

Target Operating Model Design: the critical step in achieving true transformation

A critical element of any business transformation is the immediate challenge of describing the required end state precisely. Without this definition, organisations can end up focusing on one part of the change, a new system for example, and overlook the impact on other components, such as processes and people.

This means the full potential of the project is not realised and only incremental change is achieved, rather than the business transformation that's needed.

Yet this needn't be the case.

A clear Target Operating Model that drives the delivery of your transformation project will maximise the benefits you get.

This is where Change Associates can help.

What we do

We follow a structured approach, from understanding the needs of the design through to the creation of an implementation plan, that will get approval from your Executive Team.

1 Confirm the design principles

Design principles clarify the expected outcomes of the Target Operating Model, such as delivering improved service, strengthening accountability or supporting success.

2 Capture the "as-is"

We collect data about existing processes, people and systems and how they come together into the operating model. This highlights any current issues and provides a baseline from which the impact of the change can be assessed.

3 Design the "to-be"

We start by understanding the capabilities your business needs in place to deliver its strategy. From here we work with your teams to create options for operating models that will put the organisation in the best position to succeed.

4 Select the best design

We work with you to assess the effectiveness of each operating model against the agreed design principles.

5 Carry out Change Impact Assessment

We dig into the detail of what needs to change to enable the Target Operating Model to be successful. We pick up the nuances of the changes your people will feel most acutely, and where there will be requirements for new processes as a result of changes in technology.

6 Build the business case

We build a compelling financial case for your board or decision-making team, clearly describing the anticipated benefits of the new structure, how it will differ from the current structure, and the costs of implementation.

7 Gain sign-off of the change

We ensure the nature and scale of the change is understood and communicated effectively to your key stakeholders. Together, we will address any resistance to the changes before implementation begins.

8 Plan the implementation

Even the best design will be unsuccessful if the implementation is not well managed. We set the project up for success by ensuring implementation steps and their dependencies are realistic and widely understood.

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Why Change Associates?

- ▶ We have 250 associates with experience of designing operating models of varying complexity across many industries.
- ▶ We combine operating model design skills with subject matter expertise to give you the greatest chance of success.
- ▶ We don't follow prescriptive approaches – we tailor ours so that it's right for your organisation.

Case study

Change Associates was engaged to create a Target Operating Model for a US-based retail company. Local variations in operating models were seen across the US, the result of a previous approach that gave greater autonomy to local market management.

As a result, processes were rarely as good as they could be. Best practice was rarely shared and inconsistency around roles meant that career pathways were difficult to understand.

Change Associates visited the local markets to understand the variations on the core model and ran a joint assessment of where these variations were necessary, and where there were opportunities for improvement or the sharing of best practice.

After collecting baseline information about the current processes, people and systems, we presented a report highlighting the issues, impacts and opportunities for change.

Change Associates worked with the senior team to create three high-level design options. Each was assessed for its potential for simplifying the organisation whilst protecting those elements that differentiated it from competitors.

The chosen design was refined in a series of meetings with each stakeholder and a business case and implementation plan were developed.

The changes were successfully rolled out by the organisation over the following 12 months.

“It was obvious within a few weeks of Change Associates arriving on site you would make things happen quickly, and you have excelled for the duration of the project. You quickly gave a clear picture of the issues we are facing and the best solutions. You draw on a wealth of experience, are trustworthy and always act with integrity.”

Guy Johnston

Director, Avis Budget Group EMEA

Contact

For more details please contact:

David Cruise, Director

T (0)207 101 1979

M (0)7834 557202

E David.Cruise@changeassociates.com