



BUSINESS ANALYSIS CONFERENCE EUROPE

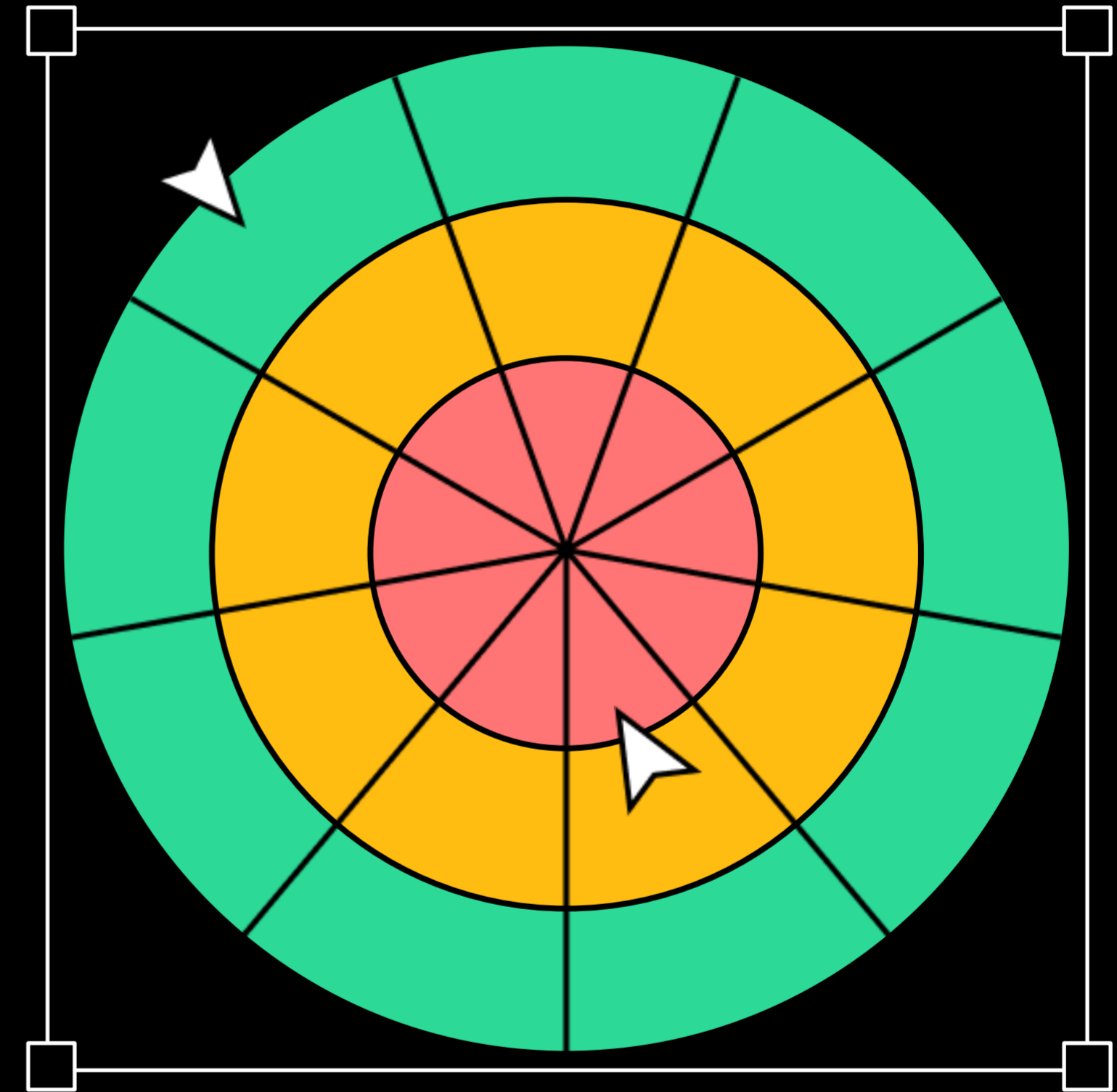
16 - 18 September 2024 • London, UK

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Mastering Target Operating Models:

The Business Analysts Guide

A presentation by **Caroline Beasley**, Senior Consultant (Business Analyst Lead)



Hello...

I'm Caroline Beasley. I've been a Business Analyst for 20 years, working at different levels across various business domains.



And welcome...



Wendy Rees

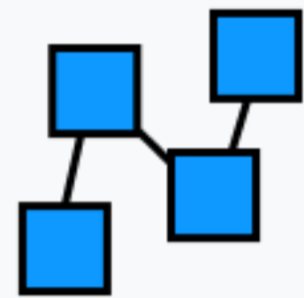


Rachel Bell

Today's agenda

09:30	Introductions
10:00	Introducing Change & how Operating models fit in
10:30	Approach to designing a target operating model
11:00	Introduction to tools & techniques
11:30	Case study introduction
12:00	BREAK (30 mins)
12:30	Case study exercise
13:00	Target state ideation & identifying key operating model components
	From Ideation to TOM blueprint
	Workshop wrap-up & Q&A

What will you take away from today's session?



An understanding of **what** an operating model is and how it fits into the Change lifecycle

An understanding of **what** it might look like.

An understanding of its **potential components**.



A **practical toolkit** for defining and implementing your own operating model.

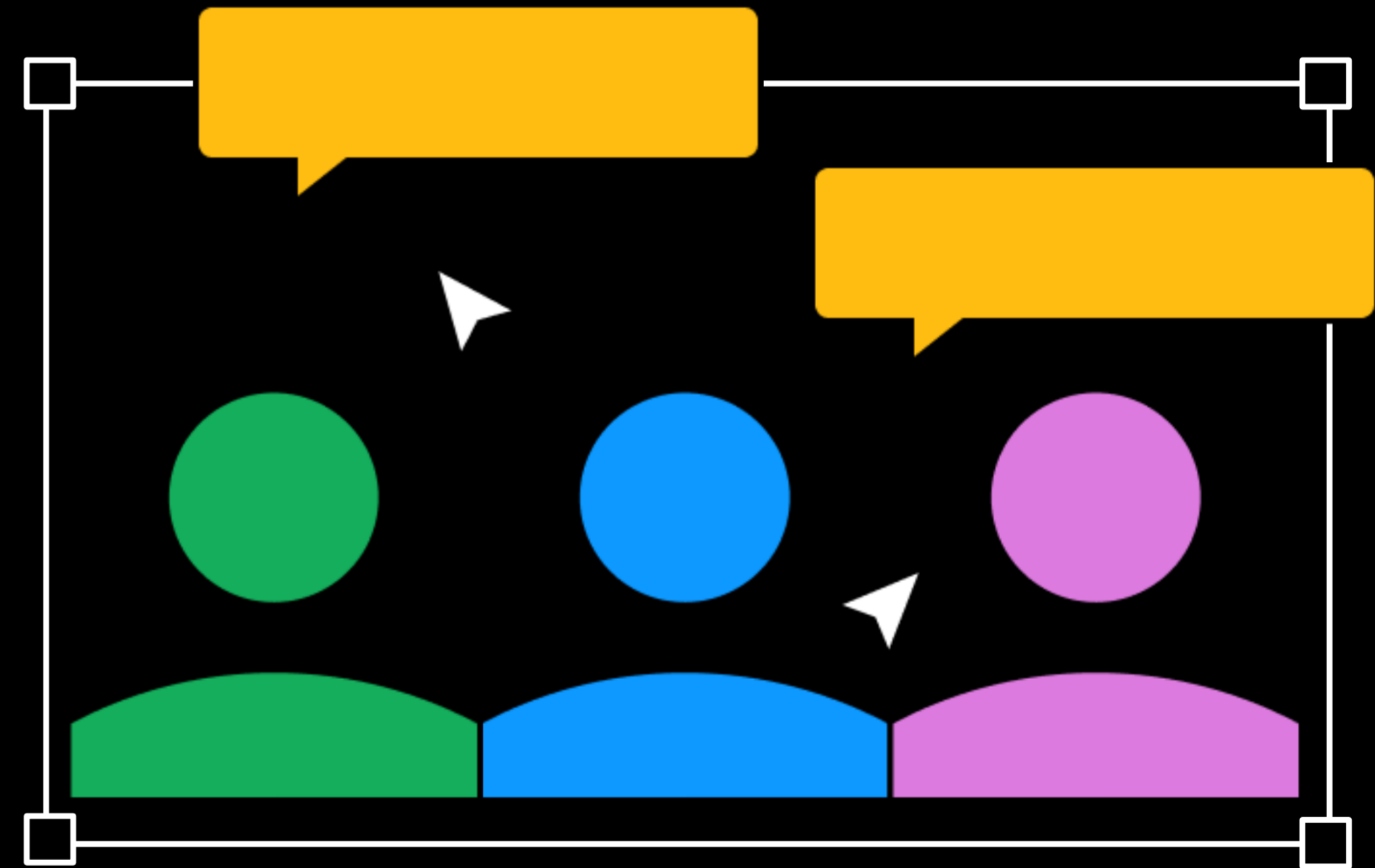


Opportunity to **apply** your learning.

Gain **confidence** to step into operating model work.

Make some new **BA friends**.

Group
exercise – get to
know your group



Getting to know your group



🕒 10 mins

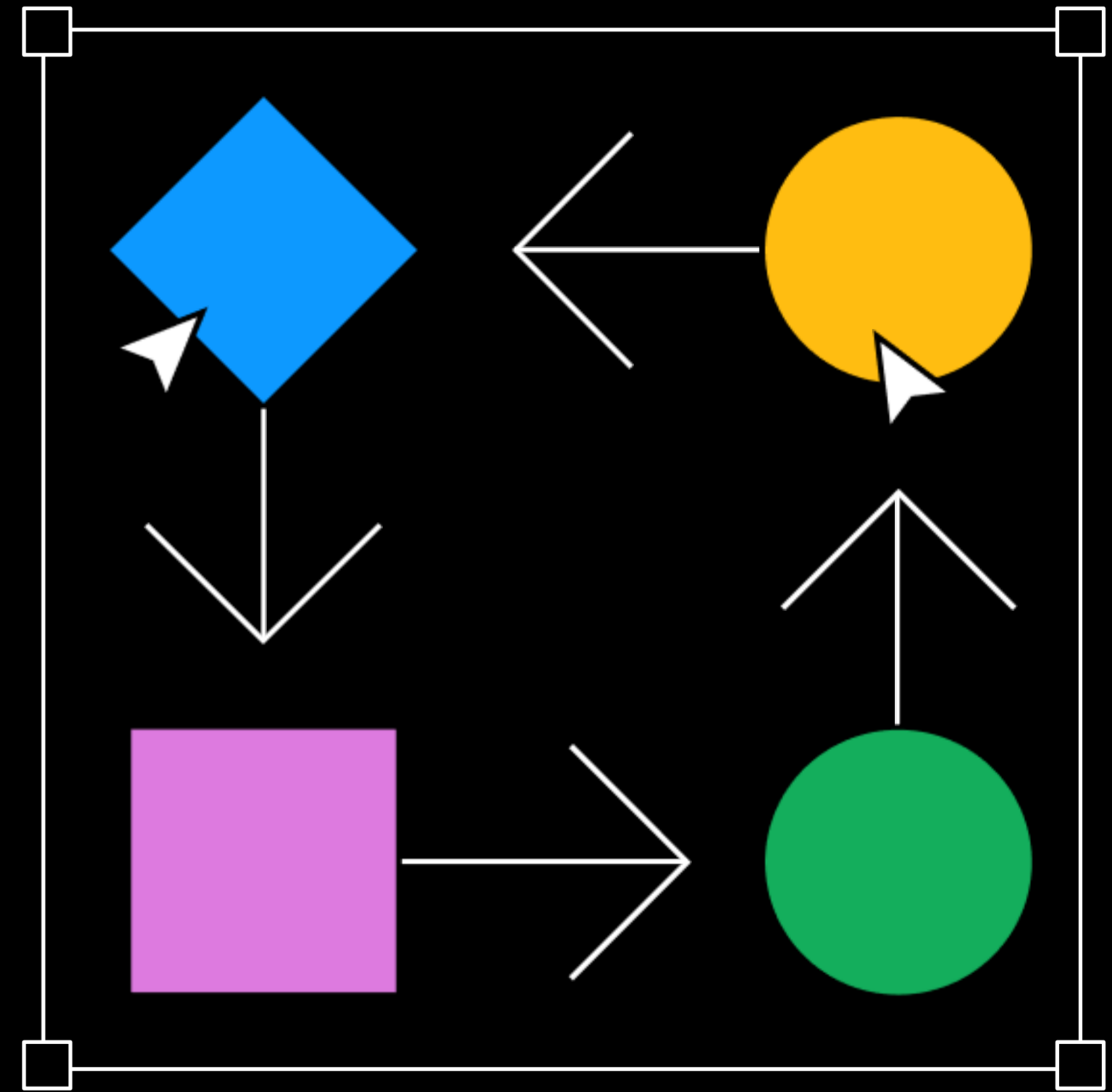
- Write your name on a sticker & introduce yourself to your table
- In front of you are a bag of treats
- Order them from favourite to least favourite
- Complete the survey

What do you know about Target operating models?

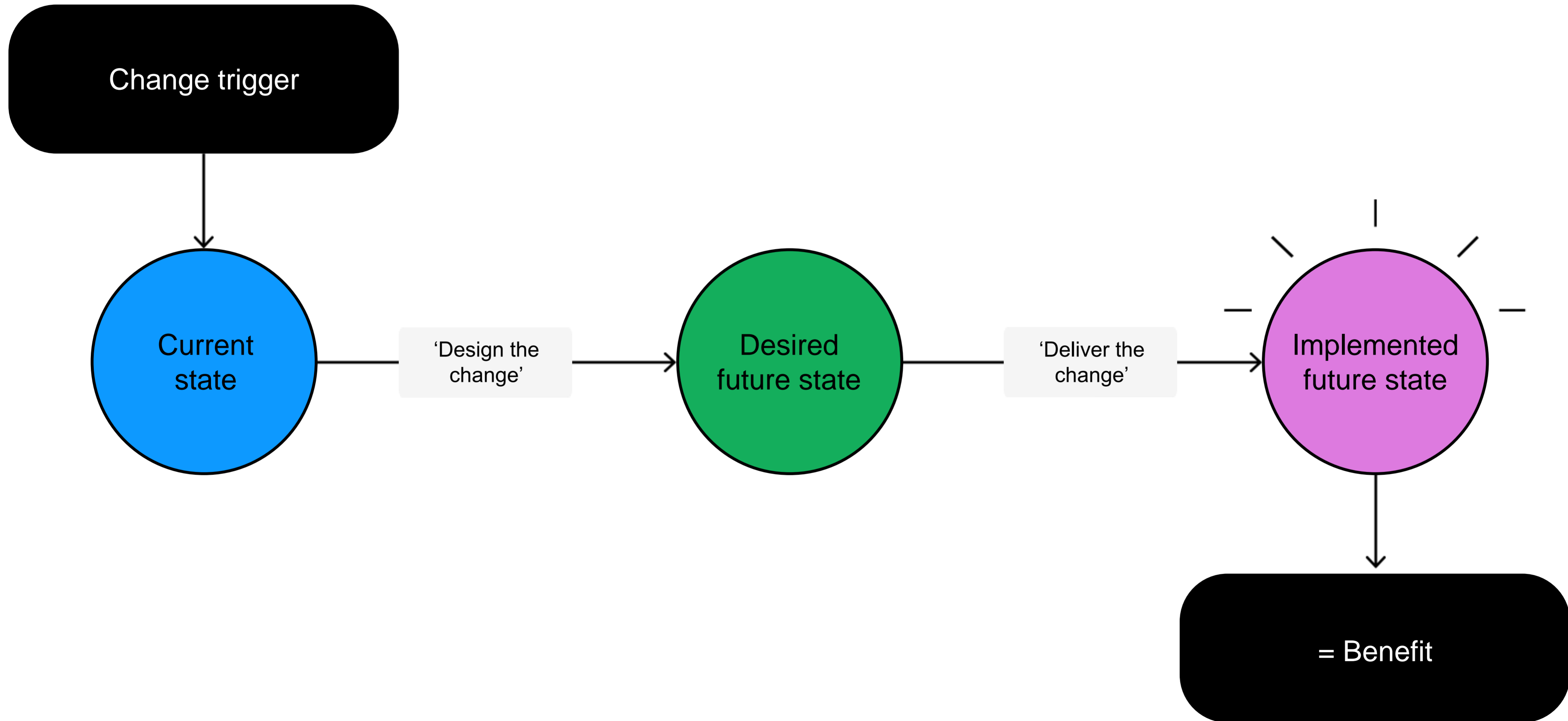


- Has anyone heard me talk about Operating models before?
- Have you been involved in Operating models before?
 - Is this new to you?
 - Or have you had some experience?

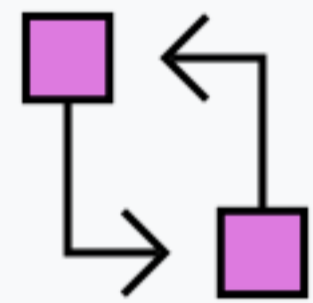
Delivering
change



Enabling the successful delivery of change



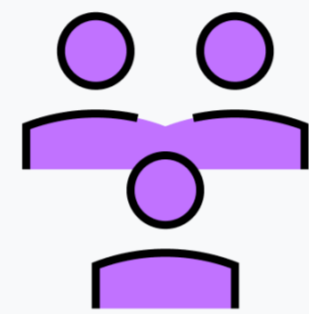
Implications of change



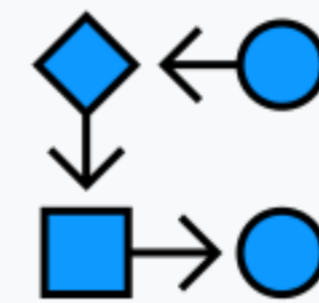
Organised differently



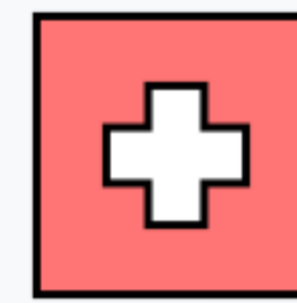
New skills



Culture



New ways of working

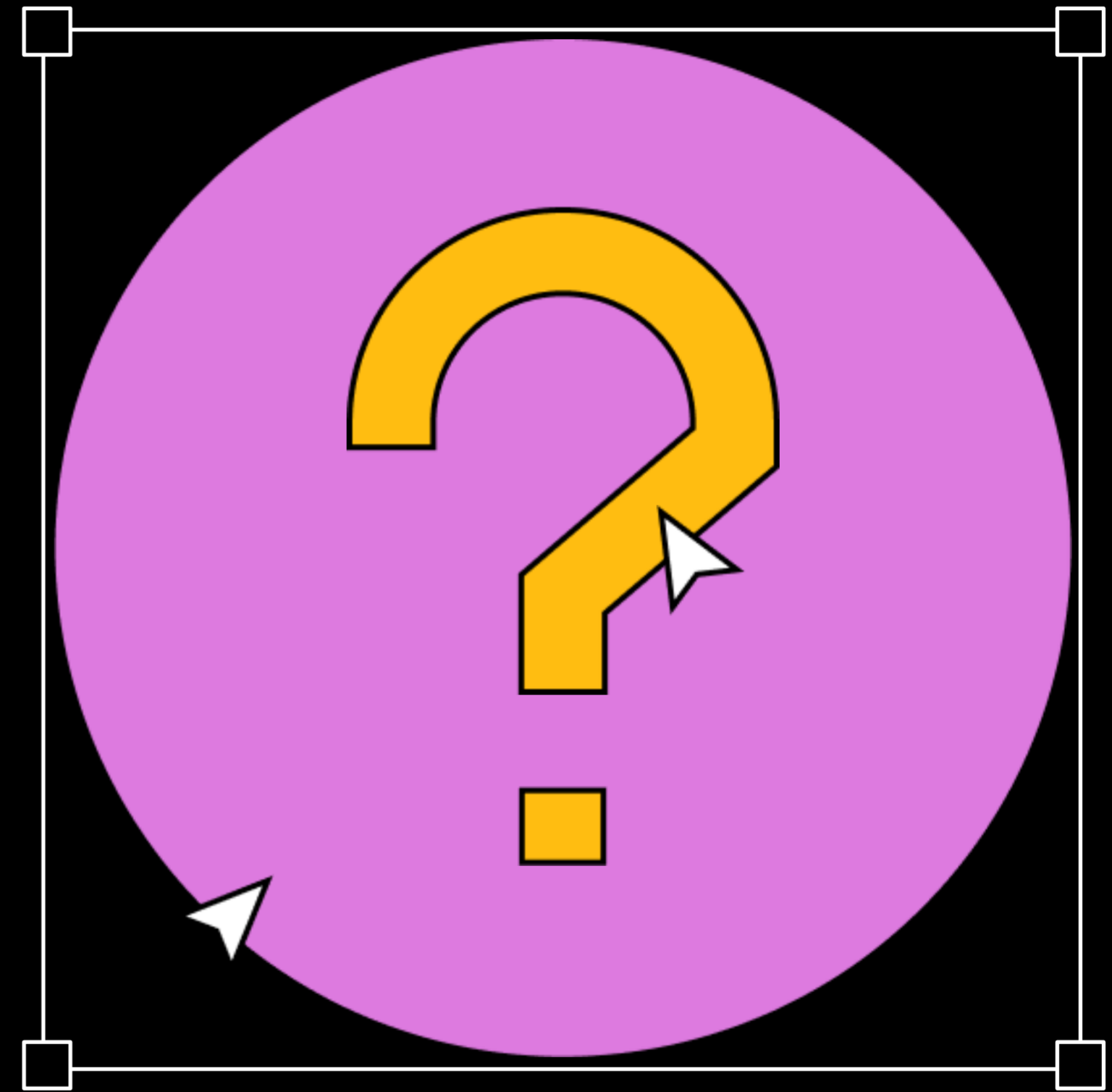


New support arrangements to ensure technology health



New governance and control measures

What is an
operating model?



What is an operating model?

There are many definitions...

An operating model is both an abstract and **visual representation** (model) of how an organisation **delivers value** to its customers or beneficiaries as well as how an organisation actually **runs itself**.¹

An organisation's operating model addresses how it structures its **people, functions, activities** and **infrastructure** to deliver on its business model and strategy.²

An operating model represents how **business components work** together in line with the system's **guiding principles**. At the highest level, operating models describe **how a business functions**.³

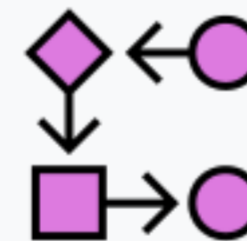
People



Functions
/Capabilities



Processes

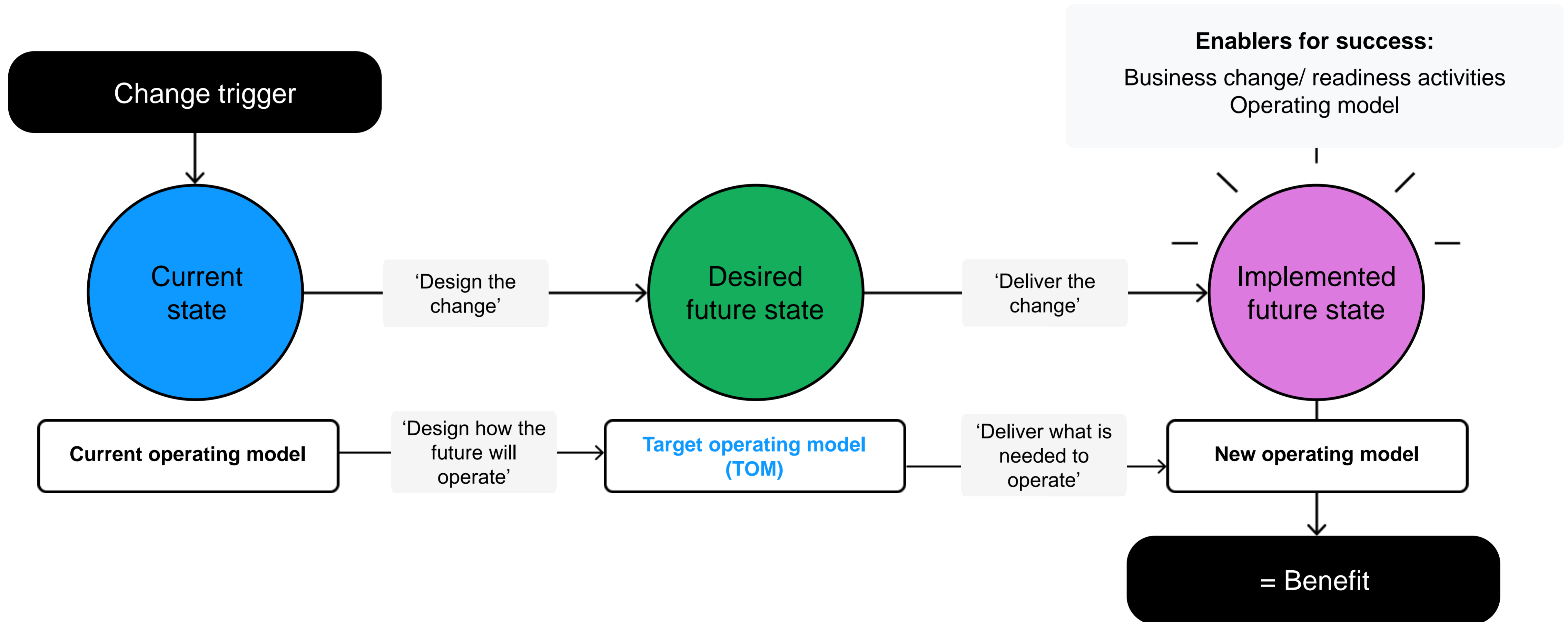


Infrastructure

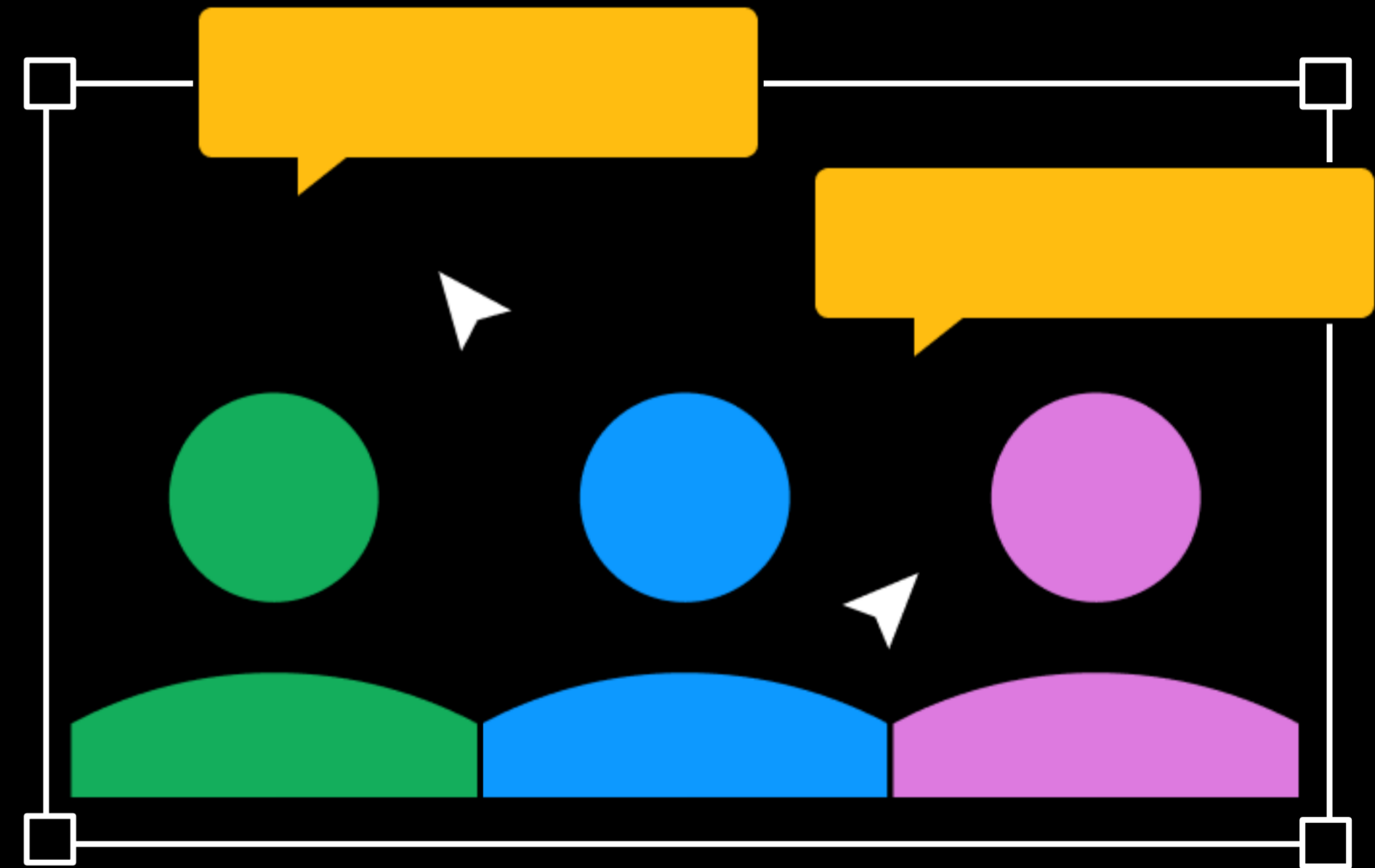


What is a target operating model?

Target operating model (TOM) is a description of the **desired** state of the operating model of an organisation.



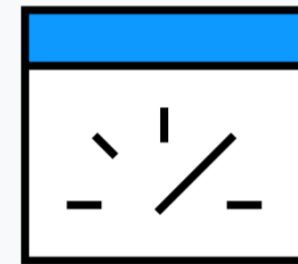
So what?
Why are Operating
models important?



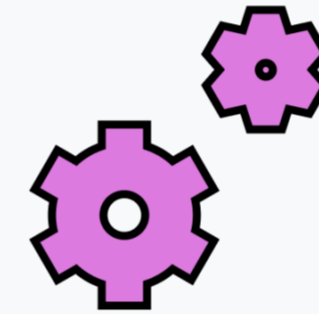
Why are operating models important?

What do you think?

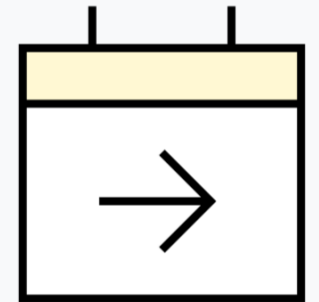
Operate efficiently



Operate sustainably



Future-proof



Compliant



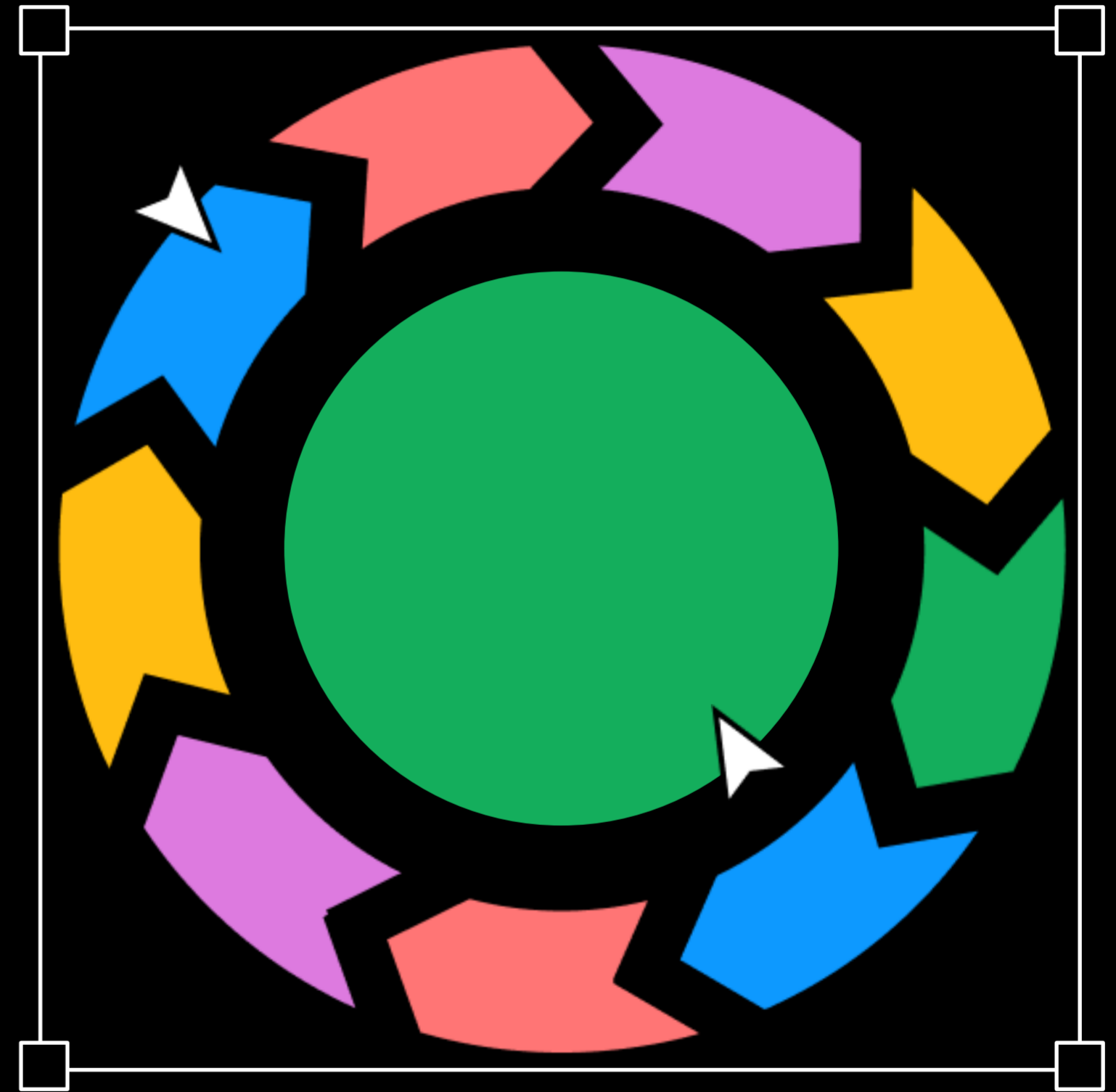
Great customer and employee satisfaction



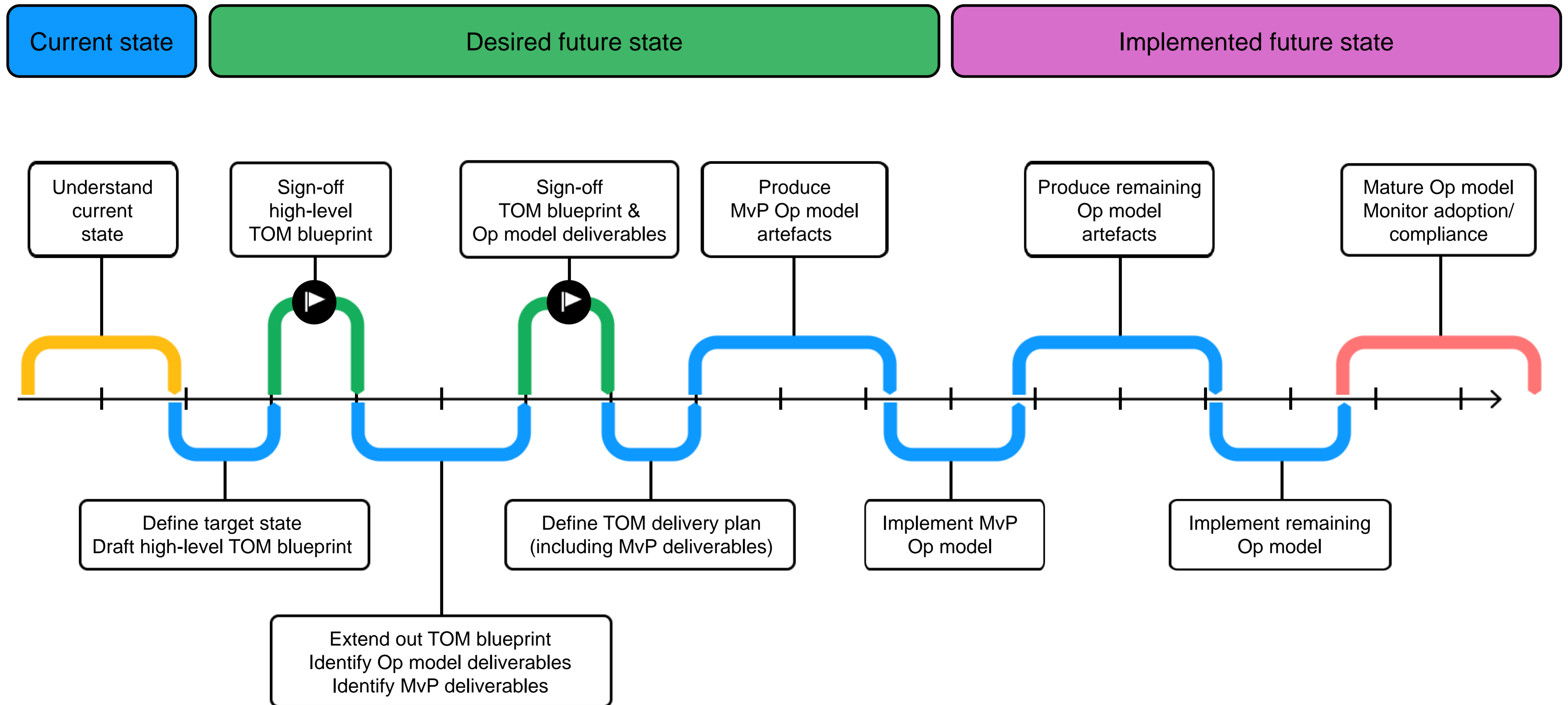
Increased sales/performance



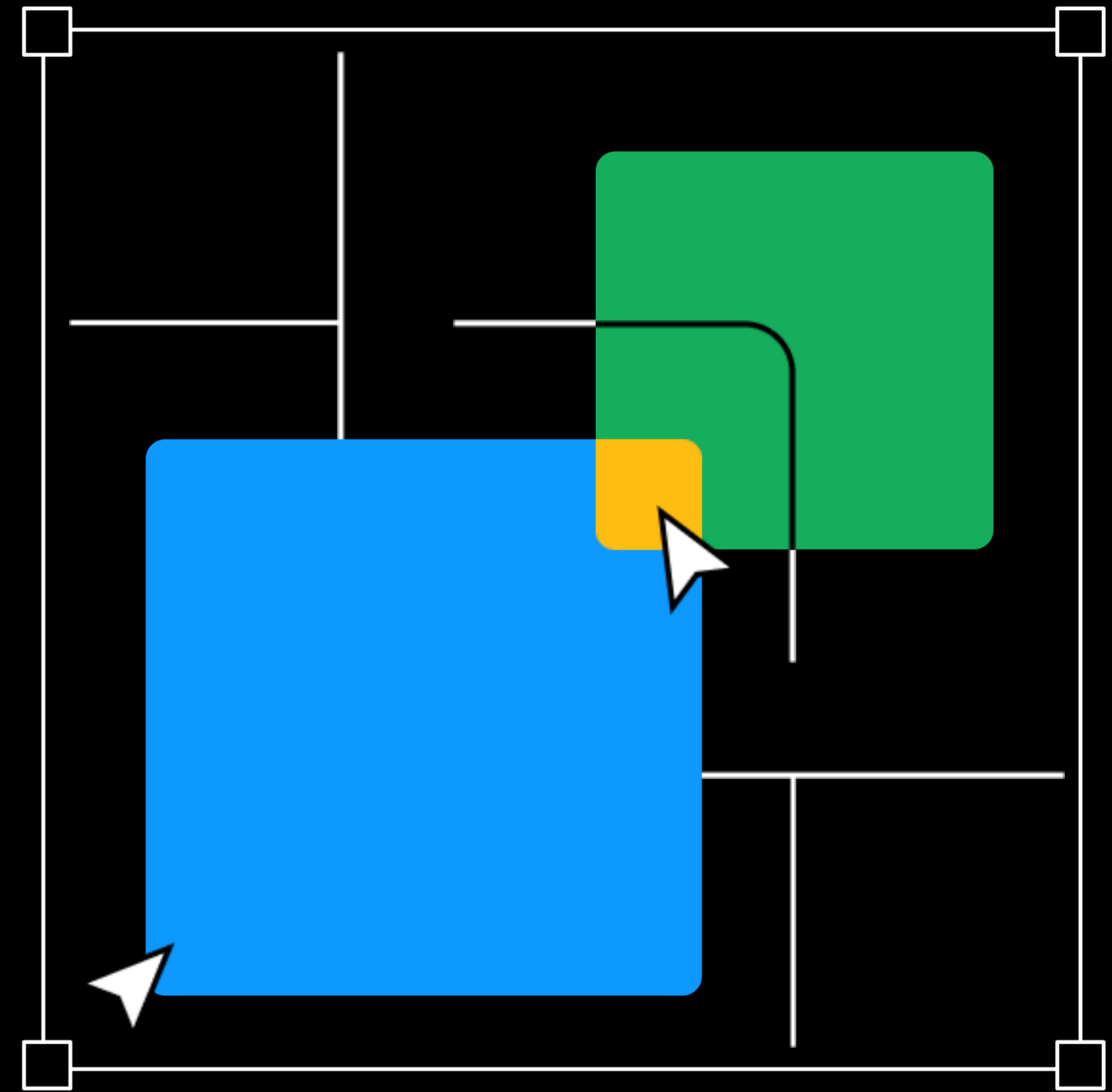
Approach to designing an operating model



Approach to designing an operating model – roadmap



Tools to help
define a target
operating model



Tools to help define a target operating model

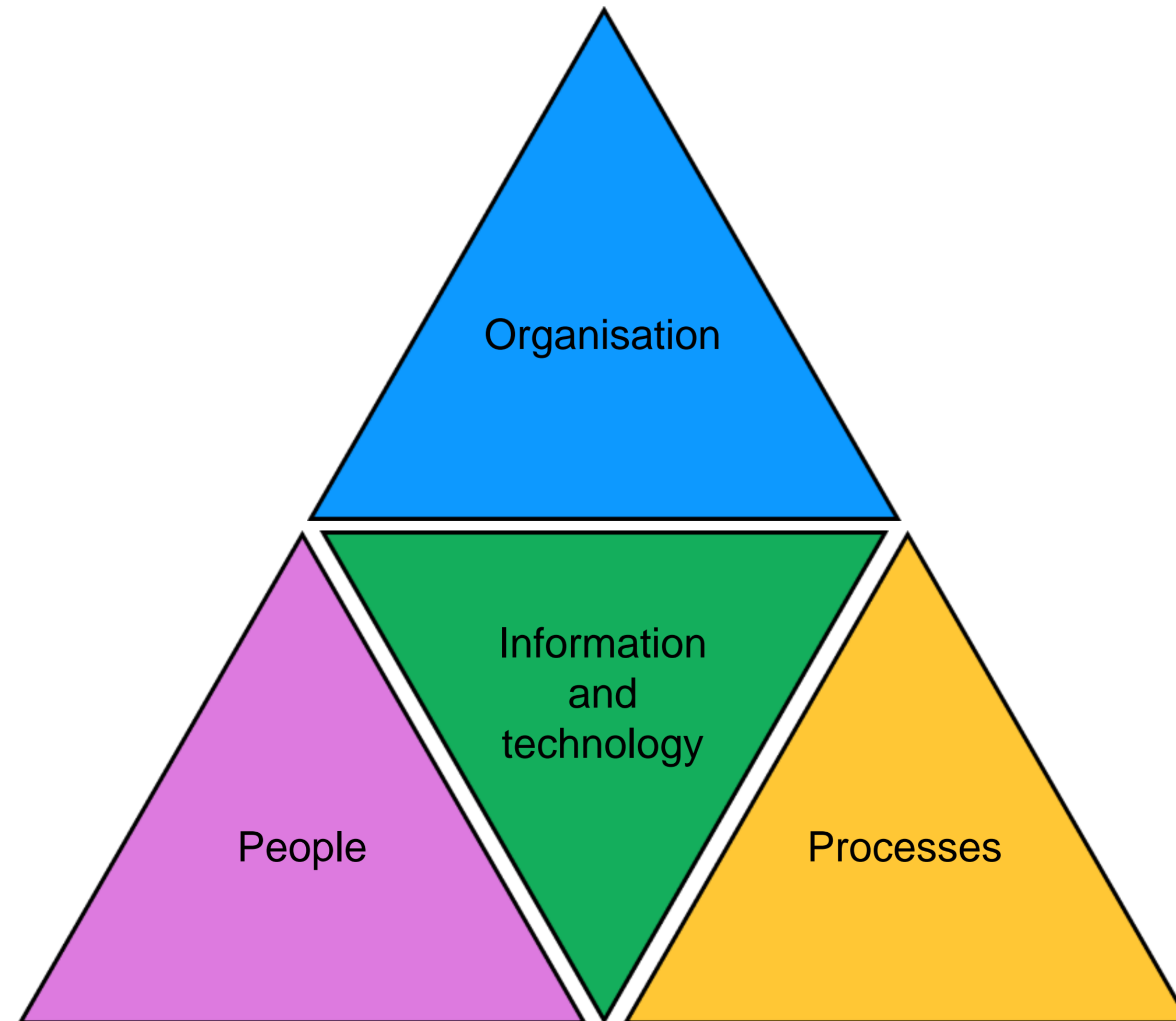
Operating model canvas – POLISM



Source: Ashbridge Executive Education

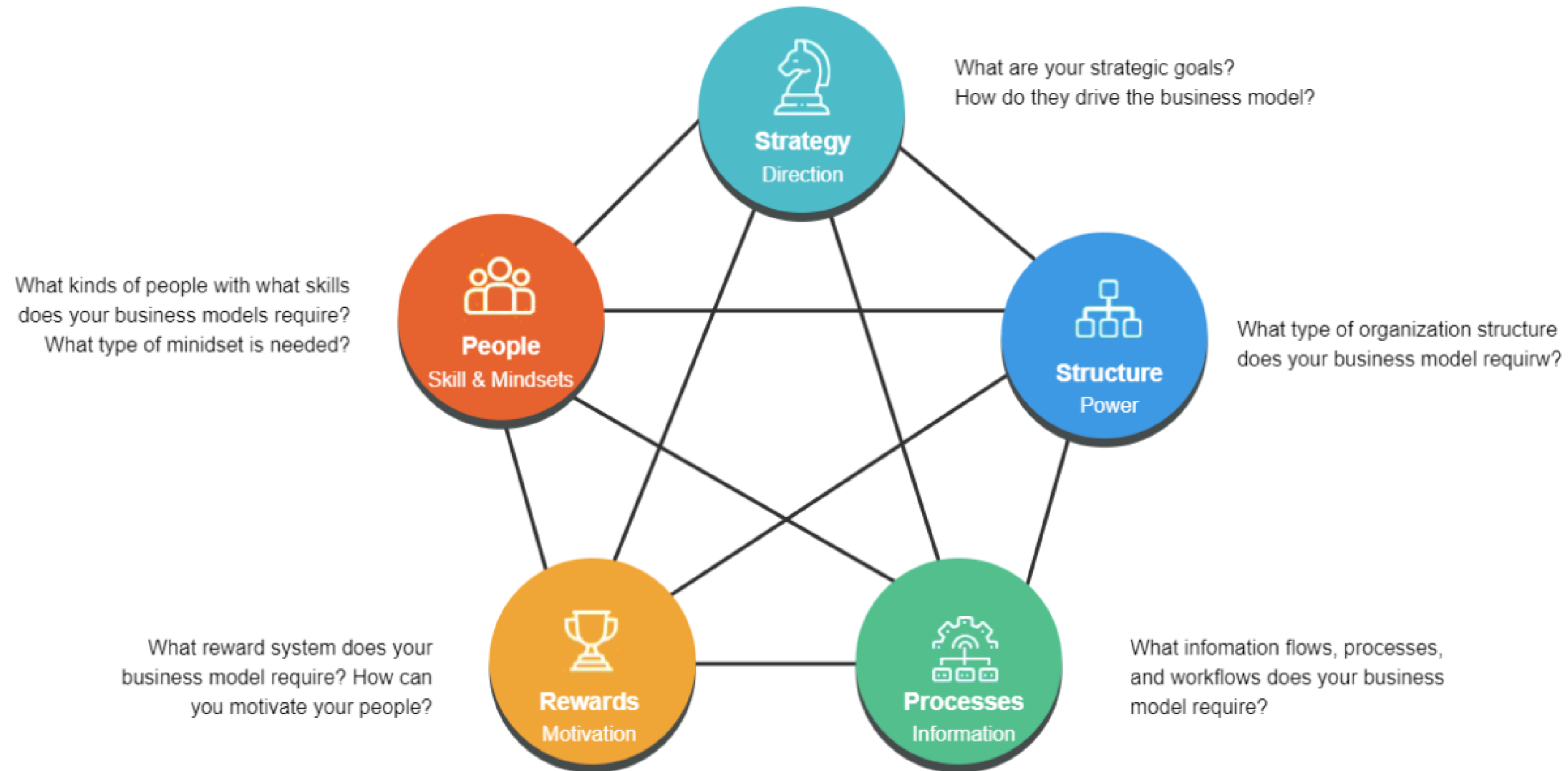
Tools to help define a target operating model

POPIT™ model



Tools to help define a target operating model

STAR model™ by Jay Galbraith
Galbraith Five Stars Model



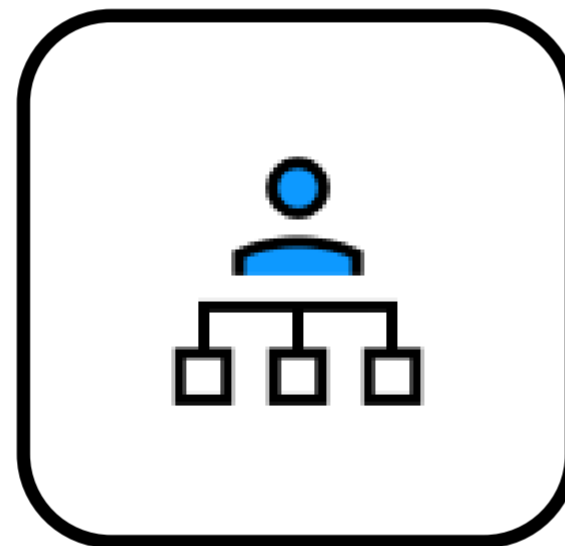
Source: SlideSalad

TOM blueprint

- TOM blueprint is conceptual & high-level
- Outlines the key operating model components and sub-components

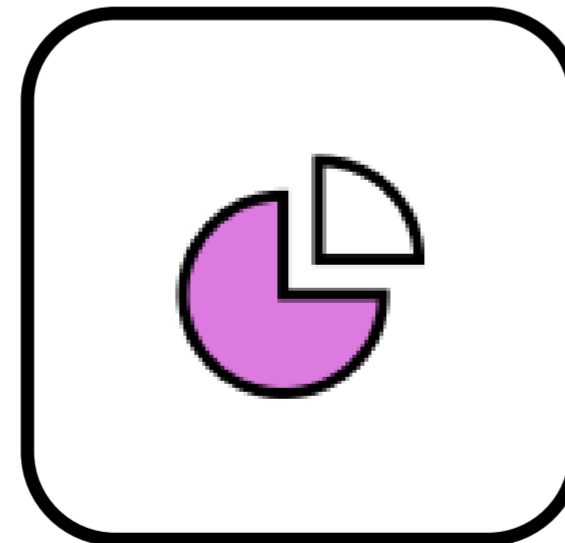
People and organisation

- Organisation charts
- Skills frameworks
- Job specifications
- Roles & responsibilities
- Training and user support



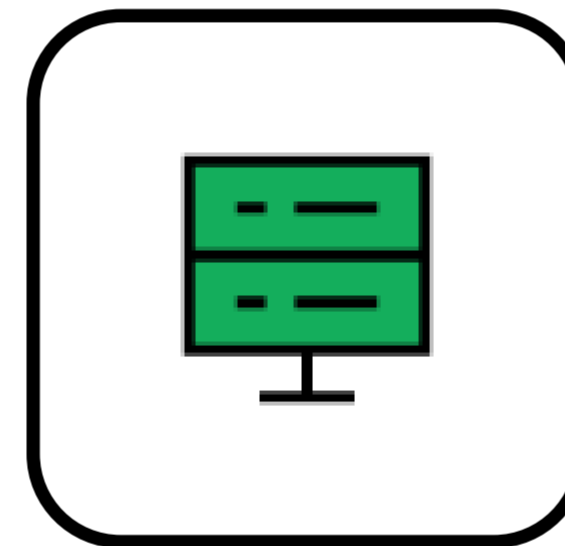
Governance and control

- Metrics: KPIs/ OKRs
- Governance documentation:
 - Terms of Reference
 - Design Authority



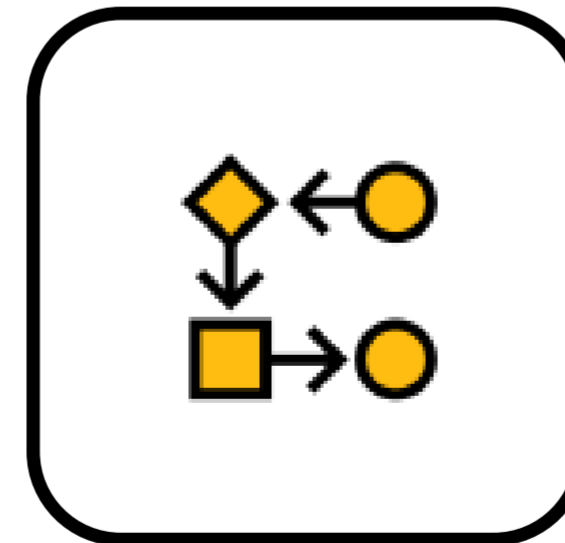
Information and technology

- Technical architecture
- Data architecture
- Technical/design standards
- Best practice guidelines
- Support and maintenance

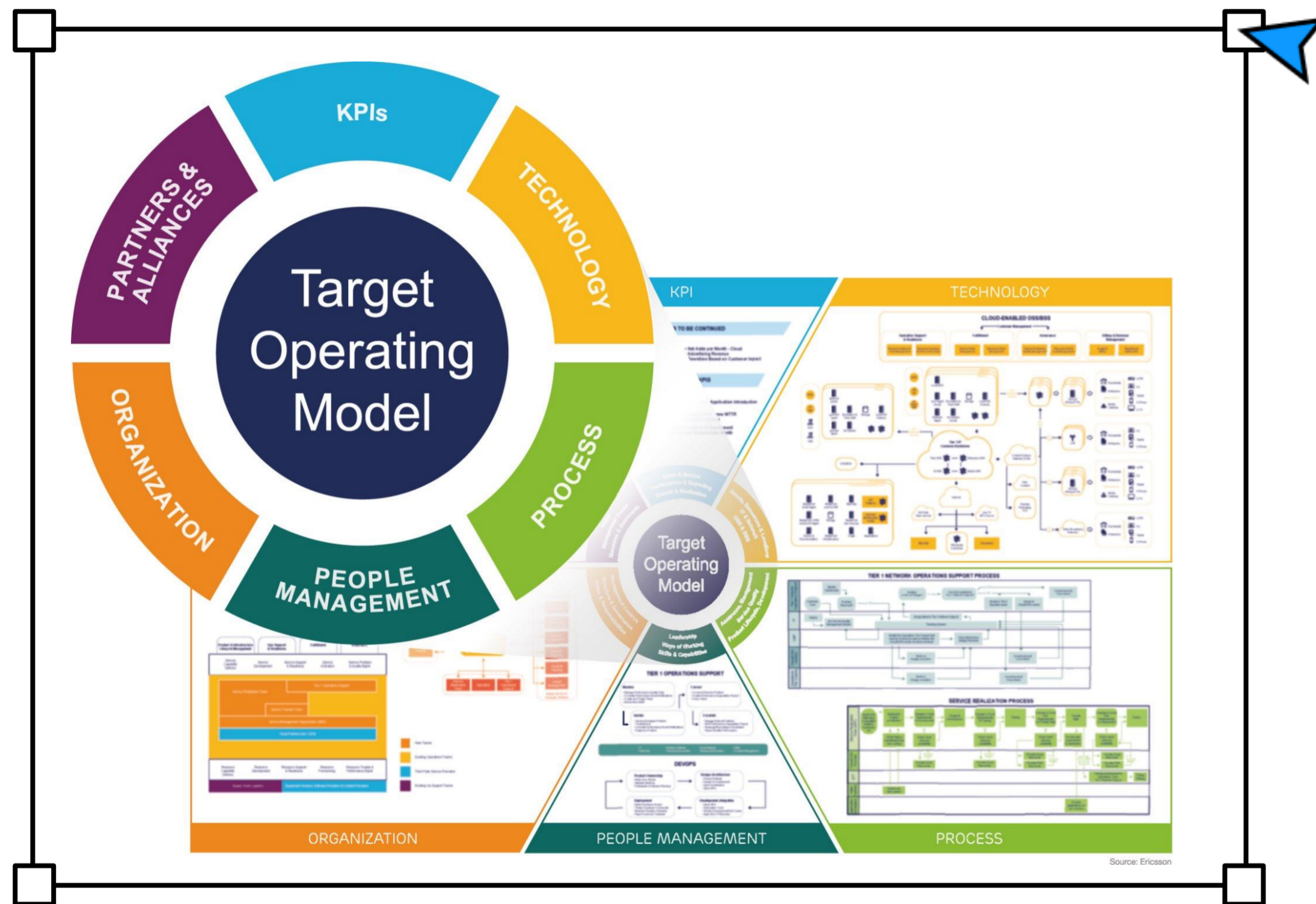


Processes

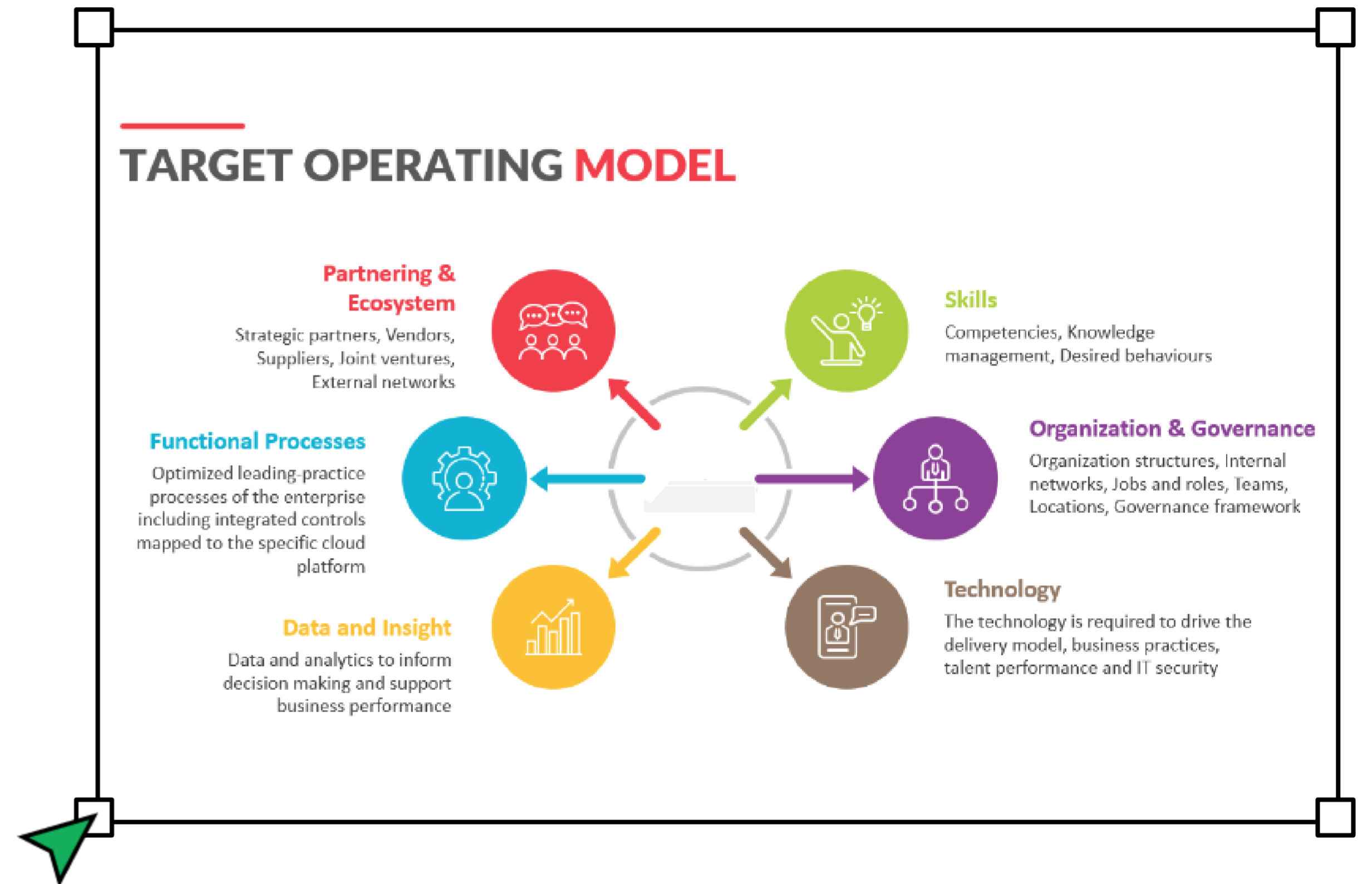
- Processes (new ways of working)
- Standard Operating Procedures (SOP)



Documenting target operating models

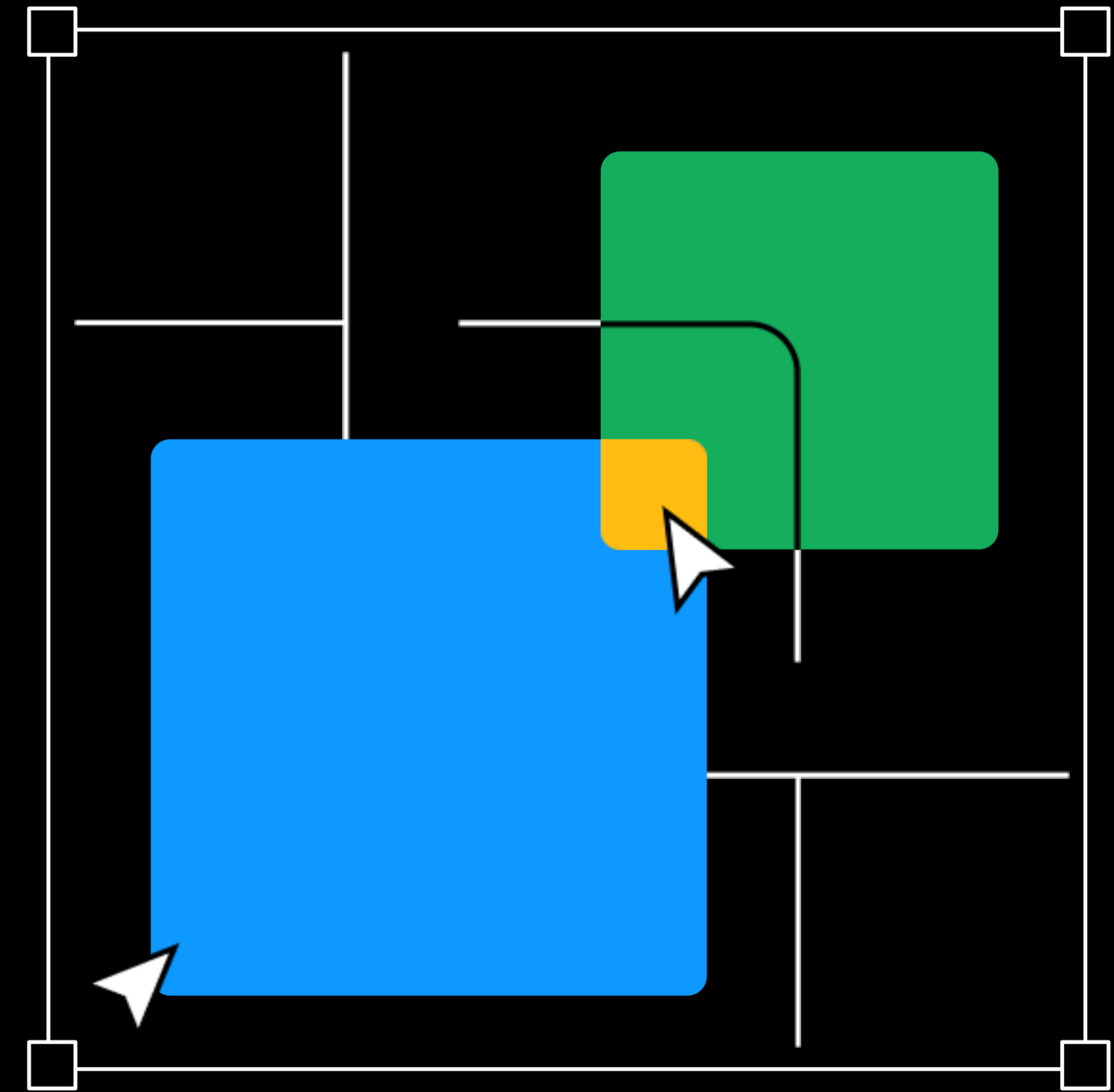


Source: Ericsson



Source: PowerSlides™

Case study – Fashion retailer

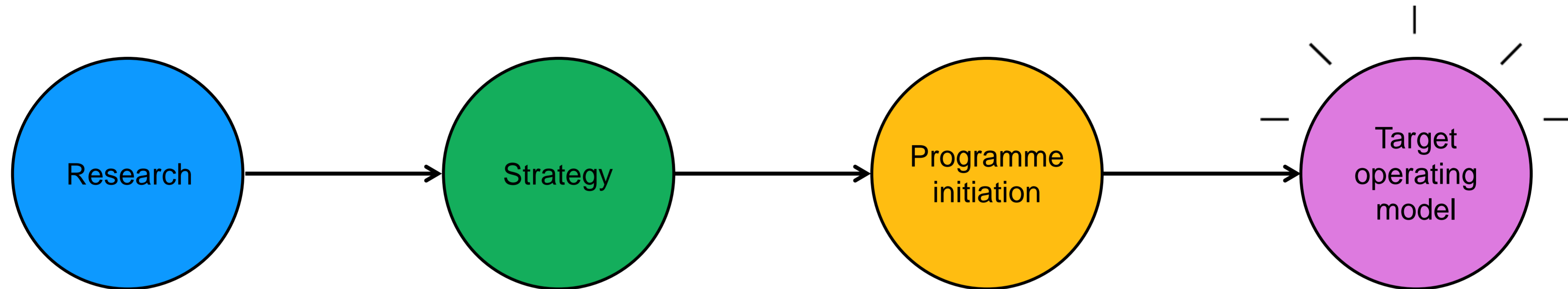


Introducing the case study



- UK fashion retailer has a new strategy to build out their sustainability capability
- Retailer sells their own clothing ranges & resells other clothing brands
- 30 UK branches
- Online delivery and 'click & collect' services available
- ~1000 employees

Introducing the case study



- Business Analyst has completed industry research on sustainability in fashion retail

- CEO shared a new strategy

- Reduce carbon emissions by 50% by 2030

- Eliminate unethical practices

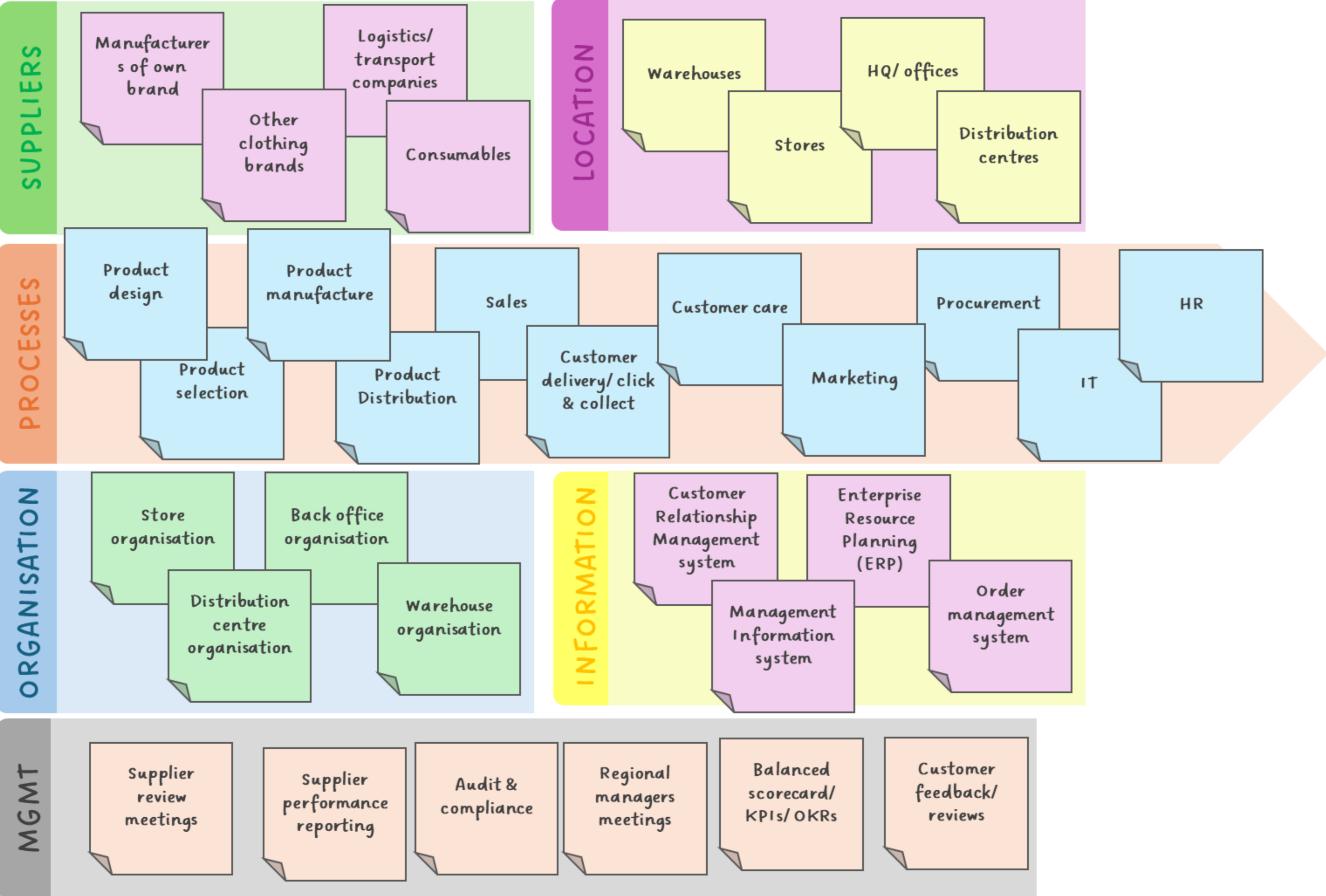
- Sustainability programme initiated

- Workstreams defined

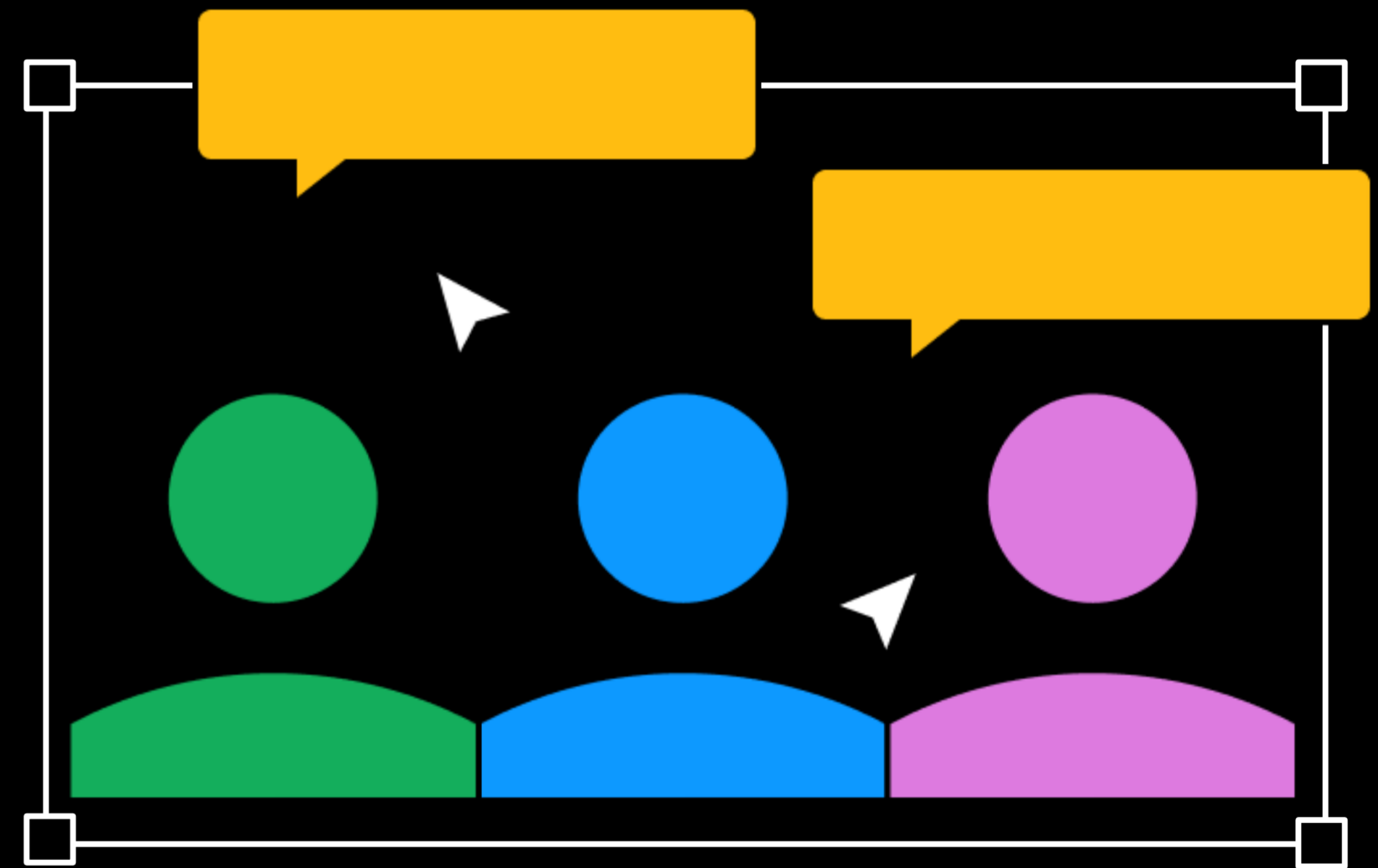
- You are the Business Analyst assigned to define the target operating model

- Current state analysis has already been completed


Operating model canvas - Fashion retailer - Current state




Group Exercise - Ideation



Designing the target state

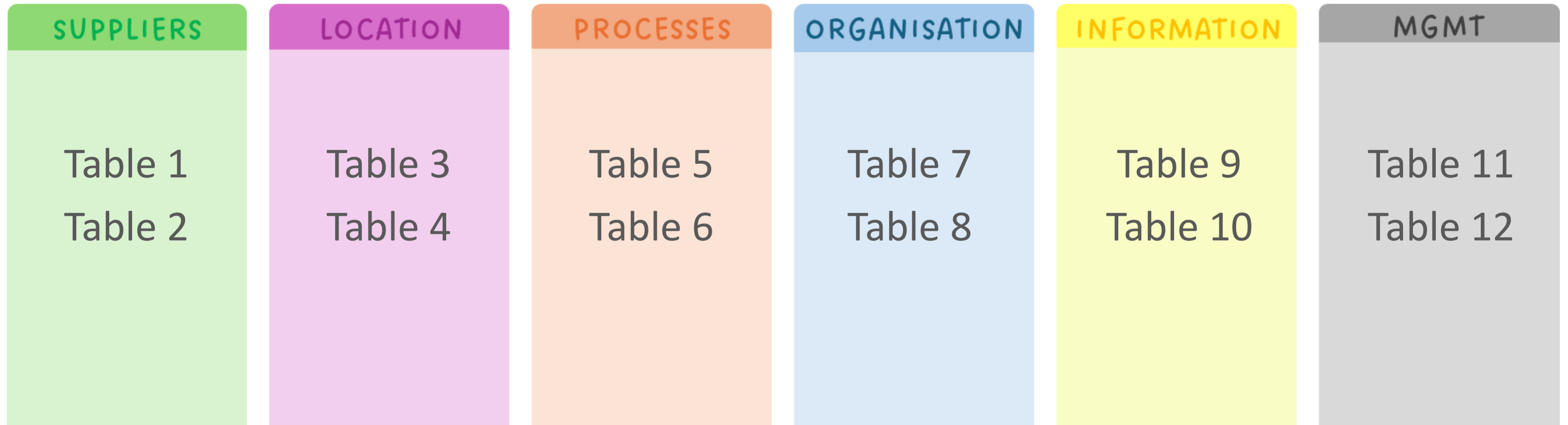
 15 mins

- Each table has a copy of the current state Operating model canvas
- Your table has been allocated one of the Operating model canvas components
- What changes to the current Operating model canvas components do you think are needed to meet the new business strategy?
- Mark up the changes you think could be considered for the future state
 - What would you remove, add or change?
 - Why would you change them?

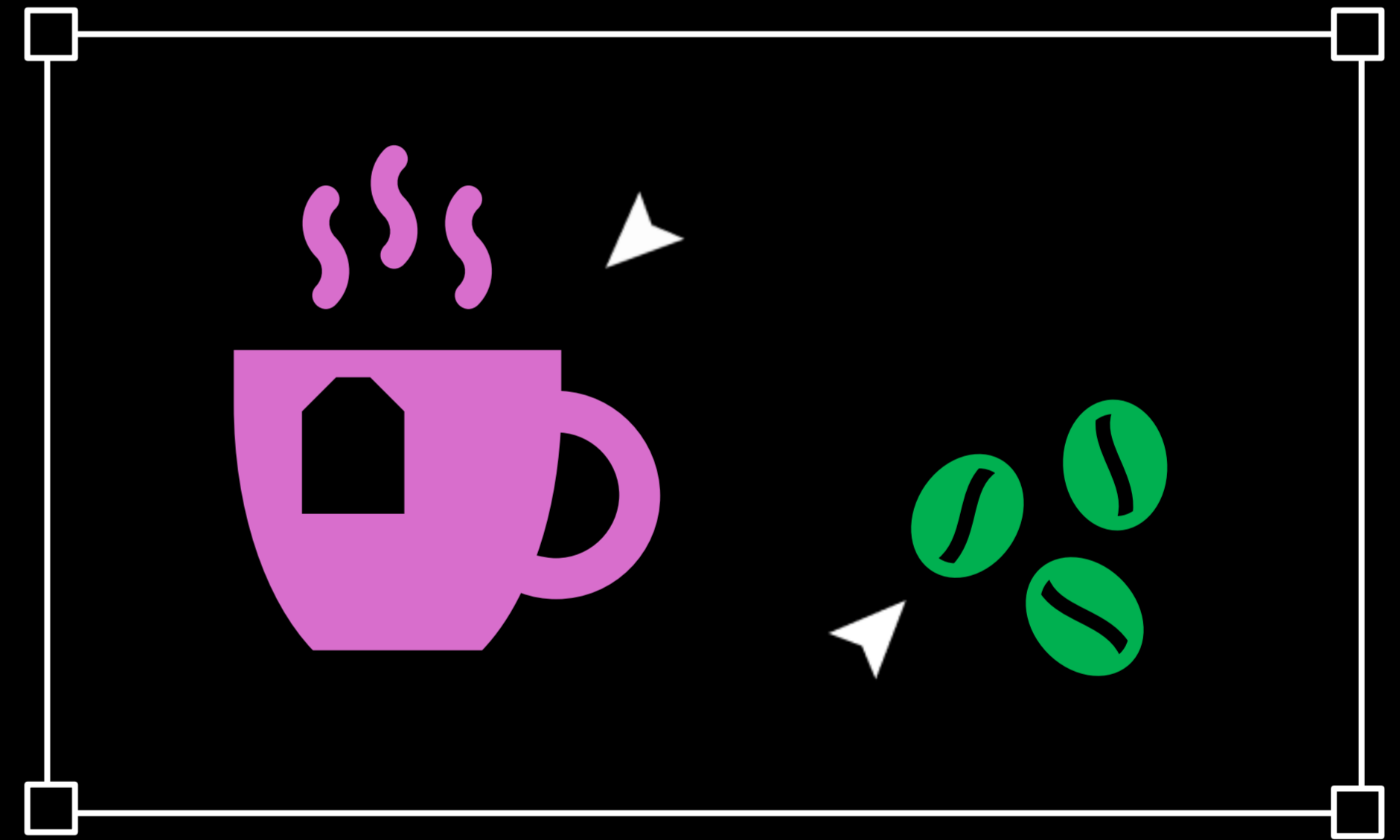
 10 mins

- Share with the room

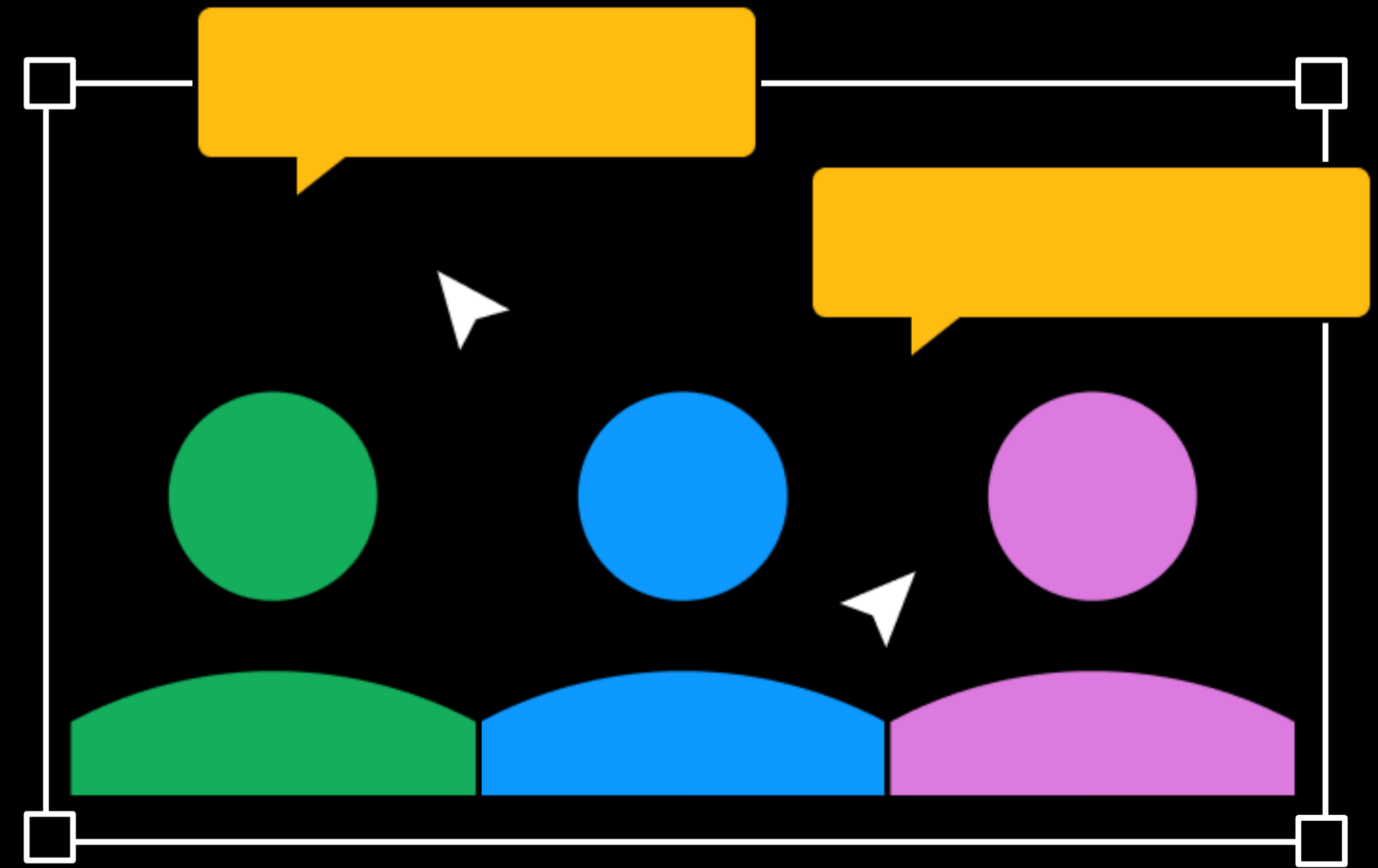
Table allocation



Time for a break...



Share
with the room



Operating model canvas - Fashion retailer - Target state

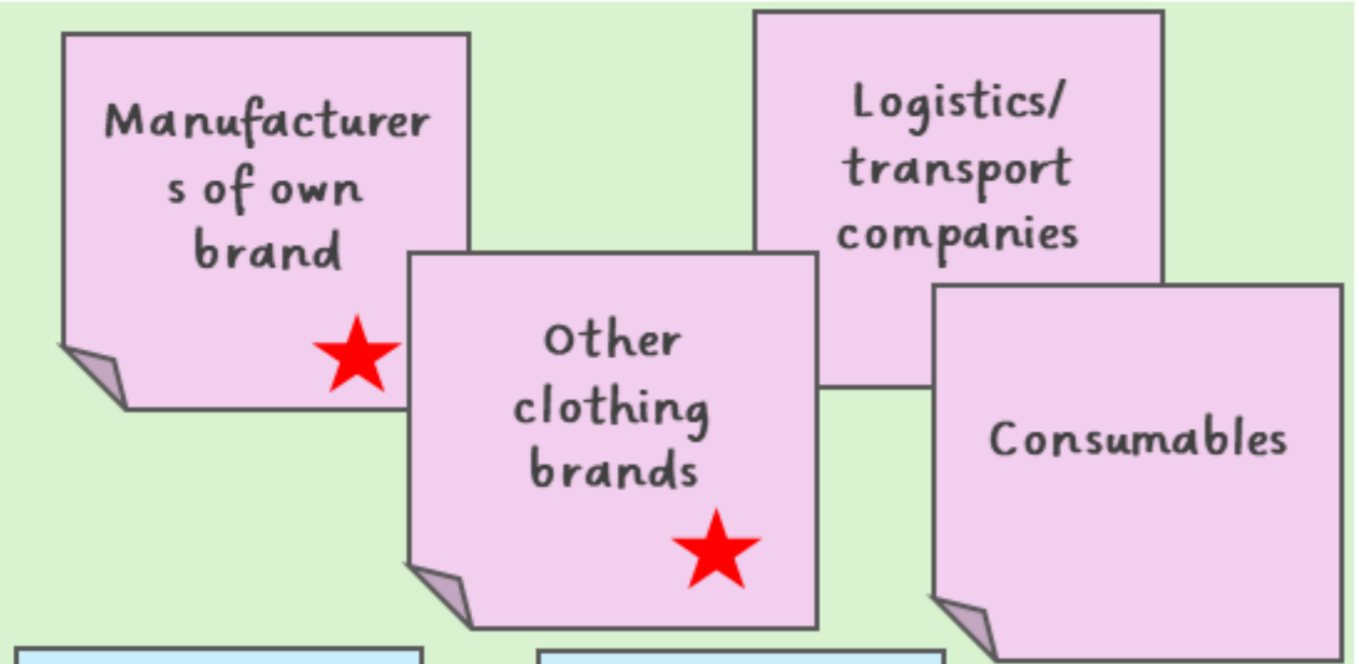
- Ethical suppliers
- Reduce transport emissions (EV vehicles)
- Carbon neutral/ positive products
- Collaborate with other brands to share costs
- Source recycled materials/ fibres

- Reduce manufacturing waste
- Renewable energy sources
- Reduce overproduction
- Reduce packaging
- Eco packaging (recycled/lighter)

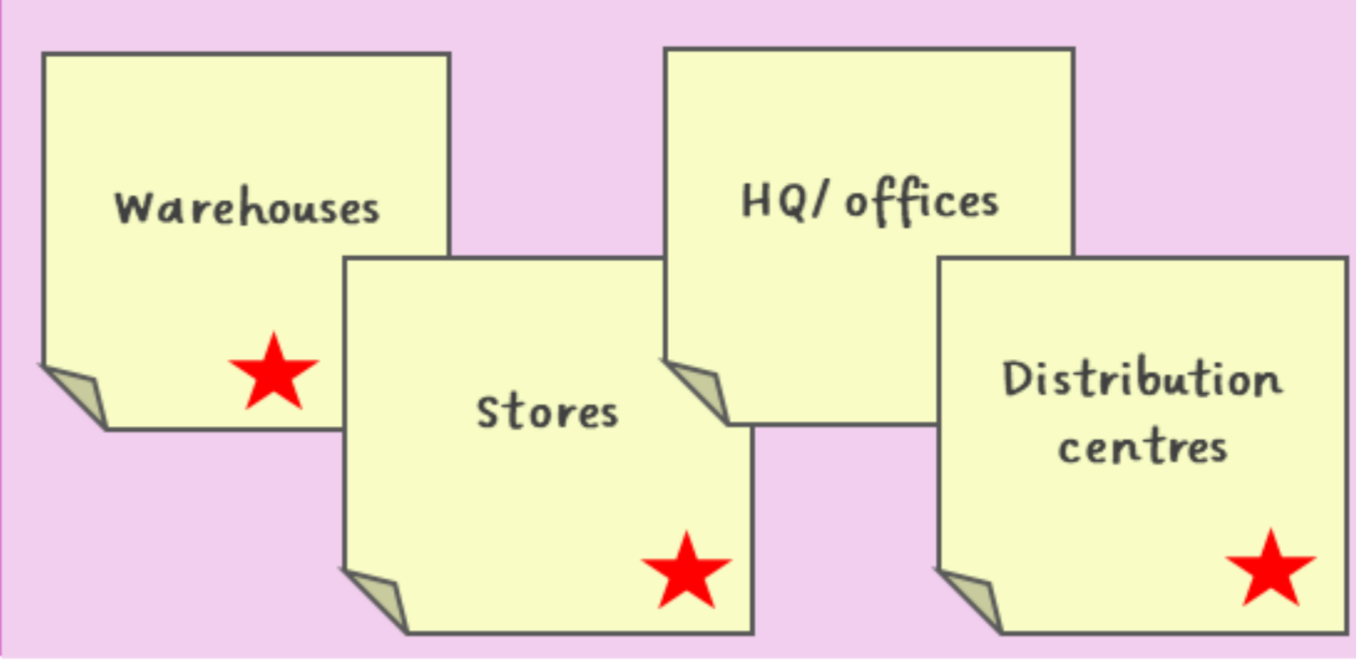
- Sustainability roles & responsibilities
- Staff education & training programmes
- Employee core values

- Sustainability certification
- Sustainability reporting
- Supplier auditing

SUPPLIERS

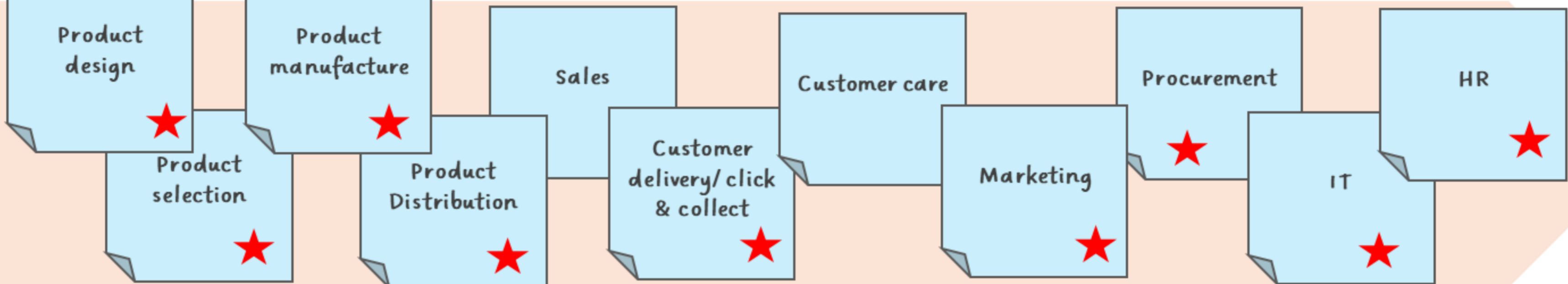


LOCATION

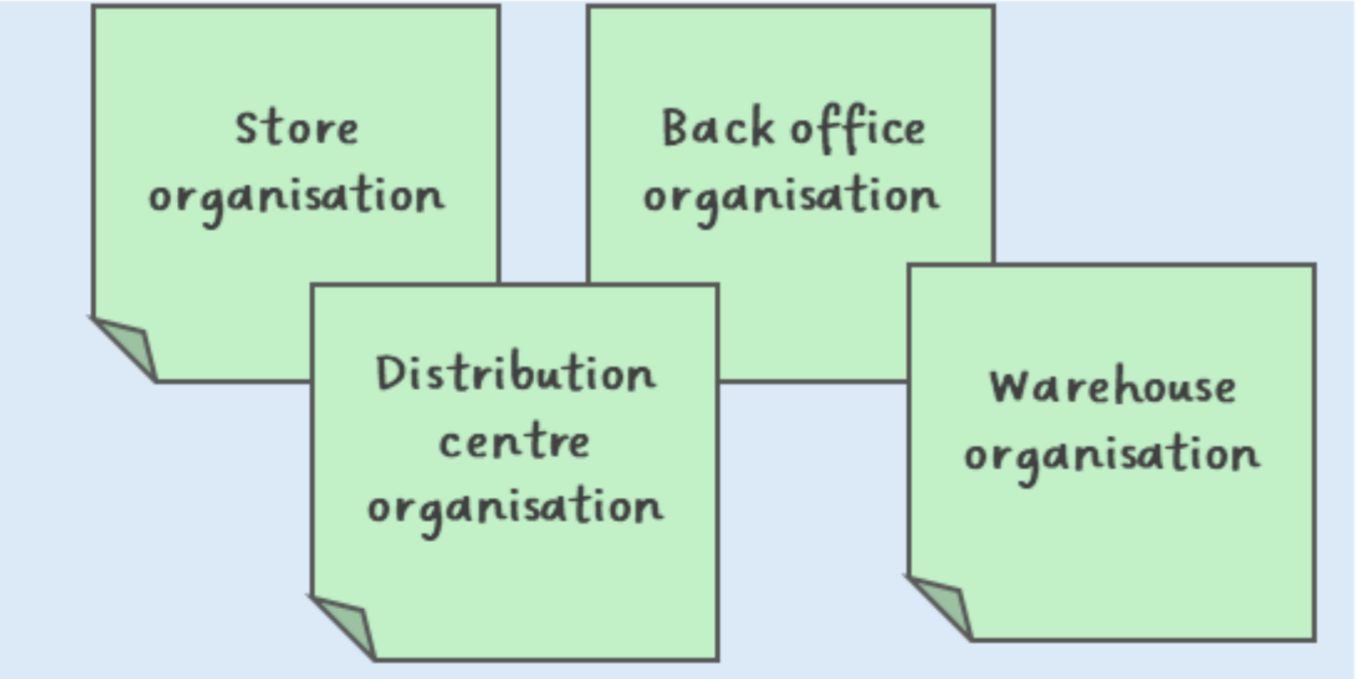


- Energy efficient buildings
- Waste recycling
- Optimally located

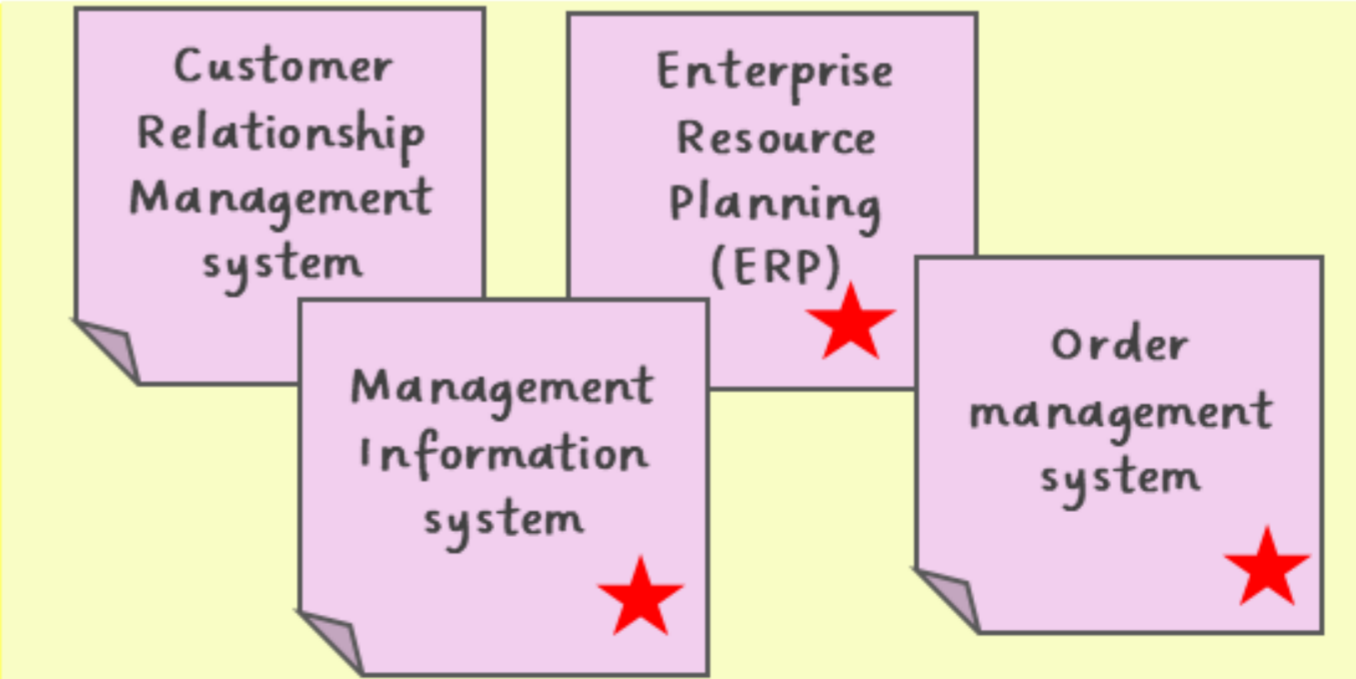
PROCESSES



ORGANISATION



INFORMATION



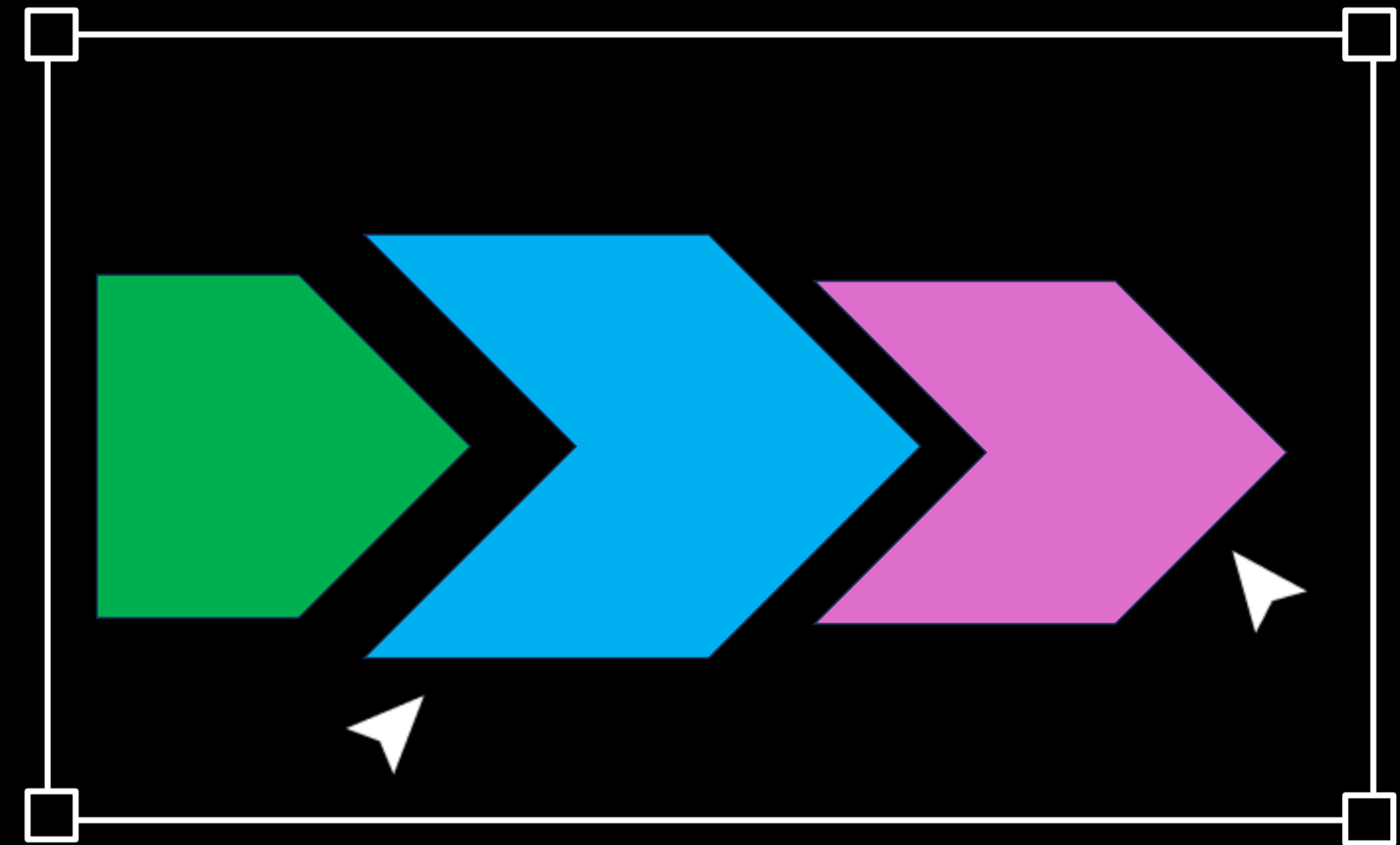
- Reduce marketing footprint
- Garment recycling initiatives
- Garment rental
- Garment resale
- Refurbish/ repair service
- Reduce carbon emissions from IT infrastructure
- Supplier evaluation

MGMT

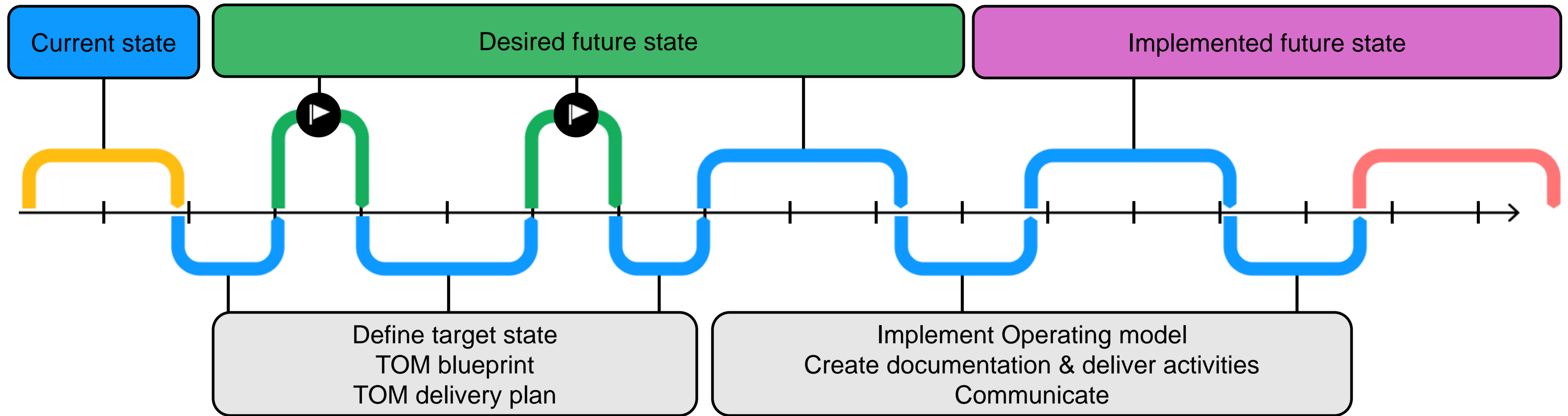


- Supplier/ procurement sustainability data capture
- Product sustainability info on order mgt system
- Sustainability data in MI system

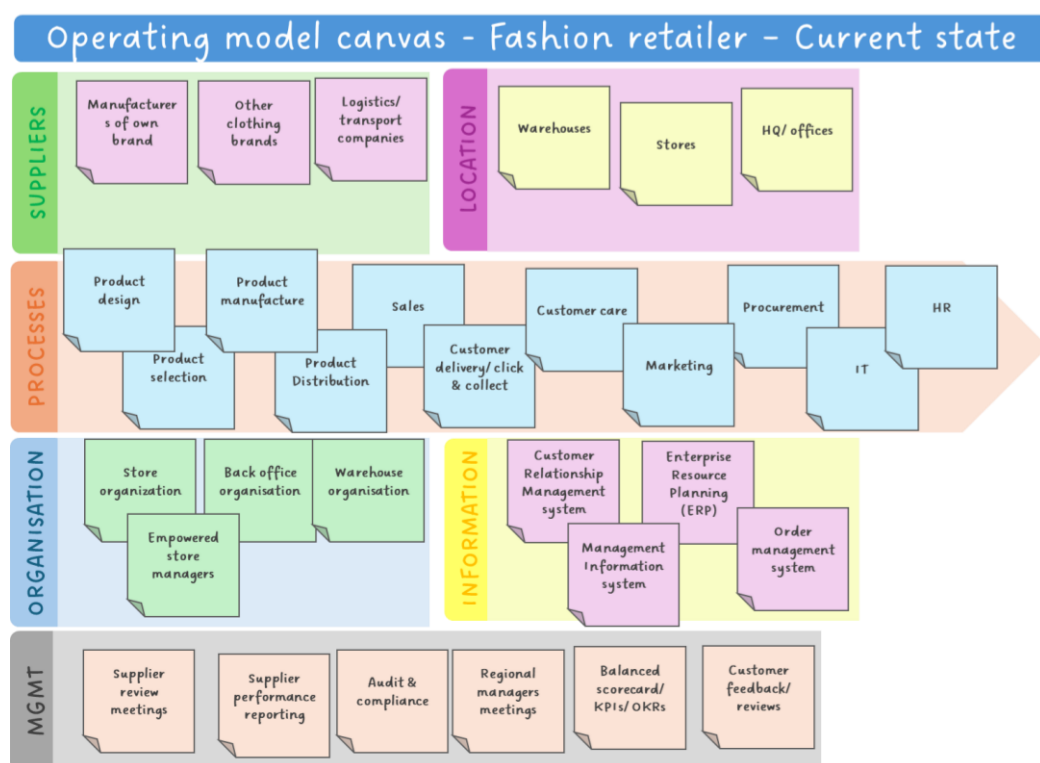
TOM blueprint



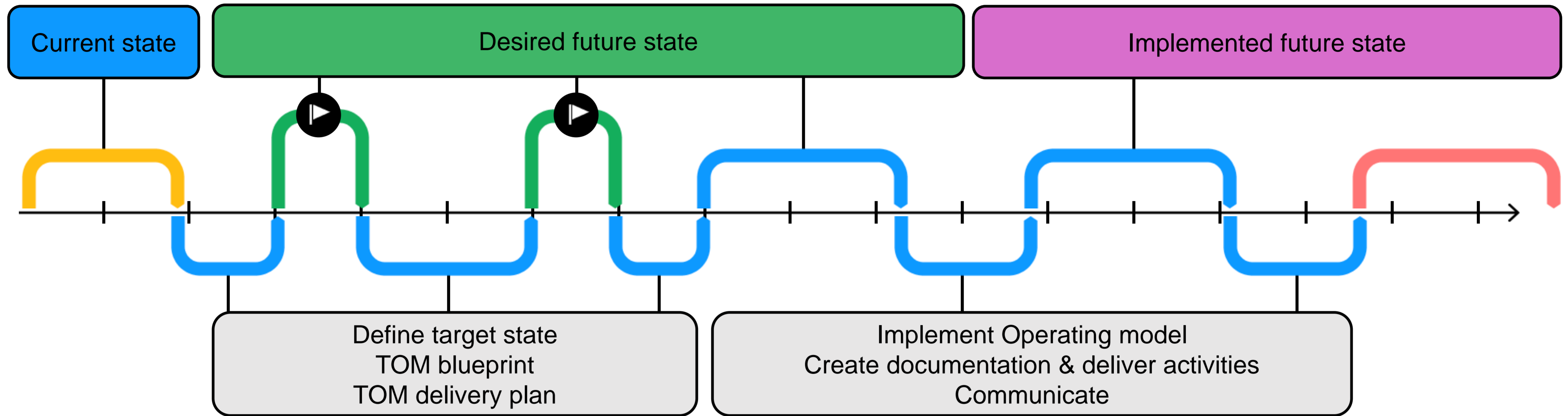
Moving from Ideation to TOM blueprint



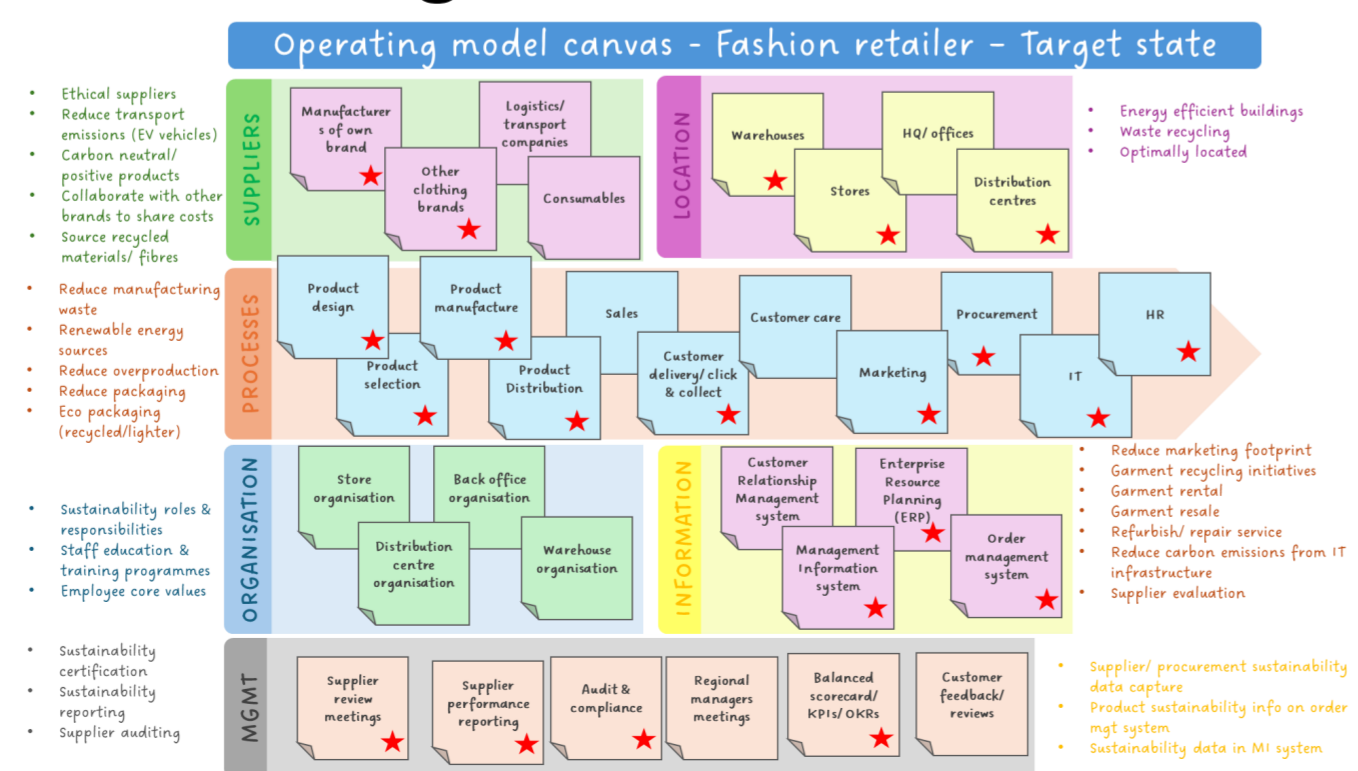
Current state



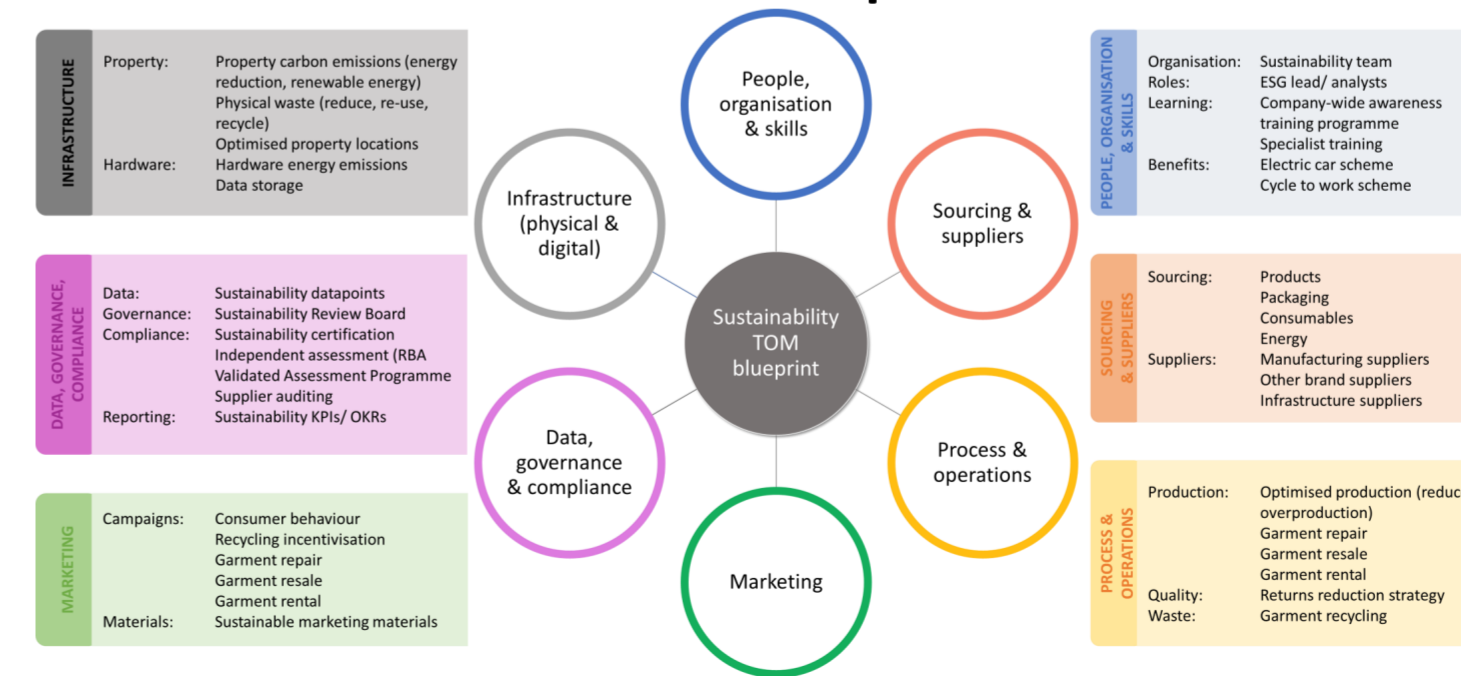
Moving from Ideation to TOM blueprint



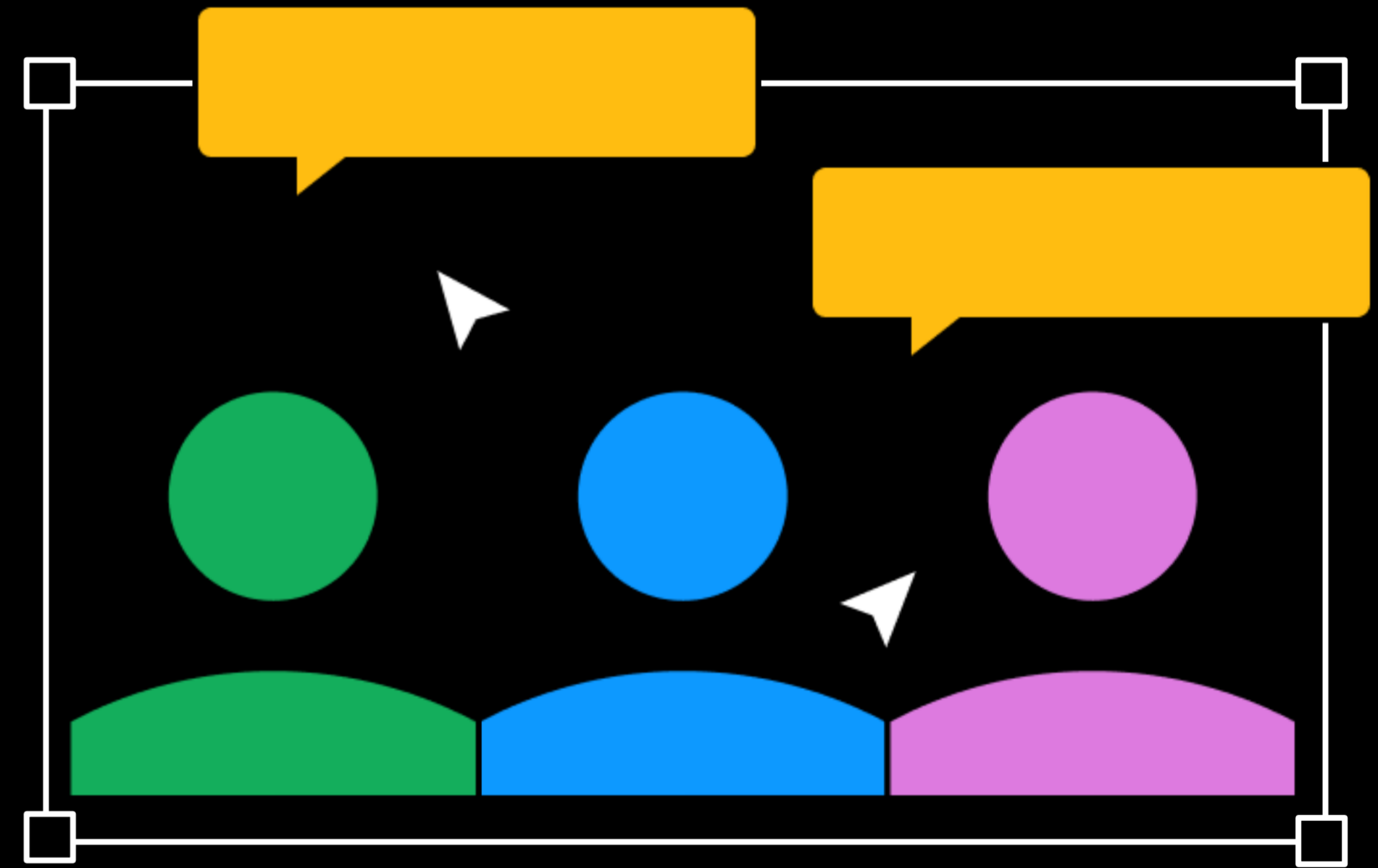
Target state ideation




TOM blueprint



Group Exercise – TOM blueprint



Designing the TOM blueprint

 15 mins

- Using the Operating model canvas we have categorised the key operating model components for our Sustainability TOM
- Your table has been allocated **one** of the Sustainability operating model components
- Using your future state Operating model canvas to help you, **mark up the key operating model sub-components** on the TOM blueprint template

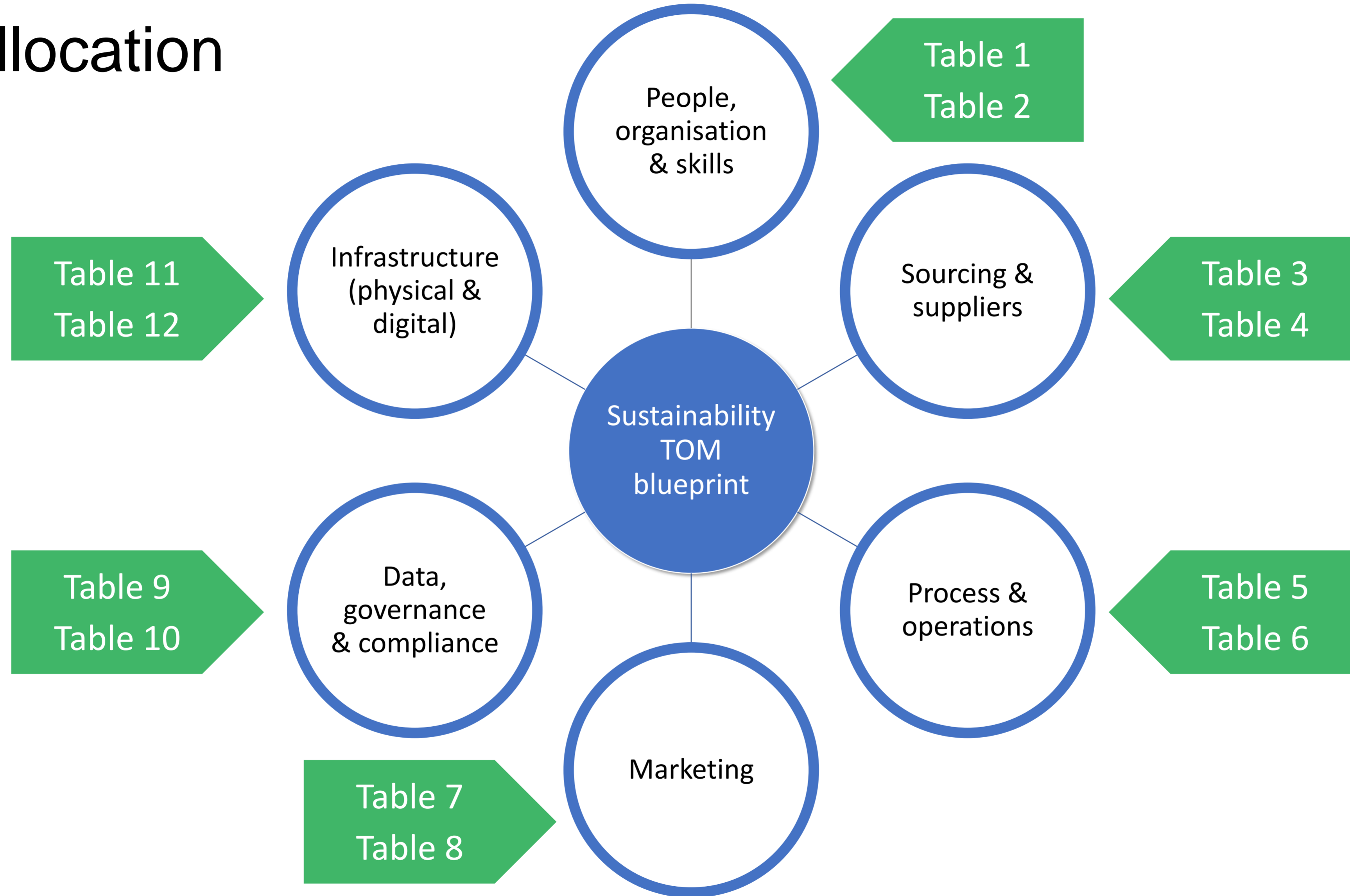
 10 mins

- Share with the room

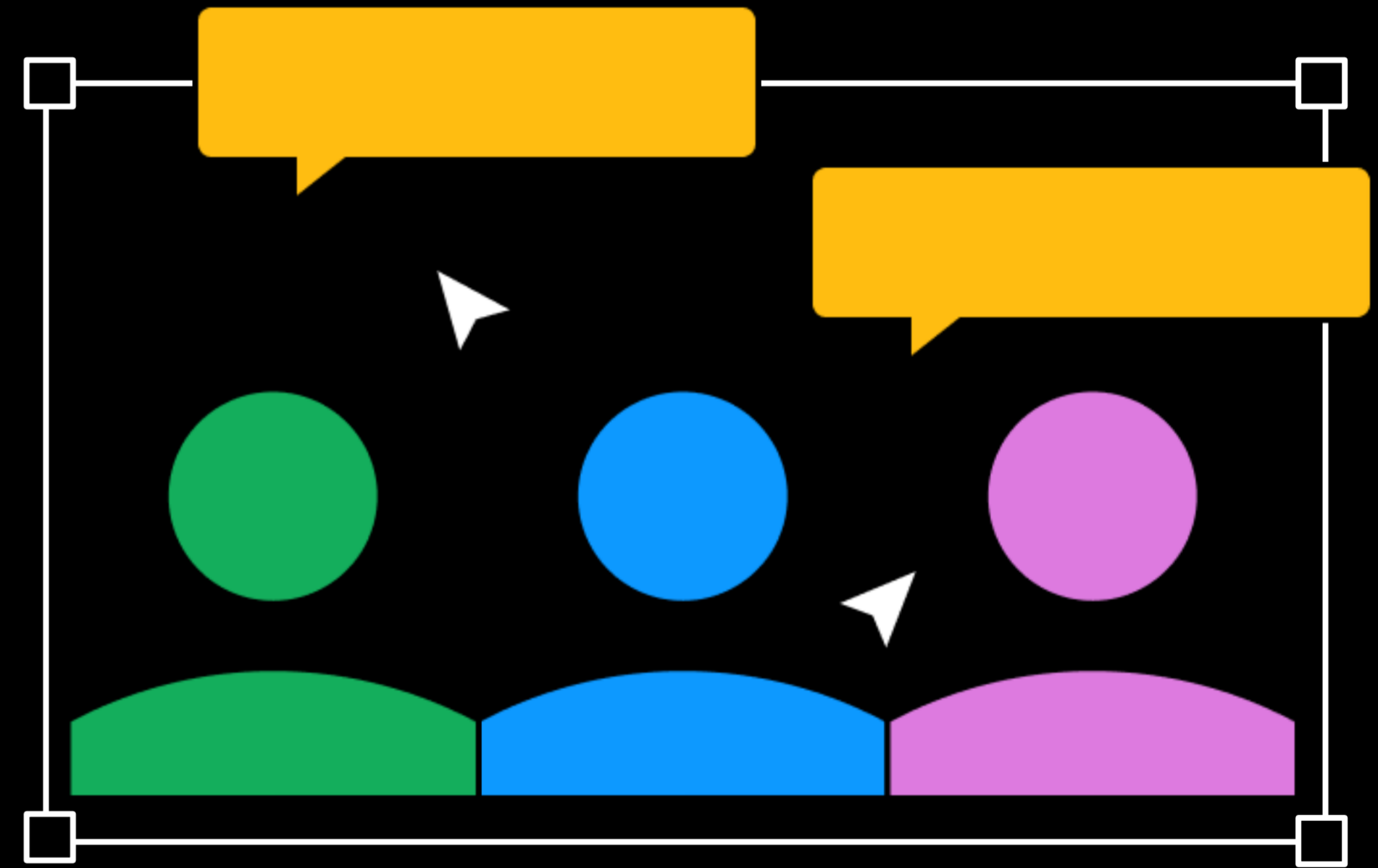
Sustainability TOM blueprint



Table allocation



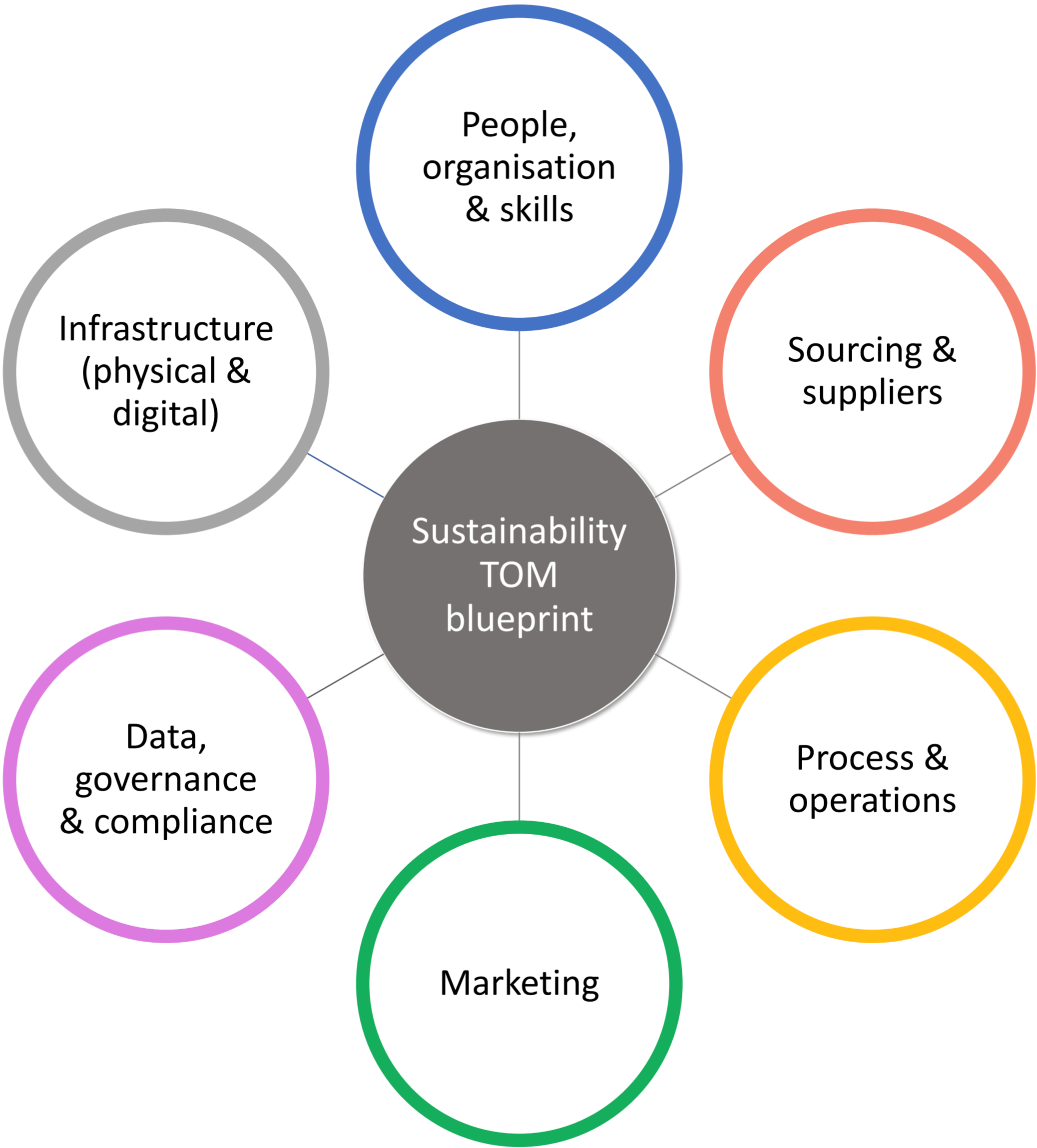
Share
with the room



INFRASTRUCTURE	Property:	Property carbon emissions (energy reduction, renewable energy) Physical waste (reduce, re-use, recycle)
	Hardware:	Optimised property locations Hardware energy emissions Data storage

DATA, GOVERNANCE, COMPLIANCE	Data:	Sustainability datapoints
	Governance:	Sustainability Review Board
	Compliance:	Sustainability certification Independent assessment (RBA Validated Assessment Programme) Supplier auditing
	Reporting:	Sustainability KPIs/ OKRs

MARKETING	Campaigns:	Consumer behaviour Recycling incentivisation Garment repair Garment resale Garment rental
	Materials:	Sustainable marketing materials



PEOPLE, ORGANISATION & SKILLS	Organisation:	Sustainability team
	Roles:	ESG lead/ analysts
	Learning:	Company-wide awareness training programme Specialist training
Benefits:	Electric car scheme Cycle to work scheme	

SOURCING & SUPPLIERS	Sourcing:	Products Packaging Consumables Energy
	Suppliers:	Manufacturing suppliers Other brand suppliers Infrastructure suppliers

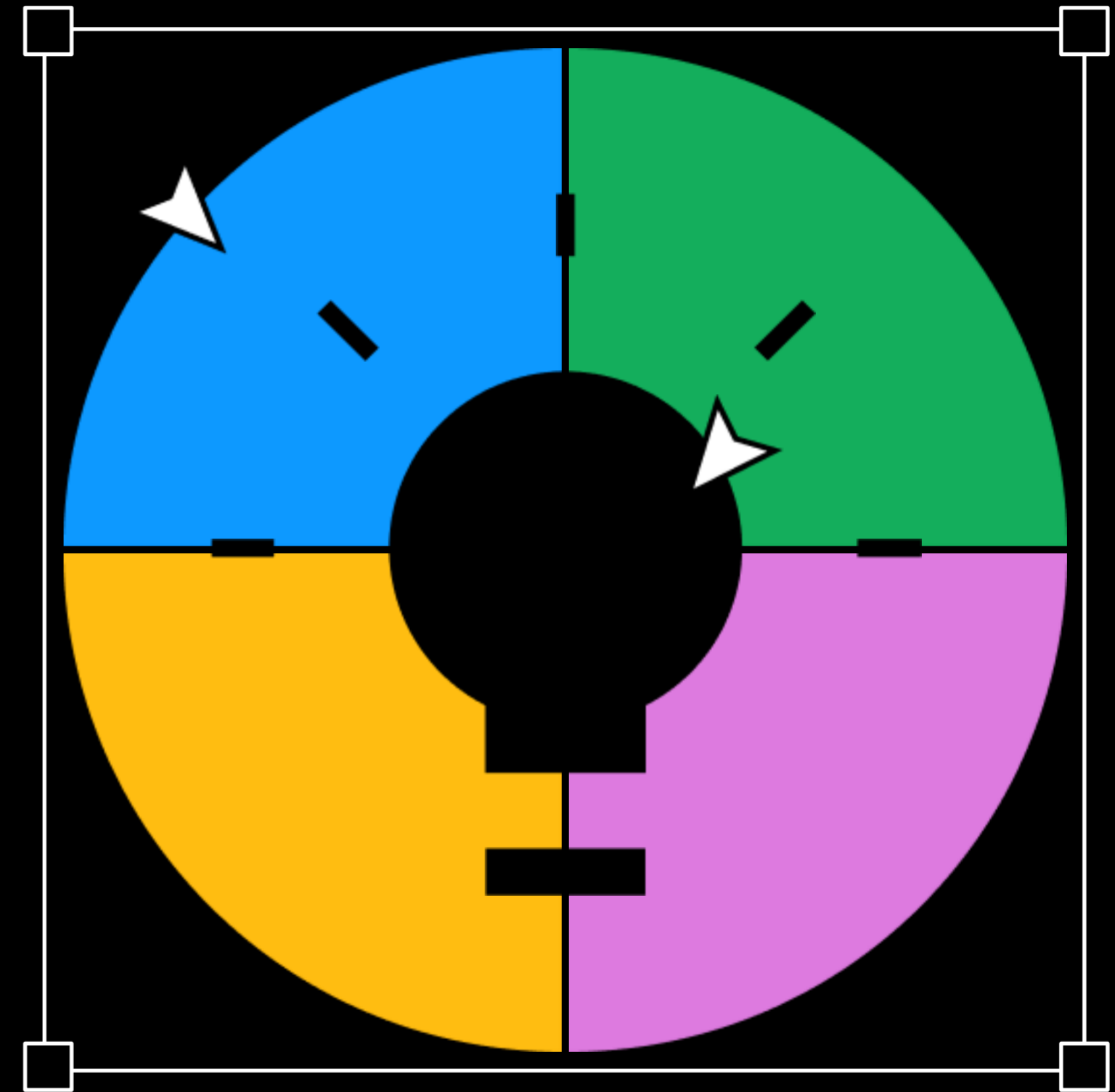
PROCESS & OPERATIONS	Production:	Optimised production (reduced overproduction) Garment repair Garment resale Garment rental
	Quality: Waste:	Returns reduction strategy Garment recycling

Feedback on the exercise

 5 mins

- How did that go?
- What were the challenges?
- If you had more time what would you like to explore?

Workshop wrap-up



Takeaways from this workshop

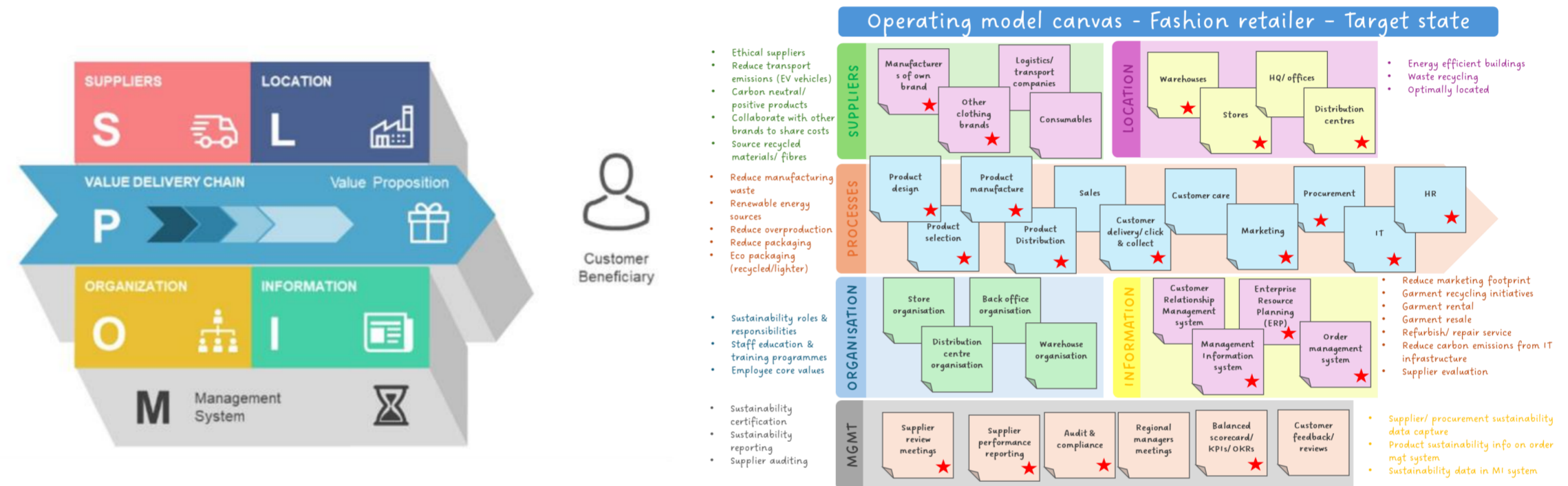
Understanding of **what** an operating model is...

Abstract and **visual representation** of how an organization delivers value...how an organisation runs itself.

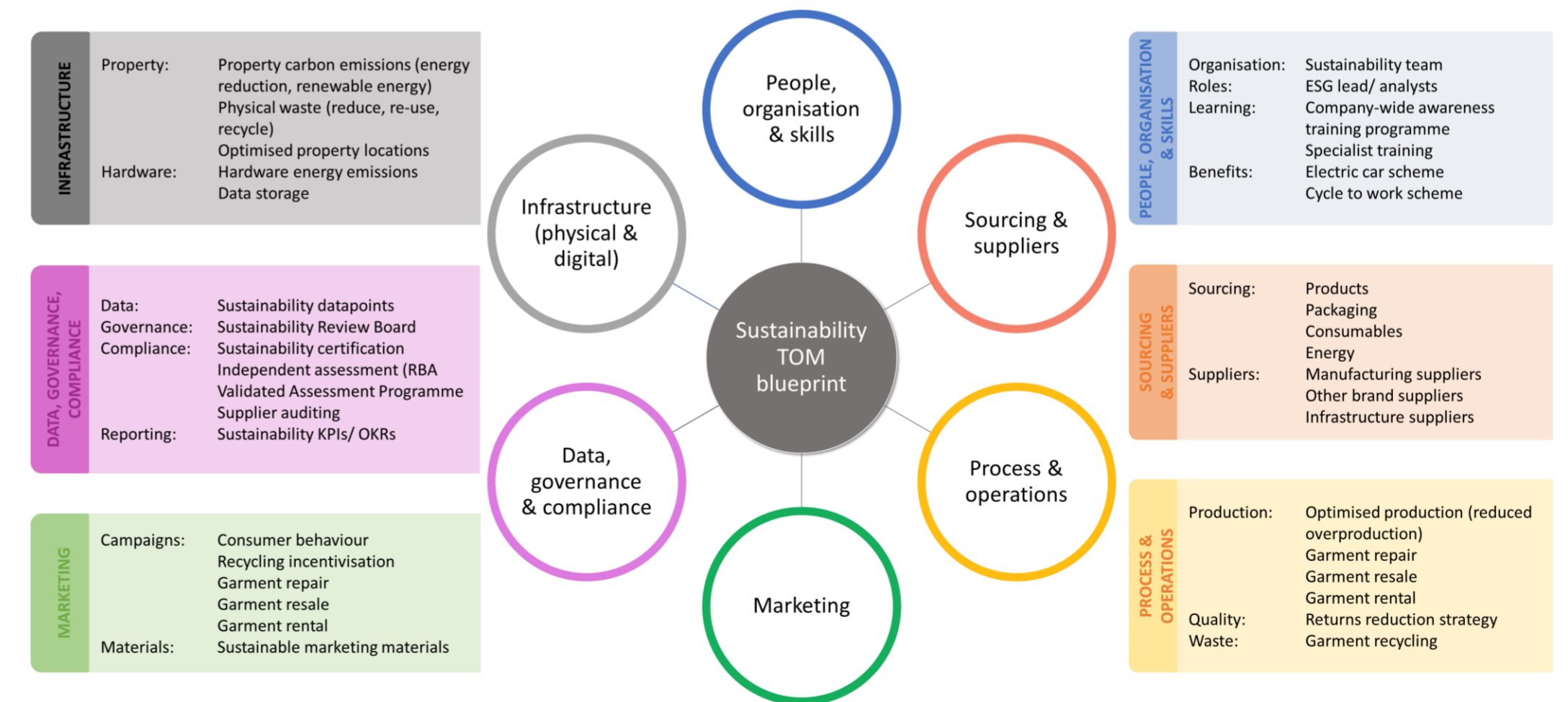
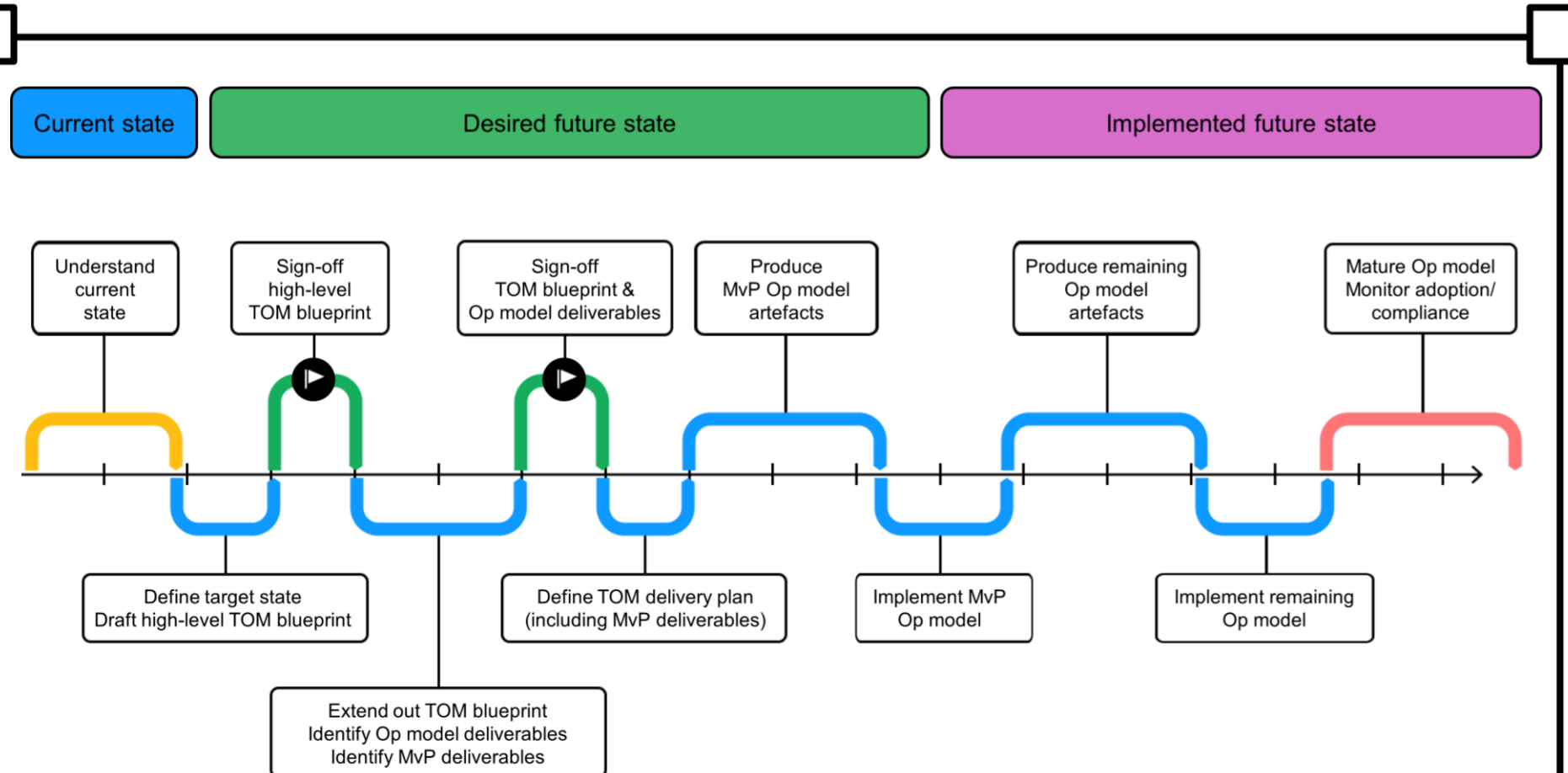
How business components work together in line with **guiding principles**.

Describes **how a business functions**.

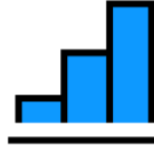


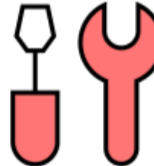


A **practical toolkit**, using tools and techniques, to define a TOM blueprint...



An understanding of **how** you can design an operating model to move from current state to target state...



Takeaways from this workshop

	<p>Operating models help maximise the value of change – putting time and effort into designing and implementing an operating model helps businesses achieve their goals and return on investment.</p>
	<p>Our role as a business analyst is to facilitate – we are not the owners of the target operating model, we bring key business decision makers together to shape, prioritise and document future mode of operation.</p>
	<p>Defining what will be included in the target operating model is not clear cut – identifying the operating model components is subjective and requires collaboration, refinement and agreement.</p>
	<p>Business analysis toolkit is our friend – there are lots of business analysis tools and techniques that we can use to help define a target operating model.</p>
	<p>No hard and fast rules to capture your target operating model – it depends on the remit of the change – just stay true to the organisation and what works for them.</p>
	<p>Business analysts have a truly brilliant skillset – that lend themselves to operating model initiatives.</p>

Thank you

Any questions?

Let's connect

You can find me on LinkedIn



Caroline Beasley

Experienced Business Analyst and Change professional helping businesses deliver strategic goals.

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