



OBJECTIVE

PRODUCTIVITY & OPERATIONAL EXCELLENCE: A STRATEGIC IMPERATIVE

TOWARDS PRODUCTIVITY & OPERATIONAL EXCELLENCE

A major multinational chemical company knew what was required to accomplish one of their major strategic imperatives: Achieve Operational Excellence.

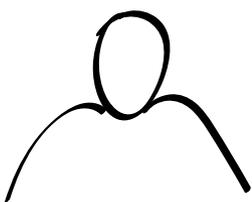
With over 50,000 employees globally, the company embarked on a concentrated approach that included new processes, and adjusted how they measure their own success by placing more emphasis on Economic Value Added (EVA) and Return on Investment (ROI).

FINDING A FUN APPROACH TO GETTING ACUMEN

Previous training attempts to increase the business acumen and financial literacy of technically oriented employees met with only marginal success, as the instruction was either too detailed or academic.

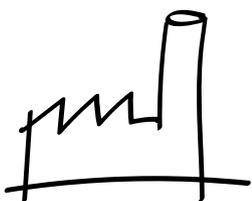
Given that employees may now be skeptical, given the previous “dull” approach, the challenge was to find a solution that would accomplish the following:

- Illustrate how each employee and department could contribute to operational excellence



SOLUTION

CELEMI APPLES
& ORANGES™



INDUSTRY

CHEMICAL

QUOTE

"I had some of this stuff in college while studying to be an engineer, but today I see it so clearly. Now, when I need to justify funding, I understand what the company is looking for."

Engineer Participant

- Draw alignment between operational excellence and profitability
- Have employees gain a full understanding of EVA (Economic Value Added) and ROI.
- Create a highly interactive and engaging learning environment

THE IDEAL METHOD

After a few exploratory meetings they turned to Celemi for help. Working closely with their finance department, it was determined that the optimal approach would be to use Celemi Apples & Oranges (Business Finance for Everyone) as the foundation for the solution.

However, to build upon that foundation, a few brief exercises were created that highlighted how the company uses specific techniques to calculate payback period (ROI) and Economic Value Added (EVA). A full understanding of EVA was essential as employee bonus calculations would soon have an EVA component to it.

In addition, the officers would frequently mention EVA in communications to employees, without employees understanding what it was and how they connect to it.

The program would be used for current technical employees, and well as the new manager leadership program that consisted of mostly college recruits early in their career.

A WIDE-SPREAD UNDERSTANDING

The program was highly successful. Employees were able to align their research projects and product launch plans with the company's operational and financial success measures. It clearly illustrated how delays in product expansion can have a significant impact on the earnings of the company, as well as employee bonus calculations.

The mystery of EVA and ROI were removed by focusing on the business impact of improving these measures and how they relate to operating efficiency.

Employees also felt they now had a conceptual understanding of key aspects of their bonus plan. It was the collaborative effort of the company's key stakeholders, such as finance and engineering, working with Celemi that produced very positive results.

In 2014 and 2015, hundreds of engineering recruits will experience the Celemi Apples & Oranges program globally.