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Dirk Lambrecht, CEO Datwyler, reports on agile planning for a dynamic world.

Agile planning for a dynamic world

The environment is becoming increasingly volatile and unpredictable as time goes by. And the customers' expectations regarding the quality and availability of the products and adherence to delivery deadlines are increasing at the same time. At Datwyler, we also experience this when we supply prestigious, globally present companies in the pharmaceutical and automotive industry with system-critical elastomer components. Our elastomer stoppers that are used for the provision of Covid vaccines are a current example of this.

Self-responsible corporate culture as a requirement

The more dynamic the world becomes, the more agile the planning needs to be. But how can this be achieved in a company with 8,000 employees at 28 locations on four continents? I am convinced that agile planning is only possible, if the corporate and management culture promotes and rewards agile and self-responsible behavior and actions of all employees. And this cultural change cannot be prescribed overnight. But it can be initiated and promoted with appropriate measures. At Datwyler, we have been working on the vision of a self-learning organization for several years. All of our staff members have gone through standardized, multi-day leadership training.

Rolling outlook instead of a rigid annual budget

At the same time, we have questioned existing processes and replaced them with new approaches, where necessary. In 2019, we already replaced the rigid annual budget with a rolling outlook of the most important financial key indicators for 18 months. This preview is always updated at the end of each quarter. This way, the management has up-to-date plan data every three months with high accuracy for the next three months and an outlook over six quarters. The replacement of the annual budget also required a rethink with respect to the performance objectives. Since 2020, standardized collective performance objectives apply to all employees entitled to bonuses, which are based on sales growth and improving the EBIT of the entire company, as well as sustainability targets.

OKR concept for corporate management

We have introduced the Objectives and Key Results (OKR) concept to manage the organization and our activities. To achieve the six overarching annual objectives for the entire company, we define several measurable key results, which are implementable within one quarter. For each key result, there is a person responsible for coordinating the activities for achieving objectives at all hierarchy levels and in all of the company's units. The activities are evaluated on a monthly basis with the responsible management and adapted where necessary. With this approach, we focus on the right priorities and avoid activities that do not bring any value.

In parallel with the cultural change, we have also invested in state-of-the-art software solutions with artificial intelligence for forward-looking capacity planning. In addition, our concepts and solutions for short-term agile planning of our activities are embedded in strategic long-term planning, which we update every year for a period of three years.

Our agile corporate planning has proven itself in the best possible way during the past three years, with the pandemic and the war in Ukraine, and is continuously being developed further.