

# **A Guide to Operating Model Design**

## **Don't Transform Without It!**

The operating model is often overlooked when organizations transform, resulting in new technology running old business processes. This video explains the concepts behind an operating model and why a target operating model is critical to successful business transformation.

## **Enterprise Architecture & Transformation**

### **Thought Leadership Videos**



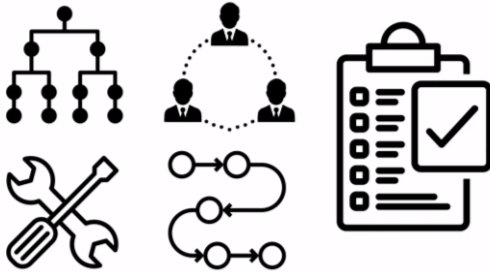
## **Business Transformation**

## **Digital Transformation**



**Reduces Technical Debt**

**Reduces Technology Risk**

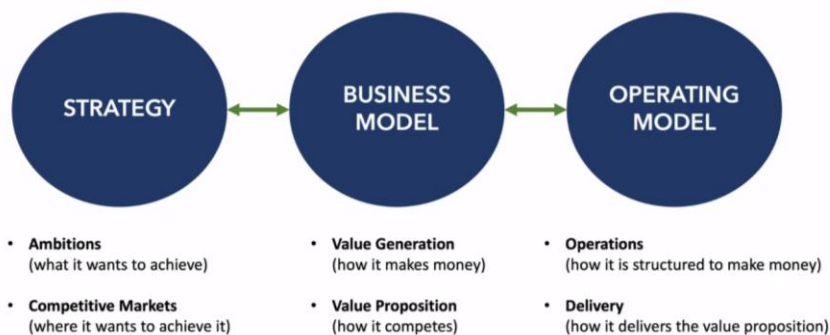


It is also an opportunity to reimagine how a business operates, its structure, roles, capabilities and processes to meet future requirements.

**Digitising sub-optimal ways of operating  
can highlight inefficiencies  
and make a business perform worse!**

**Operating Model**

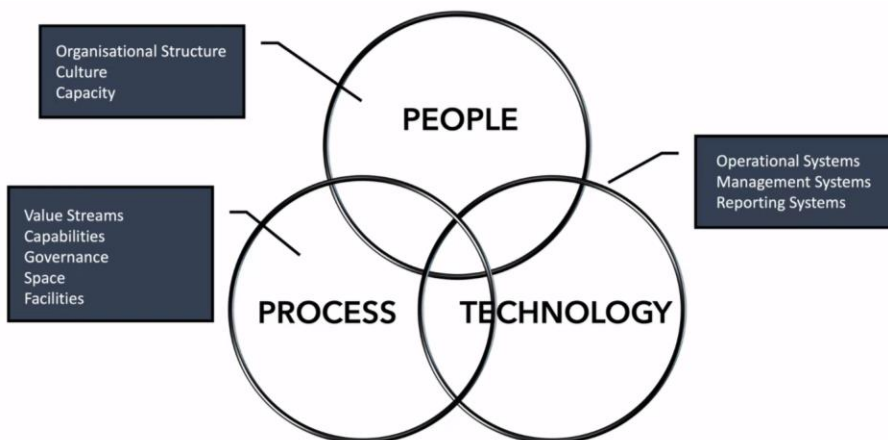
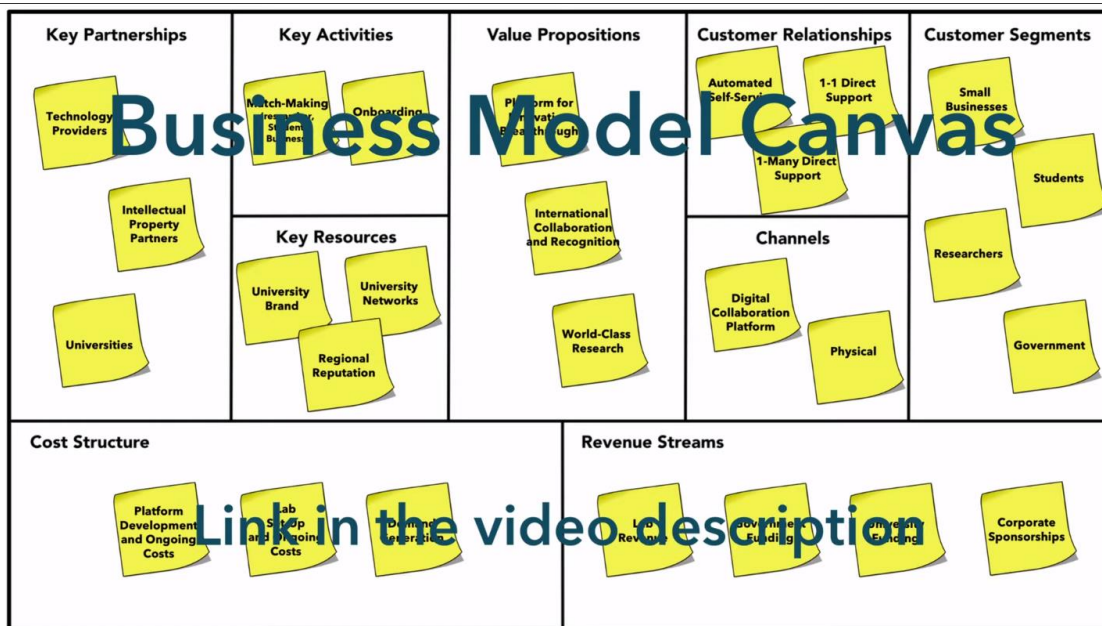
The answer lies in defining and analyzing a future-state operating model



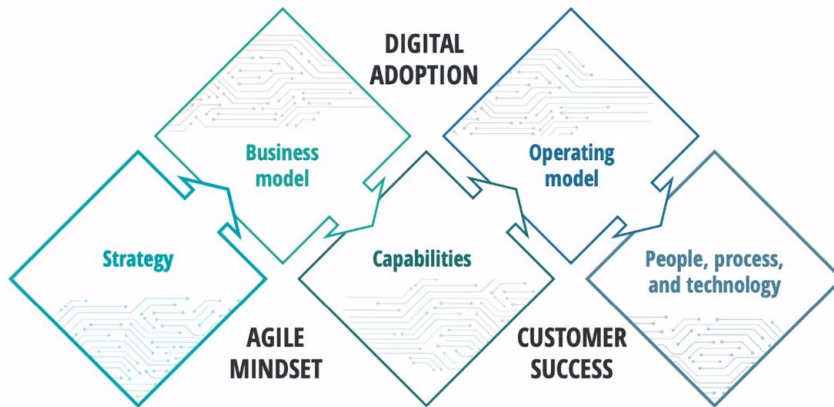
**Strategy** are the client organizations ambitions and its competitive markets, it is an intention of what the organization wants to achieve and where it wants to achieve it. **Business Model** are how the client will generate value and make money, it identifies the customers and defines the value proposition to them (a simple statement summarizing why a customer will choose the client's product or service over a competitor). A business that competes in multiple markets will have multiple business models. **Operating Model** defines how a business operates and structures itself to generate value, it defines how to deliver the value proposition. Each business model typically has its own operating model.



Each of Amazons 2 market targets different customers and offers different value propositions, they each have their business model delivered through specific operating models.

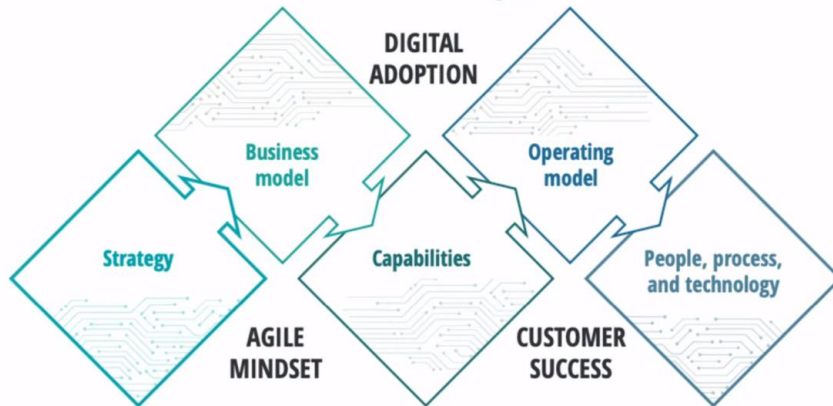


# Deloitte Industrial Transformation Framework



2. Where will we choose to play, and how will we win in these markets—e.g., which customers and pricing?

4. How should capabilities be configured? Where should they be executed? Who has ownership and decision rights?



1. What are our winning aspirations? (What do we want our company to be?)

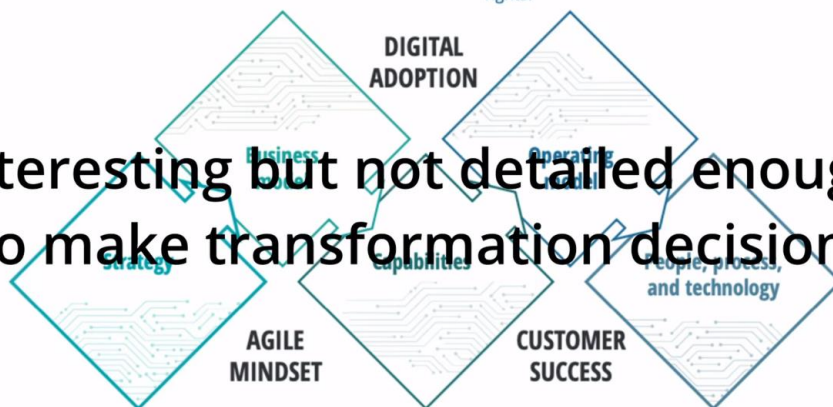
3. What capabilities are needed? Which capabilities must be built, refined, or bought?

5. What business processes, technology, and management systems are required?

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4. How should capabilities be configured? Where should they be executed? Who has ownership and decision rights?

Interesting but not detailed enough to make transformation decisions

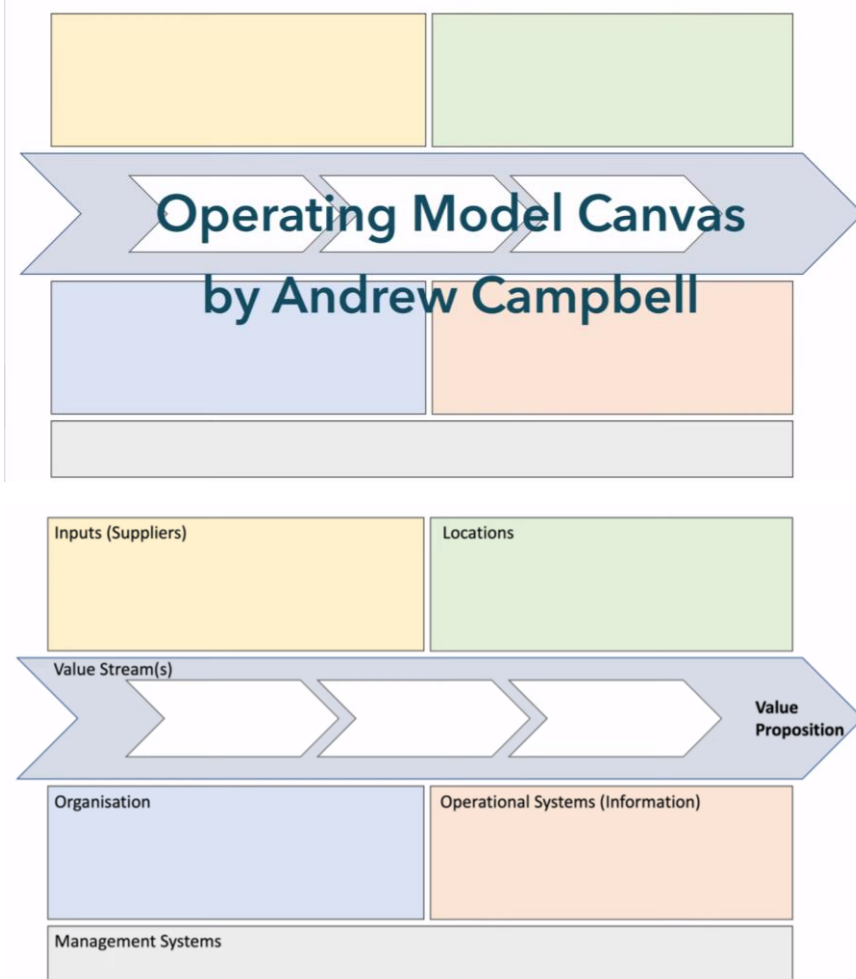


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1) Value streams describe the steps to create and deliver value to customers. (2) Then define the inputs into the value streams and then the locations where the work is performed. (3) Then define the organization and structure that delivers the value proposition. The structure is about the relationships between the roles and the structure. (4) Identify the operational systems like the technology applications needed. (5) The last is the management systems that contain the metrics and KPIs to be tracked to make sure that the operating model runs smoothly.



**Not-for-profit**

**Member-based Organisation**

**50,000 Members**

**Transform Application-to-Onboarding Process**

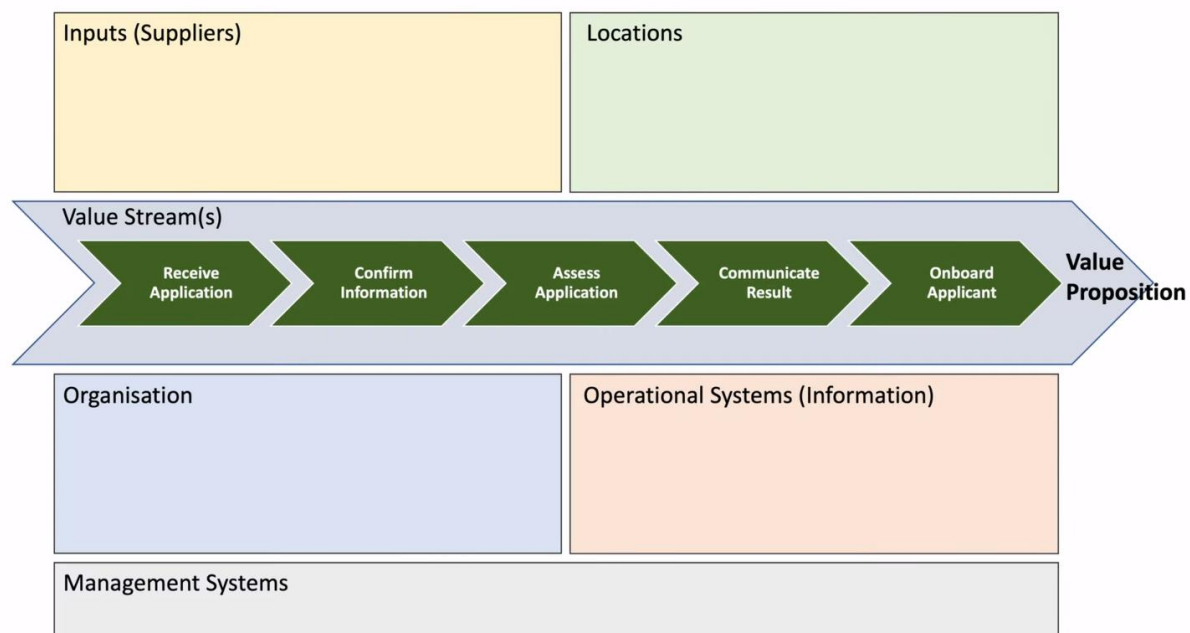
**1,000 Applications per Month**

**Four Full-Time Employees in Assessment Team**

**Current capacity is 500 Applications per Month**



<b>AS-IS</b>	Email, Fax 15 Minutes	Manual 15 Minutes	Manual 15 Minutes	Manual via Email or Phone 5 Minutes	Manual via Email or Phone 30 Minutes
<b>TO-BE</b>	Online Application Form 0 Minutes	Automated 0 Minutes	API to Industry Body, Manual 3 Minutes	Automated via Email 0 Minutes	Automated Emails 5 Minutes



MHA is now ready to start populating the operating model canvas

