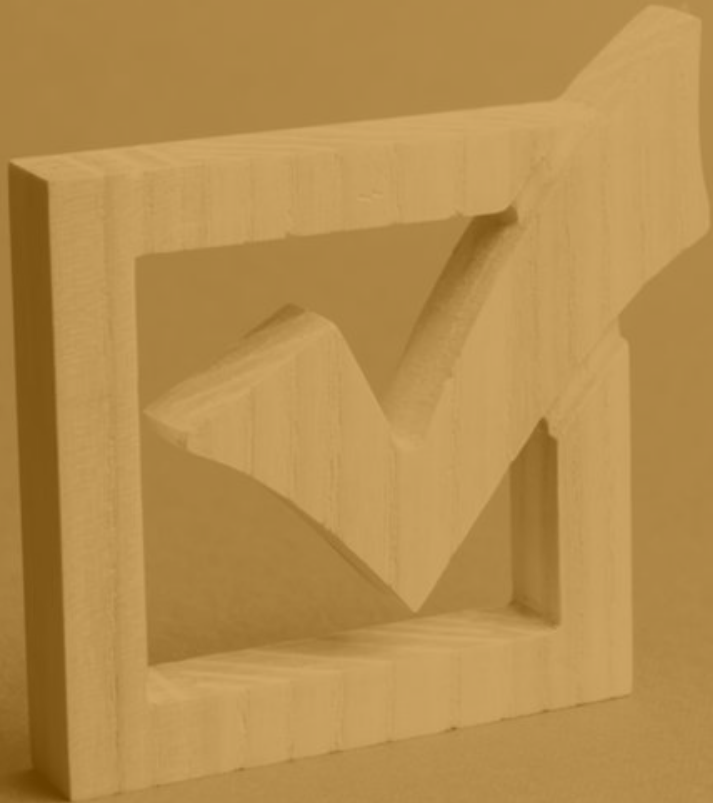


POSSIBLE (RE)DEFINED

Operational Efficiency: How to accelerate and understand the benefits

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Today's Presenters



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WHY DOES A COMPANY NEED TO FOCUS ON OPERATIONAL EFFICIENCY

Economic Drivers

+22.1%

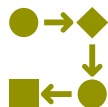
Increase in cost of labor
since 2019*



* Bureau of Labor Statistics Employment Cost Index – avg. increase of 4.1% annually over the past five years.

+27.6%

Increase in cost of raw
materials since 2019



** Bureau of Labor Statistics Producer Price Index – avg. increase of 6-8% annually over the past five years.

+32.3%

Increase in cost of
shipping and logistics
since 2019



*** Bureau of Labor Statistics Producer Price Index – avg. increase of 5% annually over the past five years.

+18%

Increase in cost of
regulatory compliance
since 2019



**** The Impact of Regulatory Growth on Operating Costs – Richard Fullenbaum and Tyler Richards – Mercatus Center/George Mason University (2020). Avg. increase of 3.3% annually over the past five years.

WHY DOES A COMPANY NEED TO FOCUS ON OPERATIONAL EFFICIENCY

Economic Drivers

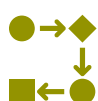
+22.1%

Increase in cost of labor since 2019*



+27.6%

Increase in cost of raw materials since 2019



+18%

Increase in cost of regulatory compliance since 2019



+32.3%

Increase in cost of shipping and logistics since 2019



+~100%

Roughly ~100% increase in total cost since 2019

Benefits of Operational Efficiency

- Cost Control/Reduction
- Increased Productivity
- Enhanced Quality
- Better Scalability
- Superior Customer Experience
- Improved Employee Satisfaction





Myth vs. Fact

A photograph of a long line of mountaineers ascending a steep, snow-covered mountain peak. The climbers are wearing colorful gear and carrying large backpacks. The scene is set against a clear, bright sky, and the mountain's rocky ridges are partially covered in snow. The overall tone is warm and golden, suggesting a high-altitude environment.

Your Recipe for Success

Unlocking Operational Efficiency

- People
- Process
- Technology
- Data

Beginning with People

- Cornerstone to successfully achieve efficiency begins with People
 - Vision and Goals
 - Cultural Alignment
 - Change Adoption
 - Skill Development
 - Empowerment and Innovation



Innovation Management Process

Process-Driven Approach

- **Analyze, Implement, Measure, Iterate**
 - Analyze Workflows
 - Map Critical Processes
 - Small Scale Trials and Experiments
 - Measure Results
 - Rapid Iteration

A sepia-toned photograph of a vintage computer room. The room is filled with large, floor-standing computer cabinets and desks. Several people are visible, some standing and some sitting at desks, engaged in work. The overall atmosphere is one of a busy, early 20th-century office environment.

Your Force Multiplier

Amplify Efficiency With Technology

“The first rule of any technology used in a business is that automation applied to an efficient operation will magnify the efficiency.

“The second is that automation applied to an inefficient operation will magnify the inefficiency.”

--Bill Gates

Data </> Feelings

Drive Decisions with Data

- Baselines and Measures
- Couple with Process Analysis to Identify Inefficiencies
- Enable More Complete Decision making
- Transparency and Accountability

In Closing...

What We Discussed

- Operational Efficiency is a Strategic Imperative
- You now have a *holistic approach* to unlock your Operational Efficiency
 - People are your X-Factor
 - Process Analysis will enable you to, “Analyze, Implement, Measure, Iterate.”
 - Technology will amplify your efficiencies
 - Data Analysis will unlock better insights and decision making

POSSIBLE (RE)DEFINED

The End



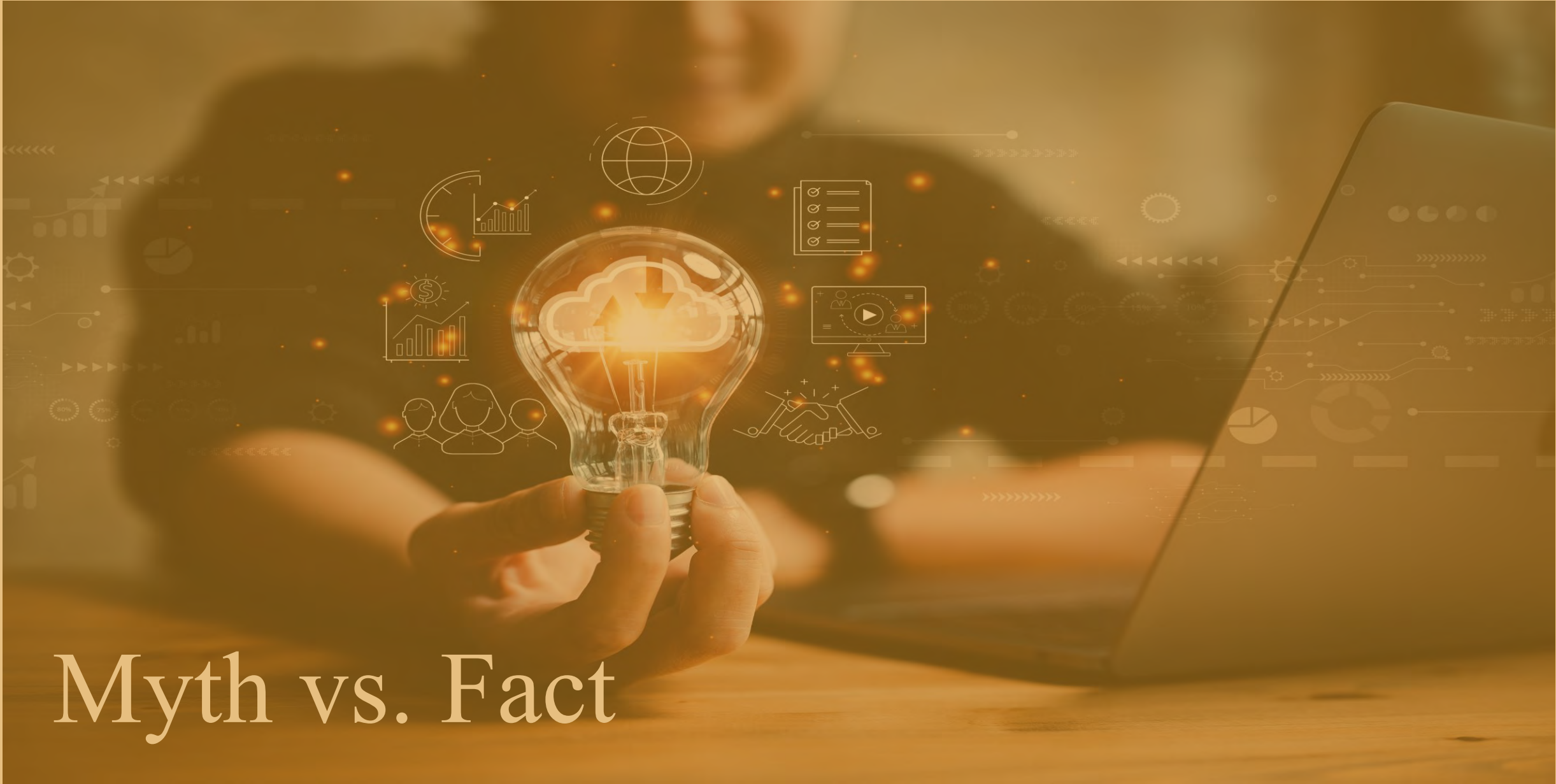
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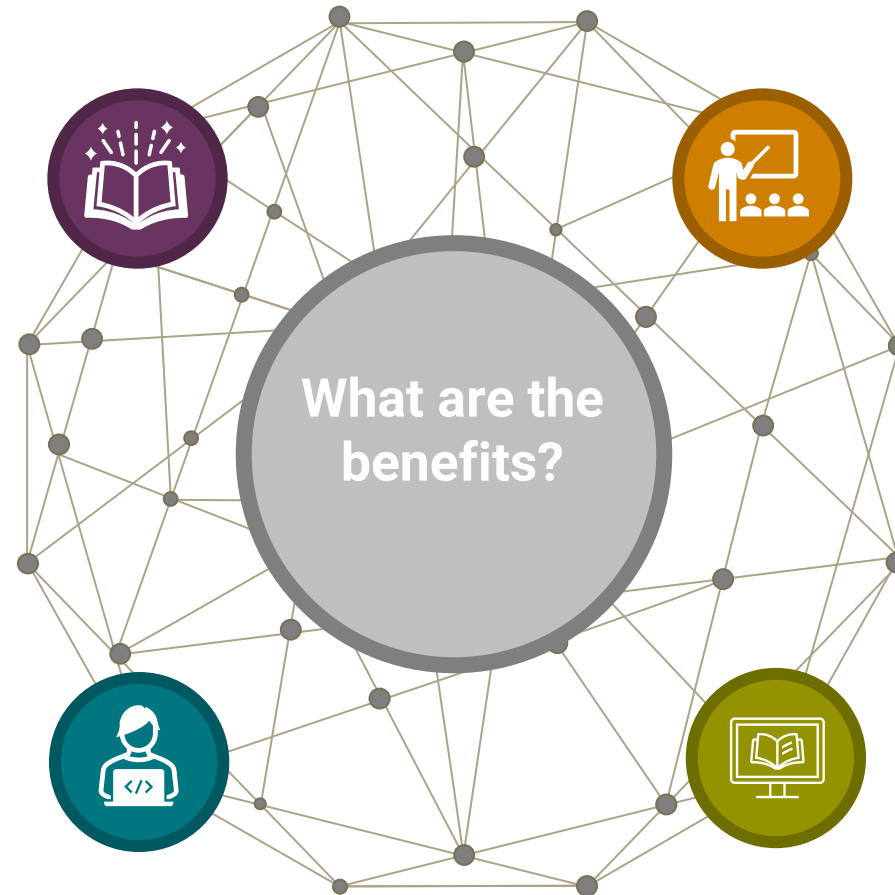


Myth vs. Fact

Improved Customer Satisfaction

- Engagement
- Productivity Enablement

Increased Scalability and Growth

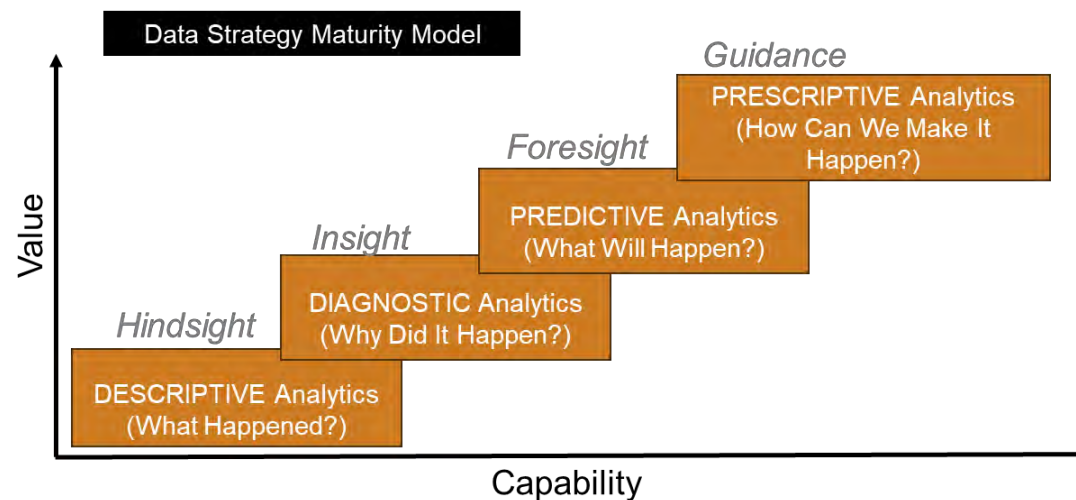
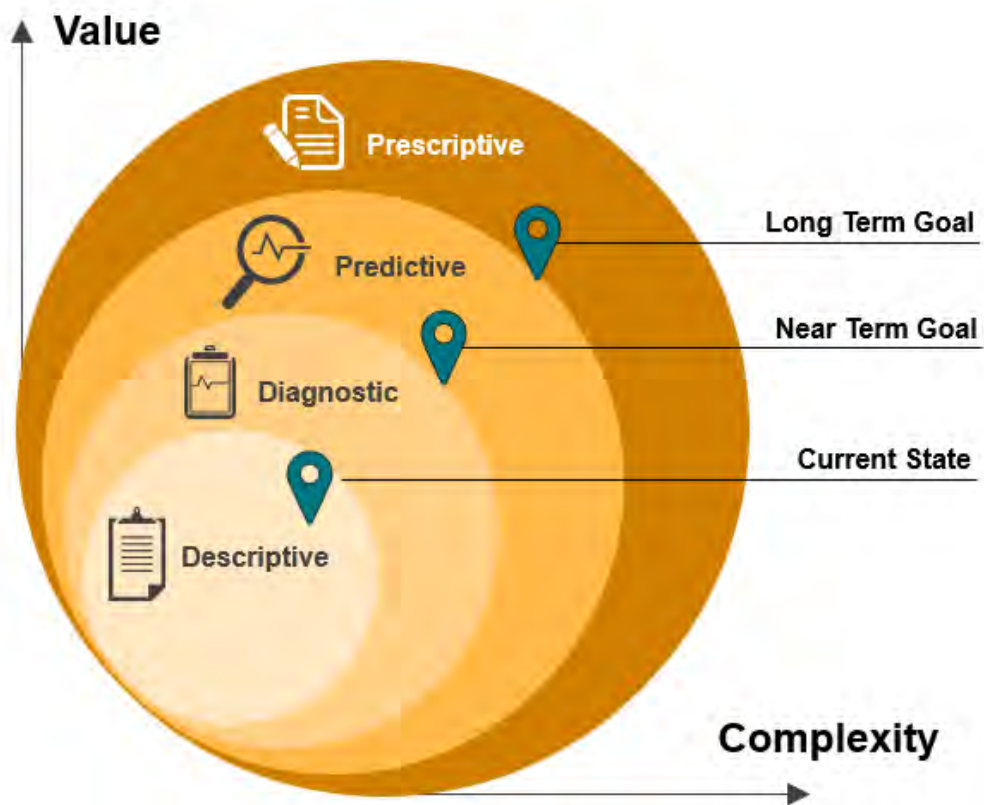


Cost Reduction

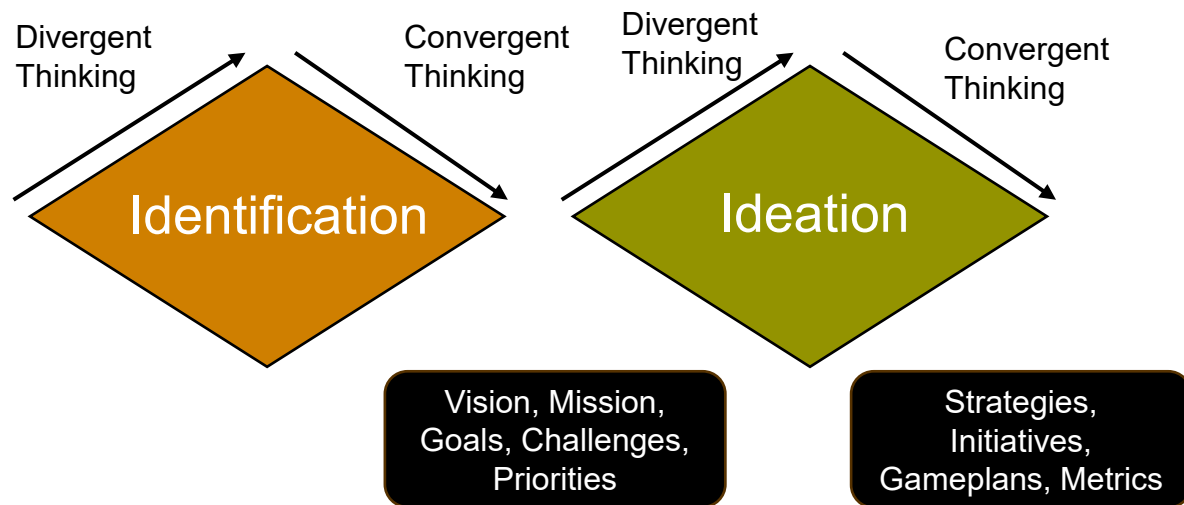
- Increases margins
- Data and results of other efforts

Enhanced Competitiveness

- Measure and improvement



- Set Vision & Goals at the beginning
- Need to know your “why” and get people bought into that vision



- Drive adoption and engagement with Change Management
- Provide a structured approach to transition including communication, training, and support

Why Increasing Operational Efficiency Is Critical

Resources

Raw Materials

Regulations

Shipping and
logistics

Bottom Line...OE is your tool to
counter these influences

Unlocking Operational Efficiency

