


STRATEGIC INSIGHT

VALUE INNOVATION SERIES

V i P GLOBAL ENTERPRISES

TRANSFORMING COMPLEXITY INTO COMPETITIVE ADVANTAGE

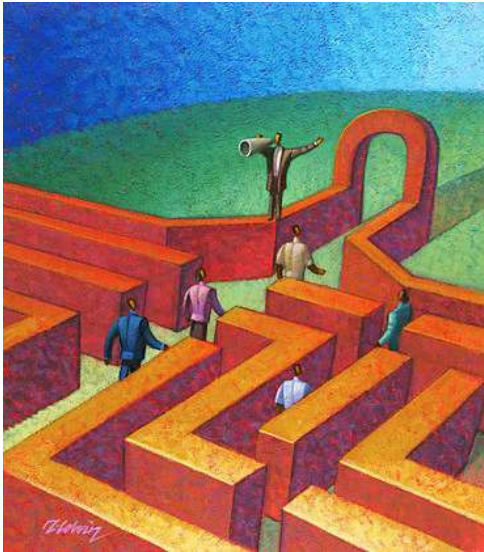
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Transforming Complexity into Competitive Advantage



Companies that are successful in leveraging advantageous complexity and eliminating disruptive complexity are able to grow market share while reducing costs.

The good news is that businesses are once again focused on growth. Expansion - whether geographic, product, market, customer, or company - is top of mind. But the dark side of growth is that it can create operational disruptions that can prevent you from achieving the very business results you expect it to deliver. It introduces new complexities that can upend business models, erode product quality, and jeopardize customer relationships.

Complexity in and of itself is not a bad thing. Global operations allow you to tap into local talent, product, and customer knowledge, and benefit from competitive sourcing of goods and services. And when it comes to execution, you can actually use your ability to adapt and maneuver within a complex environment to differentiate your company. For example, a discount retailer may only stock 1,000 products, whereas a megastore may have up to 10,000, offering far superior consumer choice. But

executing against this strategy will require a different operational model to ensure the right types and right numbers of product are in stock.

Companies that are successful in leveraging advantageous complexity and eliminating disruptive complexity are able to grow market share while reducing costs. In fact, our research shows that there is a direct correlation between the successful management of complexity and overall company performance.

You can have a profound impact on complexity by taking three key steps:

Think globally and cross-functionally

The most successful companies leverage the right mix between global coordination and local execution, enabling local empowerment while globally leveraging the corporation's culture, partners, physical assets, and people. They might, for example, break the business down into a handful of core processes and assign global "process czars" without regard to traditional functional boundaries. The bottom line is no constituency is left out, but no constituency calls all the shots either.

Make complexity a C - level priority

Operational complexity threatens to undermine organizational performance and eat away at profits, and managing it requires big picture perspective and influence. In our experience, top executives are willing to embrace remedies to complexity that may appear risky to others, but will pay off in the long run. For example, streamlining the product portfolio and taking a short-term revenue hit in the interest of achieving future growth.

Identify your key complexity drivers

Companies that are serious about reducing complexity take the time to understand what drives complexity in their organizations. For example, thanks to today's exacting market research, a company that is focused on product innovation may have deep insight into customer needs and be working tirelessly to satisfy every last demand. However, meeting customer demands and "giving the people what they want" has its price, literally and figuratively. Product proliferation is one of the leading drivers of complexity. So if you are pursuing a business strategy that is fueled by product innovation, your operational strategy needs to be geared to make complexity work for you, not against you.

Understanding your current situation is the first step in transforming complexity into a competitive and financial advantage. With the right operational strategies and measurement tools in place, you can leverage the advantages while eliminating the disruptions of complexity. And along the way you'll get to savor the simple pleasures of making your shareholders and customers very, very happy.

About ViP Global Enterprises, Inc.

ViP Global is a seasoned team and network of proven senior executives, entrepreneurs, investors, subject matter experts, and educational providers with proven experience in addressing the challenges facing high growth and troubled organizations. Through our practice areas we help organizations strengthen initiatives in Corporate Strategy, Procurement, Organizational Change and Human Resources, Product & Service Development, Sales & Marketing, and Operations Improvement.

ViP Global understands how complexity can differentiate a great organization, but at the same time paralyzes its abilities to react to changing markets, competitive threats, and new business opportunities. Our Lean thinking and deployment has been assisting clients with these issues for over 20 years.

Engagements may involve system level changes, process improvements, product or service rationalization, and redesigning overall work content to simplify an organizations approach to business. ViP Global has internalized the KISS principle to embellish the catch phrase, "do more with less".

ViP Global has successfully implemented strategies across the Fortune 500, Mid-Market, and smaller organizations desiring to minimize complexity of paralyzing issues in the daily operation of delighting their customers

Contact Information

In order to best serve our clients, ViP Global provides flexible fee options for their consulting services. Clients often choose between contingency (gain sharing) based, fee for service, or a hybrid arrangement.

For more information about ViP Global, its business and team members, or to discuss a structured business arrangement, please contact us directly at 312.725.6095 or on the web at www.vip-global.us.



Act Local, Think Global™