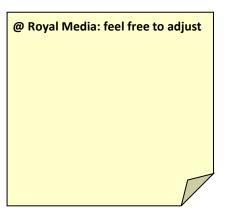
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TRANSFORMATION WORKSHOP

Response to dynamic and challenging markets





Speakers and workshop timeline



FRANK McCLEARY
PARTNER
PORSCHE CONSULTING



JUSTIN LIEBSTUECKEL
SENIOR MANAGER
PORSCHE CONSULTING

10 minutes

Case introduction

Presented by Porsche Consulting

20 minutes

Case discussion & preparation

Done by the workshop participants

25 minutes

Case presentation

Done by one speaker per table

Porsche Consulting is a 100% subsidiary of Porsche



100% PORSCHE

Subsidiary of PORSCHE AG

Founded 1994

Strategy consulting firm with a track record of implementation

Senior teams with Ø 10 years of experience

860Professionals



Industries

Automotive

Aerospace

Transportation

Industrial Goods

Consumer Goods

Life Sciences

Financial Services

A multitude of current trends and developments create opportunities and challenges to transform



Uncertainty around continued inflation and high-rate environment will persist in 2023



Vehicle demand will remain uncertain due to higher consumer interest rates

SUPPLY & DEMAND



Vehicle supply increased 66% YoY by end of '22, yet it is expected to remain constrained in 2023



'Bow wave' of lacking used inventory due to reduced new vehicle output in the past 2 years

PRICING



Vehicle prices slowed to single digit growth, wholesale used fell 14.4% YoY in '22, and trucks had lowest decline at 12.2%



RVs will remain elevated, but model- and options-specific risk increases

COMPETITION



Captive lending for auto loans fell 18% while credit unions experienced 40% YoY increase



Competition for traditional core business is heating up, applying pressure for diversification

REGULATION



Some uncertainty persists with regards to IRA's sourcing rule for critical minerals & battery components



Present concessions only provide extra time to prepare for regulators closing the loopholes

Opportunities

DIVERSIFY

portfolio by offering new products outside of core business

BUILD

internal capabilities to enable growth through operations digitization and enhanced CX

PREPARE

for next-gen vehicles, products, and features

Phases of economical downturn are excellent opportunities for preparing for the upturn S&P500 6000 5000 4000 3000 2000 1000

2020

DOWNTURN

...to prepare for the

UPTURN

2008-9

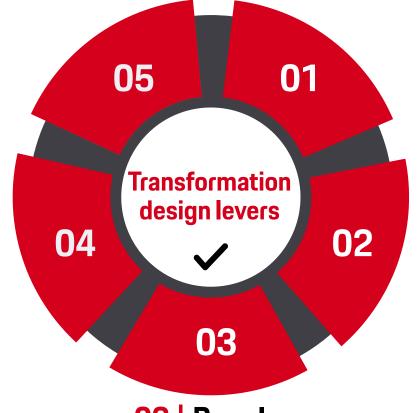
Best practice transformation includes five design levers that all need to be considered when setting up a program

05 | Digitization

- · Workflow optimization
- · Data-driven process optimization
- Process automation
- Augmented decision support
- Cognitive systems

04 | Governance

- · Governance model
- · Management model
- Integrated planning
- Risk management



03 | People

- · Strategic workforce planning
- Nudge management
- Team and leader effectiveness
- · Reward and satisfaction management
- Role clarification

01 | Structure

- · Organizational structure
- Organizational footprint
- · Corporate centers
- · Matrix organizations and dotted lines
- Partner network

02 | Processes

- · Business process management
- Lean process transformation
- Agile processes

Case instructions



Discuss one or multiple challenges that your organizations are facing



Pick one company from the table as an example for a hypothetical transformation initiative



Discuss the key challenges you've experienced and objectives for transformation



In the light of the dimension assigned to the table: discuss the **recommended approach** for solution



Discuss the interfaces with the other dimensions

Examples for case discussion

Key challenges

- Lack of performance in the workforce
- Business-IT collaboration is slow and inefficient
- Cost pressure

Dimension

People

Drivers & objectives for transformation

Become more customer oriented while improving performance

- Save 30% in operational cost
- Increase time-to-market by 50%
- Improve service center performance (AHT, NPS, etc.) by 20%

Recommended approach for selected dimension

- Develop change management strategy for communication of transformation to the workforce
- Involve leadership and executives in messaging
- Create positive attitude towards performance between team leads, their team members, and their superiors
- ..

