

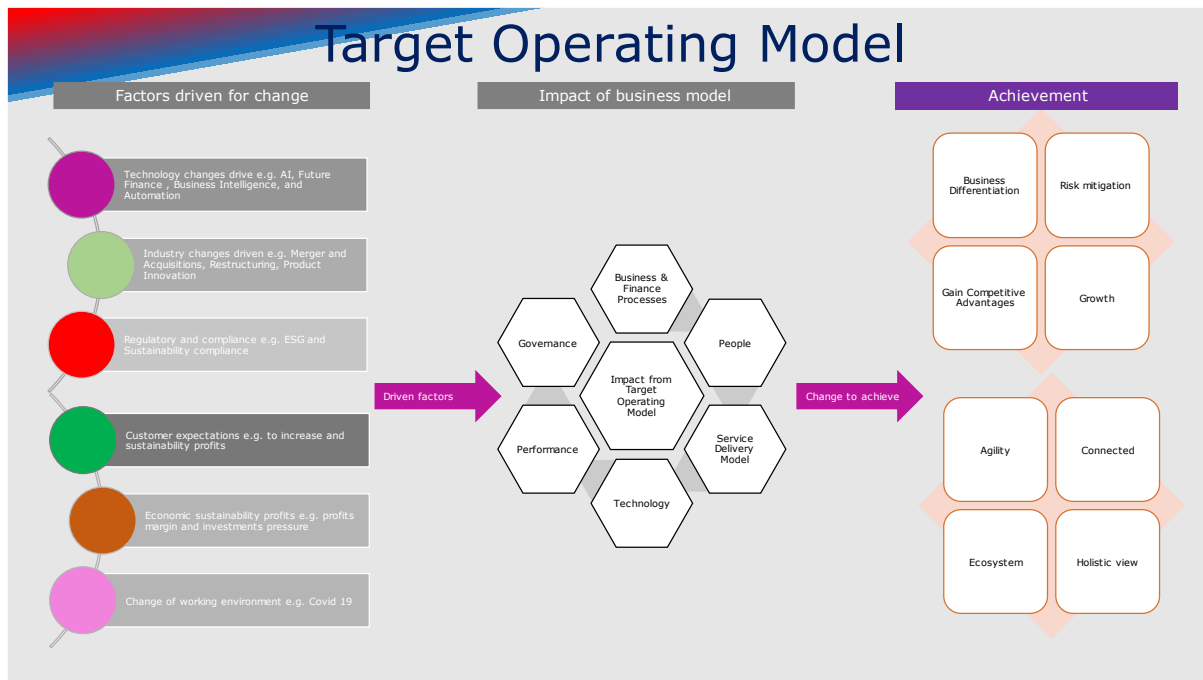
# TARGET OPERATING MODEL: the driven factors

TOM

## The driving factors of the Target Operating Model

The driving factors:

1. Technological advancements such as Artificial Intelligence, Machine Learning, Blockchain, and Cyber Security are continuously changing. Businesses need to stay on top of technology to stay competitive and achieve agility.
2. Industry changes – these are mergers and acquisitions, restructuring, and product innovation. If a business is undergoing any of these changes, it means that it will impact the current business operating model.
3. Regulatory and compliance – for example, the requirement of businesses to have ESG and Sustainability reporting, meaning, all businesses will have to find a solution, implement, and build the report for compliance purposes. Another example: the banking sector is highly regulated and will have to through many changes in regulatory requirements such as the moving from T+2 trading into T+1, and this gradually will roll out globally in 2024 and 2025.
4. Customer expectations – such as increasing annual dividends and generating more profits.
5. Economic sustainability – such as investments into emerging markets for a better profit margin. Another example could be a politically driven factor, which make the business changes.
6. Environmental factor – an example is the Covid pandemic, which has caused a big shift in the way of people work.



The expectation outputs from the change of business operating model is to achieve the followings:

- Business differentiation – this is the differentiation of products and services that the business is providing to its customers and clients.
- Risk mitigation in all areas that caused the change of operating model. The target operating model should minimize or mitigate those driven factors that put the business at risk.
- Gain competitive advantage which may increase revenue and market shares.
- Growth which can be measured in quantitative such as revenues, profits, and dividends.
- Agility which allowed the business to be more agile and alert to any unprecedented risks.
- Connected which allowed everyone to be more collaborative and transparent from the new business model.

- Ecosystem that allowed the business to stay connected to the latest technology enablement. The ecosystem also allowed the business to maximize the benefits of technology and support the business to spend more time of business-critical thinking activities and future planning.
- Holistic view with transparency, real-time, and secure.

YTT provides Target Operating Model services:

- 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.

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