

Target Operating Model

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Capgemini Brings A Proven Approach To Delivering Target Operating Models. Current-state strengths and weaknesses, coupled with the strategic perspective define specific Operating Model requirements. Any operating model is defined by a set of capabilities and services that are provided and then elaborated across processes that combine to deliver the capabilities and services.

Elevator Pitch



Definition: An operating model defines the approach to implement a business model across four dimensions: organization (including interactions and accountabilities), process, governance and measures. A modern operating model reflects the central role of technology in financial operations and overcomes the traditional boundaries between business and technology organizations.



Did You Know? We have defined target-state operating models for HSBC, Barclays, Everest, ANZ, Ally Bank and The Clearing House delivering improved efficiency, speed to market and alignment of customer value to operational investments.



Why Capgemini? Capgemini has a **global team** focused on Operating Model design and implementation across financial services. This group brings leading practice insights from across banking and technology supported by proven methodology.



Research Partnerships: Our Operating Model definition projects draw on all of Capgemini's research investments including our Banking Reports, Business Trends books and Technovision



Consulting Based Approach:

- Small, specialist consulting teams supported by SMEs
- Leverage of the Capgemini ASE when required
- Proven approach tied to Business Transformation methodologies
- Industry specific insights



Barriers: Many banks and insurance companies have operating models that have evolved slowly over many years and are unable to deliver the required pace of change in a tech-centric, innovation-rich business environments.



Transformation Scale: Broken / outdated operating models often hamper large investments in technology. Large transformation programs often require the refinement or re-invention of business or IT operating models in support of new ways of working and release of value.

Business Goal

Business Vision

Banks' evolution from traditional operator to modern tech firm is underpinned by a modern Operating Model. Traditional approaches to governing and delivering Bank technology deliver too slowly and don't address complexity. A modern Services-Based approach to operations orient business and IT around the delivery of 'software as a product' aligning investment, results and risk management.

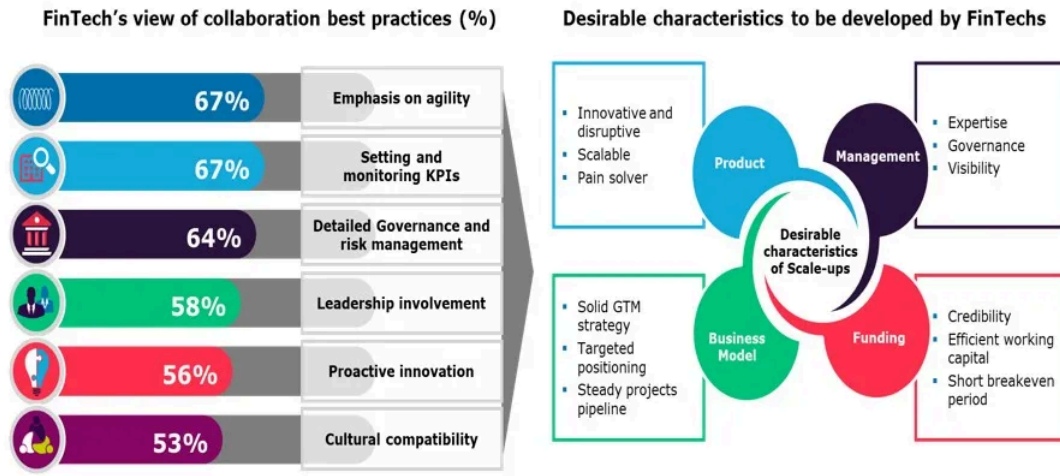
Business Issues

- **Business & Operational Agility:** Many Business Transformations fail to deliver promised benefits because fundamental organization, process and governance structures maintain the old order and sustain the status quo.
- **Transparency Across Value / Cost / Risk:** Regulators, Risk and Compliance teams and Customer Advocates increasing demand a clear linkage between the delivery of customer value and the enabling business and IT assets.
- **Ecosystem Engagement:** Banks are now clearly part of an extended, integrated ecosystem. This drives the need to effectively harness third-party innovation yet Fintechs continually complain about slow-to-respond legacy banks.
- **Empowerment of Talent:** Most banks fail to manage operational complexity leaving their people to work in difficult environments where they constantly have to manage communications and consensus.

Solution

- **Target Operating Model Design & Implementation:** An Operating Model describes business and technology operations in terms of services, regardless of the underlying technology. Business and technology services combine to deliver customer value and are delivered by orchestrating people, process and technology assets. Value, cost and risk are associated to services and flow up and down service value chains. The Operating Model sets out a clear organizational structure with roles and accountabilities, defines process flows, governance forums and mechanisms and the key metrics used to measure and optimize the organization and its operations.

Research Findings



[Read More in the BOMS BATTLECARD in the Key Documents section below](#)

Key documents

Target Operating Model Client Discussion Pack – April 2022 v3

Target Operating Model_BOMS BattleCard_April052024

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