

Dear Friends and Partners,

2019 is now well under way and we do have clarity on Q1 numbers as well as high level business indicators for sales and order entry. I hope you are on track with your targets!

Despite some volatility at the financial markets during the last winter and some slow-down in sectors like automotive and electronics, the global **economy** is still robust (roaring in the USA) and financial markets seem to anticipate further growth after some periods of consolidation especially in the expectations of some macro-risks taking positive turns like Brexit, trade negotiations between US-China / US-EU etc.

What is not going away are the technological **disruptions and trends** which are re-shaping most industries, starting with the automobile sector facing changes on multiple fronts; e-mobility and the future of the combustion engine / traditional powertrain technology and the entire industry linked to this technology, but also autonomous driving and artificial intelligence / smart vehicles requiring extreme financial efforts in terms of R&D investments. The same is quite similar in major industries. Technology and globalization are accelerating the transformation of our world to a smart world (**connected and smart cyber-physical systems**). The trends apply to nearly every industry and company whether original equipment manufacturer OEM or tier 1 / tier 2 suppliers forcing companies to reconsider strategic alliances. Companies, products, services, business models need to evolve and to adjust or they will phase-out through market dynamics. The **customer** has the visibility and the options to choose, the winner takes it all! By the way, **employees** as well, have the choice and the visibility to choose the best in class companies. So, take care of all key stakeholders along your journey!

While there is a lot of pressure on corporate strategy, future planning and on designing the company's future architecture and strategic alliances, the present and the day to day operations are forced to move towards business and **operational excellence**. Again, the client has the choices and all the information to buy the best products, short lead-times, high available, mass-customized, best quality / price / performance ratios are just expected. Having a strong focus on operational excellence – **OPEX** – will allow to systemically improve the company's performance, reduce operating costs (not only in production but across the organization) and increase quality, safety and compliance levels. The cost savings are important to finance the additional financial

demands in terms of R&D, market research and innovation management, new machines, buildings and real estate (innovation in products, technologies, production, G&A, ...).

In this newsletter I want to share what Altix has been working on during the last quarter in order to always better serve you, our customers. Listening to client concerns in order to understand what keeps the manufacturing champions up at night helps us to strategically invest in developing the **resources and services** you need in order to help you to compete on always higher and better levels. So, we have invested in developing new services and product lines to help you accelerate your company transformations with respect to:

- **Environment, health and safety standards** – protect your people and your brand reputation as well as your officer's liability – why is this a priority? (meet [Greg](#) in our **Partner Introduction** article)
- **Lean management** – while new technologies need to be embraced in our factories, automation, robotics and AI/VR – people are still at the core of what we do. Traditional lean management methods offer the right tools and methods to effectively manage factories and systematically drive continuous improvement and eliminate waste. As always, you can do it semi-professionally or professionally. We decided to partner with the very best lean management coach and expert in the lean world. Meet [Liam](#) in our **Partner Introduction**. Some of you had the chance to meet Liam at our last Le Cercle – Power Breakfast early March.

We will continue to introduce the products and services and the experts helping you and your teams in all dimensions of the OPEX challenges in order to maximize your performance and **drive smart cost reductions** through:

- **Best in class EHS** (ensure business continuity through professional risk management) – if you want to know how you are doing, [book a quick free assessment in order to learn about your mastery level or risk exposure level](#).
- **Best in class quality management and QMS** – are your quality costs eating up your profits and upsetting your customers? Let's talk, this can be changed.
- **Best in class people and culture**, because change management and life long learning is critical. Does your company already have the right sense of urgency, does your entire leadership team support all your company initiatives? Do you already have the highly effective training and education systems in place supporting effective continuous education and learning?

- **Best in class asset management**, maximize asset utilization and ROA – return on assets through best in class OEE and maximize the utilization of your capacity, optimize your inventories. Make more with your fixed capital and create the critical value you need to invest into future needs.
- **Best in class data and information**, the more transparency you have, the better decisions you will take to steer your company – do you know how good your productivity improvements are really year over year or how good your OEE is really? Do you have efficient, smart reports and performance metrics in place?
- **Best in class supply chain management**, are you challenged with your supply chain complexity, do you match well you demand and supply? What is the feedback you get from your clients and from your sales team? If you have some opportunities, let's precisely assess the root causes and define corrective measures.

Altix Consulting partners are supporting industry champions [worldwide](#) so do not hesitate to ask for support where ever your operation / business is not performing at the level you wish or it should.

We have some nice additional **innovations** in our pipeline and I'm already excited to report about those in our Q3 newsletter with additional offices, additional expertise and additional **value** propositions & creation for you!

We love your feedback and hints on services and expertise you are still missing and you would like to see offered.

Wishing you excellent business and best in class operations!

Your sincerely
Yannick Schilly
President & CEO – Altix Consulting Inc.