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Innovation under pressure.

How operations leaders can turn disruption into competitive advantage.

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Executive summary

Volatility is no longer a temporary disruption. Geopolitical uncertainty, changing customer demand, supply chain pressure and rapid technological change are creating a more dynamic operating environment in which organisations need to adapt continuously.

Innovation can help businesses respond, but only when it is treated as a deliberate organisational capability rather than a collection of disconnected initiatives. The strongest organisations start with the value they want to create, define the future state they need to reach and work backwards to identify the changes required across people, processes, data, technology and operating models.

This needs to happen at two connected levels. Across the wider ecosystem, organisations can use tools such as scenario modelling to test different network configurations, understand vulnerabilities and make more informed strategic choices. On the individual organisation level, the priority is turning those choices into consistent execution through better data, stronger routines, frontline capability and effective decision-making.

The outcome of this innovation capability is resilience. Organisations that understand their exposure, model different outcomes and prepare response options before disruption occurs can react faster and at lower cost when conditions change. In this context, resilience morphs from being a source of protection to a competitive advantage.

But innovation encompasses more than adopting the latest technology. It is about understanding how it can be applied to deliver a focused business outcome. For example, generative AI can improve productivity, support interpretation and help organisations work with fragmented information, but it is not the right answer for every operational problem. Reliable, repeatable processes may still depend on optimisation, business rules and established operations-research techniques. The important question is not where AI can be used, but whether or not it supports the required outcome.

None of this delivers lasting value without people. Leadership, communication, change management and capability building determine whether innovation is adopted and sustained. Organisations also need to manage the natural drift that occurs after implementation by reinforcing standards, measuring performance and continually improving the way work is done.

In the age of structural volatility, competitive advantage will not come from predicting every disruption or adopting every new technology. It will come from building the capability to imagine, test, decide, act and improve faster as conditions change. This whitepaper brings together the views of a range of supply chain, manufacturing and operational transformation experts to explore how organisations can focus innovation on the right outcomes and build the capabilities needed to turn it into long-term advantage.

Introduction

Operations leaders can no longer treat volatility as a temporary storm to weather before business returns to normal. The conditions in which organisations operate are likely to continually be reshaped by geopolitical uncertainty, shifting customer demand and rapid technological change. This creates a long-term strategic choice. Do teams spend the next decade firefighting each new shock as it arrives? Or do they focus on building the resilience and adaptability needed to become more competitive in such a dynamic operating landscape?

Both choices rely on innovation. But becoming more adaptable requires innovation to be deliberately focused on building capacity, making better decisions and turning ideas into measurable operational value faster. This kind of innovation becomes a capability that allows businesses to create competitive advantage even as conditions change.

Building this innovation capability needs to happen at two interconnected levels. Across the wider supply chain ecosystem, organisations can rethink networks, suppliers and partnerships. Meanwhile, inside the four walls of the business itself, the focus is on how people, processes, data and technology can combine more effectively. Changes in the network depend on efficient operational execution, while improvements on the ground need to support the organisation's wider direction. This creates a clear link between strategic choices and an organisation's ability to respond successfully in day-to-day operations.

Moving beyond isolated pilots and turning innovation into a repeatable organisational capability represents a huge opportunity. But knowing where to start and what needs to happen after that is not simple, especially when dealing with ongoing market volatility.



"Often people just see innovation as a thing to be done rather than thinking about what is the value that innovation is going to unlock."

Cat Brownlie, Partner, Argon & Co

Our expert contributors

This whitepaper brings together the views of a range of supply chain, manufacturing and operational transformation experts to explore how organisations can focus innovation on the right outcomes and build the capabilities needed to turn it into long-term advantage. The contributors were:



Cat Brownlie

Partner, Argon & Co

Cat Brownlie is a Partner at Argon & Co and leads the Argon & Co Innovation Lab. She works with organisations to challenge conventional thinking, explore new possibilities and reimagine what their operations could look like in the future. Drawing on her experience in operational transformation, programme management and cultural change, Cat helps leaders turn emerging ideas into practical, people-centred ways of working that deliver lasting impact.



John Parsonage

Solutions Director for Europe, the Middle East and Africa (EMEA), QAD | Redzone

John Parsonage is an accomplished operations and business improvement leader, currently serving as Solutions Director for EMEA at QAD | Redzone. Previously, he held roles at Greencore, Intersnack GmbH and Nestlé UK, where he spent 12 years across operations, supply chain and continuous improvement. At Nestlé, John supported the deployment of Nestlé Continuous Excellence and TPM across the UK. He specialises in TPM/IWS pillar deployment, team development and cultural change, delivering significant transformational results by consistently building organisational capability, developing people and embedding sustainable improvements across complex operational environments.



Jan Godsell

Dean, Loughborough Business School

Jan Godsell is Professor of Operations and Supply Chain Strategy at Loughborough University and founder of the UK SCALE Centre, established in partnership with MIT. Her research focuses on end-to-end supply chain design, segmentation and digital transformation to improve productivity, resilience and sustainability. She works with industry and government on supply chain and industrial strategy and has contributed to the World Economic Forum's Global Future Council on Advanced Manufacturing and Value Chains. A Chartered Engineer, Jan began her career at ICI/Zeneca Pharmaceuticals and held senior roles at Dyson.



Joris Wijpkema

EVP of Solutions and Strategy, Optilogic

As Executive Vice President of Solutions and Strategy, Joris brings over 20 years of supply chain expertise from McKinsey & Company where he served as a partner in Manufacturing & Supply Chain. At Optilogic, he will lead the newly expanded Solutions organisation, driving tailored decision-making solutions, professional services capability and deployment-focused strategies that help clients translate advanced AI, optimisation and simulation technology into measurable business impact.



1. Start with the value, not the technology

> "Leaders need to understand what outcomes they're trying to drive first and foremost."
>
> **John Parsonage, Solutions Director for Europe, the Middle East, and Africa (EMEA), QAD | Redzone**

Innovation conversations can easily start in the wrong place. The growth of new tools and solutions that are available to organisations can create an arms-race mentality, where innovation becomes about adopting technologies to keep up with competitors. Taking a more deliberate approach to innovation starts with the intended business outcome rather than the specific tool.

The first step should be addressing the areas that are impacting productivity, delivery, cost, safety or quality. Once the ideal end state is clear, leaders can start targeting innovation activities where they can create the greatest impact and build the business case around it.

This does not mean organisations should stop exploring new technologies or ways of working. Much like R&D, businesses need room to understand what new technologies and practices can do before they know exactly where they will create value. But once significant time, money and organisational effort become involved, the link to a meaningful business outcome needs to be clear. Making this connection visible will be a significant factor in whether new tools or processes are successfully adopted. Teams are more likely to change how they work when they understand what the change is meant to achieve and why that benefits them.

2. Design from the future backwards

> "Targeted innovation means working back from where you want to be rather than just incrementally starting now."
>
> **Jan Godsell, Dean, Loughborough Business School**

Innovation strategies that are too anchored in the present also create risk of investments that fail to pay off beyond short-term gains. Teams look at today's processes, constraints and priorities, then ask how they can improve them incrementally. That can, and often does, deliver useful improvements. But in a volatile environment, it can also mean optimising an operating model that may no longer be right for the future.

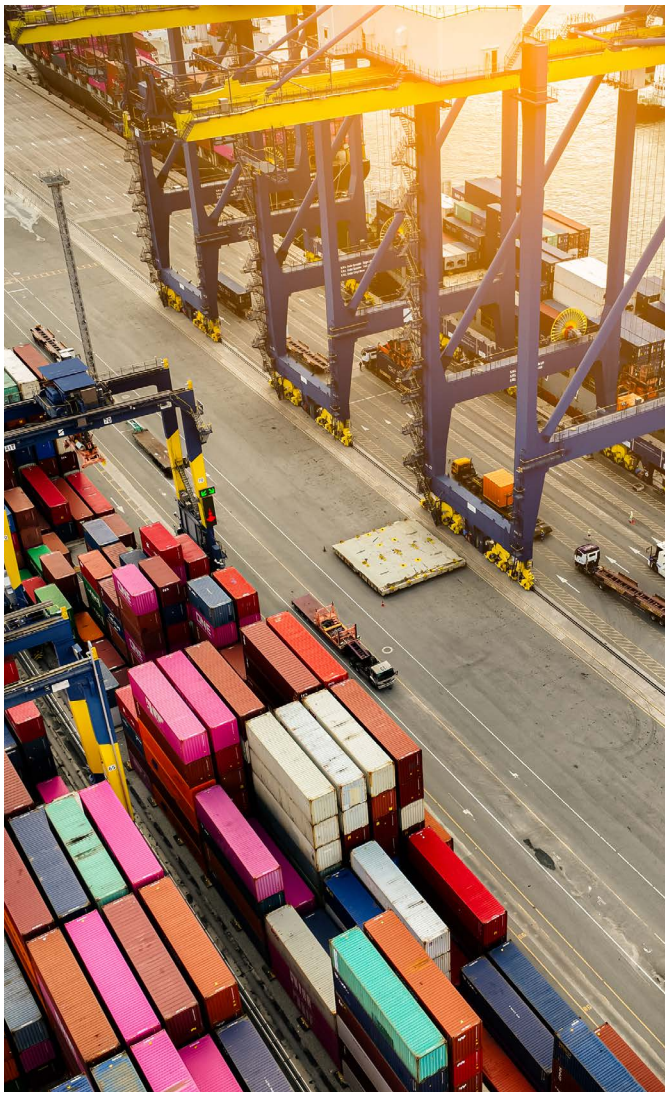
Building long-term adaptability and resilience requires a different approach. One that starts further out with a value-creating outcome you have identified and working backwards. That means asking bigger and much broader questions around what the operating model should look like, how supply chains may need to change and what capabilities need to be developed internally or sought externally. These are the key considerations to build consensus around first, with decisions on partnerships or technology following after.

Future-back thinking therefore gives innovation a clearer direction. It transforms it from a series of ad-hoc enhancements to a structured process of capability building towards a deliberately chosen future state.

Example: UK SCALE's snapshots of the future

Loughborough Business School's UK SCALE Centre uses 'snapshots of the future' to help people move beyond today's thinking and explore what different operating models could look like in 2040 or 2050. Its team interviewed around 30 experts, turning the resulting insights into 33 distinct predictions grouped around four outcomes: productivity, resilience, sustainability and better work.

The snapshots are used in workshops to help organisations explore a broader set of possibilities. Participants select the six they believe are most relevant, then work through the operational practices that would be needed to bring those futures to life. Another benefit of this approach is that it requires the right mix of people in the room. Some need to be comfortable challenging established ways of working while others need the operational, commercial and technical experience to test whether those ideas can actually work. Without the first group, innovation risks becoming too incremental. Without the second, organisations can fail to turn ideas into practice.



3. Innovate at two connected levels

> "To be able to make those decisions on the longer term, you actually need to have the right data and the right practical things happening within the four walls. So how do you provide people with the right data at the right time to make the right decisions?"
>
> **John Parsonage, QAD | Redzone**

Across the wider supply chain ecosystem, operations leaders need to rethink how networks, suppliers, logistics flows and partnerships work together.

Treating these as separate challenges creates a gap between strategy and execution. Introducing separate tools for individual functions can create new data silos, duplicate processes and make cross-functional decision-making harder. Being able to make better strategic choices depends on giving the right people access to accurate, timely operational information and a clear view of what is happening on the ground.

When used well, technology can actively break silos by creating shared access to trusted information, allowing teams to make faster, better-informed decisions across functions. For example, giving planning, logistics and operations teams access to the same data and tools can create a common view of performance and make it easier to coordinate decisions across functions.

Example: Rethinking the wider network with Scenario Lab

Scenario Lab helps organisations model ecosystem choices before committing, combining Optilogic's supply chain intelligence platform and optimisation engine with Argon & Co's operational expertise. Rather than generating endless scenarios, it provides fast visibility into trade-offs across cost, service, capacity and resilience. This effectively turns a host of 'what ifs' into tangible decisions and actions.

When we modelled integrating two separate London delivery fleets spanning 9,000+ stops, the unified network revealed an 11% cost reduction and 14 fewer routes. By delivering solved scenarios within a week and addressing follow-up questions live in the room, the exercise turned complex network re-engineering into a fast, data-backed decision-making process.

Example: From strategy to daily execution with MODE and QAD | Redzone

Manufacturers often know what needs to improve, but struggle to translate strategy into consistent daily routines across sites, lines and shifts. While scenario modelling can identify a better network design, it still depends on the people and processes within that network to execute it. Equally, shop floor performance improves when it supports the operations strategy and business value drivers.

Working in partnership, Argon & Co and QAD | Redzone address this challenge from complementary angles. MODE gives manufacturers a tailored operating system for optimisation and daily execution, with custom capability development, deployment roadmap and operational excellence routines for sustained improvement. Meanwhile QAD | Redzone's compliance and quality management software connects these practices to frontline work through digital tools for production, quality, maintenance and learning. Together they give teams real-time performance visibility to solve problems instantly and sustain long-term gains in productivity, quality and reliability.

4. Turn resilience into competitive advantage

> "Any disruption becomes an opportunity to gain competitive advantage rather than a problem. But you need to know your odds so you can place your bets correctly."
>
> **Joris Wijpkema, EVP of Solutions and Strategy, Optilogic**

Being able to maintain, or even increase, competitiveness during market shocks requires clear mapping of the supply chain to identify dependencies, weak points and the potential impact of different events. Importantly, it allows operations teams to prepare response options in advance, when they have the time and space to make considered choices.

Scenario modelling is the mechanism that turns sporadic mapping exercises into an ongoing operational capability. Rather than testing a small number of fixed scenarios, organisations can model variability across demand, suppliers, capacity, routes and costs. These insights highlight which actions would be effective across a wider range of outcomes, moving beyond point estimates towards an understanding of the full spread of possible outcomes.

Of course, it is impossible to predict exactly what will happen next. But it is possible to significantly improve the quality and speed of decision-making when conditions change. By establishing workflows that regularly assess and update scenarios as new information emerges, resilience shifts from defensive protection to an active source of value. So when every competitor faces the same disruption, the difference comes down to who can understand what is happening, decide what to do and act fastest.

5. Build the creative capability to turn ideas into action

> "The human is actually the limiting factor of adoption. It is not the technology."
>
> **Jan Godsell, Dean, Loughborough Business School**

Even the most deliberate, targeted and data-driven innovation can fail. The reason is usually not the application of new technology but whether leaders have created the conditions for people to adopt, use it and iterate it.

The same system can perform very differently across organisations depending on how leaders support the rollout and manage the change. If a new tool creates more work, adds complexity or offers no clear benefit to the people using it, adoption will suffer. Being able to communicate both the immediate value as well as the link to an ideal future outcome encourages teams to shoulder temporary disruption in the name of long-term gain.

Innovation needs to be designed around people from the start. Leadership, communication, capability building and change management are what turns a good idea into a new way of working. People need to be given space to challenge current assumptions and bring together a mix of perspectives. These kinds of inclusive, and sometimes uncomfortable, discussions are how an organisation builds the creative muscle needed to imagine what could be different.

Leaders must support innovation in the right way. They must strike a balance of cautious optimism that is ambitious enough to inspire momentum, yet grounded enough to earn trust. That means making sure that teams understand that they are allowed to try things and potentially make mistakes, as long as there are appropriate guardrails in place. Too much pessimism stalls progress while too much hype weakens trust.



6. Apply technology selectively and scale what works

> "If you're not constantly working on it, any system in a business will increase entropy."
>
> **Joris Wijpkema, EVP of Solutions and Strategy, Optilogic**

The pressure to innovate can make every new technology look like an answer. Today, AI is the clearest example of both a potential source of disruption and a solution to it. But in the rush to adopt and agentify, operations leaders need to pause to ask exactly where AI is the right tool for the challenges they face.

There is a crucial distinction between two kinds of AI deployment. **Everyday AI** is individual use cases across an organisation to improve individual productivity. Conversely, **Enterprise AI** is the process of reshaping workflows, decisions and operating models. The first can help people summarise information, analyse data or automate routine work. The second demands much stronger foundations in data, systems, governance and process design.

But moving from everyday AI to enterprise AI does not mean applying generative AI everywhere. The next question is which technology is best suited to each part of the operating model. Even within enterprise AI deployments, generative AI is not necessarily the right tool for every task. It can be highly effective when the starting point is messy, such as fragmented data, incomplete information or a process that requires human-style interpretation. But where an operation needs to run reliably, repeatedly and at scale, established optimisation methods, business rules and operations-research techniques may still be the better choice. Especially where human judgement, context, interpretation and accountability remain important.

The underlying principle is simple:

Use AI where it improves judgement or removes friction, but do not use it where another technology can deliver greater reliability and control.

Fighting organisational entropy

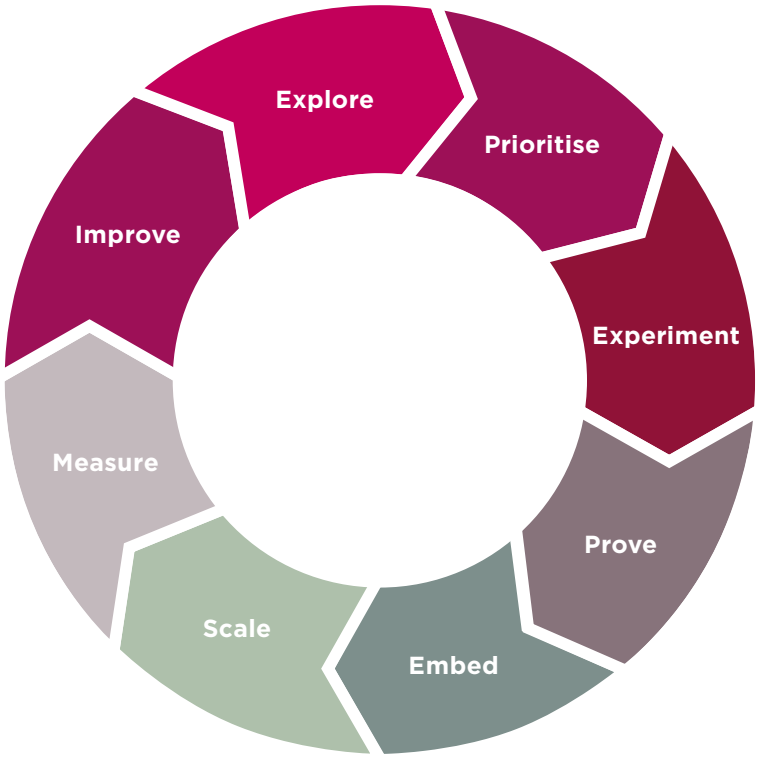
Creating a culture that supports innovation and selecting the right technology is only part of the adoption challenge. Innovation also has to survive contact with day-to-day operations.

Processes naturally drift over time as workarounds appear, standards weaken and teams gradually move away from the intended way of working. If not actively managed, this increasing organisational entropy slowly erodes the value created by innovation.

Sustaining improvement requires the same discipline as implementing it, especially when reinforcing standards and measuring performance. On a practical level this means regular audits to identify and correct problems as well as trying to establish daily operating rhythms and learning pathways that reinforce new ways of working.

This daily reinforcement is how innovation moves from a successful pilot to a repeatable capability. Organisations need to keep testing whether the new way of working is still delivering the intended outcome. Leaders also need to be ready to update assumptions and routines where necessary, and scale only the activities that create measurable value.

Innovation is therefore more a cycle then a straight line:



The Innovation Cycle, Argon & Co, 2026.

Sustaining the value created by innovation is not about adding more technology to the stack. It is a continual process of maintaining the connections between technology, people, processes and value alive long after the initial launch.

Conclusion

Building for volatility

Organisations cannot control volatility, but they can control their response to it. Market leadership is not defined by being able to predict the next disruption or adopt the latest technology first. It increasingly depends on being able to turn innovation into repeatable, scalable processes that contribute to a defined long-term strategy. Doing this effectively means taking steps today to define value, mobilise people and execute faster.

Lasting competitive advantage comes down to five core capabilities:

- **Clarity:** defining the exact value you want to create
- **Agility:** testing scenarios and deciding direction quickly
- **Discipline:** turning strategy into everyday operational behaviour
- **Execution:** realising that the best idea is only as good as its implementation
- **Adaptability:** learning and improving continuously as conditions shift

The goal is not innovation at any cost. It is speed, alignment and execution, turning market change into your greatest opportunity.



> "A not-quite-right answer that's executed well can be better than a really good answer that's executed poorly."
>
> **Joris Wijpkema, EVP of Solutions and Strategy, Optilogic**

Acknowledgements



This whitepaper has been developed collaboratively by our Innovation Lab experts.

The opinions cited in this whitepaper are drawn from Argon & Co's September panel discussion with Optilogic, QAD | Redzone, and UK SCALE. The findings have been complemented by insights from Argon & Co's Innovation Lab.

Our Innovation Lab provides the environment and expertise to experiment, prototype and scale new thinking and technologies that transform operations and unlock measurable value.

By combining deep operational and strategic insight with cutting-edge data and AI capabilities, our Innovation Lab acts as a catalyst for change. It enables organisations to move beyond traditional approaches, embedding innovation into the core of what they do.

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