



# Target Operating Model - key attributes for success

TOM

## Key attributes for success Target Operating Models Deployment

Businesses will have to review their operating model every three to five years. Implementing target operating models will impact many areas such as current business processes, shared services, indirect tax, legal, information system infrastructure, culture, governance, and stakeholders.

With our experience of nearly 10 cycles of TOM operating globally for FTSE20 company, we can share some core elements of how to have successful target operating implementations.

### **1. Align the TOM with the business strategy**

Ensure the goal is clear, and the design is clear. Understanding the change from *As Is* to *To Be* is essential. Highlight some high-level changes and bring them to your attention to have a good high-level understanding of the future state operating model. Highlight and discuss the needs at a high level and the strategy of actions to overcome those needs. Understand the timeline and expected behaviors that will impact daily operations. Overcome these needs with the belief of tangible solutions ready in mind.

### **2. Business questionnaire and supply routes - data collections**

Design a complete business questionnaire and perform supply routes which are part of data collection to help everyone understand how the business is operating, their current supply routes, and any differences from the future standard processes.

Liaise and share data collection with the legal and indirect tax teams for tax configuration. The indirect tax team would need to check on the transfer pricing model and the future of the operating model.

### **3. Data Cleansing and IT Infrastructure**

Planning for data cleansing approach and what needs to migrate would be beneficial to the business from day one of the deployment. It is time-consuming and would need an active collaboration across the business functions. Set out the criteria and set of data will have to cleanse up from legacy systems such as Vendors, General Ledger, Customers, Bankers, and much more. Therefore, defining a clear data governance, data criteria, objectives, roles, and responsibilities are all extremely important and equally could potentially reduce risk of go live.

IT infrastructure - early engagement, the better the readiness. Understand systems integration requirements and how to go about and set up it. It is a new deployment, then it takes time to understand to requirements, but it is not, then gets to know if there are further requirements apart from the current integration practice. Set up a clear plan and set clear goals for IT Infrastructure with a holistic view of the organization's IT landscape.

### **4. Identify the impact of change**

Drill down all business processes and state clearly the impact of change. This process requires an extensive amount of effort and collaboration across the business areas to align the business process interactions and interlinks throughout an organization before the system configurations begin. Discuss all

exceptional requests and log them as change requests. Follow the change request process internally and test them during the UAT. Take all the impact of changes and turn them into testing UAT scenarios.

Ensure all stakeholders are familiar and well-trained with the impact of changes by running the training sessions.

### **5. Stakeholders' relationship**

Good team spirit is key of success. Ensure no one is left behind, everyone must be up to speed. Do not try to take each other over. Share your individual spirit with sympathy and care to others, because everyone must work together and get through the deployment together. Deploy the implementation with minimal staff turbulence.

### **6. Celebrate your success**

In every phase of the waterfall process, celebrate your success. Pencil down all lessons learned and discuss the solutions before the next phase. Try not to let your mistakes repeat in the next phase.

Team and individual recognition are a must, this way will motivate and will work even more closely with everyone. Do not underestimate other individuals' efforts, also recognise them and find a way to bring them up to speed.

### **7. In-housing experience and outsourcing experts**

Balance the resources between in-housing and outsourcing, this way, it would bring around creativity and a style of management that could be more effective. Outsourcing resources will be able to foresee risks and use their expertise to alert plus advise on solutions in time. Learn from each other, and work as a team.

### **8. Knowledge transfers**

Coaching the team to understand the why and benefits during the training workshops are extremely important. If the business has managed services offshore, effective knowledge transfer is essential. Run a workshop with the offshore team to explain to them any exceptional changes that deviate from the standard processes.

### **9. Communications and stakeholders management**

A communication plan must be prepared in advance and follow the plan accordingly. The communication plan should state clearly the communication style, the audience, toll gate, check point and the timeline.

Organise a weekly meeting to update all stakeholders on the progress and status of work that either directly or indirectly impact their business functions, for example: the global shared service, indirect tax, treasury, bankers, legal, vendors, customers, and human resource.

### **10. Go Live management**

Supporting GO LIVE management is to ensure that the business can do business as usual. In the early phase after the system has gone live, there may be issues that may cause business interruptions, such as missing customers, missing vendors, access issues, and more. Organize a daily call for 4 weeks to support the business to rectify all errors until the business is confident to take over.

YTT offers services of Target Operating Model:

- Target Operating Model review and design.
- Target Operating Model implementation roadmap.
- Target Operating Model system configuration and UAT.
- Target Operating Model change management.
- Target Operating Model project management and training.
- Target Operating Model post GO LIVE support.

### **Contact Us**

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