defined by ambition, and with the right level of ambition it is possible to make improvements that truly transform the performance of the organisation and create more fulfilling roles for the people within it.

Any business can improve, whether its planning is informal and lacking integration or it is striving for advanced levels of performance. Where you are determines where you want to be and you need a clear roadmap to get there.

The goal is for the leadership team to create a culture of continuous improvement and innovation that simply becomes 'the way we do things around here'. Most importantly, this will encourage everybody to work together to transform the business and deliver results that stick, whatever the challenges both now and in the future.



Stuart Harman is a partner at international business improvement consultancy, Oliver Wight; for further information or to order a copy of the Oliver Wight Class A Standard for Business Excellence, visit [www.oliverwightasiapacific.com](http://www.oliverwightasiapacific.com)