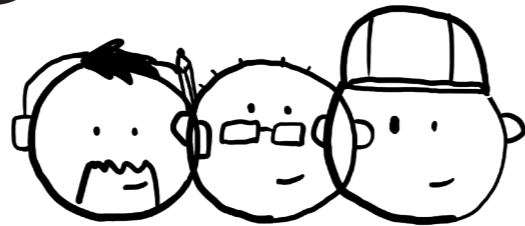


ADAPTATION INSTEAD OF DEFEN- SIVENESS



AFTER YEARS OF CONTINUOUS GROWTH, WE ARE HEADING TO TURNDOWN OF ECONOMIC DEVELOPMENT. INSECURITY IS SPREADING.

A turnaround in interest rates, geopolitical conflicts, the unpredictability of Trump's foreign policy and the trade war against China, Brexit and the strengthening of nationalism in many countries are slowing down growth. Is a recession imminent in Germany?

In addition to these external conditions, companies are also plagued by internal concerns. In recent years, massive investments have been necessary, above all in strategic digitization projects, smart technologies and initiatives to improve operational excellence. These have often not yet developed their rationalisation and growth impulses. The same applies to the transformation of organizational structures according to agile and lean principles.

In view of this supposedly imminent danger,

the question of preparatory measures is obvious. But that's exactly the problem. For it is not the crisis that must be feared, but the uncertainty that precedes it. By paralyzing companies, blocking critical investments and slowing initiatives - all at a time when customer demands, global competition and innovation cycles are accelerating.

Instead of prevention, the following section therefore deals with adaptation, i.e. the ability to adapt - especially one's own cost structures - to the changed framework

conditions. The situation today differs significantly from similar phases in the past in two respects: firstly, by the rapid pace at which industrial markets are changing today in view of technological leaps and the new business models based on them. On the other hand, because many of the classic cost-cutting levers, such as purchasing or automation, have already been fully exploited or are working too slowly due to constant optimization. In addition, in the age of a notorious shortage of skilled workers, personnel savings are hardly an option.

HIGH SPEED ADAPTATION THE ROI COST REDUCTION PROGRAM FOR VOLATILE INDUSTRIAL MARKETS

In this situation, new methods for rapid adaptation to volatile market conditions are needed. The High Speed Adaptation ROI program is designed to address these issues and deliver fast acting approaches that can effectively reduce manufacturing, logistics and indirect costs:

ZERO-BASED ORGANIZATION

Organizations whose structures have grown over the years usually have three characteristics in common: they are complex, non-uniform and therefore inefficient. Unfortunately, there are no model solutions to overcome these deficits. Often only a radical new start can help to align the indirect areas leanly and cost-efficiently. Using the zero-based organization approach, ROI works with his customers in just 9 weeks to develop a roadmap for resizing their locations that optimally supports their value-adding processes. This allows up to 40% of the controllable indirect costs to be reduced. Global locations are consolidated, the Global Footprint becomes more efficient.

140 INSTANT PAYBACK

Quality fluctuations in manufacturing not only cost time, but also money. Even small errors in the manufacturing process often lead to the rejection of entire components. But how can quality-relevant disturbances in the manufacturing process be identified and eliminated? Our Instant 140 approach provides effective instant help based on Advanced Analytics. Within just six weeks, we develop a ready-to-use predictive quality data model that sustainably improves process stability and quality on the basis of plant, operating and quality data. By

simulating the manufacturing process in a predictive analysis model, potentials can be identified and improvements initiated both in manufacturing and in value stream management. In this way, we create a Quality Cost Cut that significantly reduces the reject rate and effectively lowers quality costs.

OPEX FAST RAMP-UP

If individual locations or the entire plant network are in a state of disrepair, companies must quickly take measures to reduce costs in direct and indirect areas. The ROI OPEX Fast Ramp-Up approach delivers a structured implementation roadmap that can be used to systematically identify and evaluate cost reduction potential within just eight weeks. Using a combination of various standardized assessment tools, we identify cost drivers and optimization levers across all value creation activities, determine their economic potential and derive suitable measures to realize this efficiently. This enables us to achieve savings potentials of up to 20 % across the entire plant network.

INVENTORY COST PROGRAM

Many companies need to improve their agility and cost structure in order to effectively counter increasing competitive pressure. One lever is the identification of intransparent costs and processes in the supply chain. The ROI Inventory Cost Program helps to reduce inventory costs quickly and sustainably and to release significant liquid funds for strategic and operational initiatives. The key lies in the combination of a redesign of supply chain processes, the introduction of digital planning and control methods, improved cooperation with suppliers and the anchoring of inventory management excellence in the management team. The Inventory Cost Program ensures a noticeable reduction in inventories in just a few months. A forecast-based inventory cost manage-

ment with continuous controlling up to the management level ensures maximum cost transparency.

MAINTENANCE EXCELLENCE PROGRAM

If maintenance costs and OEE values differ significantly between individual plants, a comprehensive analysis and evaluation of all relevant maintenance elements ensures clarity. ROI Maintenance Excellence (RME) is a structured and standardized program for the rapid and holistic evaluation of a company's maintenance organization and the systematic identification of all existing savings potentials. After just a few weeks, RME creates the basis for optimal implementation planning and a transparent presentation of project progress. The results are a noticeable increase in OEE and a significant reduction in maintenance costs.

VALUE & COST ENGINEERING

Not letting costs arise at all is more effective than reducing costs. With Value & Cost Engineering, ROI offers a program for the immediate activation of cost reduction potentials through fast-acting optimization levers. Manufacturing costs are effectively reduced, time-to-market is shortened and change costs in the product development process are avoided. Through a mix of IT tools, FMEA analyses, external benchmarks and tests, we ensure that products are competitive in terms of manufacturing and follow-up costs. To directly optimize product costs, we rely on proven levers with potential for rapid cost reduction success, such as supplier workshops, should costing or cross-functional cost-out workshops. The time-to-market can thus be shortened considerably and material and production costs can be reduced significantly in just a few months.