Target operating model accelerator

Achieving value and growth through operations strategy

Highlights

- Defines the most effective deployment of the elements of the company to achieve the value and growth set forth in the business strategy.

- Recommendations based on strategy and integrated objectives, rather than a narrow, short-term focused rationale

- Provides a maturity assessment, prioritized improvement opportunities, and business cases for achieving the target state

As businesses are starting to emerge from the worst economic downturn in ages, attention is now shifting from pure cost reduction to operational innovation. Operational innovations is one of the key reasons that leading companies, during these tough times, are able to keep a control on their costs and are still able to grow by reallocating their limited supply of capital to strategic needs.

The Target operating model accelerator provides companies with a framework to achieve operational innovation by linking a company's business strategy to all of its operating elements in a manner which is rationalized, aligned and unified. Frequently a company's processes and incentives structures do not support the overall vision, nor do they reinforce one another. The Target operating model accelerator is an approach for the company to identify those areas and design an operations model where all the elements (for example, process, tools, metrics and organization) mutually reinforce each other and support the overall company strategy.

Assessing your current operations

The Target operating model accelerator methodology is designed to analyze all the elements within your company operations: process, customer experience, sourcing, organization, metrics, skills, technology and assets, as well as culture.

This ensures that all elements' designs reinforce each other. For example, process design should be supported by a change in the metrics and organization structure. This prevents a common situation within companies, such as a redesign of the governance structure not resulting in more participation because incentive structures were not changed.

Establishing a shared understanding of the business strategy

The approach provides an opportunity for a quicker, top-down analysis of your operating model as a starting point. Rapid execution confirms the scale of opportunity and strength of business cases with a minimal committed investment. Then tasks are geared to a 4 to 6 week effort resulting in a view of operating model changes linked to strategic intent and business capabilities.

Focus areas for the accelerator ensure tight alignment with your corporate strategy and business challenges:

- Top-down linkage of the operating model to strategic intent or stated changes in strategy

- Identification of important areas of change for the operating model that address specific business challenges

- Defining the guiding principles that serve as a foundation to the design of the target operating model

Determining the priority focus areas for the organization

Strategic assessment steps help you in formulating hypotheses that address winners versus qualifiers that are developed to determine and illustrate the components you can place priority on. The accelerator defines high level estimates by initiative and can define a specific integrated business case for you. The estimates typically show ranges of benefit and cost for each initiative. A maturity model is utilized to assess the current state, envision the future state and convey the stages of change to help ensure your implementation - short and long term- is successful.

Why IBM?

With our extensive industry knowledge and implementation experience, we can help you effectively execute your business strategy. We are:

- Driven by business strategy and transformation agenda

- Experienced professionals with deep industry knowledge

- Knowledgeable of how to design an operating model from functional specific to enterprise-wide

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