## CONTENTS

## Preface and acknowledgements viii

01	What we mean by business operations models -
	and why are they important? 1

The business operations model framework 4
Case study: the Southwest Airlines success story 10

## **02** The characteristics of super-performing businesses 21

The FT Global 500 rankings 23
The Gartner top 25 26
The five levers and the business operations model 35
Financial engineering through the business operations model 38
Super-performers can be disruptors 44

## 03 The customer lens – understanding compelling value 47

The 'time-sensitive' customer 49
Performance rather than products 50
Case study: Irish Fertilizers 62
Case study: e-commerce delivery models 65

## **O4** The strategy operations gap 69

What is strategy? 71

The gap between strategy and operations 72

Reinventing your business model 74

Value disciplines 75

The power of process 77

Business process redesign for strategic transformation 84

The balanced scorecard 91

Conclusion 93

05	Unpacking the	business	operations	model
	framework 95	•		

Scenarios for transformation or disruption 99

#### **O6** The technology dimension to being a disruptor 103

Disruptive evolutions in freight 104
Digitization – the 21st-century 'steam engine' 110
The business operations model: Maxims for exploiting technological innovation 114
Case study: Uber Technologies 116
Case study: Apple 119
Case study: Amazon 125

## 07 Market-changing models – driving transformation 133

Go-to-market choices – a key to overall economic performance and customer access 133

Channels-to-market – effective intermediation or disintermediation 140

Service-dominant logic – transforming the proposition 142

Commercial focus – driving and leveraging scale through buying and pricing 146

Case study: Dell 148

Case study: Kingfisher/B&Q 151

Emerging maxims for using channels as a disruptive competitive capability 154

## **08** Competing through the basics 157

Internal transformation and the 'power of 1 per cent' 158
Obliterating waste 160
The cost of complexity 162
Lean and Six Sigma – a transformation concept 166
Case studies – introduction 168
Case study: Aldi 169
Case study: WH Smith 172
Case study: Toyota and the ascendency of the Japanese auto industry 174

#### **09** Optimization of the business operations model 179

The new optimization – busting the paradigm or redefining the algorithms 181

Fulfilment networks 184

Service and support 187

Sourcing and manufacturing 188

Demand and supply planning 191

End-to-end cost of service and supply and commercial control 193

Case studies - introduction 197

Case study: Addis Housewares 197

Case study: health-care consumables manufacturing and distribution 200

In conclusion - optimizing is about finding a new model 201

## 10 Making it happen – becoming a disruptor 203

Actions for realization - the 'crystal of change' 210

Overcoming disbelief 214

Don't underestimate serendipity 215

It should never be too late – but sometimes it is 216

Case study: Southwest Airlines 218

Case study: Christie-Tyler 219

Case study: John Lewis Partnership 221

Case study: Woolworths 224

# 11 Guiding principles to building a competitive edge through business operations models 229

Building a new business operations model by selecting from the elements 234

The importance of analytics in design 236

Driving change through the crystal, building road maps for the journey 238

Symbols for change 239

Challenges and risks for innovation and change 242

In conclusion 244

References 245 Index 247