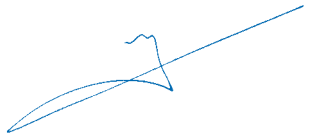


Business Excellence in a Turbulent Market

The basic instinct for companies in times of crisis is to activate their survival mechanism, but sometimes they forsake strategic thinking due to the uncertainty of the situation. It is actually in times like these, during the world financial crisis of this past year, that a company's adherence to its strategy is most crucial. Clearly, a company's core strategy does not change; it remains committed to its vision, objectives and long-term goals, products/services and main target markets. The new situation could change the pace of the strategy's implementation and influence its direction and focus. For instance, the crisis could produce great opportunities, within our strategy, due to market changes, client changes and the state of our competitors. Studies show that a recession is a time of dramatic volatility in the markets; more than 20 percent of the companies that were positioned in the lowest quarter of their industry (performance-wise) rose to the upper quarter at the beginning of the 2001 recession in the United States. On the other hand, 20% of companies in the upper tenth, who probably had let their guard down, fell to the bottom quarter. In other words, these are times of great danger but also of great opportunity. So how do we prepare for implementing the strategy? Implementing a strategic plan in an uncertain market is nothing like a "classical"

strategic plan. Keith Ludeman, chief executive of the Go-Ahead Group, illustrates this approach. In his interview he explains how a flexible strategy and willingness to make changes contributed to the group's success. Some strategies are well-suited to times of crisis when demand volumes decrease; coordination between the operational and the sales and marketing divisions helps foster maximum profitability for the organization. This strategy is presented in the article "S&OP - A Bridge over Troubled Water," which talks about focusing on scenario management in times of uncertainty. In times of crisis, and there's pressure to reduce unnecessary activities. But reducing isn't necessarily the right choice. For example, social responsibility and sustainability issues can provide financial benefits to the organization. Organizations should embrace these values – not solely for the sake of humanity, but mostly for the economical rationale that stands behind it. For example, the crisis gives the company a chance to come down from its ivory tower and create empathy and a sense of sharing with the community, which will turn them into partners even after it ends. In the article "Why businesses should commit to environmental initiatives," you'll find that beyond social values and involvement in the community, the shift toward environmental

management has immediate financial benefits. Another important factor, especially in times where new clients are hard to come by, is maximizing profitability from existing clients. In the article "Bridging the gap between prescriptions and sales," you can learn how a pharmaceutical company deals with this issue using a structured model that allows it to better understand clients and their needs. Alongside the reforms, recession is a good time for reorganization. One of the best actions you can take is effective management of inventory. In the article "Fine-Tuning Materials Management in the Health-Care Industry," you'll learn how financial difficulties required US hospitals to reorganize and standardize their inventory management system. Strategy consolidation in times of uncertainty is highly important. An organization that doesn't have the courage to think ahead and maintain its business focus will find that instead of holding the wheel and steering the company along the desired path, it will be at the mercy of market fluctuations and risk being wiped out by competitors.



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