



Shaping future 'PEEK' performance

Victrex plc is an innovative world leader in high performance polymer solutions focused on the strategic markets of automotive, aerospace, energy & industrial, electronics and medical.


Its business operates as: **Victrex** for all industrial applications, and **Invibio Biomaterial Solutions** (Invibio) which focuses on medical applications. Every day, millions of people use products and applications which contain their sustainable solutions – from smartphones, aeroplanes and cars to oil & gas operations and medical devices.

It was established in 1993 and its headquarters and the majority of its manufacturing operations are in the UK, with global technical and customer support facilities serving more than 40 countries.

Benefits at a glance

- Class A Certification in Planning and Control
- Sales volumes increased by 25%
- Inventory levels decreased by 20%
- Improved visibility of revenues
- Integration throughout the business, working from one set of numbers with a common goal
- Strong growth potential of mega-programs





The challenge: Victrex was firefighting immediate issues rather than focusing on the medium to long-term business objective

Oliver Wight was introduced to and started working with Victrex in 2018. The company had a very successful business model, with excellent customer service and competitive lead times. Victrex had significant growth expectations, was looking to increase annual sales within the core business but also to give it the capability to seize mega-trend opportunities in aerospace, automotive, electronics, energy and medical devices.

Victrex's strategy to delivering growth was to protect and maximize revenues from its core business whilst moving up the value chain to supplying semi-finished or finished products. This transition made Victrex a more complex business requiring better processes to meet its strategic ambitions.

Jakob Sigurdsson, CEO of Victrex, recalls, "When I met Oliver Wight we wanted to better align our long-term strategy of growth and our existing internal operational capabilities. If we were going to grow our business, then we needed some of our core processes to be more efficient.

"We wanted to move further along the value chain by building out our core business of producing polymers to supplying parts and simultaneously we wanted to maintain our good reputation for flexibility, responsiveness, and service to our existing customers.

"We knew that we needed to become more efficient in the key processes across our core business by improving our supply chain, reducing inventory, and establishing better demand planning controls."

The Proven Path

It was a journey not a sprint

Under the guidance of Stewart Kelly, Partner at Oliver Wight, a planned eighteen month maturity transition was implemented which included addressing business processes, systems, data organization, and governance.

As there was no immediate crisis to address, Oliver Wight and Victrex were able to focus on developing a comprehensive business model that could be implemented in a way that would deliver sustainable benefits at a timely, as opposed to rushed, pace. This route map allowed Victrex to strengthen and improve its core business whilst focusing on developing its future strategy of growth.

Sigurdsson continued, "As we were not firefighting any immediate issue, the business transformation could be a journey as opposed to a sprint. Oliver Wight could ensure that time was spent developing a comprehensive process model that was bought into by all our staff."

Using the Oliver Wight 'Proven Path' methodology to manage this change, the implementation occurred in the right order with everyone on board to guarantee success.

Oliver Wight identified that many of the operational systems used by Victrex were not being used to their optimal capacity. Multiple systems were in place that were not connected seamlessly throughout the business, causing time lost reconciling data and significantly slowing down decision making as the business struggled with multiple 'sets of numbers'.

In addition, although there was a master data team in place, the static and dynamic ERP data was not accurate and there was no formal measurement process to determine this.

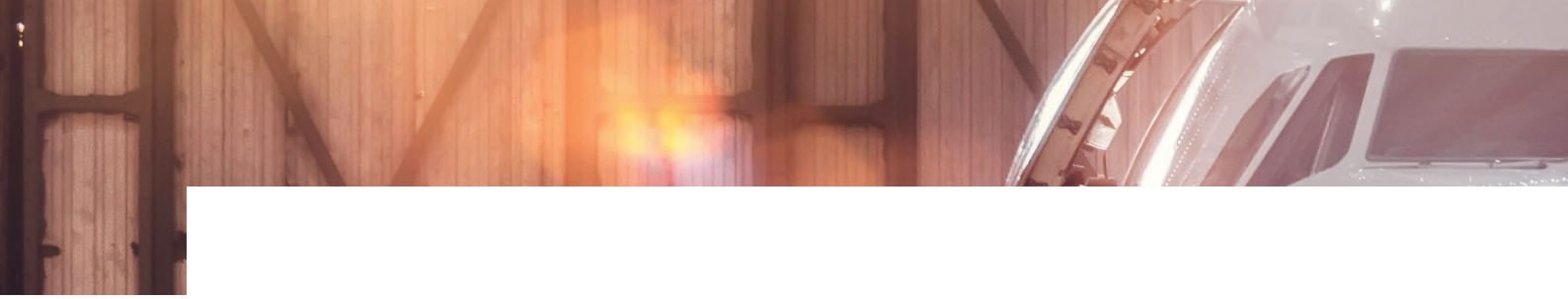
During the program Victrex changed over 50 internal processes across various areas such as supply & demand planning and sales. It also decided to improve and update its existing reporting system to develop sustainable performance measures that wouldn't require significant effort to deliver the required data and information. One of the

critical processes Victrex improved was demand planning, achieved in part by moving from its CRM system to a specialist demand planning tool, Arkieva.

Martin Hackett, Supply Chain Quality and CI Director at Victrex said, "Oliver Wight made us realize ways we could be more successful with systems that actually talked to each other. In the past, every department had its own set of figures that changed every week. We now plan every day, and we can feed this data into a system that produces one set of figures giving us a much greater visibility of performance."

"We are already seeing the time/cost benefits of this which will be even more visible once we move out of the constraints of working within the current and volatile supply chain market and into business as usual."

¹ The Proven Path is designed to capture and leverage the intersection of project management and change management. This approach ensures that the implementation of change occurs in the right order to guarantee success and avoid wasting time and money.



People Power: Transforming a business with people, processes, and tools

At the very beginning of the project, in line with the Proven Path and the importance it puts on educating all stakeholders, Oliver Wight worked with Victrex to implement a rigorous program of education and training. This covered in excess of 500 person days of education and was done in three waves from the off-site IBP process training that taught the delivery team what a good process looks like, all the way to detailed training on the implementation.

- Level one was an introduction to what IBP is and how it would help Victrex for the senior leadership team and stakeholders. This was conducted at an Oliver Wight education off-site.
- Level two taught the task teams new ways of working, and the principles and deliverables for IBP. This was undertaken by Victrex under Oliver Wight's guidance.
- Level three was conducted by Victrex and was both education and training to all its staff on not only the objectives but the procedures and implementation of IBP.

Alongside this, an extensive communication plan was conducted for all staff, including a quarterly update from the CEO, sharing information and insight into the IBP process.

Richard Armitage, Chief Financial Officer at Victrex said, "The resulting level of integration in the company and the connection from company leadership through to the supply team meant we were all speaking the same language and were working to a common goal.

"In the past, not every team was connected in this way. For example, our manufacturing team thought more in terms of volume and tonnage but did not always have a full understanding of the implications further down the line, for instance the impact on the customer service team if there was a delay in delivery."

Tony Pickford, Supply Chain Development Manager, at Victrex, agreed, "The senior management team showed a huge level of commitment to our education and communication plans, which were critical to the success of the program.

Not everyone was on board from the start, but the extensive internal engagement and change management efforts built understanding of what we were improving and why.



"Our staff now really see the benefit, and everyone agrees that the IBP process was transformative. We are much better equipped to deal with the business issues facing all global supply chains as the world recovers from the Covid-19 pandemic."

As part of this education initiative, Oliver Wight introduced Victrex to other companies that had implemented IBP successfully.

Pickford continued, "The discussions we had with past Oliver Wight clients we met meant we were able to look at our own processes in a different way. This different view allowed us to improve our processes using others' proven experience. A good example is the learning we gained on how we could handle abnormal demand better. We now treat forecasted and un-forecasted customer orders differently and are able to maximize experiences for all our customers."

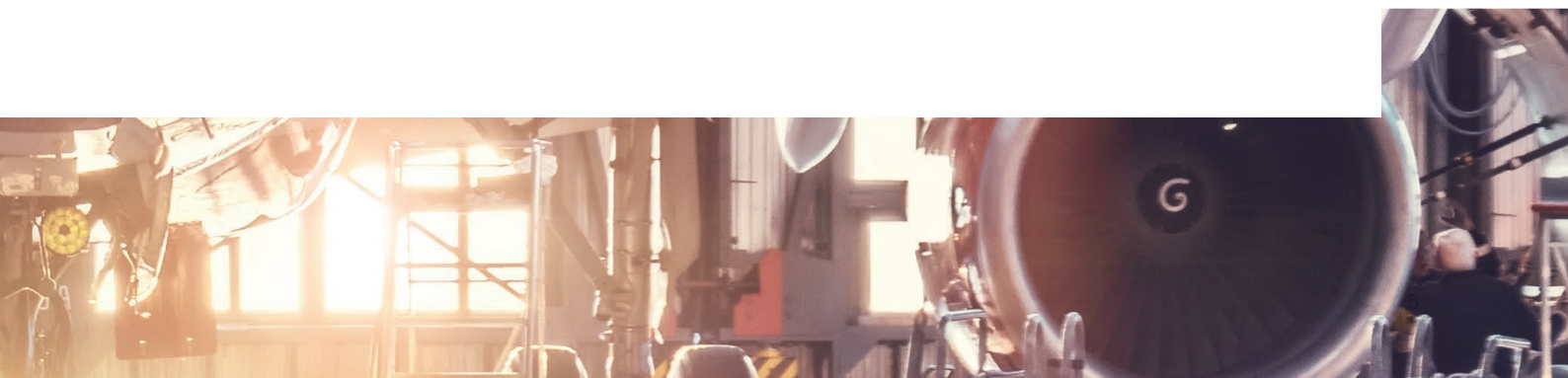
The Covid challenge: A double-edged sword

Eighteen months into the program Victrex was hit with an unforeseen situation. The onset of Covid meant that the business was faced with volatile demand, global logistic challenges and staff isolations that all put pressure on its supply chain.

In order to manage volatile demand Victrex decided to review expected demand each week rather than the usual monthly cycle. The original CRM process was unable to cope with this frequency and so Victrex implemented the new Arkieva process quickly. It was a game changer.

Armitage said, "Covid was a double-edged sword – we had limitations because of our available people resource, and it delayed us reaching our IBP objectives, but it accelerated many of our new processes such as the implementation of the weekly cycle for managing demand and supply. This allowed us to plan, organize, and communicate in a calm manner despite the turmoil going on in the world around. This would have been impossible before, and it has been very reassuring for employees.

"IBP has enabled us to continue providing high levels of service and also carefully manage our cash flow. As a consequence, we were able to communicate our strong financial and demand situation to our shareholders, giving them early reassurance about our resilience."



Results: Class A performance and improved management and operational benefits

In the three years since initial implementation started, Victrex's financial results have shown an impressive upwards trend with strong trading performance and cash generation. Its long term growth opportunities remain strong.

Sales volumes were up by 25% in 2021 and inventory levels were down by 20%. The company is continuing to see healthy demand in its core business, and also seeing the strong growth potential of mega-programs and significant milestones across the company.

Armitage confirmed, "Despite the many challenges of Covid and a volatile global supply chain, the work with Oliver Wight has enabled Victrex to continue delivering high customer service levels and the business now has a robust foundation to increase our program of innovation. The improvements made through the implementation of IBP have been most visible across Victrex's core business. And yet these better processes will greatly help scalability in other areas of the business, such as innovation and launching new products.

"Invibio is one such area. Along with our partner Maxx Orthopaedics, the first patients to be implanted with the new all PEEK femoral knee component happened in 2021. We fully expect improved IBP processes to enable resilient on-time delivery of sterile components and devices and allow more patients to have their lives transformed."

In 2021, Victrex achieved the globally recognized Oliver Wight Class A Certification in Planning & Control, tangible proof that it had achieved a true transformation.

There are a number of key components of this

1. Education & training
2. Organizational and structural changes
3. Linking KPI performance to personal goals
4. Changing roles & responsibilities

² The Class A Standard for Business Excellence encompasses all business sectors and business processes. For each process, the standard defines benchmarks of excellence in strategy, integration, process, people, performance metrics, and use of analytics and technology.

Stewart Kelly, Partner at Oliver Wight said, "This is a huge achievement for Victrex and in particular because the leadership team took the opportunity to use our Class A program as a broader business-wide improvement mechanism beyond the requirement for accreditation.

"I was particularly impressed with the huge amount of work on communication, training and education driven by both the senior management and program delivery teams."

Victrex took care to apply integrated and thorough solutions to improve the processes needed for Class A. A good example is how Victrex integrated its new Arkieva demand process and its CRM tool that manages new business targets. This enabled improved visibility of revenues from innovation that are critical to meeting strategy and didn't just deliver a robust demand plan. Victrex has the ability to identify what the market requires, develop the product and bring it to the market in time which is critical to its business success.

The Future

Victrex is in a strategically strong position to maximize on its growth plan that seeks to further grow its core business, seize on mega-trends in the industry and continue investment in innovation.

Climate change and meeting net zero pledges – Victrex itself has set a 2030 goal for this – will play a key part in the Victrex strategy and the IBP process of delivering sustainable products efficiently will help make this easier to achieve.

There are challenges ahead but Victrex has processes that will ensure issues such as climate change, currency risk, and an increased cost for raw materials and energy are quickly identified and addressed.

Sigurdsson concludes, "As a global business, Victrex has seen a solid and sustainable recovery following the impact of COVID-19. We would not have been able to do that without IBP and the processes and management that Oliver Wight helped us to put in place.

"Achieving Class A is a reflection of a business that doesn't just mechanically answer the questions we posed to them but instead really looks at where there is a business need for improvement in a much more thorough way."



Stewart Kelly
Partner at
Oliver Wight

"Achieving Class A is further proof that our business has a determination to continually pursue excellence and improvement. We have our annual assessment planned for 2022 and are aspiring to continue and improve the current IBP processes across all parts of the Victrex business, ensuring we maintain the capability and processes.

"There is no doubt that IBP has contributed significantly to the next phase in Victrex's development and growth. It was a process that took time and determination by all those involved, and the business is already reaping the benefits.

"Victrex shouldn't aspire to be anything less than world class and the Class A certification is confirmation that we are there."



About Oliver Wight

When you talk to Oliver Wight about improving your business, we'll assume you want results, not just better processes – things like increased revenues and margins and greater market share. If you have the ambition, it is possible to make improvements that truly transform the performance of your organization and create more fulfilling roles for the people within it. We believe this can only be delivered by your own people. So, unlike other consultancy firms, we transfer our knowledge to you; knowledge that comes from over 50 years of working with some of the world's best-known companies.

Oliver Wight has a long-standing reputation for innovation and we continually challenge the industry status quo, so you always get the latest in new thinking. Your Oliver Wight partners will use their real-world experience to ensure your people, business processes and technology are fully aligned and integrated right across your organization.

They will coach, guide and inspire your people to drive change throughout your organization, allowing you to create a culture of continuous improvement and innovation that simply becomes for you "the way we do things around here". It's a proven, sustainable approach that will deliver results straight to the bottom line.

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Imagine the **possibilities**,
realize the **potential**.[®]