Operational Excellence has its roots in the successes that Toyota realized with its famous TPS (Toyota Production System). This was widespread in the Western countries during the 80’s.

The experiences are identical everywhere:

• It is not easy to implement Operational Excellence and the risk of a fall back in performance is present every day. It is simple in its principles but as hard to translate into practical concepts as to apply in practice...

• ...but those who have crossed the cultural barriers and who have succeeded to assimilate the Lean principles have created the foundation for a new company culture and have earned substantial benefits.
Operational Excellence is a method and philosophy aimed at accelerating and improving processes, resulting in lower costs and higher customer satisfaction. To achieve this we use a unique combination of Lean and Six Sigma techniques. Lean is a methodology that aims to eliminate the non-value-added activities in your processes, with the goal of increasing both production speed and output quality and reducing costs. Six Sigma is a structured technique that by means of statistical proof, identifies and addresses the most important bottlenecks in your processes. The powerful combination of both proven methodologies is summarized within our OpEx approach as “better, faster and (thus) more efficient.” Companies that apply Lean Six Sigma have shown dramatic performance improvements.

For decades now Operational Excellence has proven to be a methodology for realizing performance improvements. Results from research show that 15% to 20% improvements are very realizable. In recent years the application of Operational Excellence has moved from manufacturing environments to application also in financial institutions and in the public sector covering all business functions, underscoring the success of the methodology.

Challenges
Still, all that’s glitter isn’t gold: many organizations that started enthusiastically with Operational Excellence programs, stopped as they failed to succeed in embedding Operational Excellence in the organization.

Often heard problems include:
- Getting lost in similar initiatives such as TQM or BPR.
- Insufficient embedding in the organization, which leads to falling back to old ways of working.
- Insufficient build-up of knowledge which results in the repetition of past mistakes.

In the current trend of austerity and cost-cutting, Operational Excellence is more relevant than ever before. But due to the focus on cost-cutting, the approach becomes too narrow and fragmented which increases the likelihood of failure.

Structured approach
Often organizations have undertaken a multitude of improvement programs using a variety of methodologies. Although there are similarities between these methodologies, there are also large differences. As a result, employees often get lost and confused in how to approach improvements.

For this purpose, BearingPoint has created a coherent and structured approach (see image below) in which every element of OpEx has a specific place and order. This structure and coherence has shown to be vital for the sustainable success of Operational Excellence initiatives.

Focus on change management
Our experience shows that sustainable results can only be attained if Operational Excellence becomes an integral part of the organizations’ culture. This is only possible if attention is given to processes, people and the organization around them: to achieve sustainable results, 50% of the effort should focus on change management. OpEx-initiatives often focus too much on methodological aspects, an understandable approach based on the background of the operational professionals. OpEx-techniques and tools are clear and deliver measurable results.
Continuous improvement

Our vision for OpEx is strongly based on the idea of process maturity: OpEx is not a one-off project, but a continuous improvement of business processes. Regularly reviewing knowledge, ability and evaluating projects is key. Applying Operational Excellence tools that fit the maturity level of the organization is important. From here, organizations can progress towards higher levels of excellence in their processes.

The Roadmap

An important component of our roadmap is the ‘BearingPoint OpEx house’: a structure containing all OpEx-elements, which amongst other things helps to determine where to start with an implementation.

To truly integrate the OpEx-mindset into the organizations culture, we always perform these types of programs in close partnership with your employees. Achieving the desired results is always at the center of our roadmap. We periodically evaluate the programs’ performance with you: only after concrete results are achieved do we proceed with the GO/NO-GO criteria.

Our Roadmap encompasses the following phases:

**Strategy Alignment phase**

In the Strategy Alignment phase, the current Vision and Strategy is challenged to determine potential disconnects with the current Operating Model and causes for sub-optimal financial performance. A highly visible and coherent structure for the program is developed and agreed.

**Design phase**

Through an assessment of the organization, processes, infrastructure and culture the improvement potential is identified. The improvement directions are determined and challenged on their fit with the “Target operating Model”. Potential savings are quantified as basis for the business case.

**Planning phase**

The opportunity areas identified in the previous phase are prioritized – those initiatives that contribute most to the future operating model, have the highest business impact and have the lowest implementation effort are selected. The program business case is agreed and the implementation plan is agreed and signed-off by the management team.

**Execution phase**

The organization is trained in the Operational Excellence tools and techniques. The projects are executed according to BearingPoint’s Operational Excellence approach. In this phase the organization and management are trained and coached in managing change, to put people first and inspire cooperation through the chain. Attention is paid to project- management and to starting things in a simple way to avoid complexity. Benefits-tracking is set-up and the outcomes are compared to those defined in the business cases. The target operating model is put in place to monitor and control daily operations and the progress of implementation as well as the results.

**Realization phase**

In this phase the results are made to last. Leadership is coached to keep the message and new ways of working alive. The benefits and business cases and win-culture are realized.
Helping our clients get sustainable, measurable results

BearingPoint is a leading European management and technology consulting company serving commercial, financial and public services clients. Our more than 3,250 passionate, experienced consultants help organizations solve their most pressing challenges, day in and day out.

Through our collaborative and flexible approach, we help our clients get practical, sustainable, measurable results, make the right strategic decisions and implement the right solutions.

We are BearingPoint, management and technology consultants.
To learn more, contact us at +31 20 504 9000, or visit our Web site at www.bearingpoint.nl.

A selection of recent results:

- Operational Excellence Transformation Program in Manufacturing and Sales for a large aluminum profiles manufacturer. Results include improved productivity of up to 30% on several manufacturing lines.
- Lean transformation program to develop and implement a new production and logistics concept reducing factory throughput time from 3 weeks to 2 days for a business unit of an electronics-multinational.
- Operational Excellence program at a pharmaceutical manufacturing company within all operational- and supporting departments. Results include a significant reduction in throughput time from months to weeks and reduction inventory of approximately 2 Mio Euro.

BearingPoint’s added value

BearingPoint has a long track record of Operational Excellence programs in manufacturing, logistics, (financial) services and utilities. We have highly experienced management consultants, who can train and coach your organization and actively support the implementation of Operational Excellence methods and realization of your improvement potential.

The added value of BearingPoint is not only in its knowledge and expertise. Our broad experience in the field of Operations, and our understanding of the needs of management and complex change processes, enable us to make Operational Excellence an integrated part of your organization.

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