

DEFINING A CLEAR TARGET STATE

You have invested plenty of time and energy locked in a virtual meeting room talking about your vision and strategy and defining your case for change. Then you have that déjà vu feeling of having been over it all before but nothing really changes. So, how can you make it happen this time?

DON'T START YOUR JOURNEY WITHOUT KNOWING THE DESTINATION

The art of strategy is execution – being able to translate your strategies and plans into tangible change within your organisation. In order to execute effectively, you need to know where you are going. Developing a clear picture of where you want to get to is the first critical component of successful execution.

A clearly defined target state gives you this picture and provides the foundation for execution. Getting it right is key to strategic success and future business growth. Getting it wrong can derail your ambitions and plans.

CONFIRM THE VISION AND BUSINESS OUTCOMES YOU ARE AIMING FOR

Before starting the work to develop a detailed picture of the target state for the change, it is important to ensure that there is clarity and alignment around the vision and business outcomes you are seeking to achieve. Whilst there may have already been some focus on this, it is important to confirm and validate it, in order to ensure all key stakeholders are aligned on what you are seeking to achieve.

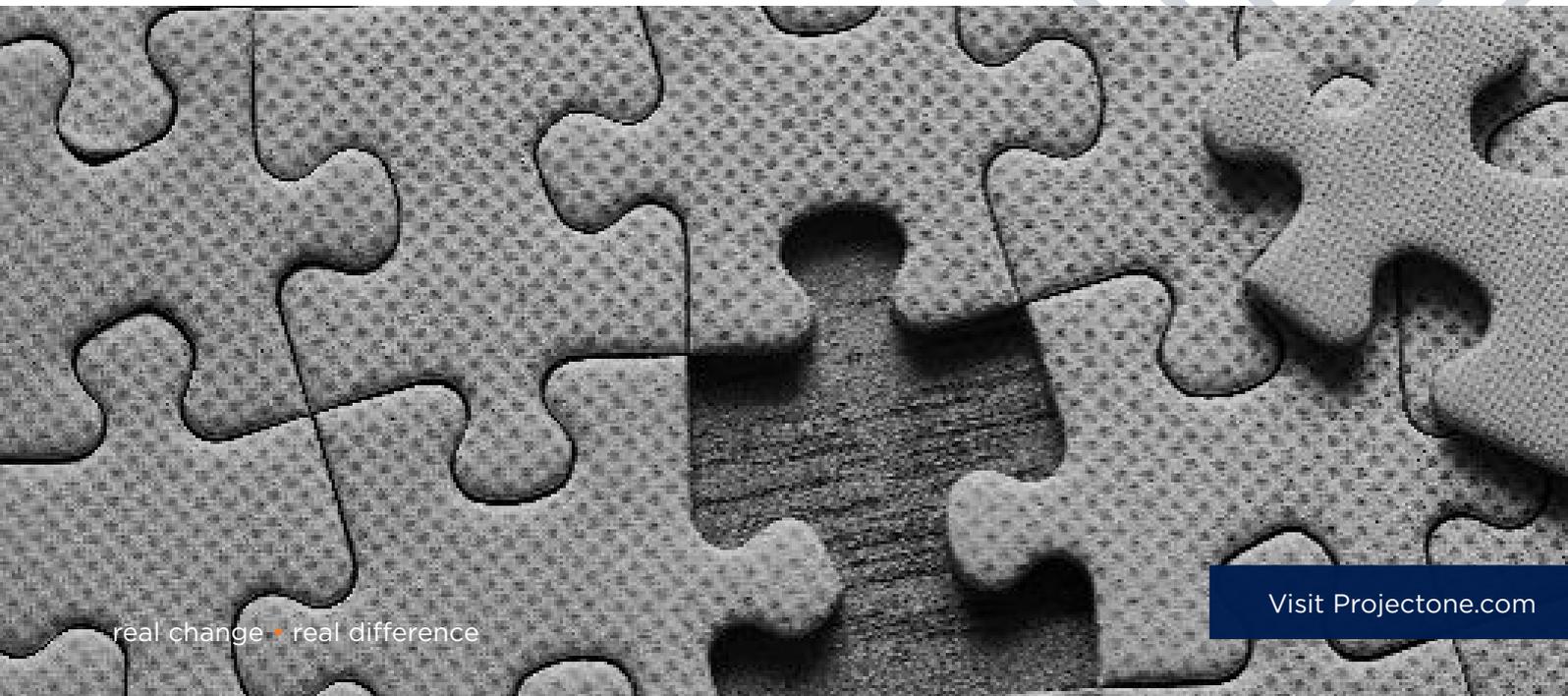


BUILD THE PICTURE ON THE 'LID OF THE JIGSAW BOX'

The way to build this picture is to develop a target operating model which provides a holistic view of how your organisation delivers value to its customers, how it generates value for itself and how all the key component parts of the organisation fit together. It can be applied at an enterprise-wide level, a divisional level, a functional level, and a team level. A simple way of conceptualising it is to think about it as the 'picture on the box of the jigsaw puzzle', with the specific components of an organisation as the pieces in the box.

Building this picture is complex but the following simple set of steps can help you:

- 1.** Establish a set of design principles which set out the critical criteria your target operating model needs to deliver against.
- 2.** Start from an 'outside-in' perspective by looking at how you can best deliver value to your customers and how this will influence your target operating model choices.
- 3.** Identify potential options for your target operating model and assess their respective strengths and weaknesses against your design principles.
- 4.** Develop your preferred target operating model option by considering all the aspects that will make it up, including processes, roles, organisation structure, technology and culture.
- 5.** Focus on those critical capabilities that your organisation needs to support the delivery of the target operating model.



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SET THE FOUNDATIONS IN PLACE FOR DELIVERY

Bringing your target operating model to life will be a tough journey. You need to establish some clear foundations for success. Four key factors can help you with this:

1. Break the delivery of the target operating model into 'staging points' (or transition states) which are clearly defined and align to your strategic ambitions and enable you to prioritise and schedule the change.
2. Refine your business case for the change to incorporate the necessary investment and key implications of your target state.
3. Establish robust central governance to oversee the implementation of the target state through a strong design authority.
4. Ensure there is executive alignment on the target state and a shared understanding on the implications for the organisation.

Follow our advice and you will develop a clear target state that will provide a focal point to aim for as you shape, mobilise and execute your transformation.

DO YOU NEED CHANGE EXPERTISE?

At Project One, we help and support many of our customers to review and change their operating model. It is a critical component to shaping up a business's change journey and one which lays the vital foundations for success. Our team of change experts have years of experience in helping our customers through every step of their journey. If you would like to discuss your challenges and how we can help, please get in touch:

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