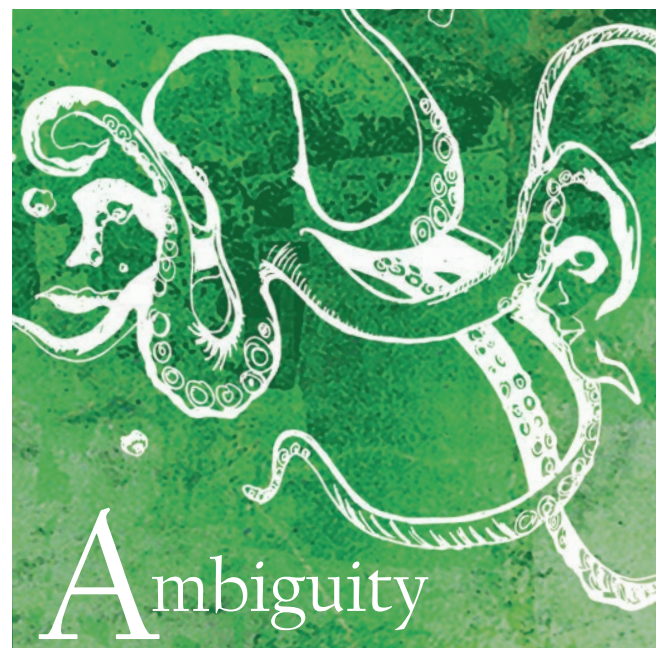
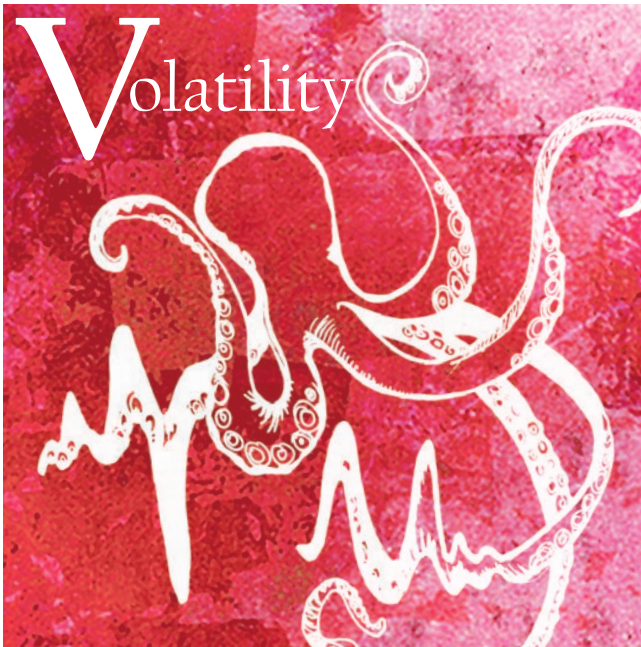


The VUCA world rewards curiosity and a willingness to change

With Next Generation LEAN, ConMoto makes companies fit for new thinking, new accountability and action. Leadership - EBIT Orientation - Agility - New Technologies: Tomorrow's success is built on these foundations.



We all face a total game-changer: The world is VUCA!

Upheaval in global politico-economic rules, markets, and customer demands mean the corporate environment is changing dramatically. Old business models no longer bring profit and are being replaced in rapid succession. We are experiencing disruptive innovation and product life cycles are getting shorter and shorter. Yesterday the HD TV impressed us, today it's got to be 4K.

The automotive industry, and its related sectors, is facing its greatest ever challenge: the introduction of alternative powertrains to the mass market. Today customers are in the driving seat and will benefit over the long term. It's now about "individual mobility" rather than the car as a "product". Sounds utopian? Maybe. In Stuttgart's Mercedes Museum stands a stuffed horse. Next to it is a quotation from Wilhelm II. "I believe in horses," said the German Kaiser in 1905. "Automobiles are a passing phenomenon."

The world is VUCA: Volatile, Uncertain, Complex and Ambiguous. This means that business transactions are subject to constantly changing conditions. He who hesitates is lost in the VUCA world. Hesitant entrepreneurs and decision-makers who fail to give their employees new space for self-responsibility will come under considerable pressure from their companies. A changing environment opens up new opportunities - companies just need to grab them. For this, the best intellectual prerequisites are quick

thinking, planning and decision making, and, physically, it's about implementing ideas in development, production, logistics, maintenance and other indirect areas. Just like in sports, you need agility and a fitness programme.

Next Generation LEAN is the name of ConMoto's fitness program. Next Generation LEAN extends the internal vision of the continuous optimization of companies to the entire value-added network and also integrates environmental factors such as market development and technological progress.

Under VUCA conditions, the rule is: quality is a given, while innovation and speed are the decisive factors for sustainable success. In this new thinking, LEAN stands for

L Leadership and Organization
E Execute for EBIT
A gility
N ew Technologies

Leadership and Organization

Leadership and organizational culture are the critical success factors in the VUCA world: "Unity in Principles, Freedom in Execution, Trust in People". The development of new ideas and willingness to change must be rewarded without losing sight of the medium- and long-term goals.

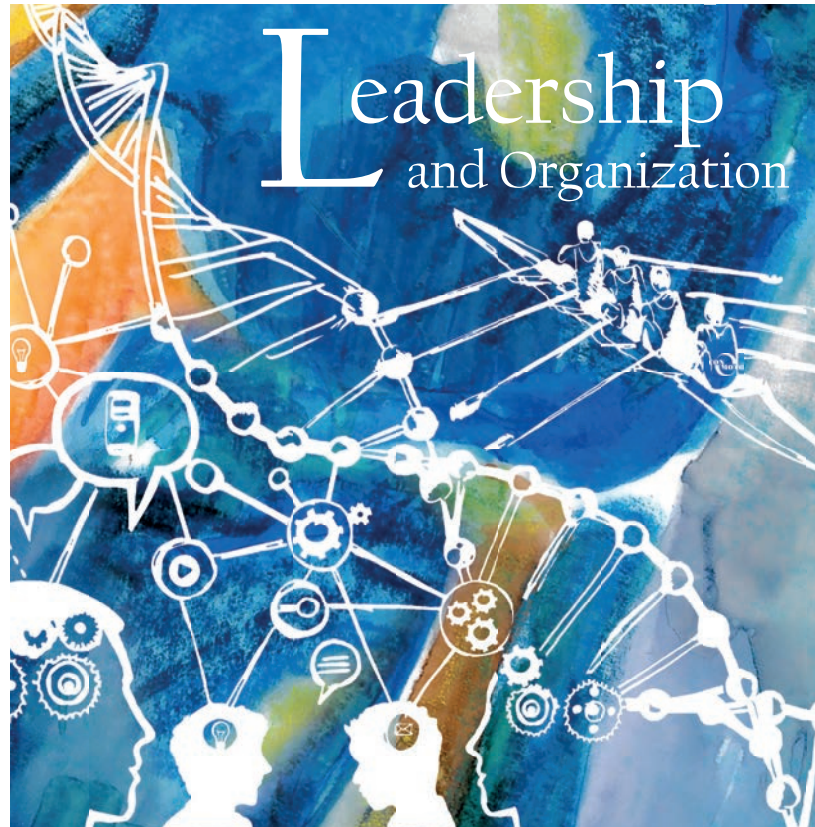
Leadership in an agile, result-oriented organization means:

- setting an example by adopting a change-friendly attitude,
- recognizing and realize short-term opportunities,
- pursuing long-term goals consistently,
- being open to new things.

In the future-oriented enterprise, leadership is not hierarchical, just carried out by solitary decision-makers at the top. Companies pursuing successful continuous improvement make leadership and decision-making a team task. Cooperative leadership is particularly important for transparent decision-making and clear communication. In increasingly horizontal structures, the leadership culture that thrives is based on common values and a shared vision of company success. Leadership under VUCA conditions means:

- giving employees a vision,
- connecting with employees and external stakeholders through active listening and open communication,
- being clear about expectations and reporting (problem solving) and
- acting quickly and flexibly under changing conditions.

If you want to change something, you need to feel secure and know you have the boss's ba-



cking. That gives you freedom to think about new things without fear, and use the power of teamwork to implement solutions. Promoting accountability and personal responsibility becomes the main goal of leadership.

The basic characteristics of an agile organizational culture are:

- Querying motivation has to be at the forefront – Ask "Why do we do something?" – and not immediately "How?". Or "What?"
- An organization can only change intelligently when its members are ready to share their knowledge: "swarm intelligence" is superior to individual intelligence because many contribute to the review and reformulation of strategies and actions.
- Coaching and personnel development are an integral part of the organization.
- Long-term goals are provided with clear milestones, so that progress can be verified and tracked by everyone.
- Consistent allocation of responsibility.

Execute for EBIT



Furthermore, in the future, EBIT-driven companies will have a head start. This does not mean that bean counters rule in the next generation LEAN. The bean counters will starve to death because they are so busy counting that change passes them by. But, of course, the company's result is key. Anyone who wants to benefit from market developments, new customer demand or technological progress must invest. Therefore, lean companies clearly have the advantage because they have more money in the cash register to invest in what really matters for the future.

Established practice, based on the well-known Lean methodology, creates the prerequisites for forward-looking action. Known as Shop-floor Management, this systematic control of key performance indicators and consistent tracking of implementation measures has brought company-wide transparency into all processes. This makes quantifiable decisions possible. Standards, standardized work and routine procedures free up time for teams to work on solutions and new ideas. This shortens development times, reduces costs and increases profit margins.

Even in the VUCA world, one thing does not change: ultimately, only results count. Decisions and actions are judged by the strength of the EBIT.

Agility

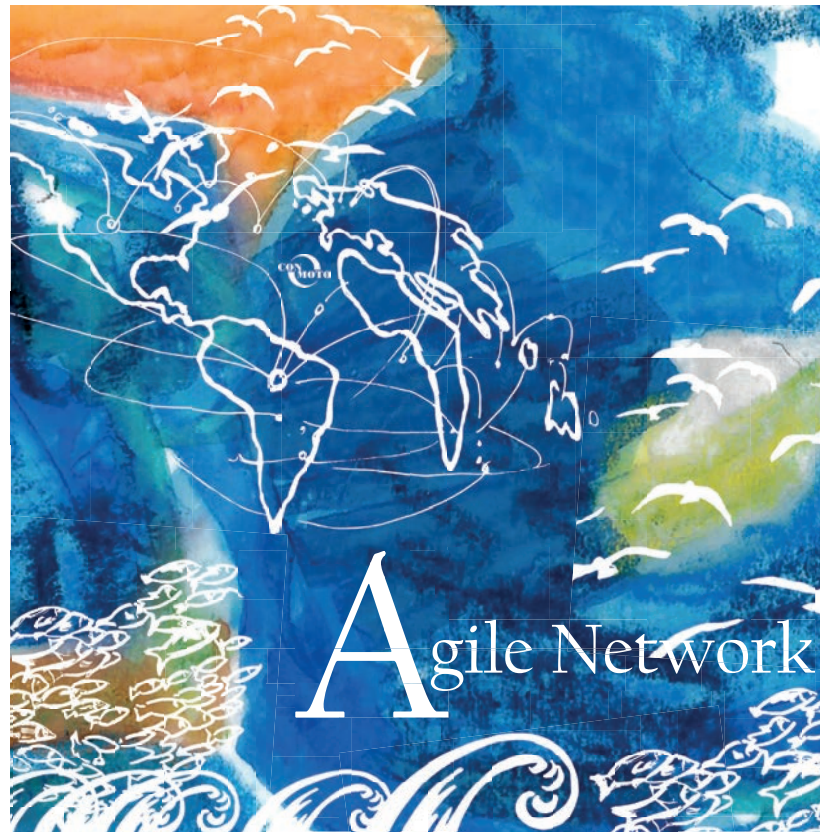
Agility is both customer and product oriented. The focus needs to be on customer satisfaction. This only works with lean production, which can adapt its output quickly to changes in demand. Agility also means anticipation: anyone who knows today's market well can also better assess the customer wishes of tomorrow. And anyone who is able to integrate new technologies into their manufacturing system, without overlooking its suppliers, can beat the competition by satisfying the changing needs of customers. This versatility, accompanied by a pragmatic view of profitability, distinguishes the winners under VUCA competition conditions.

This is how agile companies work:

- The work is organized into teams that are multifunctional and without any strict demarcation between the line and the project. And, if things change, they can always be reorganized.
- The work and production processes are flexible so that they can be quickly adapted to changing requirements.
- The responsibility for the quick adjustment lies with the teams themselves.

The last point is the most important stimulus for more agility: Companies that strengthen self-responsibility and allow employees to organize themselves harness the workers' knowledge and energy to find new ways of meeting customer needs. Targeted feedback through small closed loop control helps.

Hidden champions make it happen: They develop more ideas in a shorter time than others. They leave their comfort zone, question everything, constantly check their solutions and adapt them or develop new ones. This requires the courage to fail – and for companies to learn quickly from their mistakes.



As an example, rather than processing sequentially, agile companies increasingly make parallel ongoing developments and radically shorten product development times. Agile leadership means creating operating frameworks so that employees can develop their value-creating potential. In the tried and tested formula $P = C + W + L$, Power = Competence + Will + Licence must be allowed to stand directly to the right of the equal sign.

The agile organization is not about permission, but about empowerment, so that people's ability and determination can take effect. These are the aspects of corporate culture which secure and expand competitive advantage. The necessary operating framework also includes conventional aspects such as flexible approaches to pay and working hours.

New Technologies



Technological advances and the concept of Industry 4.0, or the Fourth Industrial Revolution, the Internet of Things and Smart Manufacturing, create opportunities for new business models and products and open up new customer groups and markets. Industry 4.0 offers the opportunity to personalize products in bulk, at the cost of mass production. The production of individual prostheses by 3D printers and the countless new business models created by cloud computing are just two examples.

With the latest innovations we can capitalize on connectivity of different approaches such as Cyber-Physical Systems, Smart Data, Collaborative Robots and Mobility. These and other technologies open up new possibilities in production control with completely new production rules. Intelligent, flexible factories are already a reality today. And these possibilities are multiplying rapidly every day.

However, new technologies only bring substantial advantages in the development of new business models and the realization of productivity gains if employees can associate technological progress with the company's purpose and the customer's demands. This requires not only a deep understanding of the production and value creation processes, but also creativity.

At this juncture, the organizational culture is the deciding factor: Is effective change communication in place? Are people motivated, willing to act and eager to accept responsibility? If that's the case, new technologies make innovative leaps possible, providing efficiency levers and opening up market opportunities that were not available just a few years ago.

People create the success of tomorrow. Make your business fit for the VUCA world now.

Get started with ConMoto and Next Generation LEAN. Whether it is new management models, improved results, agile networks or new technologies - innovations are conceived and implemented by people. We help you on your individual journey to success.



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Established in 1990, we are the management consultancy with clout when it comes to implementation.

In musical terms, "con moto" means "moved" or "with movement". We named ourselves ConMoto, because we are convinced that consulting is only successful, if it moves people to take action and results in verifiable improvements.

Our consultants have a wealth of managerial experience and adopt an entrepreneurial approach to create sustainable value enhancement for our customers. Using innovative methods and acting in a spirit of partnership, we systematically develop and implement solutions, efficiently change structures and processes and successfully motivate people.

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