

Upgrading the Plane as You're Flying It:

Driving Successful Business
Outcomes Through High-
Performance Operations



Picture yourself soaring at 35,105 feet in a 747 jetliner when you realize that the technology controlling your rudder requires an update. Ideally, you would navigate to the nearest airfield for landing. Once grounded, a skilled technician could then update your rudder software, allowing you to continue your journey. But what if you could perform this critical update mid-flight, without altering your route, achieving the same level of success as a ground-based operation? If you are like most contemporary enterprise organizations navigating through digital transformation - upgrading the plane while flying it - you would undoubtedly seize this opportunity and minimize disruption.

High-performance operations (HPO) act as this metaphorical airborne technician, ensuring a company's vision and daily activities remain perfectly synchronized and cruising at optimal altitude, regardless of any disruptions. HPOs encompass all areas that operate the business - from product demand fulfillment to service delivery - creating a seamless connection of data, people, and processes across the entire organization.

However, before HPOs can weave their magic, the digital foundations must be in place. Strategic partners play a crucial role here, stewarding clients to design and deliver digital high-performance operational outcomes.

The importance of high-performance operations in driving successful business results cannot be overstated. Organizations employing HPOs are twice as likely to achieve financial success compared to their peers, delivering five times more shareholder returns over a decade than average-performing companies (**McKinsey**). And with the current and ongoing market upheavals organizations are grappling with - from the pandemic to artificial intelligence, labor shortages, and geopolitical disruptions - any strategy that promises 5X returns simply cannot be neglected.

This whitepaper posits that high-performance operations are not just desirable but in fact integral to igniting commercial innovation, attaining customer satisfaction, and driving growth. The subsequent sections will delve deeper into how HPOs facilitate these positive effects, providing valuable insights for organizations seeking to leverage their potential.

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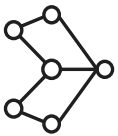


Key Takeaways



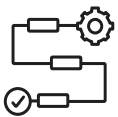
High-performance operations minimize disruption:

HPOs enable organizations to adapt and evolve without disrupting their ongoing operations, much like updating aircraft software mid-flight. They ensure seamless integration of data, people, and processes across the organization.



Strategic partnerships are key for successful high-performance operations:

Before implementing HPOs, organizations need to establish a solid digital foundation. Strategic partners play a crucial role in guiding this process, helping design and deliver high-performance operational outcomes.



High-performance operations drive business success:

Employing HPO strategies can result in twice the financial success and five times the shareholder returns over a decade compared to average-performing companies. In the face of market upheavals, these strategies can ignite innovation, boost customer satisfaction, and spur growth.



Chapter 1: **Igniting Commercial Innovation through High-Performance Operations**

You have regained control of your plane's rudder, executing a mid-air update with the help of a strategic partner who has enabled your operations to be agile. Just as you are about to fly off, a rival 747 emerges on the horizon. As you approach, you see it has been modified to reach Earth's upper atmosphere—it's a spacecraft doubling as a commercial airliner. Worse still, they offer slightly lower ticket prices. The prospect of losing passengers to this spaceplane sends waves of panic through you. But thanks to your commitment to high-performance operations and your strategic partnership with experienced consultants, you are ready to innovate and upgrade your aircraft to next-gen status, all without returning to terra firma.

In today's fast-paced market, continuous innovation is key. Achieving feats like next-day service necessitates effective warehouse and supply chain management. The discovery of groundbreaking products or services is often facilitated by the integration of digital technology in operations, allowing businesses to maintain a competitive edge. A prime example is the transformative effect of GPS technology in mobile phones on product and service delivery. Embedding such technologies into your offerings can lead to substantial progress and advancements.

The link between high-performance operations and commercial innovation is crucial. By leveraging HPOs, businesses can drive innovative solutions that set them apart from their competition.



Case Study: Leading Distributor Generates New Revenue Streams with Innovative Value Added Services

Take, for example, a case study involving a traditional distribution business for energy-efficient water, steam, and condensate systems. Leveraging operations to spur commercial innovation, they collected customer and project data, which enabled them to add new service lines to their business.

With a deep understanding of their customers' products, locations, and needs, they were able to generate a new revenue stream through value-added services such as installation, maintenance, and manufacturing. These services not only handled the startup services of large equipment but also maintained them. Previously, they only sold maintenance kits.

Moreover, they realized they could pre-fabricate these devices, reducing the installation time at the job site for general contractors. These value-added services gave them a competitive edge in a market where cost and relationship were the primary competitive factors.

So, what does this mean for your airborne 747? Armed with the power of high-performance operations and a commitment to innovation, you can adapt and evolve your services without grounding your operations.

Like the organization mentioned above, you can collect and analyze data to understand your customers better, identify new revenue lines, and streamline your processes.



In the face of the spaceplane, you won't be left choking on their jet exhaust. Instead, you will be soaring alongside them, continually innovating and improving your services while staying firmly in the air.

Your commitment to high-performance operations and strategic partnerships will enable you to meet the innovation demands of today and secure your place in the market.

In other words, high-performance operations are not just about keeping your operations running smoothly—they are about fueling your ability to continually innovate and stay ahead of the competition and turning your operations into an enabler of commercial innovation.

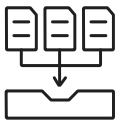
Whether you are flying a 747 or running a traditional distribution business, HPOs provide the tools and strategies necessary to ensure you're always ready for the next challenge on the horizon.

Key Takeaways



High-performance operations drive innovation:

HPOs not only ensure smooth operations but also fuel the ability to continually innovate and stay ahead of the competition. They enable businesses to adapt and evolve without grounding their operations, thus facilitating commercial innovation.



Thoughtful use of data can unlock new revenue streams:

By leveraging operations to spur commercial innovation, businesses can collect and analyze customer and project data to better understand their market, new revenue lines, and streamline processes. This approach can lead to the creation of value-added services, giving businesses a competitive edge.



Commitment to innovation is essential:

In today's fast-paced market, continuous innovation is key. Embedding technologies into offerings and being ready to meet the demands of innovation can lead to substantial progress and advancements. Strategic partnerships and commitment to HPOs can help businesses meet these innovation demands and secure their place in the market.



Chapter 2: High-Performance Operations and Customer Satisfaction

Congratulations: you now offer breathtaking views of the northern lights from your low-orbit spaceplane, and your competition's threat to your market share is significantly reduced. However, your customers have grown accustomed to the novelty of seeing the aurora borealis with their naked eyes while sipping on tomato juice. In a dynamic world where customer desires and needs evolve rapidly, businesses must exceed expectations to stay relevant. Catering to diverse demands - personalized meals, preferred seating, popular routes, or eco-friendly services - is crucial. If you fail to anticipate these, competitors will gain the upper hand. Enhancing customer experience is paramount; any dissatisfaction can quickly spread on social media. Grounding your fleet to train staff on hyper-personalization technology could lead to significant revenue loss and potential brand damage. Instead, consider continuous operations while training your employees. This approach can avoid service disruptions, enhance customer satisfaction, and upskill your workforce. It's all possible with efficient operations and strategic partnerships.

Modern customer satisfaction largely hinges on personalization, both in B2C and B2B contexts. Whether it's a customer or supplier, the expectation is for immediate status updates and notifications when products ship. Retail giants like Amazon have set the bar high with their ease of transacting and returns, as well as leveraging hyper-personalization to enhance customer experience and increase overall sales.

Operational innovation can transform a company by developing new products and processes that target unmet needs in the market value chain. As customer demands constantly change and evolve, technology becomes a crucial tool in meeting and exceeding these desires.



Case Study: Global Retailer Sees Customer Satisfaction and Sales Soar with Cloud ERP

The role of HPO in enhancing customer satisfaction is pivotal. Let's consider an illustrative case study. A global retail company faced several operational challenges, including limited stock visibility, inaccurate data, and an outdated Point of Sale (POS) system.

The result? An inconsistent customer experience. They needed a solution that was as agile and nimble as their business demanded.

The company partnered with a leading technology and business services consultancy to implement a comprehensive cloud ERP solution. This project, aptly named "Customer First," aimed to improve backend processes and enhance the customer experience. The consulting partner not only managed the overall functional architecture, but also provided expert advice on streamlining order management, optimizing store inventory, and enhancing customer loyalty and in-store workflows. In a timeframe significantly shorter than usual for such projects, the retail company was equipped with a dynamic solution that had immediate success.

Notably, Black Friday sales in their flagship store saw a whopping 50% increase, a testament to the power of a customer-first modern POS system, which was rolled out across 120 stores.

So, back to your spaceplane. With high-performance operations and strategic



partnerships, you can continue to fly while enhancing your customer experience, just like the aforementioned retail company.

You don't have to choose between grounding your fleet and improving your service. Instead, you can do both simultaneously, ensuring your customers remain satisfied and your business continues to thrive.

In summary, high-performance operations are not just about innovation, they are also about meeting and exceeding your customers' expectations. By aligning HPO with customer satisfaction, businesses can ensure they continually meet the evolving needs of their target market. Whether you are flying a spaceplane or selling shoes online, HPO provides the strategies and tools necessary to keep your customers happy and your business successful.

Key Takeaways



High-performance operations enhance customer satisfaction:

Incorporating high-performance operations allows businesses to meet and exceed customer expectations by offering personalized experiences, improving service delivery, and minimizing disruptions. This approach enables continuous operation while upskilling employees and enhancing customer satisfaction.



Operational innovation meets evolving customer needs:

Operational innovation can transform a company by developing new products and processes that target unmet needs in the market. Technology plays a pivotal role in meeting these evolving customer demands and expectations, as demonstrated by companies like Amazon with their hyper-personalization strategies.



Operational efficiency boosts customer experience:

Dynamic solutions that improve backend processes ultimately enhance customer experiences, as illustrated by the global retail company case study. By aligning HPOs with customer satisfaction, businesses can ensure they continually meet the changing needs of their customers, leading to increased sales and business growth.



Chapter 3: **The Engine of Growth: High-Performance Operations**

Let's review: you have seamlessly updated your rudder software, upgraded to low-orbit inter-continental space service, and implemented an advanced customer personalization system, all while never touching ground. Your passengers are delighted, and business is booming. Now, the challenge is to replicate this successful model hundreds or thousands of times globally, without a significant dip in quality or quantity. Sounds daunting, yes? With high-performance operations and the support of strategic partners, it is possible to scale and grow your business at high velocity. But hold on. Growing a business in today's fast-paced world is no easy feat. Few organizations achieve 20% year-on-year growth due to various challenges. The market is always shifting, technology is continually disrupting competition, and industries can disappear overnight - just think of Netflix and Blockbuster, iPhone and Blackberry, etc. Hence, leveraging high-performance data, processes, and technology in operations becomes a means of innovation, meeting client demands, and ultimately sustaining manageable growth.

Technology is indeed an enabler, but having the right partner to enable it is key. Companies need not only to have the right technology, but they also need to integrate and optimize it across all operations. This includes taking a close look at processes, data streams, managed services, and change management practices. It also requires buy-in from all levels of the workforce, which means high-performance operations cannot truly succeed unless they are embedded in the very culture of the organization.

To accelerate growth, innovation and customer satisfaction need to be in place. Growth can mean new products, changes to existing ones, or even complete organizational model changes—think selling CDs at a record store versus Spotify's streaming model. Achieving this requires investment in operations, which differs from demand generation as it fundamentally changes how you run a business.



Case Study: Top-Five CPG Manufacturer Spurs Growth with Supply Chain Transformation

A top-five consumer packaged goods (CPG) manufacturer was struggling with supply chain planning. Despite having procured dedicated software for the task, the company still relied heavily on spreadsheets for planning before importing data into their system.

They were grappling with a 60-day input planning window and constant supply chain disruptions, resulting in executives being involved in every decision.

A renowned consulting firm was brought in to help revamp their operational processes and decision-making strategies. They aimed to shift the company from a reactive to a proactive approach, focusing on long-term planning rather than short-term fixes.

The consultants restructured the company's planning process, leveraging modern cloud-based supply chain planning technology to eliminate reliance on spreadsheets. This shift allowed for more effective long-term planning, reducing the need for executive involvement in every minor decision.

The new approach empowered employees to manage short-term operations while enabling executives to focus on strategic, long-term objectives. The transformation facilitated a more efficient, agile, and resilient supply chain, which in turn facilitated more robust growth.



Leading CPG manufacturer optimized supply chain to enable sustained growth through *high-performance operations*

Clearly, one of the most highly coveted outcomes of high-performance operations is growth. By investing in HPO and aligning it with commercial innovation and customer satisfaction, businesses can ensure they continue to expand in an ever-changing market.

HPO provides the strategies and tools necessary to keep your business growing and thriving, no matter what market conditions or competition you may be facing.

Key Takeaways



High-performance operations enable scalable growth:

HPOs, supported by strategic partners, allow businesses to scale and replicate successful models without sacrificing quality or quantity. They help companies navigate the fast-paced business world, leverage high-performance data, technology, and processes, and sustain manageable growth amidst market shifts and technological disruptions.



Effective technology integration is essential:

Successful technology implementation requires a close examination of processes, data streams, managed services, and change management practices. HPOs must be embedded in the organization's culture, requiring buy-in from all levels of the workforce.



Investment in HPOs leads to robust growth:

By investing in HPOs and aligning them with commercial innovation and customer satisfaction, businesses can ensure continuous expansion in a volatile market. The case study of the top-five CPG manufacturer exemplifies how revamping operational processes and shifting from short-term fixes to long-term planning can lead to more efficient operations and robust growth.



What's Next: Taking Steps to Achieving High-Performance Operations

In the ever-evolving business landscape, becoming a high-performance operation is akin to maintaining an aircraft in flight. Whether you are fine-tuning or building anew, having a high-performance operations strategy and the right partner is essential.

This whitepaper highlights the role of high-performance operations in promoting innovation, elevating customer satisfaction, and propelling growth. These three pillars are key to thriving in today's competitive market.

To transform your business into a high-performance operation, here are six actionable steps you can take today:

1. Foster a culture of innovation

Encourage your team to experiment, take risks, and learn from failures. This nurturing environment will drive creativity and progress.

2. Invest in technology

Leverage innovative technology to streamline operations, enhance productivity, and boost efficiency.

3. Prioritize customer satisfaction

Understand your customers' needs and strive to exceed their expectations. Regularly gather feedback to ensure their voices shape your business strategy.

4. Develop a growth mindset

Set ambitious yet realistic goals. Embrace change and adapt swiftly to market trends to stay ahead of the curve.

5. Align your team

Create a shared vision and values that resonate with your team. This sense of purpose will motivate everyone to give their best.

6. Take a holistic approach

Combine all of the principles above to create a roadmap spanning your entire business, ideally with the guidance of a strategic partner.



Visit www.argano.com for more insights on how Argano can transform your business with high-performance operations.

About Argano

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