



## What does it take to make big ideas turn into operational reality?

How the design of the right Target Operating Model can help you become ready to embark on a journey of change

The world is how we shape it

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'Vision is the art of seeing what is invisible to others'

'Culture eats strategy for breakfast'

'The best way to predict the future is to invent it'

## Sound familiar?

These are the phrases we hear leaders say and we hear them often. Executives are excited about vision, culture, innovation and more recently - purpose. It's not only about reaching that first million. It's about reverting to net-zero. Contributing to social value. Driving positive change.

And they are right - having clarity on what you want your organisation to be (or not to be) is the fundamental first step.

The difficult truth though is that the more inspirational and motivation the vision is, the more difficult is to ground it into operational reality. Given that 70% of transformation programmes fail, there is a hidden risk of promising yourself, your employees and the market things that your organisation is simply not ready to deliver.

## Let me put this in another way.

I might have aspirations to become an ultramarathon runner, but this doesn't happen overnight. To become one, I need to:

- **Create a training schedule:** and follow it to help my body cope with the workload
- **Prepare a meal plan:** a balanced diet is important to keep me 'fuelled'
- **Equip myself with the best gear:** be prepared for all sorts of weather
- **Educate myself about it:** make sure I understand what to expect and get myself into the right mind-set
- **Maintain social relationships:** because it's about mental, just as much as it is about physical health
- **Get plenty of rest and sleep:** make sure I don't overstretch and injure myself ...And the list goes on and on and on

The same applies to businesses. They need to **flex, boost and lean** their operations to realise those positive intentions.

Just like your body consists of thousands of parts that all work together to keep you alive the organisation has a number of components that need to be in sync to work well. When one of them fails, it may have a domino effect on others.

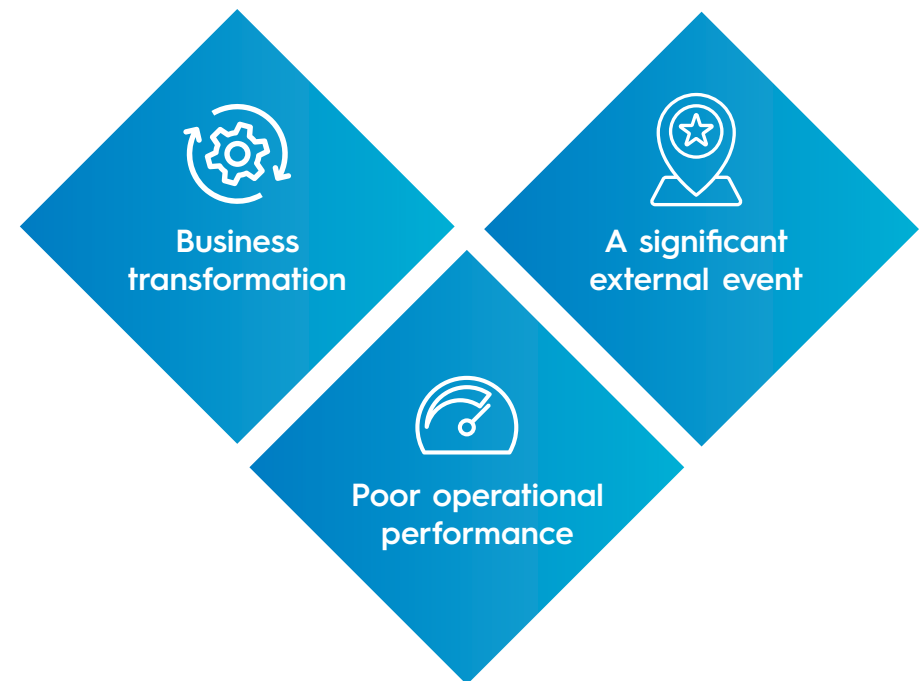
What helps to organise them all towards a common goal is a target operating model.

## What is a Target Operating Model?

A Target Operating Model is a high level representation of how a company can be best organised to effectively deliver on the organisation's strategy. It provides a blueprint of how things will work in the future to reach the desired vision, taking into account external and internal factors that drive the need for change. At a minimum, it sets out how people, process and technology will run to deliver the products and services. However, the current competitive, social and economic landscape drives businesses to think about additional levers – such as Customer Experience, Data and Analytics, Resilience and Organisation/Ecosystem.

There are multiple reasons why organisations may need to change the way they do things. The following are just some examples:

- **Business transformation:** This can be as result of a new vision, strategy or business model and can be driven by changing customer expectations or a merger or acquisition.
- **A significant external event:** Covid-19, the global financial crisis and the 4<sup>th</sup> Industrial Revolution have all has exposed the need to adapt to a dynamic landscape.
- **Poor operational performance:** Inability to continually meet operational targets across the organisation or misalignment between the strategic objectives and delivery.



# How do you create a Target Operating Model?

Understanding how your business operates today will help you identify and bridge the gaps between your strategy and execution. If you have big ideas and aspirations, here are some questions that you may want to ask yourself before embarking on the journey to realise them.



## Customer Experience

Do you understand your customer needs and have a well-defined, communicated and measurable experience that you want the business to deliver? Customer experience should be intentional and coordinated across all operations as opposed to something that 'happens to happen' as a result of your business activities.



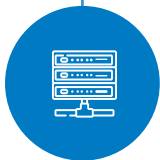
## People

Do your employees really buy into the purpose of the business? Do they have the autonomy, skills and tools to make it happen? Just like the pulse in our body, businesses need effective ways of working to maintain the operating rhythm.



## Process

Are your processes enabling or restricting the business to achieve its goals? Just as a poor life-style can lead to build up of plaque in our arteries, processes may become overly complicated, burdened by heavy (or not enough) governance and restrictive towards achieving your goals.



## Technology

Is your technical architecture geared towards supporting innovation and change? The right technology can give you the 'muscle' to deliver things quicker and cheaper. However, while the buzzword 'digital' became a given, companies are just beginning to grasp the ethical implications of becoming truly digital-first.



## Organisation

Are your work spaces and the ways your teams are set up promoting autonomy, ease of information flows and collaborative working? Do you have the right partners to support your business? Organisational structure and its surrounding environment is the skeleton of your business – striking the right ecosystem balance will support stability and agility.



## Data

Are you able to access the right organisation-wide and external information to make informed decisions at the pace you need? Just as our nervous system signals to us when we need to move our hand away from a burning stove, a mature Data and Analytics capability can help you do the same, but in a business context.



## Make the leap

If there is one lesson 2021 has taught us is that the only constant is change. Having a clear vision and a good grasp on your Customer Experience, People, Process, Technology, Organisation and Data management will help you successfully operate in a dynamic market and even be in the driving seat of that change.

Once you have the how to your why, making the leap from thinking big to making it real becomes a lot less daunting. Reaching that first million or becoming net-zero may be the ultramarathon we can prepare for.





## More Information

At Sopra Steria we provide a bespoke range of Consulting, IT and Business Process Outsourcing services.

To learn more about Target Operating Models or seek advice on designing yours, please visit [www.soprasteria.co.uk](http://www.soprasteria.co.uk) or contact:

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We look forward to working with you.

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