

## OPERATIONAL AGILITY

# Agile operations can thrust businesses ahead

Organisations that can quickly adapt to changing conditions will find themselves in pole position for the course ahead.

Our series of insights can help businesses look at the external drivers and internal enablers that will underpin their strategy and programmes, whilst working in sync to boost performance. We share insights on how to develop agile operations.

### Retuning Action Areas

- Review your supply chain, monitor risks and build contingencies
- Look for efficiencies and flexibility in your operations
- Innovate to overcome the challenges in your market
- Manage the data to manage demand and pricing

The mid-market already had a reputation for agility but the COVID crisis has forced leaders to take an even closer look at how their operations can be more responsive.

As they prepare for the future, businesses are taking stock of their existing operations and questioning whether they are fit for purpose. To remain relevant in unprecedented times, businesses must continually learn from their operations and environment, then quickly execute change whether it is product development, better customer experience or growing new markets.

According to Grant Thornton's IBR data, 46.2% of businesses said they would need to improve organisational flexibility after COVID-19. Meanwhile, 36.9% of respondents said they had started to plan for different scenarios for the scale-up of their company operations in preparation for recovery.

Businesses who are lean and agile will be primed to bounce back faster, enabling them to capitalize on the opportunities presented in the market.

### Review your supply chain, monitor risks and build contingencies

COVID-19 has exposed fault lines in global supply chains and, as we move into new phases, businesses are re-examining how their products get to market. Indeed, 31.6% of businesses said they would need to make use of alternative or underutilised sales and distribution channels after the crisis.



The world is gradually readjusting to the new norm, with leaders activating new models, business relationships and

supplier sourcing in order to maintain a form of business continuity.

We are seeing varying models across the world from competition laws being relaxed, where traditional competing firms are working in collaboration to provide services to the wider market, through to firms displaying their wider purpose by utilizing facilities to produce products which are not part of their traditional portfolio.

The new formed way of working will have a longer-term effect and will disrupt the supply chain model, particularly as businesses will have been exposed to their vulnerabilities of relying on focused countries and suppliers, which inevitably has impacted them during this current period.

Technology will play a greater role in managing future supply chain models, from machine production of goods, robotic process automation, data analysis, predictive modelling to ensuring a digital supply network is available for organisations to co-source products by industry and country as opposed to separate entities.

Businesses will have to weigh up the balance between the risks and benefits of offshore and onshore suppliers. Businesses should identify the scenario with the lowest risk profile that best aligns with the long-term business strategy for growth, while achieving optimal operational continuity, tax efficiency and financial results.

### Look for efficiencies and flexibility in your operations

To build a COVID-resilient business, you've got to strip out the inefficiencies. This is particularly the case as companies plan for hybrid situations, combining remote and in-office working practices or using physical or virtual presences.

With large portions of employees either working from home or doing more flexible working, businesses are finding new ways of managing their workspace and lowering their real-estate costs.

Rethinking the ways of working became a necessity during the lockdown. There will be important lessons to learn and implement for the future about how decisions are made and communicated, which may also involve changing to a flat, less bureaucratic management structure and the deployment of numerous agile teams.

"In the wake of the COVID 19 pandemic, we saw many businesses challenged or redefined by the new norm. At Omnia, we have worked alongside our clients to discuss their brand purpose to ensure it is aligned and focused to potential changes in their operating model. A purpose driven strategy opens the door to growth – it helps brands identify opportunities for expansion, reshape the current value proposition and unify employees towards a single-minded goal.

With purpose as a foundation, we have helped clients thrive in a new world – from talking to a new customer with brands built on empathy and understanding, to shifting from legacy processes and infrastructures to seamless, personalized and digital journeys that propel a reinvented business and brand direction into action. Many clients have had to shift their focus on how they operate, communicate internally and externally to their customers and clients.

There has been a significant shift in the use of digital technology to help with communication. Microsoft Teams, Zoom and other tools are now used on a daily basis, businesses have had to embrace this in order to remain competitive and drive bottom line results.

Company Boards have historically left technology to the IT department or marketing teams. We are seeing a shift in the mentality at C Suite level to really drive the digital agenda, embrace change and implement new technology, this will be the new norm and rightly so, the world is changing, digital is growing, COVID has probably turbocharged the agenda, maybe the only positive to be seen out of a global negative."



**Steve Haysom**  
CEO  
Omnia

### Innovate to overcome the challenges in your market

Resilience may mean reducing costs through innovation in your operations, but to truly unlock these businesses will need to create a culture for innovation, which requires dialogue between leaders and front-line employees.

Can low-value repeatable processes be automated? Can the cost of manufacture of your product be changed without changing its quality and price? These are just some of the questions which businesses will need to ask themselves.

The pandemic has imparted key lessons for businesses which must be adopted in a post-covid era, businesses should move fast, be agile and continue to innovate.

### Manage data to oversee demand and pricing

Data gives business leaders information to empower them, to change the business if the direction is not right; confirm when they are winning and alert them when they're not.

Analysts are becoming an important part of the management structure, with data being presented in a meaningful and commercial way, which enables businesses to order and store inventory based on demand as opposed to historic patterns. Likewise, buying behaviours and market analysis should all be considered to price and manage competition effectively. Data will be vital to seize opportunities successfully.

"Understanding and visualizing supply chain networks takes too long and is usually based on historical information. This means for most companies, forecasting tends to be a reactive rather than proactive. Companies that have access to the right data are able to work out in advance how a supply chain will function in a far more precise and robust way, accelerating decision making and gaining a considerable competitive advantage."



**Zoe Martinez**  
Proposition – Global Trade  
South East Asia, India,  
Middle East and North Africa  
Thomson Reuters

While shifting supply chains pose an ongoing risk to businesses, careful management can reduce those concerns as the pandemic has shown.

Agility has long been an admired characteristic of successful mid-market businesses. Now more than ever, those companies that are poised to innovate, adapt, analyse and protect their business will get ahead of the pack.

**Speak to our team across Saudi Arabia to help you prepare an agile operation.**

### Head office-Riyadh

Al Mousa Commercial Complex,  
7th Floor, Tower 4,  
Al Olaya Street  
T +966 (11) 463 0680  
E infor@sa.gt.com

### Jeddah

Saad H. Abu Khadra Building,  
3rd Floor, King Fahad Street,  
P.O. Box 20142,  
T +966 (12) 691 6883  
E infoj@sa.gt.com

### Khobar

Ababtain Tower,  
Dhahran Street, Al-Khobar,  
P.O. Box 20142,  
T +966 92 000 6582  
E infok@sa.gt.com



[grantthornton.sa](http://grantthornton.sa)

© 2020 Grant Thornton Saudi Arabia - All rights reserved.

"Grant Thornton" refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.