



Adapt fast or disappear

A report for operations leaders to navigate the seas of opportunity, accelerate change, and build resiliency beyond COVID-19.



FOREWORD

From our Chief Operating Officer

Operations keeps our world running smoothly — it's the operational teams who power our infrastructure, keep our supply chains moving, build valuable new products, and delight people everywhere.

I spent the first half of my career in mining and manufacturing at Siemens and Rolls-Royce Aerospace. I've celebrated with my teams when we've delivered something on time, and on budget, and together we also navigated through the adrenaline rush of production and supply chain failures. 10 years ago I transitioned from building mines and jet-engines to building technology and e-commerce businesses. The speed of delivery of software compared to hardware I saw was mind-blowing. I witnessed the true power of technology and where it could take teams. Today, I'm on a mission to empower amazing teams to deliver excellence and continuous innovation regardless of whether they're building with bolts or bytes.

Many great operations businesses have been built over the past few centuries by harnessing two powerful market forces: barriers to entry and economies of scale.

There are only two major wide-body aircraft engine manufacturers in the world because developing a new engine costs over \$5bn and 10 to 20 years. The sheer weight of capital requirements to design, test, and produce such complex hardware provides enormous barriers to entry and requires a substantial scale of production to amortize such a large upfront investment.

The danger of these two powerful forces is that they can breed a sense of complacency. Traditional market dynamics have been upended over the past decade by companies such as Uber, Airbnb, and PayPal who have used the power of technology, combined with a passion for solving customer problems in a new and delightful way. So do traditional businesses stand a chance in the age of tech giants?

Digital innovation unlocks immense potential for those willing to embrace it. Rapid testing and real-time feedback, combined with a culture of continuous improvement and customer-centricity can yield incredible results, regardless of industry.

Rolls-Royce revolutionized its industry with the launch of "Power by the Hour". The traditional model of purchasing an engine for millions of dollars upfront and then managing uncertain costs of engine maintenance did not work well for airlines who were looking to reduce their CapEx requirements, smooth out their costs and remove the operational disruption of grounded aircraft.

Rather than the airline bearing the risk of engine maintenance, Rolls-Royce offered a leasing program allowing airlines to simply pay a fixed rate per hour of flying time. This revolutionized the profitability in the aviation industry, resulting in low-cost carriers around the world entering the market. Rolls-Royce created immense customer value by acknowledging their customers' pain and mitigating it all together by carrying all the risk in the relationship. They were only able to take on these enormous risks by harnessing the power of technology. They used thousands of real-time data feeds from every engine in the air, combined with advanced computer modeling to forecast exactly when every engine should receive proactive maintenance to eliminate airline downtime and reduce their own cost of repair.

If shifting external conditions and increased consumer expectations weren't enough for businesses to contend with, COVID-19 arrived to throw another spanner in the works by disrupting workplaces, supply chains, and

impacting spending worldwide. At SafetyCulture, our global offices transitioned into remote working full time while helping our customers. We had an opportunity to help businesses with our flagship product, iAuditor, a platform that allows businesses to generate checklists to ensure they're meeting safety requirements. We launched "Safely Back to Business", an initiative to provide impacted businesses around the world access to free COVID-19 guidelines and resources with our technology.

I am proud to present this comprehensive resource to inform operational leaders of the trends that ensure survival and drive growth across industries. We'll focus on the key areas that will allow your business to quickly adapt to new operational challenges, and position your business for success in a post-pandemic world.



A stylized signature of Alistair Venn in black ink.

Alistair Venn
Chief Operating Officer
SafetyCulture Group

INTRODUCTION

Navigating the open seas

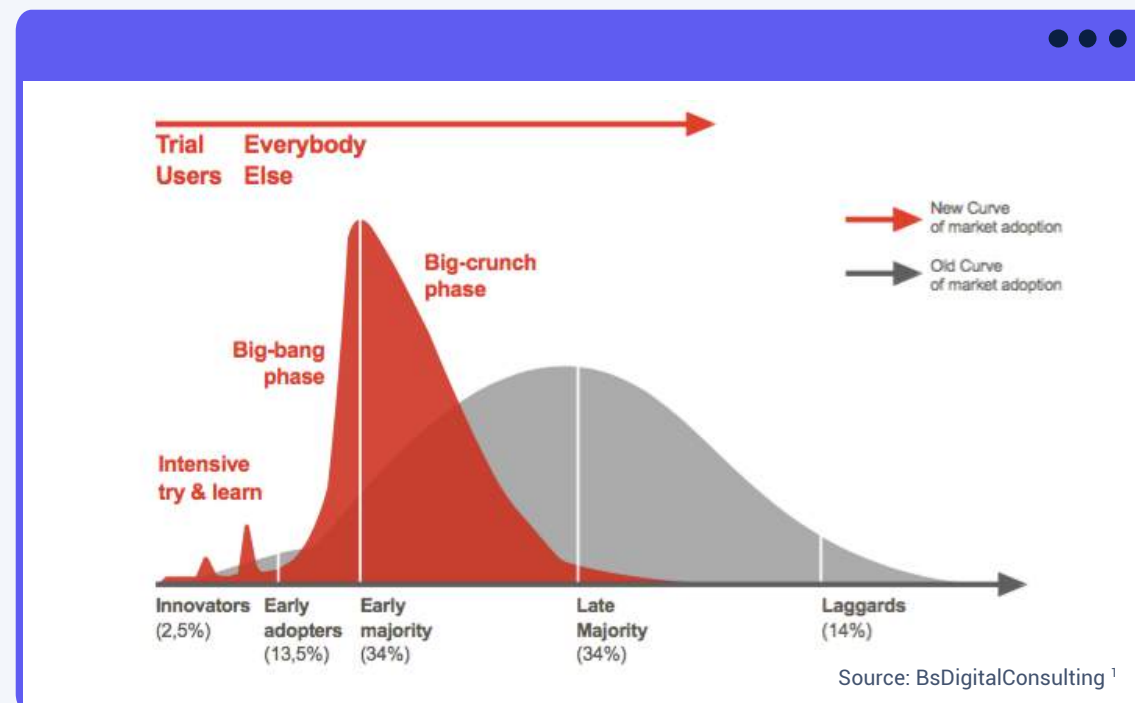
Business sharks are positioned to win

Sharks have arrived in the business world, snapping up the hearts and minds of their customers with a different approach to solving their problems.

Sharks are the Amazon's and Toyota's, companies that are building flexible operations by leveraging technology to streamline transactions, while placing customers at the heart of each interaction. Sharks are those that can quickly adapt their operational environment in response to new opportunities and emerging threats, without sacrificing their customer's experience. Paul Nunes, Global Managing Director at the Accenture's Institute for High Performance described his variation, which he called the "Shark-Fin Effect".¹

The increasingly tumultuous external environment shows no signs of letting up, and the way that businesses respond will determine their future success. Fail to adapt to the new challenges or take too long to respond and you'll become irrelevant as consumers move onto new offerings. Businesses that ignore the warning signs will be forced to learn that their comfort zones are no longer a place of safety within today's world.

Is your business one of the sharks, or moments away from being eaten alive?



INTRODUCTION

Build an adaptable business model

It's clear that businesses need to be able to change as quickly as their environment does, yet the ability to adapt is only one factor of operational success. The key to delivering operational excellence lies in the way that businesses prepare for external change for fast adaptation, while ensuring that they deliver an exceptional experience to their customers. Here are the four elements of an adaptable business model that you can adopt to become a shark:

Develop customer obsession at every level

Developing a genuine obsession for customer interactions at every level is at the core of business success. While many organizations discuss the term customer obsession, few truly adopt the practice. However, operational sharks like Amazon have been living, breathing, and adapting their business to serve customers' every need for years. The customer is at the heart of every product decision from packaging to font size and everything in between.

Empower an accountability culture

Delivering an accountability culture starts with empowering employees to take ownership of their work and fostering engagement through a shared mission. Supercharge productivity when you need it the most by cultivating a growth mindset and sense of ownership in employees at all levels. Sharks understand that whip cracking is unlikely to deliver operational excellence, so they focus on developing an accountability culture that boosts productivity, proactivity, and pride organically.

Adopt a digital operations ecosystem

Adopting new digital tools to streamline operational processes is key for organizations to succeed as the speed of change continues to increase. Fast access to operational data is allowing the sharks to tweak processes and improve customer experience in seconds rather than days.

Drive data driven decisions

Sharks ensure that their businesses are making decisions based on data rather than instinct, intentionally removing cognitive bias that can result in poor decision making processes. They consistently leverage data to understand how to improve each customer interaction and enhance employee engagement.



The cautionary tale of Blockbuster

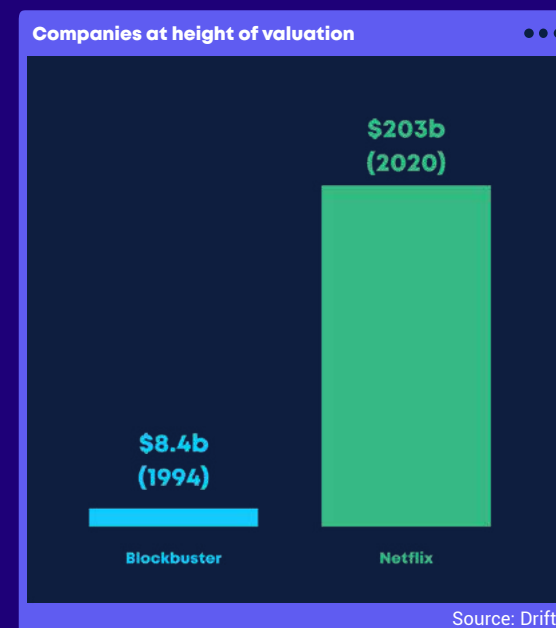
— Too little, too late

Do you know how to cook a frog? If you put a frog in boiling water, it'll jump out. But if you put it in cold water and then heat it up, the frog won't realize until it's too late. Businesses often suffer the same fate. They don't notice that conditions have changed in time to adapt and save themselves — just ask Blockbuster.

Back in 1997, Blockbuster owned the US video rental market and any change to their dominant market position was inconceivable. They had all the titles at reasonable prices, and worked hard to make sure they had the right inventory on hand.

In 2000, Reed Hastings, the founder of a fledgling company called Netflix, flew to Dallas to propose a partnership to Blockbuster CEO John Antioco and his team. He suggested that Netflix run Blockbuster's brand online and, in exchange, Blockbuster would promote Netflix in its stores. Hastings got laughed out of the room. Blockbuster missed the fact that the water temperature was starting to rise. Customers were becoming more and more comfortable with the internet, and were well on the path to today's expectation of instant gratification.

Blockbuster went bankrupt in 2010 and Netflix is now a \$203 billion dollar company, about ten times what Blockbuster was worth.³ The video rental giant failed to anticipate changing consumer preferences and delayed taking action until it was too late.



“The irony is that Blockbuster failed because its leadership had built a well-oiled operational machine. It was a very tight network that could execute with extreme efficiency, but poorly suited to let in new information.”³

Fast adaptation is a system

Organizations have an opportunity to embrace fast adaptation as a system to rapidly shift their operations in response to new threats, unforeseen external events, and market needs. While the specific threat, event, or need will never be identical, the foundation for responding is consistent, and can be established long before the catalyst for change arrives.

As an example, when fast-casual US chain Chipotle dealt with brand damaging food safety issues back in 2015 they quickly redesigned their processes to be both more thorough, and adaptable.² The Chipotle team changed the way that staff prepared, handled, and served food to build trust and win back customers. They developed channels to quickly train and retrain their staff, adopted regular checks, and built a culture of pride and accountability across their employee base.

Then, when COVID-19 arrived, the systems that were used in 2015 allowed Chipotle to rapidly update their processes to meet new guidelines much faster than their competitors. The foundation for fast adaptation had already been established, and Chipotle was ready when the next threat emerged.

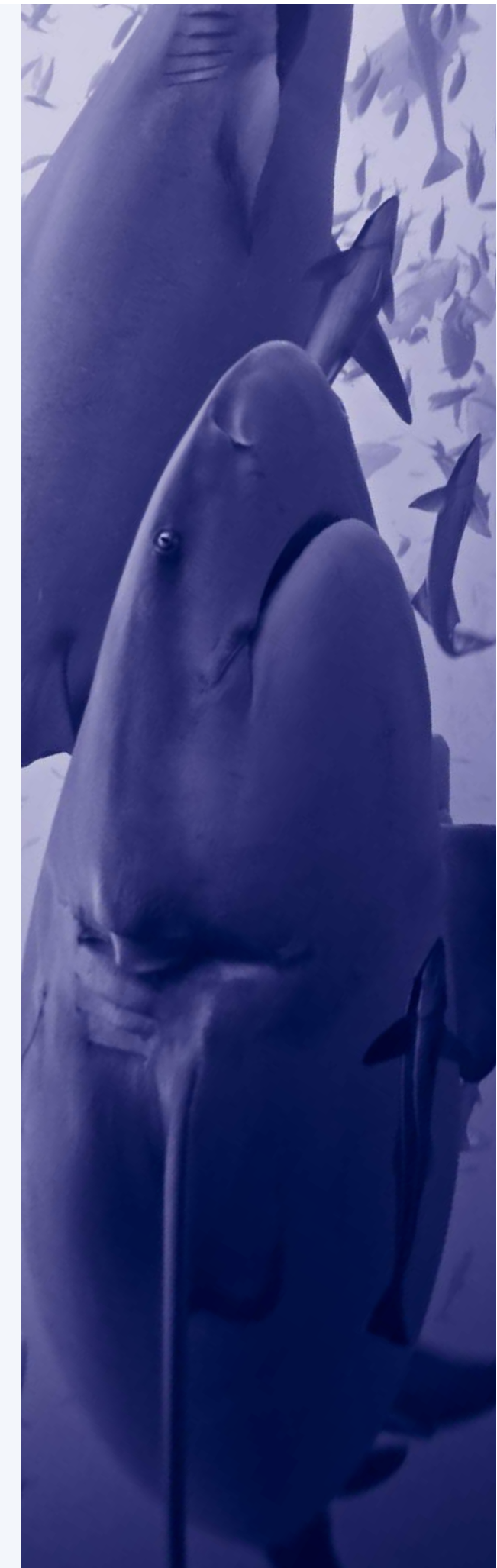
Is your business ready to shift instantly when the next major disruption occurs?

The sharks are coming for businesses of all sizes - be prepared

The challenges posed by new entrants are tangible even for established market leaders like Facebook. Social media giants are being put on notice by sharks like TikTok arriving with new experiences and stealing market share. The new social media giant has amassed over 1 billion users since launching in 2016.⁴

Sharks aren't just tech companies, though. Sharks can exist in all manner of industries and the success of adaptation doesn't always lie in pivoting to technology. In fact, technology is merely a strategy of adopting an adaptable business model. Business sharks are industry agnostic, but we've uncovered four global operations trends that they all share.

Is your business one of the sharks, or is it moments away from being eaten alive?



GLOBAL TRENDS

**In order to swim
with sharks, you
need to be a shark**

Unlocking the capabilities of fast adaptation

Customer obsession, your operational heart beat

1. Customer-centric models start with the customer.
2. Structure operations around customers rather than discussing it in the boardroom.
3. Ensure that customer obsession extends from the top.
4. Hire employees who were once customers and tie compensation to customer outcomes.

Turn your employees into agents of change

1. Alignment with clear, common, and measurable goals across an organization drives accountability.
2. Encouraging proactivity at a team and individual level.
3. Establishing transparency and a feedback loop between leadership and the workforce.

Tech in the right places

1. Rolling out timely digital solutions increase production efficiency and result in significant savings.
2. Set bigger strategic goals around technology to encourage proactive thinking instead of reactive thinking.
3. Consider tools that fit into your ecosystem that accelerate standardization and increased adoption.

Action off the back of data

1. Democratizing data across the organization rather than having pockets of analysts.
2. Foster a culture that encourages critical thinking and curiosity, a natural complement to accountability.
3. Gain complete visibility of your organization with comprehensive, automated data capture — blending technology and processes.
4. Use your data to pinpoint weaknesses, regular points of failure, frustrations — and take action.

GLOBAL OPERATIONS TRENDS

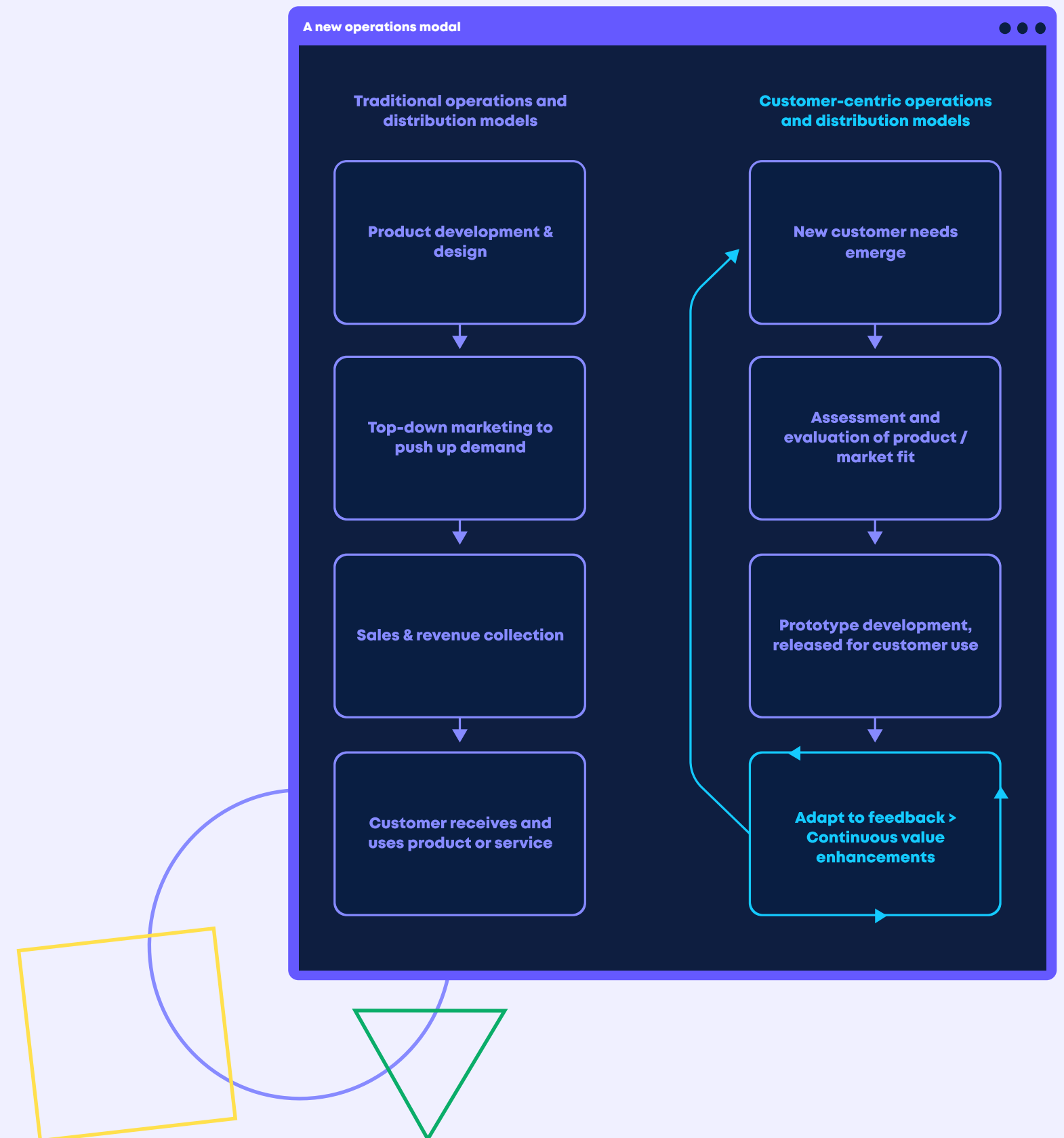
Developing deep customer obsession

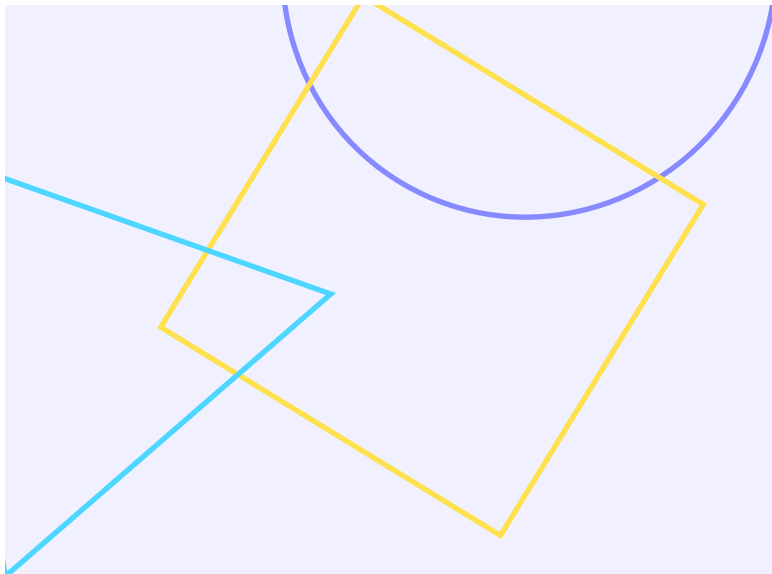
Customer obsessed organizations start with the customer and work backwards towards product, technology and processes. The customer is considered at every operational stage. The primary difference between organizations that continue to adapt to customer needs and win vs. the others is the word 'obsession'. Leaders at customer obsessed companies pay attention to competitors, but obsess over customer behavior.⁵ There is an endless volume of businesses that purport to be customer focused, however, obsession is fundamentally different.⁶

There's a huge disparity in the amount of importance placed on the customer experience in different industries. Supermarkets, fast food chains, media streaming, and parcel delivery services very frequently ranked "Good" or "Excellent" on Temkin's Experience Ratings, while services providers in energy, utilities and other services like TV or internet, only occasionally make it past "Okay", and are more often "Poor".⁷

The reason for this disparity is that some industries consider themselves "safe" from changing customer behavior because there is limited competition, or limited choice. Competition pushes companies to exceed customer expectations in order to win their hearts and, in turn their wallets. By contrast, market dominators can generally set lower service standards and get away with it. But this creates the perfect conditions for a shark to emerge - a disruptor to enter the market, and quickly carve out success by providing a superior customer experience that can be rapidly showcased through social media and public review systems.

Regardless of which industry your business belongs to, obsessing over your customers' needs and adapting as they change will position you for long term success. Companies that have become the gold standard in customer obsession, in particular Amazon, have found that the key is making sure that every process starts with the customer, and works backwards.





The e-commerce shark has spent most of its existence working toward dominating the market with low prices, easy availability of goods, and nearly flawless customer service. More often than not, it's been at the expense of being profitable.⁸

Amazon is continually attempting to delight customers by inventing new products and services for their customers long before they recognize that they even need them. The intimate knowledge that Amazon has developed through customer obsession allows them to anticipate their customers' needs and address them long before competitors have an opportunity. Deep customer obsession is allowing Amazon to maintain the vitality of Day 1 that is needed to experiment by taking risks, accepting failures, and pursuing new areas that have proven to delight customers.⁹

At Amazon, everything including their frugal approach to office furniture is obsessively designed to deliver the lowest possible price and delight customers on every single interaction. The level of customer obsession extends right to the top with CEO Jeff Bezos regularly responding to customer feedback via a dedicated email account.¹¹

Sharks understand that customer obsession is the starting point for everything and structure their operations to constantly align with this knowledge, while their competitors are occasionally discussing customer focus in a boardroom. In the case of Amazon, the results of customer obsession speak for themselves.

Is your business customer obsessed or just customer focused?

“ Good inventors and designers deeply understand their customers. They spend tremendous energy developing that intuition. They study and understand many anecdotes rather than only the averages you’ll find on surveys. They live with the design¹⁰



GLOBAL OPERATIONS TRENDS

Building an accountability culture

If each member of your team takes pride and ownership over what is produced, and can see the value that they add to your organization, consistent high quality and smooth operations will naturally follow. Building a culture of accountability that engages every individual team member is essential to delighting your customers, as it allows you to efficiently produce goods and services that meet or exceed their expectations every time.

Organizations that have successfully built a culture of accountability have a clear, common set of goals that drive the whole team, give every employee a sense of ownership over the organizational results, and empower them to do what it takes to achieve those results.¹² Team members are free to deliver on tasks without unnecessary intervention. When something goes wrong, the team works together to solve the problem and learn from their mistakes to encourage future group success, rather than finger pointing or making excuses.

The end-to-end responsibility that comes with a culture of accountability fosters trust between individuals and businesses, leading to enhanced productivity, efficiency, proactive improvements, and engaged employees who care about the health and safety wellbeing of their peers and customers.

However, the large majority of businesses fail to foster a culture of accountability. The root cause is a lack of empowerment of their workers. They aren't given the tools that are required to make their own informed decisions, or own their tasks, and therefore they lose their morale and sense of ownership.

The problems begin when workers don't understand how their work will help achieve the company's goals. Leaders must determine three to four meaningful, measurable, and memorable key results for the whole organization that everyone can impact in some way. Avoiding a lack of accountability and getting clear only works if everyone knows what it is they're working towards.

Another common mistake when trying to drive accountability is relying on reactive measures to change behavior. True accountability is "a personal choice to rise above one's circumstances and to demonstrate the ownership necessary"¹⁵ and, as a choice, it cannot be forced.

Companies that foster healthy cultures of accountability recognize champions for their good work, and encourage everyone to work together to hit performance targets, so that more people willingly opt into the collective culture.

The sharks understand that team members are challenging to influence, and establishing engagement is essential for optimal execution. However, attempting to establish engagement without a clear vision or directionless leadership is impossible. Consequently, the sharks provide individual team members with transparent access to the company vision and goals to maximize engagement.

Are your employees clear on your business goals, and empowered to help achieve them?

“It makes much more sense to involve workers directly in monitoring situations and fixing issues before they become a problem. Ignoring eyes and ears on the ground is the safety equivalent of landing a plane blindfolded. It's probably not going to end well.”

That's why organizations must recognize their people as a first line of defence delivering valuable insights in the moment, not resources to be managed from afar. Any other approach to safety is counterintuitive, nonsensical, and quite frankly dangerous.”



Alistair Venn, Chief Operating Officer, SafetyCulture Group

93% **Of employees don't even understand what their organization is trying to accomplish so they can't align themselves with that goal.** ¹⁴

GLOBAL OPERATIONS TRENDS

Adopting a digital operations ecosystem

The ability to adapt quickly to changes in the global environment and consumer behaviors needs relies on the development of an effective digital operations ecosystem. These ecosystems bring together both digital tools and physical activities to help companies form a complete picture of their operations end-to-end, and drive quick action to course correct when things go wrong.

Highly functioning digital operations ecosystems don't just provide visibility across the entire value chain - they allow for collaboration so that a change in one part of the process will automatically alert stakeholders across the board of an impending need to adapt. This is particularly valuable for planning and execution because it fosters takt time: the pacing of activity so that it perfectly aligns production time with customer demand.¹⁷

However, many businesses miss the mark when they're building a digital operations ecosystem, because they attempt to reinvent and replace their processes, rather than optimizing what exists. These companies invest large amounts of money in building greenfield plans, or other expensive net new infrastructure, with lofty efficiency goals that are rarely met. Bain research shows that 66% of US manufacturing executives are making significant investments to digitize operations

but that only 25% are rolling out solutions enterprise-wide—and nearly half of those surveyed reported disappointing results.¹⁸

Sharks who lead in digital operations ecosystems have done it differently. They have focused on transforming and supplementing processes within their existing infrastructure. Typically, the greatest benefit is seen when companies keep normal production schedules, while rolling out easy-to-use digital solutions that collect information at key points in time.¹⁹ These companies have improved production efficiency by 10-20%, and reaped significant savings in logistics, energy costs, and human resources, without committing huge sums to new processes.¹⁹

The sharks also realize that building a digital operations ecosystem should be proactive, not reactive — a clear strategy for how this ecosystem will contribute to company goals is just as, if not more, important as immediate productivity gains that will come from replacing outdated processes. They've moved from setting targets of continuous 1-2% efficiency gains per year, instead setting their sites to achieving 10-15% gains or higher in three years.²⁰ This type of strategic goal challenges them to think different, consistently looking for where digital tools can help them optimize processes.



“ In 1958, U.S. corporations remained on that index for an average of 61 years, according to the American Enterprise Foundation. By 2011, it was 18 years. Today, companies are being replaced on the S&P approximately every two weeks. ”

Technology has driven this shift, and companies that want to succeed must understand how to merge technology with strategy. ²¹

GLOBAL OPERATIONS TRENDS

Driving data driven decisions

Operations is entering a new era of decision making, powered by data. All organizations now have the ability to capture, store and analyze data, and most are taking advantage of this. In fact, worldwide spending on data storage units is growing rapidly, and is expected to exceed 78 billion US dollars by 2021.²² However, not every company is using this data effectively. Investing in data and analytics can be useless, and in some cases harmful, if that data can't be incorporated into complex decision making.

When used well, data equips companies with actionable information so that all Employees don't have processes and strategies to adapt, organizations do. Perhaps change to employees can quickly adapt their activities to match the needs of the changing external environment. Sharks place special attention on making sure that their digital ecosystem is capturing the right type of data — the type that will help them make informed decisions. This helps take the emotion and bias out of their plans, and substantiates "gut feelings" with tangible evidence.

However, many companies miss the link between data and good decision making. NewVantage Partners recently reported

that 98.6 percent of executives indicate that their organization aspires to a data-driven culture, while only 32.4 percent report having success.²³ One of the most common pitfalls is employing a handful of highly trained analytics gurus without training the rest of the team on how to find, interpret or use the results that they share. This results in most decisions still being made based on anecdotal evidence or pure instinct, with a small collection of analysts pulling their hair out as they try to convince those in charge that they're making a bad call.

Sharks encourage each employee to make data driven decisions, creating a culture that encourages critical thinking and curiosity, a natural complement to accountability. They empower their employees at every level to have conversations that start with data, from the frontline capturing and surfacing critical maintenance information on a daily basis, to senior leadership looking at performance across the business, so that each person can develop their data skills through practice and application.

How comfortable is your workforce with using data to inform their decisions?

“ According to business leaders, the best workers can effectively balance judgement and analysis, analyze the data to find meaningful conclusions, and are willing to listen to others' opinions but will hold true to their own if they are not convinced.

Surely, you'd want your workforce to be primarily made up of employees who match this profile. But just 38% of employees, and 50% of senior managers, were found to fulfil these criteria.²³



GLOBAL OPERATIONS TRENDS

Enter the deep sea

Sharks can detect small changes in their environment with their incredible senses, the fastest sharks can swim up to 60 miles per hour and they have the ability to rise to the top of the ocean ecosystem. Despite that, they have incredible problem solving skills and thrive in complex social networks.

As businesses enter the deep sea, the key to success is growth by leveraging a sharp sense for changes in your environment, rather than predation. Here's how you can take the key learnings from our adaptable business model and turn them into tactical outputs.

Customer obsession starts with listening

A genuine obsession for the customer can be achieved by making customer-centricity part of your organization's DNA. Leaders can start to operationalize empathy by listening and interacting with customers at all levels. For example, you can get your non-customer-facing workers to take turns manning the support hotlines every few weeks.

Consider hiring employees who were once your customer at one point, tie compensation to customer outcomes, and democratize customer insights. Allow your workers to capture customer data, like NPS surveys, or mystery shopper checklists, and share them with the rest of the organization.

An accountability culture starts with empowerment

Develop a true accountability culture by giving your employees the tools to empower them to become agents of change. Begin with opening up lines of communication, allow workers to agency to report problems that will be picked up by the right people, no matter the chain of command.

Your frontline employees are some of the best people to provide insight into product and service improvement because they often sit much closer to the customer and experience bottlenecks in existing processes.

A digital operations ecosystem starts with existing processes

Many organizations can get stuck into a whirlwind of technology by trying to adopt every new digital trend in order to undergo "digital transformation". To build a sustainable digital ecosystem, operations leaders are better served analyzing their current processes, and improving them with the help of technology.

For example, does your business still use paper checklists to conduct regular compliance audits? Can these be turned into digital formats for speed, standardization, and increased adoption? Consider tools that already fit into your digital ecosystem, or can easily be pieced into the puzzle with integrations.

Data driven decisions start with visibility

To drive a data-driven operation, the first step is getting complete visibility of your organization. Understand what's going on with regular inspections for compliance and standardization, compile your customer and employee feedback in one place, automate data capture with technology like sensors, and conduct regular risk assessments to get a 360 view of your business.

From there, you can use your data to pinpoint weaknesses, regular points of failure, frustrations — and take the action you need to do to make data-backed decisions.

RETAIL INDUSTRY

**Shaking up the
shopper experience**

Lead the way with customer centric shopping experiences

Adopt these emerging trends

1. Explore omnichannel and e-commerce approaches as vehicles for better customer experiences.
2. Shift focus from what you sell to how you sell.
3. Support new consumer purchase behavior with your supply chain.

Get inspired by these success stories

Sephora's omnichannel approach to making lives easier.

Add these tactics to your operations arsenal

1. Put your employees first with training and implementing workforce management and communication tools.
2. Invest in technology like e-commerce, omnichannel, and payments to improve the customer experience.
3. Use data to improve operations, drive loyalty programs, and inform product and service development.

RETAIL INDUSTRY

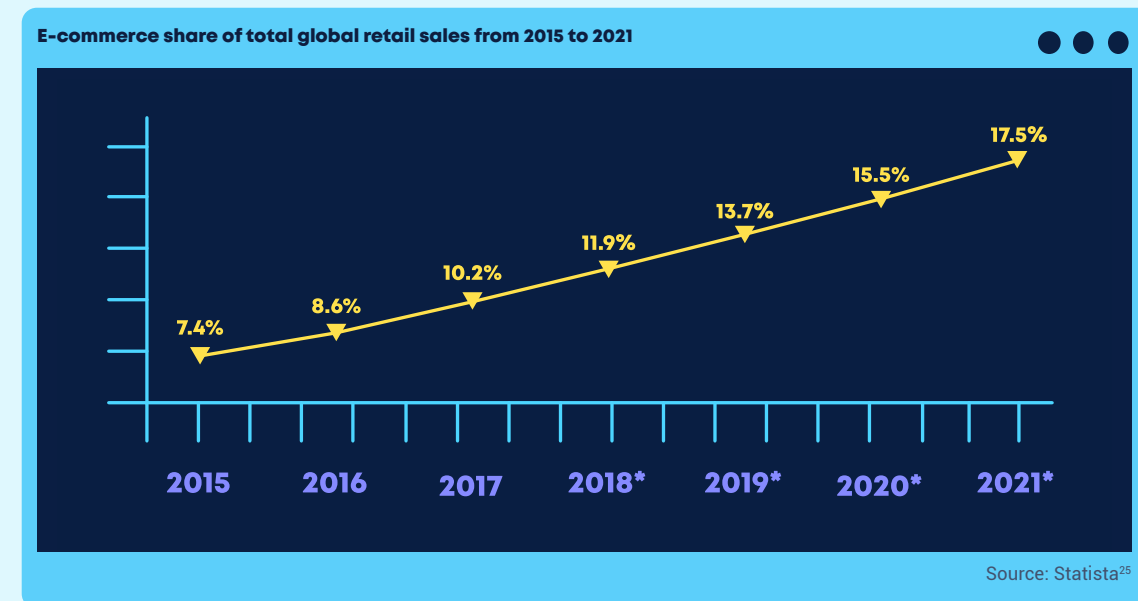
The future of retail starts today

As companies like Amazon inch up the Fortune 500 list, other brands can't ignore the fact that consumers are choosing their window browser over window shopping with 52% of Americans preferring to shop online²⁴.

Others argue that the future of retail is the adoption of the omnichannel shopping experience — the concept of delivering a seamless customer experience, whether the customer is shopping online, at a bricks and mortar store, or a combination of both.

Hypermarkets like Walmart are pushing to reinvent the entire grocery experience with online shopping, personalized pickup options, and delighting customers who prefer to walk down physical aisles with an experiential mobile "Store Assistant" app to complement their journey.²⁵

But is there another way?



Shifting from what we sell to how we sell

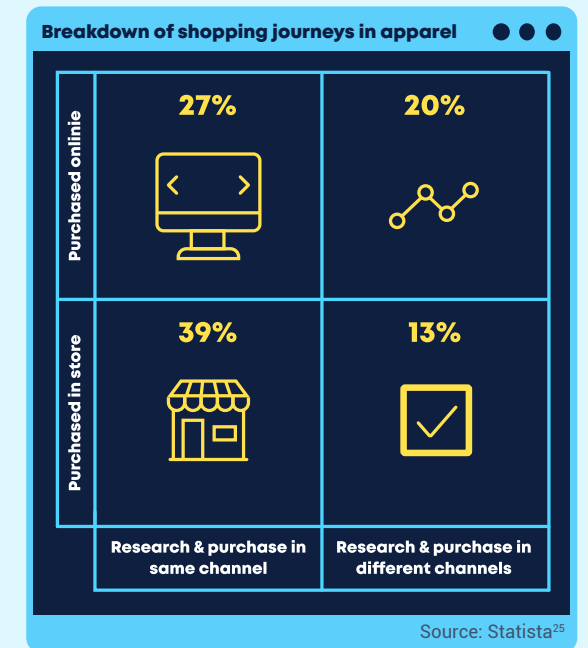
Since the Industrial Revolution, the retail industry has always emphasized product development: stock up with the items that customers want, and they will come. It was always about the what. With the onset of mass manufacturing, global supply chains and new ways of purchasing, what we present to consumers is no longer enough. Now, retailers must think about the *how*.

How do customers buy?

Once retailers know the answer to that, they can deliver a unique shopping journey for their customers. For some retailers, this means adopting e-commerce and embracing new retail technologies. "Fast fashion" is now a daily household term ever since online shopping took off.

For others, this means focusing on building an amazing in-store experience. For luxury car owners, online shopping will never truly replace the experience of test driving their next purchase. Like Walmart, retailers may also see opportunity in leveraging an omnichannel approach, as long as it fits into the ideal customer shopping journey.

McKinsey conducted research in 2019 which revealed that omnichannel shoppers are on the rise, with one in three shoppers using multiple channels to reach their purchasing decisions.²⁶ Customers are also changing the way they buy as they navigate through the pandemic.



Connecting the global supply chain

COVID-19 has seen the push of "essential consumerism" — consumers have tightened their purse strings to prepare for pending recessions, and are more intentional with their non-essential purchases than ever before. Retailers should consider customizing their inventory with essential items, and developing longer lasting "non-essential goods".

As our world becomes more connected, there is a big push from consumers to understand how things are made, where their goods come from, and the longevity of their purchases. For retailers, there is opportunity to understand exactly what your customers want: is it ethical manufacturing, the ability to support local economies, or extending the life of your goods with sustainable practices like recycling?

The customer journey compass

The idea here is not for retailers to shift and bend to every new technology or trend that pops up in the retail sphere. Rather, map the way the customer purchases from you, and pinpoint areas of opportunity where you can improve that experience with human interactions, or digital aides.

Delivering a customer experience that translates to a customer's needs is the key to building a competitive advantage.

A look at Sephora

- Making lives easier

Imagine walking through aisles upon aisles of makeup, skincare, perfumes, and beauty products but not being able to test anything? This is exactly how beauty retailers sold their products before Sephora disrupted the sector with the try-before-you-buy concept in the 1970's.²⁷

For millions of people around the world, cosmetics is an incredibly personal shopping experience. How beauty products look on us, interact with our bodies, and improve the way we look isn't something that sophisticated product packaging alone can define our purchasing decisions.

Try-before-you-buy revolutionized the beauty industry by putting the focus on the customer. The concept was founded on a key assumption: by giving shoppers the opportunity to discover what they needed through trial and error, this would lead to customers buying exactly what's right for them.

True to their roots, Sephora continues to disrupt the customer experience by leveraging digital tools and store makeovers that enhance the idea of try-before-you-buy, especially now as tester products pose a real COVID-19 hygiene risk.

The company invests in technology — not to make it easier for customers to access cosmetics — but, so customers can try on products no matter where they are.

Augmented reality. Sephora launched their Visual Artist app in 2016 which allows users to virtually try on makeup. The technology was further developed with the launch of their in-store AR mirrors, and has had a fresh push in the age of COVID-19.²⁸

E-commerce. An early pioneer of online shopping, Sephora understood that e-commerce is just as much a platform for discovery as it is a gateway for new revenue streams. Their website includes interactive quizzes that allow customers to discover recommended products based on answers submitted through their personal profiles.

Omnichannel. There is nothing like the real try-before-you-buy experience, so the company has taken strides to merge real life experiences with digital retail experiences. For example, customers can book an in-store makeover over a chatbot, and at the end of their session, the makeup artist has the ability to add the products he used to the customer's online profile. Ultimately, how the customer chooses to shop is up to them.

“Consumers are looking for retail stores to be creative spaces. They are looking for experiences. Digital is a critical element in retail — however, it is not just for the sake of adding new, cool technology. Our intention is to help our clients.”²⁷

Bridget Dolan, SVP Omni Experience & Innovation, Sephora

RETAIL INDUSTRY

Delivering a customer centric shopping experience

People first

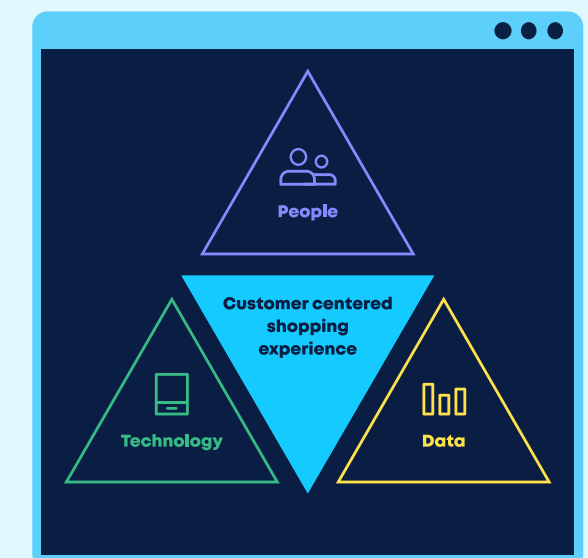
Delivering a 5-star customer experience starts with giving your people the ideal employee experience. Impactful training, improved internal communication between staff members and effective workforce management are tools to help you build a culture of accountability in your store.

Enable with data

Data has the ability to inform your day-to-day operations, such as understanding how much inventory is needed at any given time, but leveraging data to appeal to customers at every touchpoint is also incredibly powerful. Use and manage customer data to drive loyalty programs, or to uncover insights for future product development.

Cutting to size, not cutting edge

Customer centricity often means choosing the right technology, even if this means that your retail shop is not leading on every technological trend. Consider investing in a few key areas to improve your customer experience like tightening up your delivery logistics to complement an e-commerce operation, exploring omni-channel platforms, or giving your customers the ability to pay how they like with the array of new payments technology.



HOSPITALITY INDUSTRY

Plating up Safety

Service meets safety

Plating up safety is now the biggest value creator for leaders in the hospitality space, both in the short-term and in the long-term.

Adopt these emerging trends:

1. Enhance customer experiences with five-star safety initiatives.
2. Mitigate risk with the wet floor sign approach.
3. Lead with human-centered contactless experiences.

Get inspired by these success stories:

Nobu's 5-star hygiene packs. Chipotle's safety-first practices that paved the way for "Chipotlanes".

Add these tactics to your operations arsenal:

1. Implement ongoing staff training so employees are confident to lead.
2. Use a checklist app to keep track of processes around cleaning, personnel, and prep.
3. Open clear lines of communication for consumer feedback via surveys and polls.

HOSPITALITY INDUSTRY

Five-star safety

The hospitality industry has been hard hit as a result of COVID-19 and many restaurants, hotels, and travel businesses that remain are struggling to recover. Restaurants and bars are reporting revenue declines of 40-50%.²⁹ For leaders in the space, the challenge of tomorrow lies in cultivating a culture where safety lies at the heart of your operational strategy.

Hospitality has traditionally been a service and quality focused industry. Cook delicious food, pair it with five-star service, and add a side of ambiance for a winner. With COVID-19 turning operating models on their heads, the way forward means prioritizing safety on the agenda — ramping up hygiene processes, enforcing appropriate distancing measures, and minimizing risks in hospitality establishments and facilities.

Safety as a value driver

Safety is now a value creator and a customer-facing value proposition. A focus on safety has become a differentiator that will attract customers now and into the future. In New York City, restaurant Cafe du Soleil has run to the forefront of safety innovation by introducing plastic dining domes called “space bubbles” to cushion patrons from the cold weather and provide them with a novel experience. “I got so much good feedback from those bubbles that every single reservation is requesting a bubble,” owner Alain Chevreux says.³⁰

Hotels like the Nobu Ryokan in Malibu USA have led the charge on innovating on the little details — like contactless check-in and swapping out welcome baskets with hygiene kits. But instead of eye masks and hand creams, they're including face masks and hand sanitizers.³¹

The wet floor sign approach

We're already starting to see that many of the hotels that reacted the quickest to the pandemic are in a better position to recover and grow than their competitors. Hilton launched “CleanStay” alongside RB, the makers of Lysol and Dettol — a cleanliness standard that would go on to underpin the entire sector's approach to hygiene.³²

When businesses have a wet floor sign approach to their safety operations, they are mitigating future risk by setting in place short term initiatives. For leaders, this might look like introducing cleaning checklists, hiring safety marshals who enforce hygiene and social distancing practices.

While these practices are in place, you can start to inform a long-term safety strategy that includes proceduralizing your approach to cleanliness, building out health and safety teams and develop hazard reduction plans based on feedback from staff.



Some actions we take may be short-term, and some may be long-term. Social distancing may subside, but this emphasis on clean, clean, clean is here to stay.³³

Phil Cordell, SVP & Global Head of New Brand Development for Hilton



Human centered contactless experiences

With the onset of COVID-19, the adoption of technology in the hospitality industry has accelerated. Contact tracing QR codes, mobile ordering, self-serve check-ins, automated assistance, and contactless payments have paved the way for a new wave of customer expectations.³⁴

It's no longer a matter of who adopts new technology the fastest. Technology is an expectation already.

The winners will be the businesses who are able to leverage contactless and give it the five-star treatment. Service will always underpin the hospitality industry, and as less humans become involved in the process, it's those who humanize this technology who will get ahead.

For example, a cafe server can address a customer by their name when they're dropping off food based on data from their contact tracing check-in — service that was once limited to high end establishments.

A look at Chipotle

- Prepared for a crisis

Fast-casual burrito chain Chipotle was prepared for a pandemic without ever knowing it. In 2015, the chain underwent a PR disaster when 60 cases of E.coli poisoning were reported to the CDC from 14 US states. A string of other food safety problems launched the business into crisis recovery mode: sales had fallen by one-fifth compared to the previous year due to store closures and a lack of consumer confidence.³⁵

In order to recover and gain the trust of their customers again, Chipotle completely changed how they prepared food, putting hygiene first. Protocols such as enforced handwashing, installing hand sanitizers, and improving air filtration systems — and talking about it to the rest of the world — we're factors that led to Chipotle's turnaround.³⁶

The foundation for adaptation

When COVID-19 shut down food venues across the globe, Chipotle was ready to fill a gap. While other food businesses scrambled to implement new hygiene and cleanliness measures, Chipotle became a first mover in improving the pandemic dining experience. The company tweaked its contactless delivery strategies, enhanced store cleanliness with a dedicated dining room hygiene steward, implemented mobile order drive-thru lanes called "Chipotlanes", and experimented with a digital-only menu.³⁷

Ultimately, having a safety-first foundation allowed Chipotle to quickly adapt, innovate, and drive new areas of growth to serve their customers.

“We already had a lot of the things in place. Frankly, the only two things we had to implement during COVID-19 was the idea of social distancing and wearing masks. So our operators were very capable of executing within this COVID environment, and we made the enhancements that we had to make.”³⁵

Brian Niccol,
Chairman & CEO, Chipotle

HOSPITALITY INDUSTRY

A safety-first hospitality operation

The current hospitality climate has its challenges. It's essential that operations leaders in the space prepare for the future with safety at the forefront.

Lead your pack

People will be at the center of your safety strategy and often the most unpredictable to manage. As employees who were temporarily stood down return, new staff are hired as a result of increasing consumer demand, or staff requiring more time off due to mild illnesses, people-driven initiatives must be considered.

Ongoing staff training based on evolving standards, proper allocation, and improved internal communication can help your staff feel pride in where your business is going.

Optimize processes

With safety being the new brand standard and rising operational costs, optimization of processes around cleaning, personnel, and food preparation is necessary. Consider implementing process technology like a checklist app and use the data from checks to improve service and product quality.

Clear lines of communication

The ability to satisfy and anticipate evolving customer needs is a significant challenge.

Open up lines of communication by sharing with your customers your safety and innovation initiatives through your marketing channels, while letting them provide feedback via surveys and polls.

“Businesses that reimagined and strategised their way through the economic down turn that the Global Financial Crisis inflicted often found themselves in better shape on the other side, and the same rule applies now. Companies that are using this time to reimagine their offering and giving themselves permission to reinvent could do well in the long run.”²⁹

KMPG Report, COVID-19: Hospitality sector's next step – time to reopen?

MANUFACTURING INDUSTRY

**Moving
beyond Lean
and Six Sigma**

Move beyond traditional practice

Are you equipped to future-proof your organization? Align business operations with the future before it becomes a reality.

Adopt these emerging trends:

1. Redefine Operational Excellence beyond Lean and Six Sigma.
2. Escape pilot purgatory with tactical, data-led innovation.
3. Rethink the role of automation & robotics.
4. Get familiar with the customer profile.

Get inspired by these success stories:

1. 3M's innovation gains on the stock market.
2. Tata Steel's advanced-analytics reskilling academy.

Add these tactics to your operations arsenal:

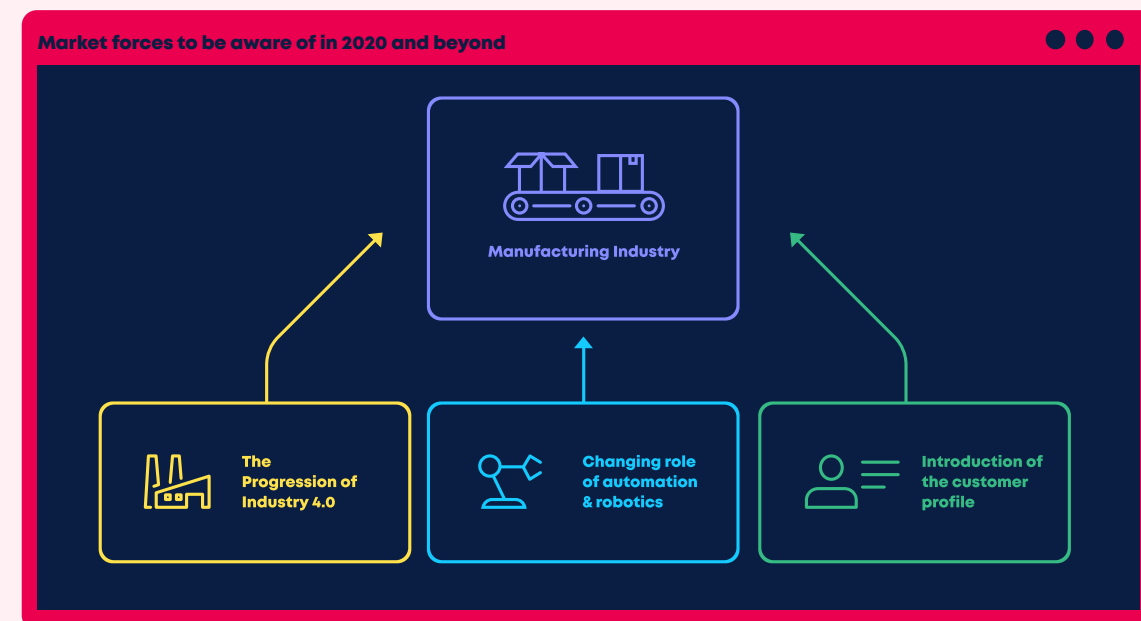
1. Run with agile principles.
2. Cultivate a customer-first culture.

Redefining excellence

It is safe to say that for many Operations executives across the Manufacturing sector, achieving Operational Excellence is like shooting a goal from halfway down the field as the goalposts continuously move further and further away. Yet some challenges never change, like the need to balance optimizing for efficiency and waste reduction against the need to maintain high-quality goods. Approaches to date have focused solely on one side of that value chain, the efficiency side, but not looked closely enough at the quality.

Experimentation and keeping pace with an ever-changing demand cycle has pushed many manufacturers into a cycle

of status quo. What are your sharks doing? Well, they are taking this head-on instead of waiting for it to come to them. Are foundational principles like Lean and Six Sigma enough to remain competitive in the market we have today? Unfortunately, no. Research released by global consulting firm Ernst & Young in 2020 reveals that Operational Excellence initiatives typically over-index on reducing waste and as a result miss the end-to-end value chain experienced by the customer or consumer.³⁸ Not just that but by focusing on optimizing only the current state, you miss the opportunity to deliver new value to your customers entirely.³⁹



The progression of Industry 4.0, should you care?

There's a lot of talk among analysts in the sector of the Fourth Industrial Revolution (4IR) and the massive shifts it will bring into play over the next decade. Analysts and business leaders alike predict that 4IR will be a zero-sum game where winners win big, and losers are left on the verge of obsolescence. Yet, few companies to date have adequately executed on 4IR strategies to see these shifts realized. Sharks today recognize that 4IR programs are not a conceptual figment of the future, but rather a beast to tame today.

Let's first take a step back and define this report's take on 4IR. According to McKinsey, "Adoption of critical 4IR Fourth industrial revolution] technologies, including digitization, automation, advanced and predictive analytics, virtual and augmented reality, and the Industrial Internet of Things (IoT)."

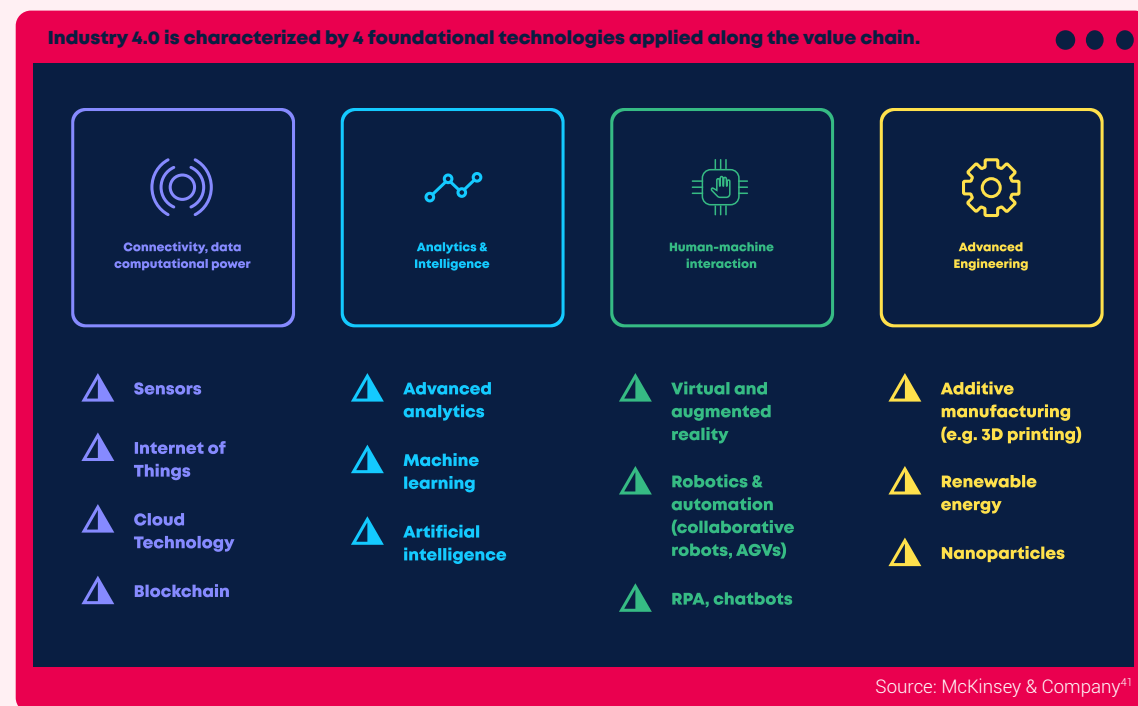
The firm also estimates that changes related to 4IR technology will produce upwards of \$3.7 trillion in value by 2025.⁴⁰ Now, many in the sector are left grappling with the reality of 4IR. Is 4IR just a buzzword, or something worth investing limited resources and effort into?

Of course, these initiatives often get ear-marked as massive company-wide shifts, and tackling these in companies without a dedicated innovation budget and C-level buy-in can seem unreasonable.

Not just that, but many manufacturers already grappling with adapting their business to COVID -19 simply don't have the capacity to grapple with these longer-term initiatives upfront. Yet there's light at the end of the tunnel and options towards moving in the correct direction.

70% of manufacturing organizations are still languishing in 'pilot purgatory' and unable to bring manufacturing innovation to scale ⁴⁰

McKinsey Report Industry's Fast-mover Advantage: Enterprise Value from Digital Factories.



Applying 4IR to your workplace

What sharks have seen that others have not, 4IR does not have to be a 10 to 30-year strategy. Small applications of 4IR in your workplace today can set you up to be sustainably competitive for years to come.

If you think about it, 4IR is just a disguised, more focused form of an innovation initiative. What 4IR provides us with is a lens through which we approach upcoming innovation initiatives, and by baking small versions of these initiatives into the execution of day-to-day operations.

When we examine the 3M model, we realize that what's allowed them to remain competitive is the ability to set aside a portion of their budget each year to look at producing goods they've never before created.

“3M appears to have a mantra stating that a certain portion of their revenue each year should come from products and services that didn't exist five years ago.”

Since 2008, the Dow Jones indicator has increased by almost 20%. In that same period, 3M's stock price has increased more than 40% (circa 2014).

Andrew Miller, author of Redefining Operations Excellence, New strategies for maximizing performance and profits across the organization.³⁹

Keeping these perspectives in mind, there are several ways that manufacturers can begin to roll-out 4IR initiatives.

- 1.** Optimize your operational processes to collect data from your frontline workforce that funnels all the way up the chain to management. 4IR programs are underpinned with huge data sources, and the one resource you arguably have the least insight into, and potentially the most performance volatility is with your people. Encourage them to participate in your processes and gauge alignment to key efficiency measures. This data will eventually help you identify areas of improvement along the way.
- 2.** Concentrate on combining your data sources into a single source of truth or location where you can adequately evaluate the full context of your operations and use the data to make more educated, forward-thinking decisions.⁴⁰ Many top firms today use Integrations and API connections as a means of centralizing their data, often by funneling it into Business Intelligence tools for further analysis. A centralized data set also means that you can outsource to a data science resource, even if you don't have access to an FTE, to further enhance your predictive analytics capabilities.⁴²
- 3.** Pilot industrial IoT through the use of low-cost deployment. Many high-cost industrial systems to date offer data feed, the challenge is often connecting that data feed into a program that allows you to meaningfully action that data. Seek out a secondary system, that allows you to connect in your Industrial (IIoT) feeds into a central location and monitor their improvement. Alternatively, if you're working with older equipment, there are many low-cost sensors that you can find on the market today. While not fully connected to your industrial machinery, they may be a great testing ground to monitor certain aspects of asset performance.



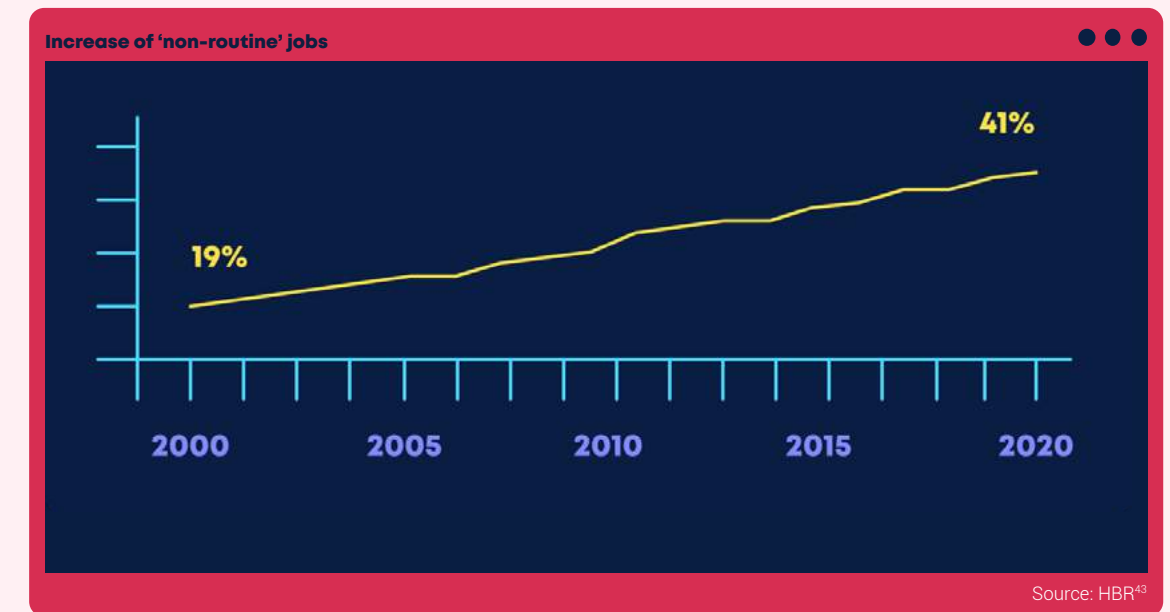
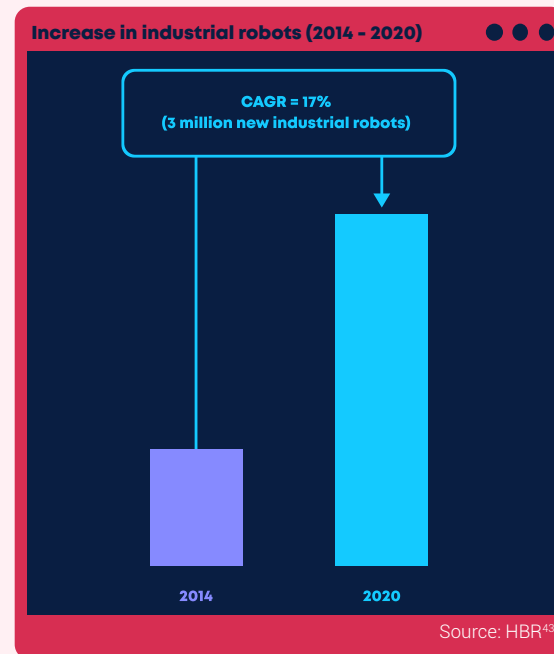


The changing role of automation & robotics in manufacturing

It's no secret that regardless of the type of Manufacturing you are performing, manufacturing in modern times is looking more machine than human. Based on the analysis performed by renowned publication Harvard Business Review, "The declining cost of machines threatens low-skill jobs and routine tasks — those most susceptible to automation and offshoring. Indeed, the number of robots operating worldwide is rising rapidly: by the end of 2020, there will be 3 million new industrial robots in operation, more than double the operational stock over the seven years spanning 2014-2020."⁴³

Automation and robotics often make the largest splash, because of their impact on the labor force. It's no surprise, then that while manufacturing leaders may be bullish on the idea of the savings involved with robotics and automation initiatives, they are often left balancing their bottom line and the interest of saving hundreds, if not thousands of employee jobs. As such, many leaders in the manufacturing sector are taking a different approach toward rolling out automation and robotics with their employees.

Instead of cutting, they're reskilling. The World Bank estimates that since 2001, jobs that are considered "non-routine", meaning they're less repetitive in nature, have increased from 19% to 41% depending on the maturity of the economy.^{43, 44}



Tata Steel's reskilling results in an increase of 15% in EBITDA ⁴²

From an article by global consulting firm McKinsey, "Tata Steel's plant in Ijmuiden, the Netherlands, for example, established an advanced-analytics academy to train and certify hundreds of engineers on the application of new analytical approaches to manufacturing-process improvement. Using the new techniques helped the plant to boost its earnings before interest, taxes, depreciation, and amortization by more than 15 percent, despite significant cost pressures across the global steel sector."⁴²

Yet, it's not just a cost-lowering or employee reskilling initiative that is driving this change. Increased consumer and government pressure for firms to become more environmentally friendly is pushing businesses in the sector to look at automation as a means of promoting sustainability initiatives.

By using machines, instead of people, firms can forecast waste and guarantee that production procedures are only occurring in the prescribed manner.⁴⁵ According to a study of 600 senior operations leaders, sourced by the Environmental Defense Fund (EDF), a vast majority of C-suite executives and VPs agree that "Recent and emerging technologies can help business improve their bottom line and their environmental impact."⁴⁵

We use quite a few robotic machines in our production unit which gives us extreme precision, saves time, increases efficiency and saves the environment by limiting waste.⁴⁵

This plays well into the hands of manufacturing leaders everywhere as they seek to balance a host of changing views, driven by economic forces because the role of automation in businesses becomes less about forcing employee redundancies, and more about protecting environmental interests.

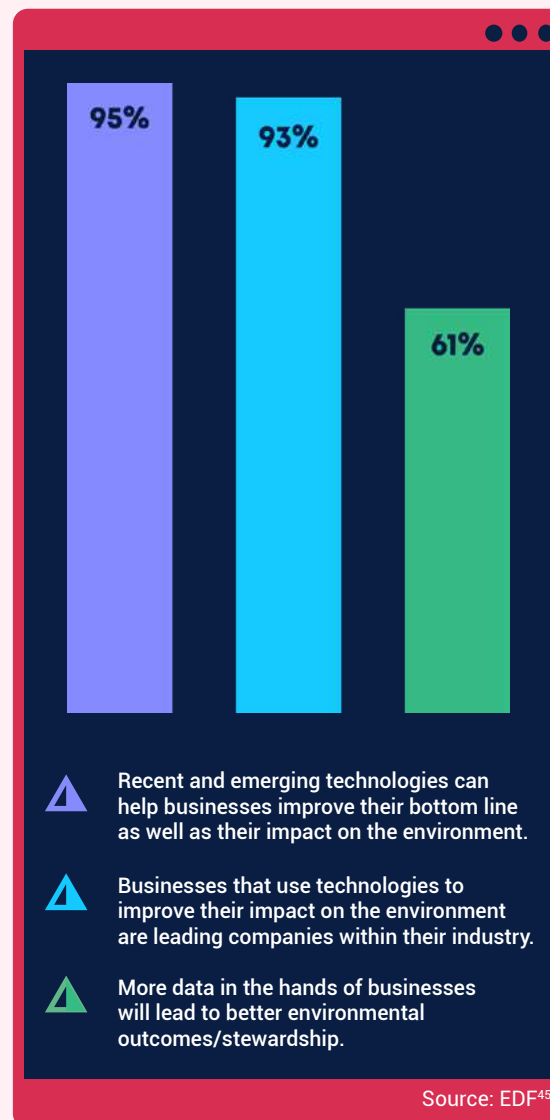
It also allows leaders to get ahead of impending regulatory crack-downs by creating their own Corporate Social Responsibility (CSR) programs. This is especially relevant when you consider recommendations from the Paris Climate Agreement which stipulate the reduction of emissions by 2030.⁴⁶

Procter & Gamble, a private-sector representative on the Conference of the Parties 21 (COP21) committed publicly to self-mandated, Sustainability programs that pledge to cut the company's global emissions by 30% by the end of 2020.⁴⁷

Handling automation scares in your workforce

Automation clearly isn't going anywhere in manufacturing. The truth is, businesses will be pushed by market forces into introducing more automation into their workplaces as technology costs begin to dwindle, and increased regulations relating to environmental impact come into play. What manufacturing leaders now need to think about is how they will introduce their workers to new robotics and automation, and how it will be presented in the workplace.

Perceptions of C-suite / VPs level executives on impact of technology and data on the environment.



MANUFACTURING INDUSTRY

The reality of customer-centricity



1. Workers need to feel comfortable that automation is not out to take their jobs. Although potentially a difficult budget to manage, through investment in reskilling programs, like those featured above, workers can feel more at ease with changes and shifts in the workplace.

2. Involve your workers, especially those most at risk for facing redundancies due to automation in new processes that allow them to refocus their skills towards working alongside automation. With the introduction of automation also comes the need to introduce new roles that focus on maintaining machinery, especially robotic machinery. Workplaces will still need individuals involved with servicing and checking that machinery is performing as expected.

3. Consider automation as an enhancement to sustainability initiatives, instead of as a labor replacement. Even though automation is arguably one of the easiest ways to drive down labor costs or prepare for labor shortages (such as the lockdown restrictions put in place by Covid-19), it can also be used as a key environmental savior. Thus, it makes sense to incorporate automation positioning as part of a sustainability plan, as opposed to a plan socialized with employees that includes job replacement information.



The introduction of the customer profile into Industry

Manufacturing of all kinds has traditionally been at least two degrees removed from its direct consumers and as such has not endeavored as aggressively to focus on customer outcomes and direct-to-consumer experiences as have other service sectors. Publication Harvard Business Review reports, "A global study revealed that 83% of the industrial firms that have been most successful at increasing revenue, market share or net promoter score (NPS), say they have made meaningful investments in digital customer engagement versus only 19% of less successful firms."⁴⁸

Which means that even brands who are not traditionally considered "consumer-facing" are having to deploy consumer-level tactics for engaging with customers to stay ahead of the curve.

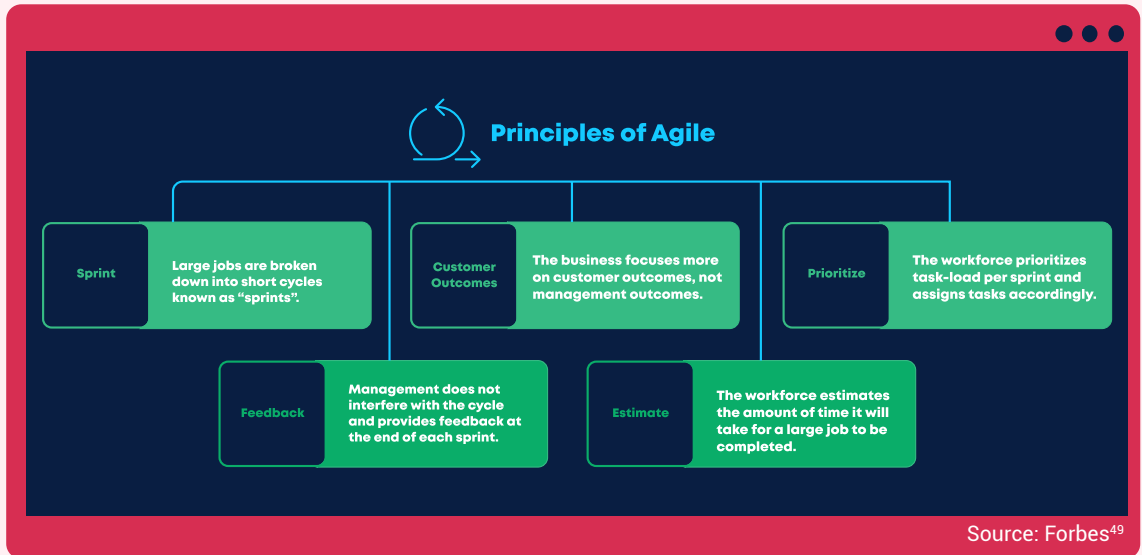
Atlas Copco, a Swedish multinational manufacturer focused on industrial tooling, took customer centricity to the next level.

The company worked to create a mobile app that allowed their customers to remotely monitor the performance of certain machinery. This resulted in positive ROI for the company who was able to increase uptime on their machinery and ultimately drove customer loyalty.⁴⁸

Enter Agile

Firms have the opportunity to combine initiatives relating to IR 4.0 with creating a culture where the customer is a top priority. Real sharks, however, don't just make customers a top priority, they make them an obsession.

They've found that the only way to continuously provide value to customers is by changing the way they think about their value chain. Enter Agile in Manufacturing. Agile, a principle typically reserved for Software development is starting to find its way into process optimization, why, because it centers on continuous improvement.



LOGISTICS & TRANSPORT

Winning the race to the last mile

The balancing act

Winning the race to the last mile requires operations leaders to find a sweet spot between optimization and risk management.

Adopt these emerging trends:

1. Steer clear of over-optimized supply chains.
2. Strike a delicate balance between the just-in-time model, and the just-in-case storage model.
3. Fine-tune with precision optimization.

Get inspired by these success stories:

Amazon's best-in-class delivery window.
Aldi's 'do more with less' success.

Add these tactics to your operations arsenal:

1. Build supply chain resiliency.
2. Diversify your risk factors like inventory, production partners, and warehouse locations.
3. Use technology as a tool to achieve precision optimization.

LOGISTICS & TRANSPORT

The over optimization of supply chains

While COVID-19 swept across the world causing large human and commercial casualties, a connected event exposed a fatal flaw in our global economy: the great toilet paper shortage of 2020.

During the height of the frenzy, viral stories of supermarket fistfights, gangs raiding stores for rolls, and the hijackings of trucks carrying the dwindling supply only helped fuel the demand for even the most unperturbed people.⁵⁰

Averting a crisis with toilet paper

With advances in manufacturing, the globalization of supply chains, and increasing customer expectations, the logistics and transportation industries are experiencing a surge in demand — and are bending underneath the weight of it all.

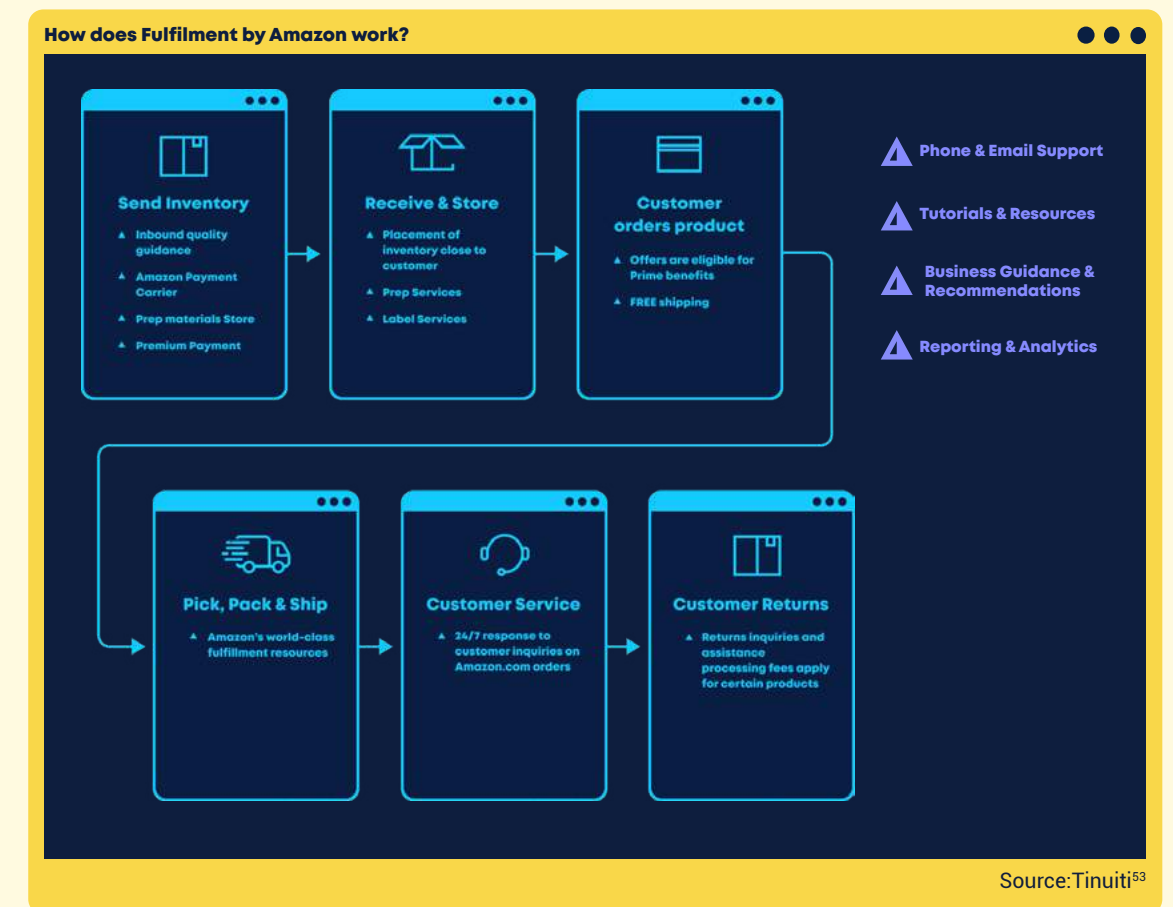
Concepts like just-in-time and last-mile delivery are spawning generations of leaders who leverage optimization to the very hilt, especially as trends see freight tonnage moved by trucks forecast to grow by 27%.⁵¹

All it takes is a global pandemic and toilet paper to illustrate the dangers of this model when it crumbles.

There is no doubt that optimization is the key to an efficient and profitable logistics operation. Focusing on emerging trends like automation, distributed warehousing, and telematics is not enough to make sharks of leaders in this space. Sharks are already doing these things and more. Rather, the sharks are the leaders who find a balance between optimization and risk management — optimizing their supply chains, but adding measures to determine risk levels and to prepare for unpredictable risk events.

“The challenge with toilet paper hasn’t been an inability to make enough product. It’s being able to get the product to where it needs to be.”

Jamie Guerra, Head of Industrial and Logistics, Australia, JLL⁵⁰



Precision optimization

MA 2020 Gartner organization design survey found that 55% of organizations were focused on streamlining supply chains and workflows to increase efficiency beyond COVID-19.⁵²

Amazon is best known to have found a way to optimize nearly every aspect of their supply chain — warehousing, inventory management, localized delivery drivers, and even pricing. In fact, Amazon pioneered using their 2-hour delivery as a customer obsession strategy across the US, bringing us closer to a literal just-in-time delivery experience, with competitors racing to keep up.⁵³

The balance between ‘just in time’ and ‘just in case’

A happy balance must exist somewhere between the just-in-time model and the just-in-case storage model that bloats warehouses and comes with its own risk of wastage. The last few decades have seen incredible shifts in globalization.

Manufacturing became prominent in countries like China and India with more brands outsourcing production to these countries where labor, materials, and overheads are cheaper. In fact, manufacturers are trying to reduce their reliance on countries like China due to the fragile nature of the supply chain networks now.⁵⁴ The key to balancing the two models lies in pinpointing weaknesses in a supply chain and reducing the risk there, instead of going too far lean, or too far fat.

A look at Aldi

- Accelerating customer value through supply chain excellence

German supermarket giant Aldi is a shining example of finding success by not doing everything. Not stocking every single brand and shunning self-service checkouts in order to pass all the savings onto their customers. By placing its customer at the center of their supply chain strategy, Aldi has excelled in doing more with less, ultimately keeping their customers happy.⁵⁵

Localized production

When localities went into lockdowns during the pandemic, logistics companies had to navigate border closures. Up to 60% of Aldi's fresh produce is sourced locally in order to reduce the need for long delivery journeys and minimizing the risk of impacted journeys.⁵⁵

Multi-skilled and flexible workforce

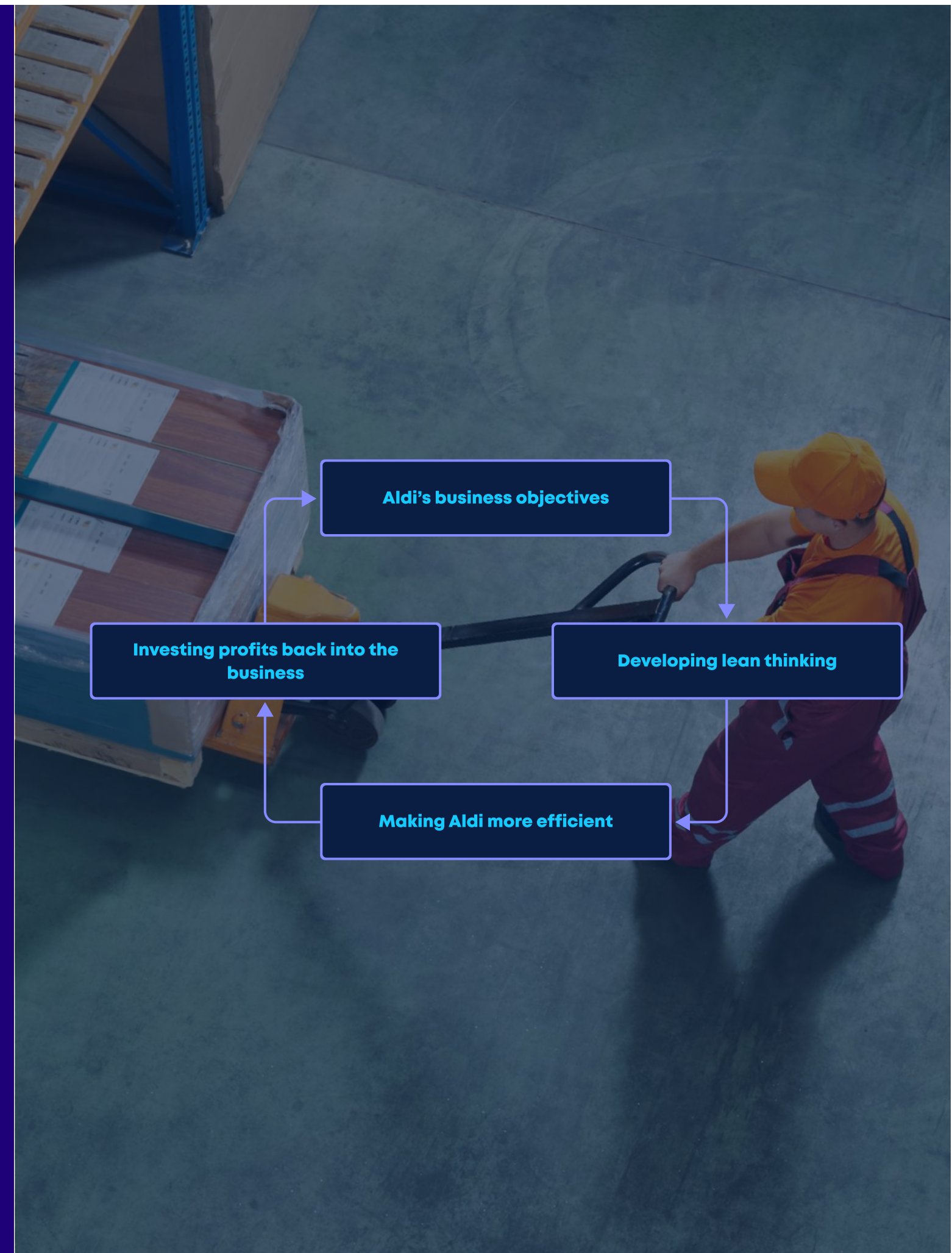
Time-based management is built into the training that Aldi employees undertake. Staff are trained as “generalists” — at any given time a worker can pick up the cash registers if the store gets busy, or stack shelves when there is a lull in shop activity.

As COVID-19 kicked off, new roles like “hygiene hall monitors” and “toilet paper security guards” emerged around the world and staff had to quickly pivot. For Aldi, this culture of adaptation was already baked into their staff development plans, so adding new skills is a matter of pivoting, instead of changing directions.

Reducing inventory for resiliency

Aldi famously offers only one or two variations of items they stock. In the past, inventory reserves provided a buffer for unforeseen events, allowing supply to continue unaffected.

Now, increased competition and lower margins have fuelled ultra-lean supply chains. With reduced inventory, Aldi has the advantage to add a layer of fat to their inventory when events like COVID-19 arise, further minimizing risk.





LOGISTICS & TRANSPORT

Building supply chain resiliency

Supply chain resiliency is an expensive, difficult, and time consuming undertaking. However, if you can begin to diversify your risk factors, resiliency can be optimized and improved over time.⁵⁶

Tech ahead

Think ahead and invest in technology where it makes sense. Technology like IoT, telematics, artificial intelligence, and big data will be your tools to deliver a precision optimization strategy.

Diversified partners

Consider who your partners are and where they are based. Think about diversifying distribution warehouses locations, your inventory, and partnering with local producers alongside international partners.

Risk appetite

The level of risk you're comfortable with is unique to you and your organization. With a challenging climate ahead, consider decreasing your risk appetite and put plans in place to protect your supply chain.

Your operations secret weapon

SafetyCulture — the adaptive platform for operations teams with a growth mindset.

[SafetyCulture](#) is a global technology company that supports businesses to do their best work every day. Our adaptive, mobile-first products help teams streamline operations and foster fast adaptation to survive the challenges of tomorrow. Boost your frontline's productivity and discover true alignment between your people, processes, and customers' expectations — no matter what industry you're in.

Build resilient processes with checklists

[iAuditor](#) is your one-stop platform for building and managing lean, adaptable processes. Turn your procedures and protocols into adaptable, mobile-friendly checklists that frontline workers can pick up in minutes that allow you to pivot fast. Access our [Public Library](#) or [COVID-19 Response Hub](#) to choose from over 100,000 pre-populated templates, including official government guidelines, that you can tweak to your liking. As your brand standards or compliance requirements evolve, updating your checklists can be done in a few clicks, with changes rolling out to your entire organization instantly.

Collaborative problem solving with issues management

Foster a culture of customer-centric accountability at all levels in your business by giving your workers the ability to raise issues and take action collaboratively — from the ground up. Armed with responsibility and a sense of ownership, your workers will be able to capture [issues and observations](#), log them and get the right people notified, and work together to capture evidence to close out a case in [iAuditor](#).

See everything in one place with seamless data capture

Delivering a high-value customer experience at every touchpoint becomes simpler to navigate once you have total visibility of your workplace operations. With [iAuditor](#), you can see all your inspection data and contextual evidence captured by your team in one place, no matter where you are. No more overflowing filing cabinets and attachments lost in the inbox-limbo void.

Data driven decisions with real-time analytics

Ensure that your business is making decisions based on data, not instinct. The more checks you do, the more valuable your data — and the more useful your insights become. With [iAuditor](#), you can keep an eye on checks that often fail, or require follow up improvement with the [analytics dashboard](#). Start to build a holistic picture of what works in your business, what is lagging, and build an operational strategy based on proactive intervention. When challenging times arise, your data will be your first port of call for successful adaptation.

Build your risk shield with risk and safety assessments

There will be times when risks lie outside of your sphere of control, as is the case with extreme weather events or the economic risks arising from COVID-19. The best way to manage risk starts with building a holistic picture of all risk factors and embedding practices into your organization around managing and preparing for risk events.

With our risk management platform, [Mitti](#), you can conduct self-service risk assessments to get a complete picture of how your business is doing, and make risk minimization decisions off the back of our smart recommendations engine.

Close the skills gap with microlearning

An immediate need for simple and effective training exists, as organizations struggle to upskill employees in quickly evolving government guidelines. However, the greater opportunity for businesses lies in integrating training into existing safety processes. With our learning platform, [EdApp](#), you can create engaging micro-lessons that can be built on the foundation of digital checklists and issues to ensure operational excellence. Targeted lessons can be delivered at the perfect time for an immediate impact on your teams.

SafetyCulture fits into your ecosystem

Bring SafetyCulture to life by merging our suite of products with the tools that your teams love and use every day. Create a world where your operational decisions are data-informed so that you and your teams can become sharks. Plug SafetyCulture into your resourcing, asset management, customer, workforce management, and financial systems — we play nice with others.

Learn more at www.safetyculture.com



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