

Architecting the operating model of the future

Enterprise Model Design



Businesses are facing a convergence of internal and external forces, from increased regulation and disruptive competitors to huge shifts in technology, rapidly changing customer bases, and evolving workforce demographics and dynamics. Responding to these changes within the constraints of an existing operating model may no longer deliver the value required to thrive in today's marketplace. Instead, companies need to re-examine their old operating models to align with strategic objectives to deliver competitive advantage and create sustained value.

This convergence of internal and external forces presents an opportunity for a business to reach beyond mere survival and to rethink how they deliver greater value to customers, shareholders, and employees. What's often required in such moments is a transformed operating model that better positions the company to execute its strategy. A clear linkage between strategy and operations is the foundation for effective transformational change.



Strategically linking services

Organizations transform their business for different reasons. Some are positioning themselves for new growth opportunities while others are restructuring to improve efficiency and reduce costs. What they have in common is the desire to dramatically improve their business performance. Deloitte's Business Model Transformation (BMT) services help architect and drive the business and operating model changes required to achieve an organization's strategic vision. Enterprise Model Design is one specialty area in BMT. Visit www.deloitte.com/us/bmt for more on our other capabilities.

A clear linkage between strategy and operations can be the foundation for effective transformational change.

How we can help

Deloitte's Enterprise Model Design practice works with organizations to validate their transformation ambition, identify and prioritize the capabilities required for success, and design the operating model to effectively deliver on the strategy. Serving as enterprise architects, we create the blueprint for how businesses can operate to deliver their strategy and develop the roadmap to help them get there. We help companies navigate and accelerate change by prioritizing focus areas that drive significant value. This often involves two important activities: communication of a new vision that translates strategy into action; and facilitation of upfront discussions to guide detailed process, organizational, and technology design.

Our approach is *capability based*, focused on delivering the set of processes enabled by people and technology required to differentiate our clients in the marketplace. Capability is the demonstrated, consistent capacity to perform against a desired objective. It is defined through its mission, insights, and governance and the combination of process, technology, and talent required to support it. We are experience led, with each member of our team having extensive relevant industry expertise as well as program, functional, and technical experience in architecting complex business transformations.

Enterprise Model Design services include:

Validate the ambition. We develop a clear understanding of the who, what, and how of a client's business, how that business is changing, and alternative futures that may impact the company's business model. This can enable the client to operationalize an effective business downstream while remaining flexible and agile in changing markets.

Capability assessment and prioritization. We create industry-specific, client-tailored capability maps to evaluate a company's current capabilities, identify which capabilities need to transform, prioritize those capabilities that differentiate the business – the distinctive and competitive capabilities versus those that are simply required – and devise a guide for future investment.

Capability design. We design a company's future-state capabilities in the context of the vision and business model, by defining objectives, decision rights, and accountability. Then we incorporate metrics and incentives to reinforce the approach.

Operating model design. We develop new operating models, configuring the future-state capabilities in the structure of the business based on where and how the work is executed.

Road map and go-forward guidance. We translate the transformation strategy into an executable plan based on priority capabilities and develop a road map for implementing the new operating model.

Bottom-line benefits

Implementing a redesigned operating model often helps our clients achieve various strategic objectives:

- Enterprise scalability, operational efficiency, agility, and responsiveness
- Improved coordination across business units
- Regulatory compliance and risk management
- Improved end-to-end customer experience
- Revenue growth
- Clarity of responsibility and accountability



Learn more

Business model transformation often encompasses a broad range of strategic issues. To learn more about how Deloitte can help, visit www.deloitte.com/us/bmt.

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Four ways to get more value now

Clarify the business model.

Acknowledge uncertainties in assumptions and explore alternative futures to build agility and flexibility into the operating model design.

Focus on capabilities. Devise new capabilities that serve as building blocks for the business that can flex with changing market scenarios.

Prioritize. Focus investments on those capabilities that support competitive advantage and deliver differentiation in the market.

Make the case. Spend the time upfront to align on how achievements will be measured and develop a business case with quantifiable improvements that can be tested and confirmed.



The big idea

Internal and external forces are requiring transformation of aging operating models that are not designed to efficiently deliver a company's future business strategy. Business model transformation offers clear direction and instills the confidence to take action.