

A brief guide to

# Designing & Implementing your Target Operating Model (TOM)

Is your  
Target Operating  
Model  
fit for purpose?

A Target Operating Model (TOM) is a statement of how your organisation will be configured at a point in the future, to deliver your organisation's vision.

Using a TOM is a great way for your executive team to agree and articulate the organisation's purpose and the means by which that purpose will be delivered. This includes the processes that need to be in place, the skills, capabilities and technology required and where the work will take place.

Like most things worthwhile in life, the concepts are simple to understand but often complex to deliver. Staying focused on your vision, sticking to your plan and being prepared to redesign it when things happen that you can't control (COVID!) sound easy but often require discipline and resolve.

## Say Hello!

To find out more or for help designing and/or implementing your TOM feel free to reach out. We'd love to chat! Email us on [hello@ad-esse.com](mailto:hello@ad-esse.com).

## Why use TOMs?

A good TOM is critical to ensure organisation-wide change is effective.

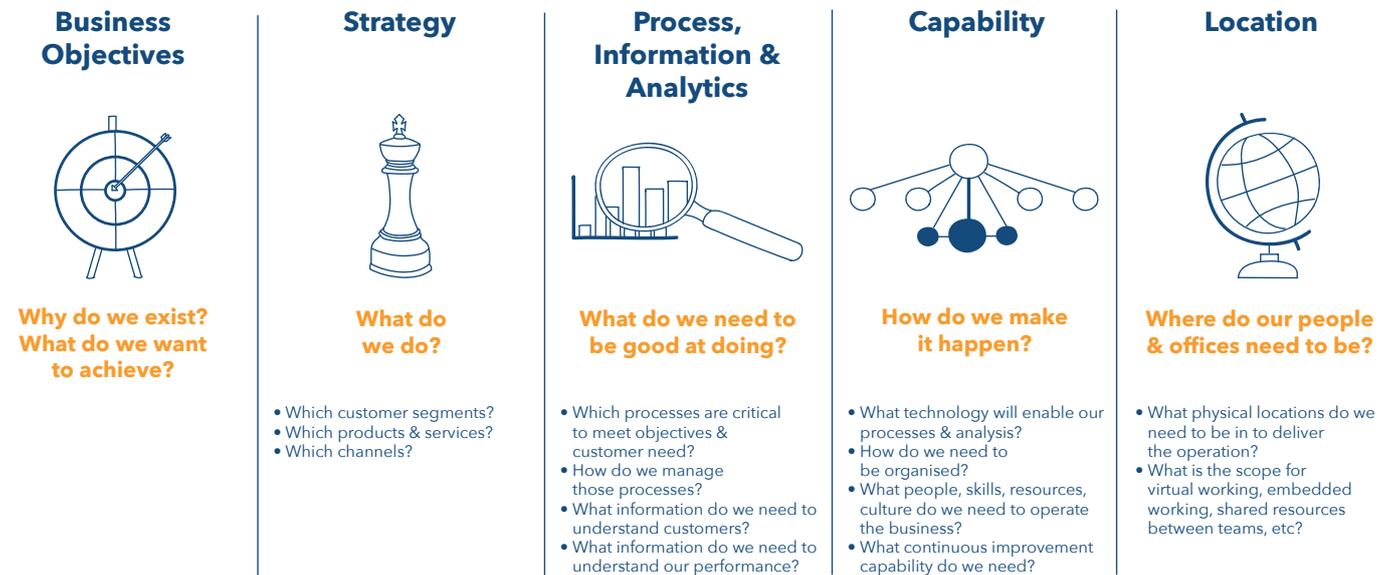
Unfortunately, the absence or poor development of a TOM often leads to:

- Changes being uncoordinated and possibly conflicting against each other
- Operations being determined by the technology an organisation has invested in
- Restructures not being aligned to the demands on the organisation or delivering value to customers
- Investment being put into areas that will not help the organisation move forward

**Design & Implement  
your TOMs OVERLEAF** →

# Designing your TOM

The starting point for all TOMs is a set of clear business objectives and a strategy outlining what the organisation wants to achieve in the future (vision), its purpose for existing and what it will offer to meet customer needs. The stages for designing a TOM are outlined in the diagram below and need to be considered in order (moving from left to right).



The output from this exercise is a documented TOM that articulates how the strategy and objectives will be delivered in the future, including details of the following: Measurement, Culture, Customer Experience, Process, Structures, Systems & Technology, and Location.

## Executing your strategy

Creating your TOM is only the beginning. It must be followed by implementation, which in practical terms is the execution of the strategy. Failure to take this step will result in the TOM simply remaining a vision. The execution means delivering a transformation that takes an organisation from the current Operating Model to the Target Operating Model. In practical terms this involves three stages:

1. Clearly understanding how you operate now and therefore what needs to change
2. Developing an effective transformation plan, that is realistic and considers business as usual pressures on your organisation
3. Executing your transformation plan to achieve the required change

