

Future Ready Operating Models

Pace of work and digitalisation has been reshaped and accelerated all over the world. Operating models that were already in progress need to be reimagined and constructed to keep up with the recent digital and market disruption.

Future operating models, aligned with organisational strategy, must be shaped in an adaptable, dynamic, and agile manner that can lead practical capabilities and respond to opportunities as efficiently as possible.

A digitally advanced organisation suited for today would probably have a focused operating model focused on the vision and mission and aligned with the speed of change in the market. Rather than following complex rules and structures, companies of the future have adapted their models to create a laser-driven one, that keeps things simple, but can achieve the desired outcomes.

Models that were reliable in the past focused on covering the main design principles, systems, and processes and as well as addressing the overall organisational role, responsibilities and practices needed to reach the strategic targets of the business. However, operating models suited for the future require the consideration of the priorities needed to reach the desired outcomes.

Businesses of today are transforming at a high speed to meet the ever-changing consumer demands and to operate in a more effective manner. Along with being customer centric, they should become more virtual, digitally enabled and less complex. To do that, the business must be reimagined and reconstructed to meet the needs and the speed of the market today.

Key success factors to take into account can be constructed considering various levels and **components including:**

Stakeholders Layer

Customers: Customers' mindset, needs and demands have drastically changed over the years and continue to change at a faster rate. New possibilities for customer value creation can be exploited if business models are approached from the viewpoints of the customer.

Management: Management has a clear understanding of the company's capabilities, the intent purpose of the system and the desired behaviour of the organisations in order to compete in the market. Their input and insights must be considered on all levels of building the future operating model.

Market: Operating models must be adapted to changing market dynamics, including the speed of the market, the market pressures, the pricings, and rate of innovation.

Workforce: Involving employees in the building of the operating model provides a clearer view of their roles, responsibilities, and what is expected from them. Employees are thereby provided with a purposeful direction of how they contribute to achieving the goals and objectives of the business increasing their level of motivation and productivity.

Technology Layer

New technologies are emerging, changing consumer expectations in every industry. Core technology initiatives have become a must. Digital disrupters are entering every market, setting high standards for consumers in terms of simplicity, customisation, speed, and interactivity. Technology functions can benefit from operating models that minimise top-down bureaucracies and organisational silos in order to facilitate the high level of engagement required to cocreate value with business units. Business and technology leaders thereby need to collaborate to reinvent how technology may provide corporate value and competitive advantage. Operating models should enable increased agility, cooperation, and focus on product and customer to remain up with this evolution.

Organisation Layer

Governance: Businesses and functions must genuinely collaborate and candidly discuss how to best adapt to market changes and customer needs. With clear governance, leaders know who has the authority to make specific decisions and the collaboration becomes part of the organisation's operations. A simplified and transparent governance model between the businesses and functions strengthens organisational alignment and drives accountability between stakeholders.

Structure: The structure of the company must be agile to allow for both control and flexibility. An equipped structure has clearly defined roles within the organisation. Aligning the structure with the operating model helps align people, processes, and competencies along with the organisational objectives.

Resources: Highlighting the roles, processes and business operations needs to be backed up with optimising resources and linking them to organisational goals. Organisations need to be capable and ready. Businesses must ensure they have the right resources at the right time. Organisations must not only assess internal resources but also consider the utilisation and integration of external resources.

Processes Layer

Lean process redesign: With the increase of complexity in the market and the constant digital disruption there is vital need for lean and agile processes. Next generation operating models must possess a systematic approach that streamlines the processes, eliminates waste of resources and time, and promotes a culture of continuous enhancement.

Data Layer

Advanced analytics need to be used in order to keep up with the pace of change. The independent processing of data using advanced tools to discover insights and make recommendations must be applied. Organisations must embrace insight-driven decision-making to succeed in the hypercompetitive global market allowing businesses to predict and implement business change fast, with constant and successful innovation that utilises technical developments. The digital transformation, new consumer-friendly data privacy legislation, and the pressing need for higher levels of data quality are all compelling enterprises to implement stronger controls over how data is created, transformed, and used.

Channels and Locations

Organisations with multiple locations, expansion and remote work must optimise operating models to support linkages and work requirements that will fall under multiple locations and

virtual channels. These models need to be continually flexible to incorporate components that deploy the same functionality across multiple channels, while maintaining the same level of performance.