TEMPLATE 10 · TRANSFORMATION

Operating Model Canvas

How the organisation is set up to deliver its strategy: the work, people, places, information, partners and management system, on one page.

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Strategy says what the organisation wants to achieve. The operating model is how it is set up to deliver it. When the two drift apart, effort goes in and results don't come out.

> *A strategy the operating model can't deliver is only an intention.*

HOW TO USE IT

01 **Draw today first,** honestly, with the people who run it. Note where it hurts.

02 **Draw the future model** that the strategy needs. Start from customers and the value chain.

03 **List the shifts** on page 3, size them and agree which come first.

04 **Test the design** against your principles before committing money or people.

Tip. If business units serve different customers through different value chains, give each its own canvas. One blended canvas hides the real choices.

THE EIGHT DIMENSIONS

01 Customers & value proposition

Who do we serve, and what must the operating model reliably deliver for them? Which service levels really matter?

02 Value chain & processes

Which few end-to-end processes create the value? Where are the hand-offs, queues and rework?

03 Organisation & people

How is work structured: functions, roles, spans and skills? Where do decisions actually sit?

04 Locations & assets

Where is work done, and why there? Which sites, facilities and physical assets does it rely on?

05 Information & technology

Which data and systems does the work depend on? Where is the single source of truth, if there is one?

06 Suppliers & partners

What do we buy, share or outsource, and from whom? Where are we dependent or exposed?

07 Management system

How are plans set, performance tracked and people rewarded? Which forums make which decisions?

08 Performance & cost

Which measures show the model is working? What does it cost to run, and where does the cost sit?

SIGNS THE OPERATING MODEL NEEDS WORK

- The strategy changed but the org chart, budgets and forums didn't.
- Decisions travel up three levels and come back weeks later.
- Teams rebuild the same data in their own spreadsheets.
- Customers have to tell you the same thing twice.
- Costs grow faster than revenue, and no one can say why.

GOOD QUESTIONS FOR THE ROOM

- What must we be brilliant at, and what is good enough?
- Which decisions should sit closer to the customer?
- What do we do ourselves that a partner does better?
- Which one change would make the others easier?

Operating Model Canvas

BUSINESS UNIT

DATE

☐ Today ☐ Future

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6 Suppliers & partners

What do we buy, share or outsource, and from whom? Where are we dependent or exposed?

2 Value chain & processes

Which few end-to-end processes create the value? Where are the hand-offs, queues and rework?

1	2	3	4	5

3 Organisation & people

How is work structured: functions, roles, spans and skills? Where do decisions actually sit?

4 Locations & assets

Where is work done, and why there? Which sites, facilities and physical assets does it rely on?

5 Information & technology

Which data and systems does the work depend on? Where is the single source of truth, if there is one?

1 Customers & value proposition

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Which measures show the model is working? What does it cost to run, and where does the cost sit?

From today to tomorrow

BUSINESS UNIT

DATE

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Design principles

The rules the future model must satisfy, e.g. "Customer decisions are made within one level of the customer."

01

02

03

04

05

06

07

08

The shifts

Size: S small · M medium · L large

DIMENSION	TODAY	FUTURE	THE SHIFT	SIZE	PRIORITY	OWNER
Customers & value proposition				S · M · L		
Value chain & processes				S · M · L		
Organisation & people				S · M · L		
Locations & assets				S · M · L		
Information & technology				S · M · L		
Suppliers & partners				S · M · L		
Management system				S · M · L		
Performance & cost				S · M · L		