

## Operational Effectiveness at a Time of Disruption



**F**irst and foremost, the spread of Coronavirus is a public health emergency. It is inevitable that all businesses, regardless of industry, will be impacted, but to what extent is still unknown.

The Coronavirus has triggered the need for organisations across all industries to re-evaluate the strength and durability of its traditional supply chains as well as potential operational and financial performance.

In light of the challenging disruptions, be it environmental, technological or economic - on either a local or global scale - now more than ever, organisations need to build the capacity for disruption into 'business-as-usual' operations.

At Vendigital, we are actively supporting businesses, providing immediate advice and insights to help manage their key priorities.

### Operational Effectiveness

Operations is the heart of the business, where focus needs to be on maintaining revenues whilst ensuring workforce productivity. Below are the steps that businesses can explore to reduce the risk to operations across three key stages – Crisis Response, Crisis Management and Crisis Recovery:

#### Crisis Response

Immediate actions taken to safeguard revenues and remove avoidable cost

1

##### Employee welfare

First and foremost this is a health crisis where focus needs to be on employee safety and mitigating the risk of spread. Leadership need to take action to reassure employees, the community and the authorities they have taken all reasonable mitigation steps.

2

##### Balancing supply and demand

Inevitably your supply chain, operations and customer base will be impacted by this crisis. Balancing the supply and demand is crucial to ensure the business can continue to meet customer demands whilst avoiding warehouses overflowing with stock.

#### Crisis Management

Maintaining steady state, maximising revenue and optimising operational efficiency

3

##### New operating model

A change in supply and demand will have a significant impact on the effectiveness of a businesses' operating model. The focus needs to be ensuring critical processes continue while driving productivity. The operating model should be critically reviewed to maximise efficiency.

4

##### KPI's and governance

Businesses may need to operate in this steady state period for months, and it's crucial both the KPI's and Governance are aligned to the new BAU. The quicker a business can get to a BAU state, more time can be spent on driving improvements and planning the recovery.

#### Crisis Recovery

Enablement of proactive recovery to boost revenue and re-base cost, optimising profit

5

##### Readiness

Recovery plans need to be in place to ensure the end-to-end supply chain can restart. Clear communication is required with all parties and the ERP system updated to reflect intent. Prioritises should be drawn up to manage any supplier risks.

6

##### Capitalising the market

Here businesses can look to get ahead of competitors. Careful planning and consideration to how the crisis has impacted customer and consumer habits needs to be built into the recovery plan, enabling businesses to capitalise and grow market share.

## Increasing Operational Efficiency

As we emerge from the crisis, businesses will look to understand how their operations are functioning. Over time, there will also be an opportunity to understand if there are improvements that can be made to strengthen the business against unforeseen challenges in the future.

There are four key areas to explore:

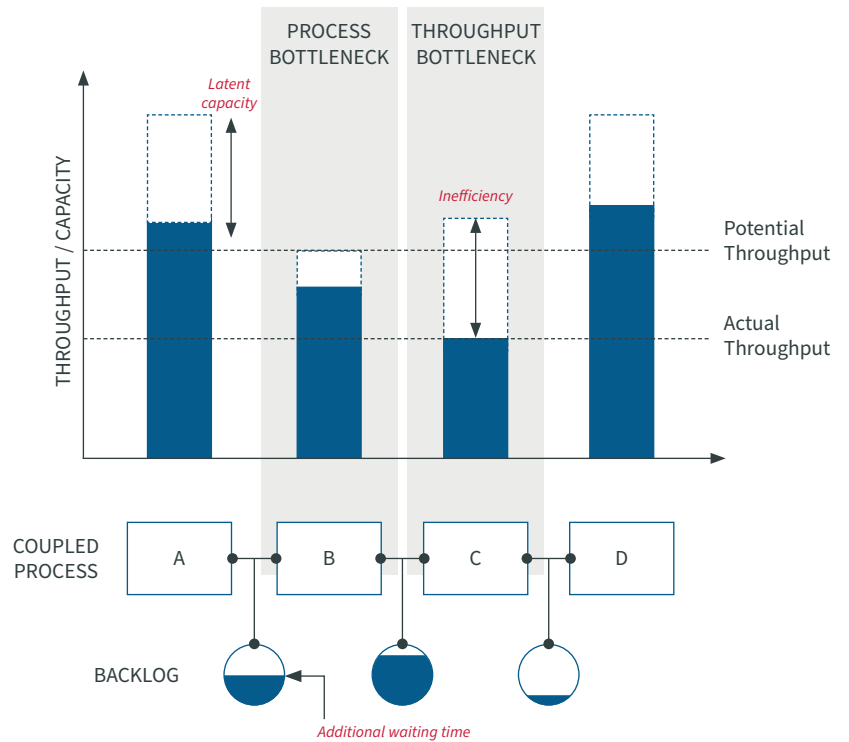
**Throughput:** Assess current and potential throughput for each process step, identifying bottlenecks and opportunities to improve capacity or process efficiency

**Efficiency:** Through improved process efficiency, cost can be reduced where there is latent capacity

**Waiting Time:** Cycle time analysis of each process step to identify process delays and backlog impacting overall customer satisfaction

**Simplification:** Through simplification, processes can be amalgamated or removed to improve overall efficiency and improved accountability

## Demand and Capacity Control



### Want to learn more?

Find out how Vendigital can help.

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