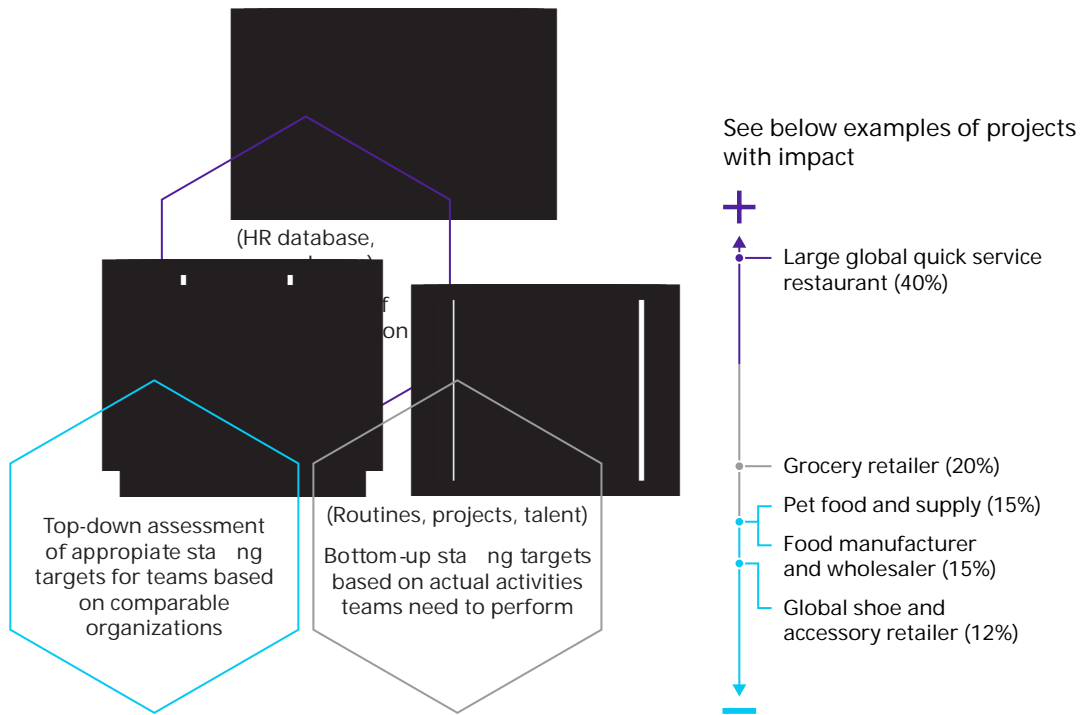




Patrick Daoust
Stephen Picard



Source: Oliver Wyman analysis

: Our approach to ZBO exploits benchmarking while remaining cognizant that a given organization varies along different dimensions — sector, scale, areas of business, mix of products and services, culture, and geographical location. Such wide variation produces challenges in creating a relevant data yardstick to measure against. Crude benchmarking ignores such nuances, seeking to imagine uniformity where there is none. In contrast, ZBO introduces a point of comparison that highlights glaring discrepancies, but more often stimulates further thinking and examination. We believe that an organization knows who it is comparable with — or not. In cases where the organization can acquire tailored data from comparable organizations, such data is likely to have greater weight in the ZBO triangulation and be more effective in establishing best practices.

: A bottom-up evaluation is at the heart of the ZBO methodology. The objective is to establish the right organization for the company based on its ways of working and its culture. The database for this exercise comes from employees. This approach brings the employees within the “circle of trust”: ZBO is not being “done to them;” instead, they are an integral part of the process, helping determine its outcomes.¹ In addition to focusing on people at the head-of-office level, ZBO also addresses the people within the company’s stores. By identifying areas of inefficiency within store operations and developing solutions to address these issues and streamline in-store processes, ZBO ensures a comprehensive reorganization throughout the entire company.

This bottom-up element analyzes all current routines (recurring tasks completed by employees) and projects (non-recurring tasks addressing one-off needs) to establish exactly what is done and by whom. What comes next differs from top-down approaches to cost reduction: ZBO asks why activities are done the way they are and evaluates the value they create. By leveraging industry expertise and specialist knowledge, this process distinguishes between activities that add real value from those that represent low value. Some activities can be eliminated altogether, while others require further investment to better align with strategic priorities. For example, remote

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collaborative approach, and the customizable nature of its methodology requires leaders to be in the driving seat when adapting the scale and scope of its approach to specific functions. This involvement is critical in enabling the optimization of operations and in ensuring that they are targeted to the strategic

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