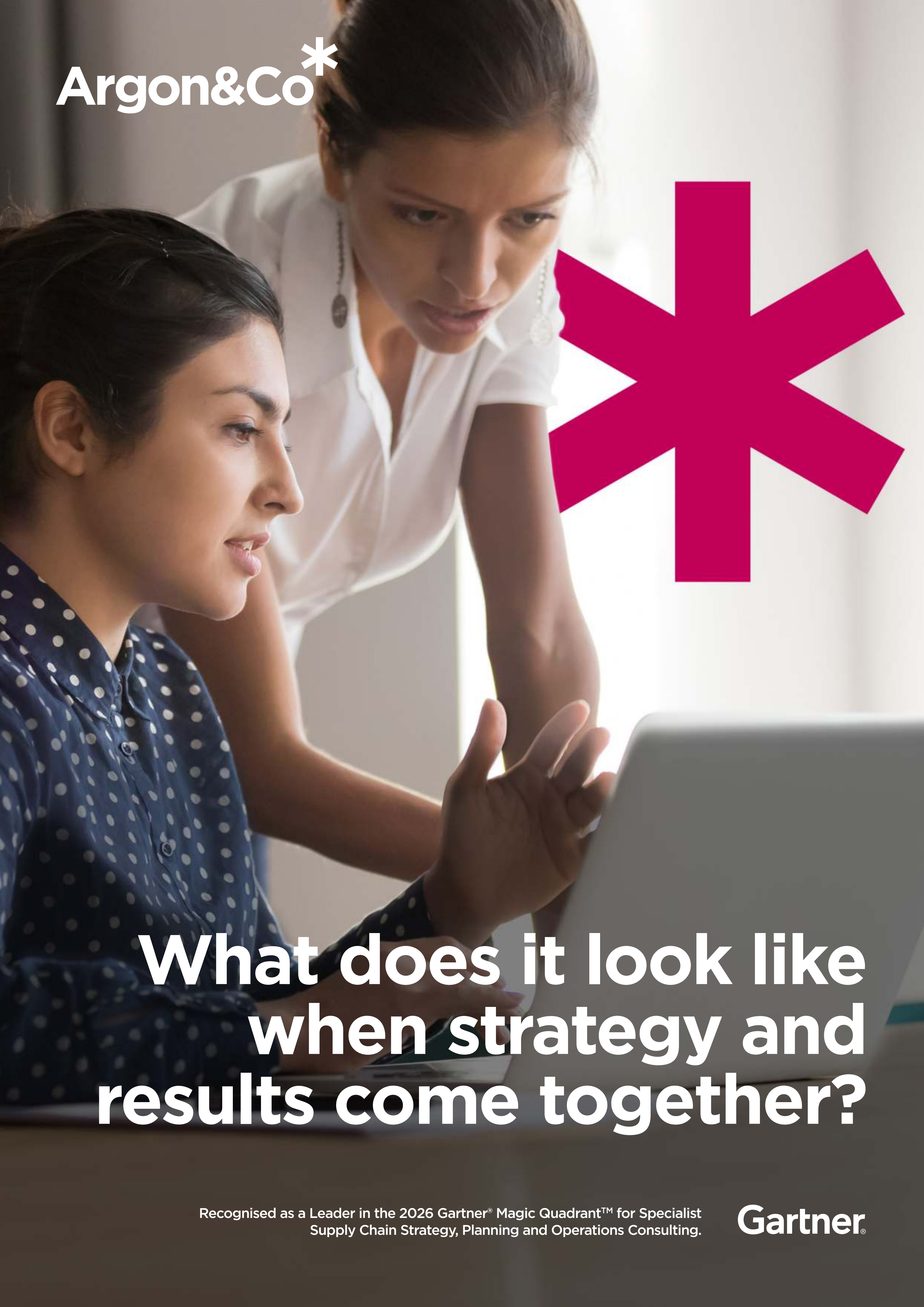

Argon&Co

What does it look like when strategy and results come together?

Recognised as a Leader in the 2026 Gartner® Magic Quadrant™ for Specialist Supply Chain Strategy, Planning and Operations Consulting.

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Executive summary

The challenge facing operations leaders today is not strategic ambiguity. It is structural.

Most organisations are running a decision-making system designed for a world of relative stability, on top of a reality that has already moved on. Less than one in three transformations delivers its full expected value. Two in three strategic initiatives fail not because the strategy was wrong, but because execution moved too slowly. This is not a planning failure. It is a ways of working failure.

The traditional model defines the target, secures sign-off, handing over to the business, it assumes a level of stability that no longer exists. Treating strategy and execution as sequential phases means learning, adaptation and delivery cannot happen together. In today's environment, that lag is the difference between leading and recovering.

The organisations pulling ahead are building something structurally different: **an operating system for volatility,** one that keeps strategic ambition and operational execution continuously connected across four interdependent dimensions:

- **Operations strategy,** defining the right business target, continuously informed by operational reality rather than fixed at the start of a programme
- **Operating model design,** around the future the business is building, not inherited from the past
- **Performance and restructuring,** using short-term operational gains to fund and de-risk long-term transformation, so the two reinforce rather than compete
- **Transformation and change management,** the orchestration capability that holds strategic direction steady while adapting delivery as conditions change

These dimensions do not run in sequence; they form a continuous loop. And M&A is the moment when all four must converge at once, under pressure, without pause.

Across Argon & Co engagements, organisations that have built this capability have delivered cost improvements of 20-40% and EBIT gains of up to 39% within 18 months, while building systems designed to keep delivering long after the programme ends.

Here are two examples of how our clients are turning strategy into measurable operational results.

Reducing ERP programme costs by 18% for a global food services group

One of the world's largest food services groups needed to turn a multimillion-Euro ERP programme, spanning seven regions and 30 countries, from an IT project into a strategic initiative. Working with the Steering Committee, we modelled 15+ scenarios and designed a unified Core Model jointly owned by finance and supply chain, embedding change management throughout. The result: an 18% cut in programme costs, one Core Model replacing 30 local systems, and a scalable foundation for regional rollout.

Aligning decisions across 30 business units for a global technology group

A global technology group spanning defence, aviation, transportation and security needed coherence across roughly 30 business units, each operating differently. We designed a sales and operations planning capability grounded in how leadership makes decisions, with tailored, unit-owned models and a maturity framework to track progress objectively. The result: a group-level operating rhythm connecting executive, management and operational teams, with progress visible and sustainable, independent of external support.

The rules of operations strategy have changed

The half-life of strategic assumptions is collapsing. Two out of three strategic initiatives fail because they were executed too slowly and 60% of executives say their firms struggle to bridge the gap between strategy and operational execution. What's more, one out of three transformations deliver the full expected value to the P&L or market share. The gap between strategic intent and business results has never been wider, or more costly.

Operations leaders are being asked to make bigger decisions faster and with less certainty than ever before. In the context of shifting markets, continuous technological change and persistent supply chain disruption, one misjudged decision can quickly erode a business' competitive advantage. The traditional approach to operations strategy is being pushed to its limits in this environment. The established cycle of developing 3-to-5-year plans, securing executive approval and handing it off to the business for implementation requires a level of stability that no longer exists. Treating strategy and execution as separate phases makes it harder for learning, adaptation and delivery to happen in parallel.

Accelerating global volatility is also changing the role of operations strategy and what it needs to do. Defining an ideal state and following a roadmap can no longer be the main priority. Instead, teams need to focus on creating an organisation that can maintain performance while still responding to changing customer needs and market conditions. The organisations pulling ahead are not writing better strategies. They are building something fundamentally different: an operating system for volatility. A new multi-dimensional approach to operations strategy is emerging that connects:

- Defining the right business target
- Improving business performance
- Designing operating models that can deliver future ambitions
- Building the capability to orchestrate transformation

This new approach allows flexibility, supply chain resilience and organisational adaptability to be built into the operational model itself. This paper explores each part of this multi-dimensional approach and shows how leading organisations are bringing strategy and execution together to deliver meaningful, lasting change.

The decision velocity shift

Strategy must adapt faster than the assets it governs

It is execution cycles that are compressing rather than planning horizons. Decisions about network design, capex, supply chains and technology investments still require 3-to-5-year plans. But the lifespan of those investments is not the same. Rapid changes in competitive benchmarks, customer expectations and technology capabilities mean that by the time many organisations reach their strategic target, the conditions that informed it have shifted. A robust strategy can be refined as the environment evolves. In practice, this requires a mindset change away from treating strategy as a fixed destination. Instead, it should be managed as a continuous process of testing, learning and adaptation.

Leaders must deliver today while building for tomorrow

Organisations need to balance investing in improved operational performance today as well as transformations that may take several years to realise their full value. Margin protection, service improvement and cost reduction cannot wait for long-term programmes to end.

At the same time, delaying transformation until short-term performance improves risks impacting competitiveness. But they don't have to be seen as competing priorities. Viewing cost reduction and service improvement as different parts of the same picture shows the importance of shared governance, coordinated investment and clear executive ownership.

This faster pace of decision-making also changes how organisations should measure performance. Historical benchmarks are becoming less reliable as competitors continuously redefine what good looks like through advances in automation, AI and new operating models. Rather than treating benchmarking as a periodic exercise, organisations need a more dynamic understanding of performance. One that evolves as quickly as the environment around them.

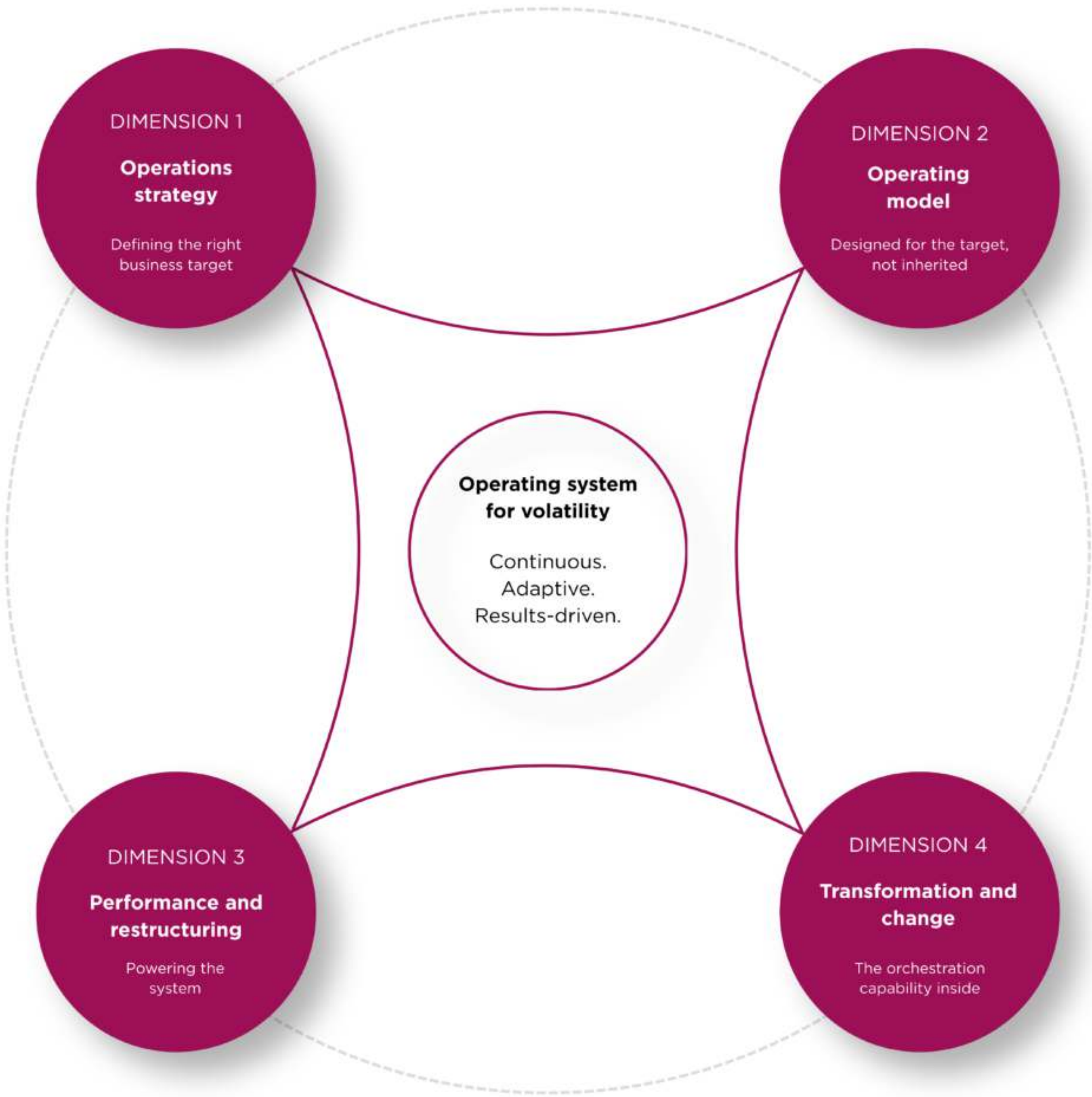
A new approach to operations strategy

Developing and delivering an operational strategy has traditionally followed a linear path. A small group defines the target state and secures executive approval. It then becomes the responsibility of individual business units or team to handle the implementation. Change is managed once the process has begun and the gains targeted are largely one-off. Once one programme concludes, the whole process starts over.

Building an operating system for volatility means something fundamentally different. The new multi-dimensional approach aims to create a strategy that is continuously informed and refined by operational reality. Rather than being designed in isolation, strategy is co-created with the people closest to operations. Their knowledge shapes decisions and creates ownership from the outset. Importantly, there is no need to wait for the strategic thinking to be complete before execution begins.

By working in shorter cycles and testing ideas, teams can learn faster and adapt as new information emerges. The goal also changes from delivering isolated improvements to embedding new capabilities that will keep generating value after the transformation programme officially ends. Long-term resilience and flexibility become part of the design itself, extending principles of agile project delivery to strategy itself.

The aim is to create regular opportunities to revisit assumptions, reassess priorities and respond to changing market conditions before they become business risks. The impact of technology cannot be overlooked either. AI, automation and modern data platforms are increasingly shaping operating models, work organisation, skills development and team structure. Any approach to operations that doesn't acknowledge this is starting at a disadvantage.



The four dimensions do not work in sequence. They work as a system: connected, continuous, and mutually reinforcing. Performance improvement creates the resources to redesign the operating model. The new operating model makes transformation possible. Transformation locks in the new strategy. And the strategy sets the next performance target. Each step fuels the next.

The loop never stops – it runs continuously. And if one dimension is neglected, delayed or underfunded, the whole system slows down. This is the most common reason well-designed programmes fail to deliver their full value.

Dimension 1

Operations strategy: defining the right business target

Every successful transformation starts with an understanding of where a business is trying to go. Without it, operational improvements, technology investments and organisational change risk becoming disconnected initiatives rather than coordinated steps towards a clear goal.

Operations strategy provides the direction and defines how the organisation will create value across the entire value chain. This makes it too important to be handled by a single function or a small strategy team.

In practice:

A global luxury house transformed its end-to-end operations, from production planning to distribution, while sustaining double-digit growth. Through operations strategy framing with benchmarks, the company deployed a new distribution model that cut finished goods stock by 30%, reduced lead times by two to three weeks and improved product availability by four to five points. Strategy and execution ran simultaneously, not in sequence.

Dimension 2

Operating model: designed for the target, not inherited from the past

A strategy is only as effective as the operating model that supports it. Today's volatility is highlighting the limitations of the structures, processes and ways of working that organisations have relied on. The risk is that businesses get stuck with legacy operating models that actively constrain transformation rather than enabling it.

Rather than refining existing models at the margins, leading organisations are starting with the future business they want to create and designing the operating model around that vision. Doing this successfully requires careful decision-making about how work should flow across the organisation, where decisions should be made, how functions collaborate and which capabilities will be needed in the years ahead. AI, automation and digital technologies are now fundamental elements of that design process, influencing processes, roles and skills development.

In practice:

For a world-leading wind turbine manufacturer separating activities across Germany and Spain, Go-Live readiness was achieved across payroll, IT, finance and intercompany on schedule. The target operating model for each entity was designed around its future role rather than existing structures in order to balance legal and financial separation with the operational need for continued cross-value-chain collaboration. Works council and union engagement was managed alongside the redesign, enabling transformation to progress while maintaining organisational stability.

Dimension 3

Performance and restructuring: powering the business

It is impossible to achieve long-term transformation without short-term performance. This recognition causes most organisations to follow a familiar sequence: stabilise first, transform later. In practice, this can actually delay transformation further by limiting the resources available to deliver it.

It is possible to balance both transformation and performance by using operational gains to fund and de-risk the longer-term change. A lot of organisations have real value sitting inside the current operating model in terms of supplier performance, manufacturing efficiency, logistics, pricing or organisational structure. Advances in AI and data analytics are helping accelerate the process of moving from testing to operational refinement by reducing the time needed to gather information, identify opportunities and track performance.

The unpredictability of today's business environment means that performance improvement has to be more than cost-cutting. It also needs to fund transformation and drive early momentum. When done strategically, the two reinforce each other instead of competing for attention and budget.

In practice:

A precision engineering company serving the semiconductor industry closed a 10-point EBITDA gap against its industry benchmark. The programme was structured around four parallel workstreams with an agile sprint methodology. More than 60 improvement initiatives were identified, assessed, and managed through to execution. The programme delivered a 39% improvement in EBIT against baseline within 18 months.

Dimension 4

Transformation and change management: the orchestration capability inside

An operating system that cannot update itself becomes obsolete. Transformation programmes rarely go exactly to plan and success is defined not by rigidly following the original design, but by the ability to hold strategic direction steady while adapting delivery when conditions change. That requires governance processes that allow leaders to review progress, challenge assumptions and reprioritise when needed.

A common failure is treating transformation as a final phase, with change management bolted on once the solution is designed. Instead, it should be built in from day one to give teams a clear understanding of what is changing, why it matters and what it means for them. Early engagement reduces resistance, accelerates adoption and embeds new ways of working after the programme ends. Successful transformation is built on orchestration: strategy, operating model, technology and people moving together toward the same goal.

In practice:

A £2bn+ multinational food company with ambitious growth plans constrained by fragmented IT and inconsistent ways of working across geographies. Rather than launching a series of disconnected improvement initiatives, the organisation committed to a single, orchestrated transformation journey resulting in a standardised solution enabling fast decision-making, and an ongoing trusted partnership as the business scales.

M&A: the stress test of the operating system

M&A puts every other dimension of operations strategy under pressure at the same time. It is often assumed that acquisitions accelerate transformation. In reality, M&A adds complexity that slows decisions, stretches resources and disrupts existing programmes as often as it creates opportunities.

The goal should not be to make transformation go faster because of M&A. Instead, operational strategies need to clearly consider the impact M&A is likely to have. Sometimes an acquisition changes the strategic picture enough that the existing transformation programme should be paused and rethought, not pushed through for the sake of momentum.

Change management, meanwhile, gets harder either way because the task is now to accommodate or integrate multiple cultures, systems and ways of working. As with the other dimensions outlined in this report, M&A should be treated as another core component of operations strategy rather than a separate programme. This allows for faster value capture without losing sight of the long-term ambition.

M&A in practice:

A major UK grocery retailer with £32bn in revenue acquired two established brands, adding more than 2,000 retail outlets. Delivering cost reduction and operating model integration simultaneously, with no pause in operations, meant a headcount reduction of more than 10% in transport and an 11% cut in group transport costs while designing the operating model the combined group would run on long term.

Conclusion: Building organisations that last

Organisations can no longer rely on strategies defined once and executed over several years with only periodic reviews. The half-life of strategic assumptions is too short. What is needed is an operating system for volatility, one that continuously connects strategic ambition with operational execution and adapts as markets, technologies and customer expectations evolve.

The four dimensions explored in this paper are the key components. Each is necessary but none is sufficient on its own. And M&A is an acid test, the moment when all four must converge at once. Across Argon & Co engagements, organisations that have built this capability have delivered:

- Cost improvements of 20-40%
- Doubling the speed from insight to action
- Restoring service levels within 8-12 months
- EBIT improvements of up to 39% within 18 months

The organisations that will lead in the next cycle aren't the ones with the best strategy documents. They are the ones that have built the system to keep executing, adapting and delivering, whatever comes next.

Case study: Turning a global ERP into a strategic transformation

Scale without coherence is a liability. The following engagement shows how a programme that could have been managed as an IT project became a strategic transformation, and why that distinction determined the outcome.

One of the world's largest operations-driven groups in the food services industry (430,000 people, 45 countries, 80 million consumers served daily), needed to evolve its infrastructure alongside a strategic refocus. A multi-million-Euro ERP programme across seven regions and 30 countries risked being treated as an IT project rather than a strategic transformation about process commonality, regional governance and deployment speeds.

A strategic leadership challenge

Programmes of this scale fail when they are treated as IT projects. The real decisions, those whose processes are truly common across all geographies and which must adapt, how governance works across a matrix of regions and functions without losing coherence, are leadership decisions. They require the C-suite to be active participants, not sponsors at a distance, and planning to be as short as possible.

How we worked with leadership

Working directly where decisions are made, we built a defensible business case modelling more than 15 scenarios for the Steering Committee focused on value and speed to deliver it. We designed a Core Model co-owned by finance and supply leaders, using a "One Core" principle adaptable to all cases. We put integrated change management at the centre of the programme – not as a workstream alongside delivery, but as the mechanism through which new ways of working became permanent and new capabilities built to support it.

What it delivered

We recorded an 18% reduction in overall programme cost, a unified Core Model replacing 30 local systems and a programme structured to scale, with the next regional rollout launched from a stable foundation. This is a synchronised programme run in three geographies in parallel in order to accelerate the implementation of the Core Model and allowing each project to learn from the other.

Case study: Building a cross-functional operating rhythm across 30 business units

Complexity without alignment is another form of fragility. This engagement shows what it takes to build an operating rhythm that connects C-suite decisions to operational execution across 30 business units, without sacrificing the agility each one needs.

A global technology group with approximately 30 business units spanning defence, aviation, transportation and security needed to build coherence across its operations. Each unit operated differently. The strategic challenge: enabling a group of this complexity to make aligned decisions at speed in a volatile environment, across functions and geographies, without losing the agility each business unit needs.

A strategic leadership challenge

S&OP is often treated as a supply chain topic. Here, it was a leadership topic. The question was not how to design a planning process; it was how to build an operating rhythm connecting C-suite decisions to management action to operational execution, consistently, across 30 diverse businesses.

How we worked with leadership

We started with the C-suite. The design we built was grounded in how leadership actually makes decisions, not how the process should theoretically work. We developed cluster-specific models that each business unit could genuinely own, built a maturity assessment so leadership could track progress objectively and designed the change approach, simulations, roundtables, communication, so adoption was earned, not mandated.

What it delivered

We developed an S&OP capability deployed across 30 business units, calibrated to each cluster's business reality. A group-level operating rhythm allowed connection between executive, management and operational teams to reach shared decisions. Finally, a maturity framework made progress visible and sustainable without external support.

Both cases point to the same underlying logic: the organisations that delivered were not running better programmes, they were operating from a different system: one where strategy and execution are designed to move together, not handed off in sequence.

That system has four dimensions. None is sufficient on its own. Together, they form a continuous loop.

Acknowledgements

This whitepaper has been written by our operations strategy and transformation specialists.

We go beyond the surface to identify the root causes behind the limitations of traditional approaches, and provide a clear, actionable way of working that ensures strategy translates into tangible results. We draw on a combination of deep expertise, forward-looking anticipation of emerging trends, and fact-based insights gathered directly from our work with clients.

Our positive, adaptive, and hands-on engagement style, drives alignment and commitment from C-level leadership all the way to frontline operational teams.

Learn more about us at **argonandco.com**

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About Argon & Co

Argon & Co is a global management consultancy that specialises in operations strategy and transformation. With expertise spanning supply chain planning, manufacturing, logistics, procurement, finance, and shared services, we work together with clients to transform their businesses and generate real change. Our people are engaging to work with and trusted by clients to get the job done. We have offices across Europe, Australasia, America, Asia and the Middle East.

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