Target Operating Model, People and Organisational Change

Managing change and establishing an optimum operating model that underpins digital transformation.

An Advisory Services PoV

CGI

Digital transformation

Digital technologies can help organisations to unlock their full potential – but only when done right! We understand that digital transformation isn't simple, and CGI Advisory Services is here to help you develop and implement the appropriate operating model and organisational change process to transform your organisation.

Digital transformation is more than simply implementing innovations into an organisation. It is a broader process that completely revolutionises the way organisations work, with new digital technologies promoting many benefits, including achieving data-driven customer insights, better customer experiences, increased profits, value, agility, and cost and operational efficiencies.

And the list of benefits goes on; hence now more than ever, digital transformation is essential to any organisation's ongoing success. However, not all digital transformation initiatives are effective, and this can often be attributed to:

1 A failure to consider the cultural change required within the organisation.

2 A shortfall in the necessary IT resources and skills to maintain and optimise the new technologies implemented.

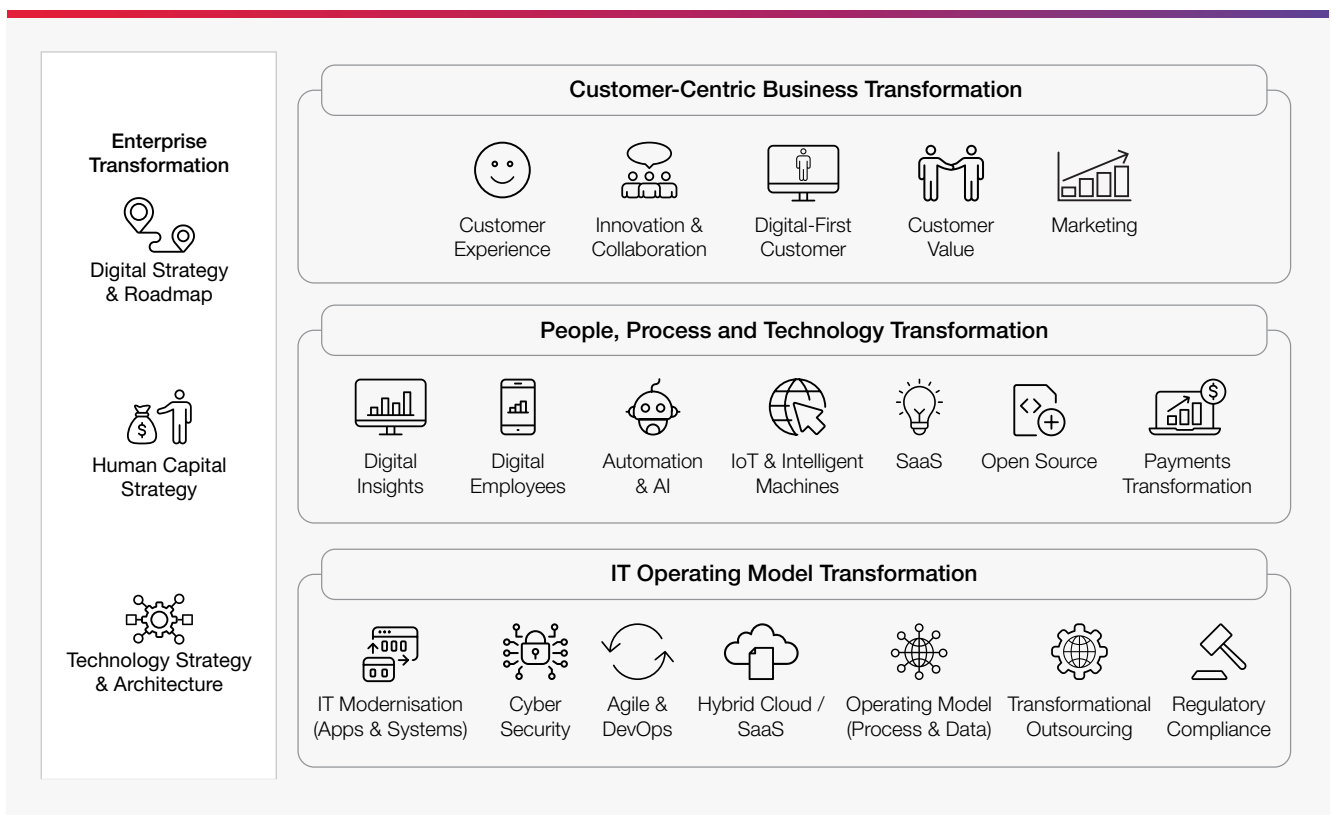But this is where CGI can support your organisation.

Digital winners versus digital laggards

Digital laggards often blame unsuccessful digital transformation outcomes on various people-related issues, such as siloed organisational structures, unwillingness to commit resources and an ill-equipped workforce. Import to note, is that technology itself is rarely a reason for failure.

In contrast, digital winners implement a formal digital strategy to enable the success of their transformation project. They welcome help from experts and embrace advanced digital technologies, using data analytics to measure the results of their initiatives and undertake continuous innovation.

CGI's expertise across all functional components of digital transformation culminates in our Digital Backbone methodology, which empowers clients to successfully implement digital technologies that revolutionise their organisations.

Our approach includes a framework focused on three areas of transformation, people (culture and organisation), processes (IT operating model and processes) and technologies, ensuring our clients transition to their desired target operating model that is underpinned by best practice organisational change management to guarantee successful digital transformation.

Enterprise Transformation

- Digital Strategy & Roadmap
- Human Capital Strategy
- Technology Strategy & Architecture

Customer-Centric Business Transformation

| Customer Experience | Innovation & Collaboration | Digital-First Customer | Customer Value | Marketing |

People, Process and Technology Transformation

| Digital Insights | Digital Employees | Automation & AI | IoT & Intelligent Machines | SaaS | Open Source | Payments Transformation |

IT Operating Model Transformation

| IT Modernisation (Apps & Systems) | Cyber Security | Agile & DevOps | Hybrid Cloud / SaaS | Operating Model (Process & Data) | Transformational Outsourcing | Regulatory Compliance |

What is an IT operating model?

IT operating models are the unique configuration of people, processes and technology used to conduct the day-to-day operations of an organisation; this incorporates an IT strategy and IT strategic plan.

The IT operating model provides the strategy or vision for your IT function to deliver, based upon a view of how your organisation should be organised and execute its business strategy. Using pictorial methods, it displays your organisation across the end-to-end value chain, with each business component present, including people, processes and technology.

When applied effectively, an IT operating model not only enables the implementation of technologies, but the optimised use of these to maximise performance and enable continuous improvement, future planning and trust among stakeholders.

What is a digital target operating model?

Target operating models (TOM) are the future-state version of the current operating model, used to achieve an organisation's visions and strategy. Organisations must therefore evolve their operating models to remain competitive in today's digital world. This involves:

- Simplifying organisational structures to be closer to the customer and enable faster decision-making.

- Addressing customer-centric culture and employee empowerment to deliver a superior customer experience.

- Deploying insights-led, agile architecture and infrastructure to enable improved performance and quick adoption of new technology.

A TOM also incorporates all internal and external resources (including third party vendors and outsourcers) that enable, integrate and manage the organisation's digital services. We recommend:

- Taking a control bridge approach to SIAM to enable best of breed sourcing and extend out to the cloud; with this change in emphasis, operating models can also be platform- or product-based.

- Running IT as a business that is value driven, operating as a profit and loss organisation rather than pure cost.

- Placing the right emphasis on team structures to fully exploit technologies.

- Skills uplifting and right sizing.

- Incorporating sustainable approaches throughout.

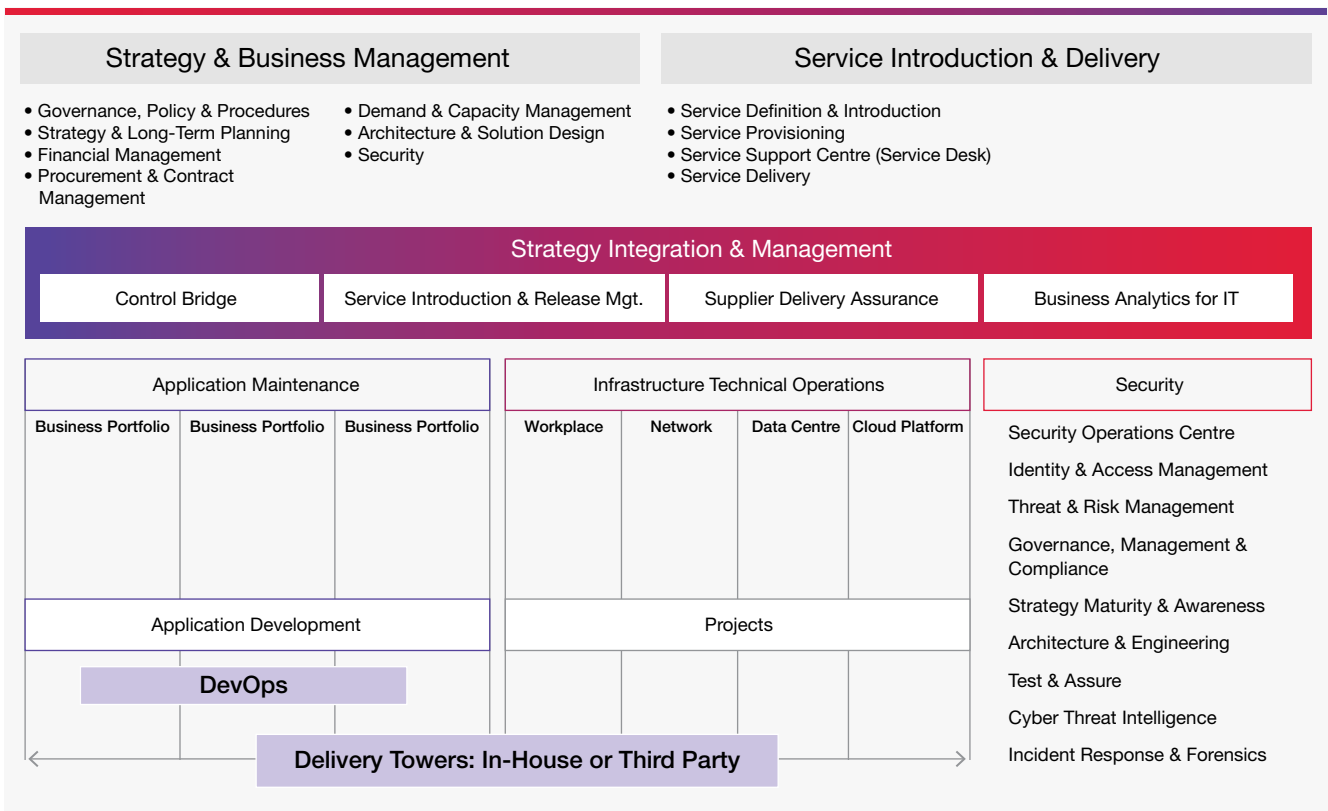- Ensuring security is inherent throughout any digital initiative.

Our Digital Backbone methodology for transformation relies upon the implementation of digital technologies, including AI, automation, IoT, cloud and analytics. But to be successful, these must align with a strong organisational framework and process excellence.

A typical TOM will include:

- **Strategy and business management** – Ensuring that IT is run like a business function, is aligned to the business strategy and employs rigorous governance.

- **Service introduction and delivery** – Taken from solution design, build and deploy services which are supported by the digital services support centre and service operations and management.

- **Service integration and management** – The end-to-end operability and performance of services and service providers (in-house and third parties), with extensions out to the cloud.

- **Delivery towers** – All service providers' portfolios of services.

- **Security** – Risk-based securing of IP, centred around a robust security operations centre.

- **Organisation structure** – Designed around the functions required to reach your target state, including the necessary roles and skills involved.

We understand that it is difficult to know where to start when creating a TOM, especially when your IT teams are already busy enough. But CGI Advisory Services is here to provide the support you need, helping to introduce the automation required to save your team's time spent on mundane, non-value generating tasks.

Strategy & Business Management

- Governance, Policy & Procedures
- Strategy & Long-Term Planning
- Financial Management
- Procurement & Contract Management
- Demand & Capacity Management
- Architecture & Solution Design
- Security

Service Introduction & Delivery

- Service Definition & Introduction
- Service Provisioning
- Service Support Centre (Service Desk)
- Service Delivery

Strategy Integration & Management

| Control Bridge | Service Introduction & Release Mgt. | Supplier Delivery Assurance | Business Analytics for IT |

Application Maintenance

| Business Portfolio | Business Portfolio | Business Portfolio |

Infrastructure Technical Operations

| Workplace | Network | Data Centre | Cloud Platform |

Security

Security Operations Centre

Identity & Access Management

Threat & Risk Management

Governance, Management & Compliance

Strategy Maturity & Awareness

Architecture & Engineering

Test & Assure

Cyber Threat Intelligence

Incident Response & Forensics

Application Development

DevOps

Projects

Delivery Towers: In-House or Third Party

People and organisational change

We believe that digital transformation is about more than technology alone - achieving goals requires a focus on people, as well as processes and technologies.

A survey of our clients found that 88% of executives report delayed or unachieved results from their enterprise digital strategies, often due to a lack of investment in effectively bringing their people along on the transformation journey.

Lasting, sustainable change is only possible when people make a conscious decision to think or act differently; this requires a change in mindset, beliefs and values, and often the development of new skills and behaviours. For this to succeed, people need to understand what the change is, and the benefits it will provide to both themselves and the organisation.

Investing in effective change management and focusing on people specifically, therefore delivers clear benefits to a programme's success. In our experience, applying change management principles to drive individual and organisational change undoubtedly increases the likelihood of achieving or exceeding project objectives.

CGI People and Organisational Change Advisory

We provide actionable insight from our evidence-based **change capability assessments**.

We support robust and effective **business change planning**, focusing on the details that drive human responses to change.

We help with the detailed **design and delivery of change,** getting everyone working together with a series of activities to make rapid, measurable progress towards key goals.
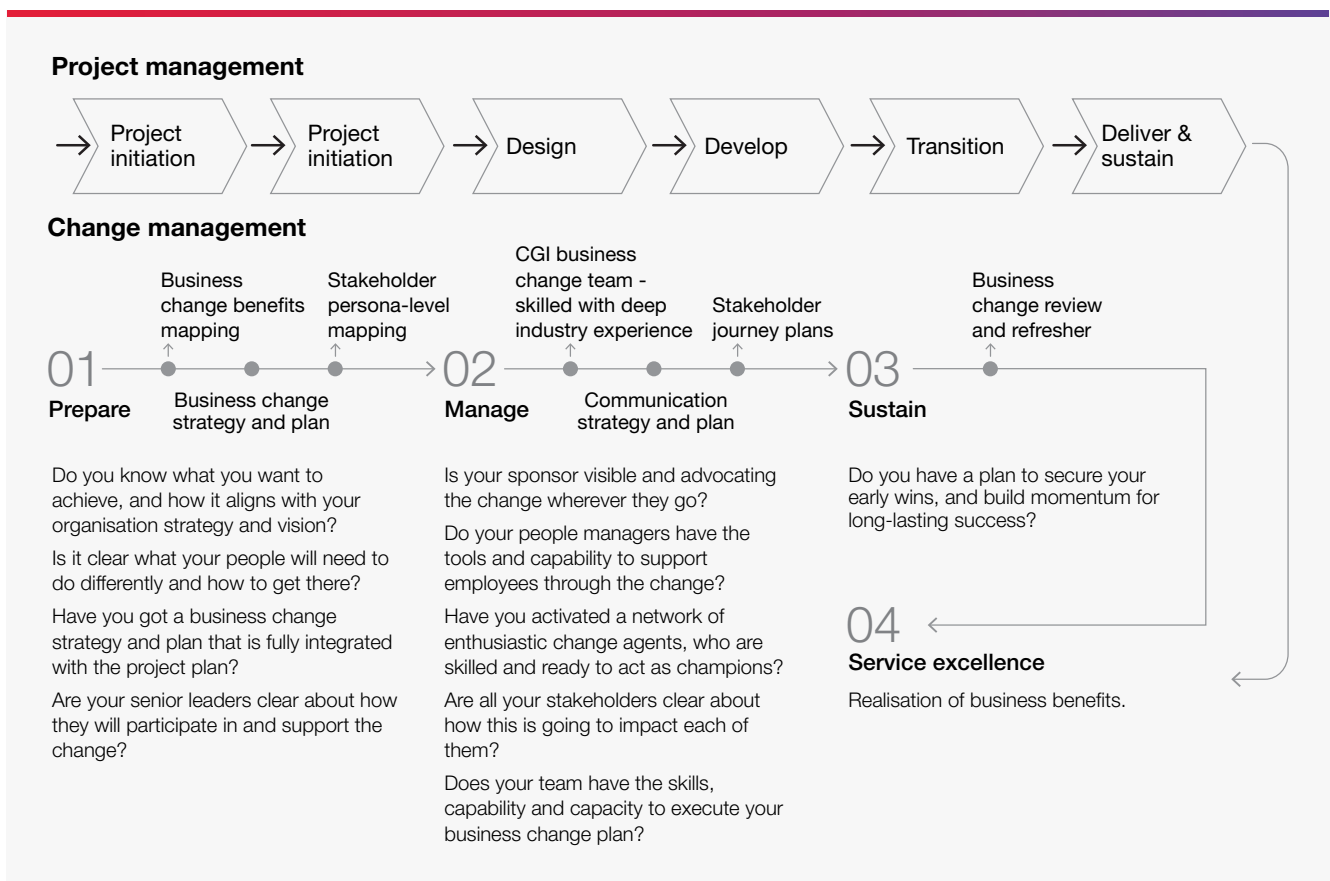
We enable **sustainable change**, working with you to create positive cycles of change that build momentum and long-lasting success.

Business change and the project lifecycle

Using our evidence-based change capability assessment, we work to understand your existing organisational change capability.

We then make recommendations of how you can build on your existing governance, project and change management structures and processes to deliver greater success.

We will collaborate to define a change journey for each of your stakeholder groups, enabling them to transition effectively into new ways of working and driving value so that the changes 'stick' for the long-term.

Project management

Project initiation → Project initiation → Design → Develop → Transition → Deliver & sustain

Change management

01 Prepare

Business change benefits mapping

Business change strategy and plan

Do you know what you want to achieve, and how it aligns with your organisation strategy and vision?

Is it clear what your people will need to do differently and how to get there?

Have you got a business change strategy and plan that is fully integrated with the project plan?

Are your senior leaders clear about how they will participate in and support the change?

Stakeholder persona-level mapping

02 Manage

CGI business change team - skilled with deep industry experience

Communication strategy and plan

Stakeholder journey plans

Is your sponsor visible and advocating the change wherever they go?

Do your people managers have the tools and capability to support employees through the change?

Have you activated a network of enthusiastic change agents, who are skilled and ready to act as champions?

Are all your stakeholders clear about how this is going to impact each of them?

Does your team have the skills, capability and capacity to execute your business change plan?

03 Sustain

Business change review and refresher

Do you have a plan to secure your early wins, and build momentum for long-lasting success?

04 Service excellence

Realisation of business benefits.

Change enablement – skills and capabilities

By investing in your people, you invest in your organisation's success.

We understand that people are the most critical enablers of change, so it therefore makes sense to invest time and effort into effectively communicating to help them understand changes, as well as equipping them properly with the necessary skills, knowledge, capabilities and confidence to deliver these changes.

This is especially the case if you have determined that a large percentage of your expected return on investment depends upon people changing what they do. You therefore need to choose an organisational change partner that will help you succeed. Our advisory experts offer services including:

• Design and delivery of your digital strategy and functional set up

• Workforce assessments to determine skills and capabilities gaps

• Recommended actions to build a professional, scalable workforce with the digital capabilities you need

• Creating effective 'digital' partnerships

• Strategy, vision and values assessments and creation, to drive and embed a digital culture and mindset across the business

• Organisational design incorporating people, data, processes and technologies

• Identification of benefits and ongoing realisation, ensuring alignment with your strategic imperatives and sustainment of improvements.
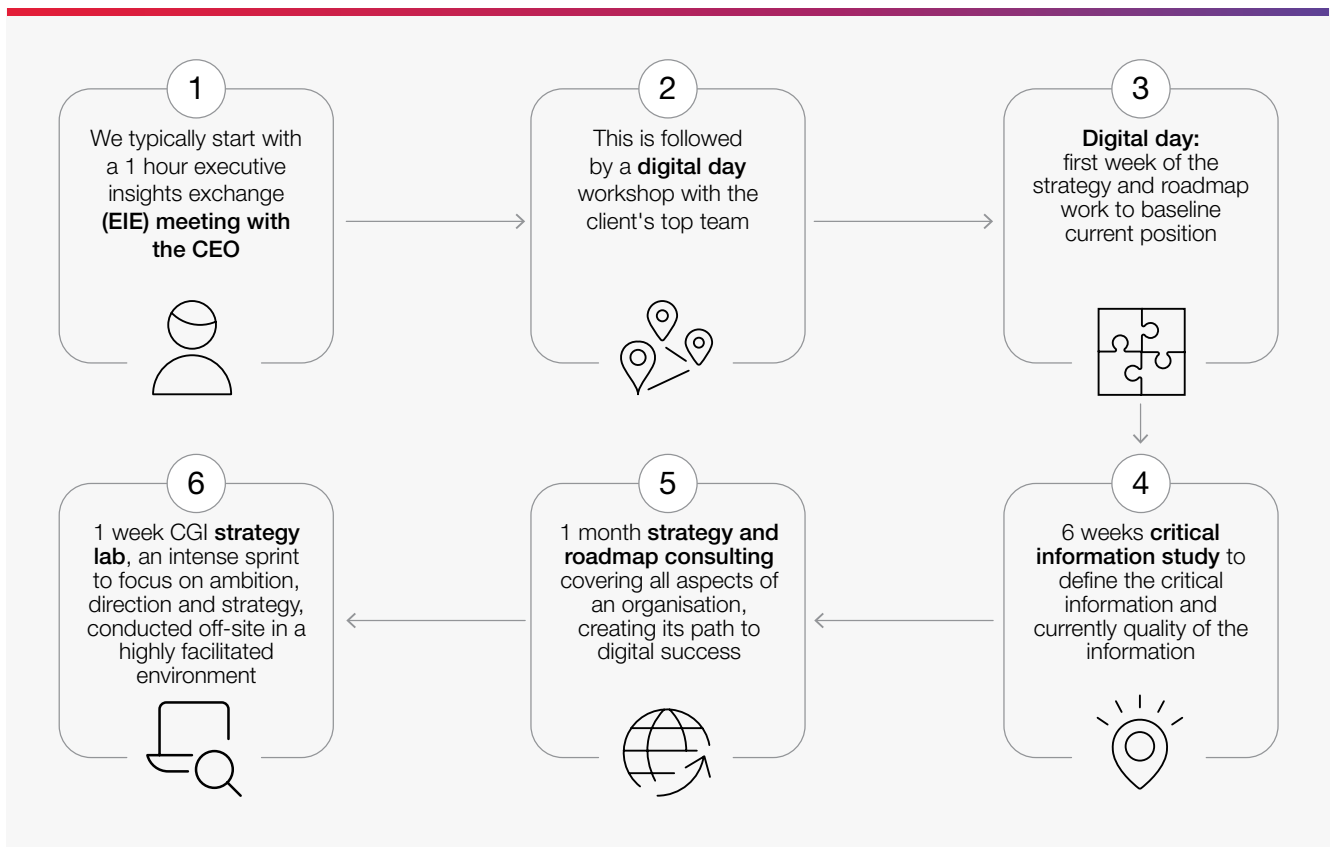
Our approach

Target operating model strategy and roadmap

CGI uses a tried and tested approach to developing TOM strategies and roadmaps for our clients. We examine their operating models to reinvent traditional service delivery approaches, helping to regain market share and drive profitability.

Every organisation is different, and so are their digital transformation journeys. We therefore always start with the organisation's specific vision, and depending on their digital maturity, readiness and disruption in their industry, we help to design tailored, unique strategies based upon a holistic view of their needs.

- **Digital strategy and roadmap** for the entire organisation, covering all areas of an operating model. This includes carrying out a digital maturity assessment.

- **Operating model** consulting by CGI experts, using our digital transformation methodology that provides the tools and methods to help clients create and evolve their operating models.

1
We typically start with a 1 hour executive insights exchange **(EIE) meeting with the CEO**

2
This is followed by a **digital day** workshop with the client's top team

3
Digital day: first week of the strategy and roadmap work to baseline current position

6
1 week CGI **strategy lab**, an intense sprint to focus on ambition, direction and strategy, conducted off-site in a highly facilitated environment

5
1 month **strategy and roadmap consulting** covering all aspects of an organisation, creating its path to digital success

4
6 weeks **critical information study** to define the critical information and currently quality of the information

Digital maturity assessment

We can determine your organisation's level of digital maturity, and work with you to address any areas that are preventing you from achieving your digital strategy. The assessment is divided into 4 areas:

	Strategy		Culture		Customer journeys		Capabilities

Is your organisation aligned on vision, and are goals in place for short- and long-term digital aspirations?

The content of our digital maturity model is constant, but the level to which an organisation needs to be mature in each area is dependent on their own business strategy, business model and operating model.

Is your organisation fostering the mindsets and behaviours critical for capturing digital opportunities?

It is vital to understand the culture of the organisation and ensure it is positioned to take advantage of the proposed digital technologies. Culture focuses on assessing employees' perspectives on digital and change, i.e. are they wary of digital and try to avoid it, or do they see it as the principal way to engage supporters and succeed?

This also assesses the leadership of the organisation, i.e. are digital leadership skills lacking, or is digital seen as an integral part of the overall strategy, with digital leadership present at all levels?

Is your organisation able to provide the desired customer experience?

A key trend in our industry is the "customer journey" - and for good reason! It is increasingly necessary to step up and focus efforts in this area, but success with journey management doesn't come easy. You cannot simply jump into machine learning or fully automated systems that dynamically determine next best actions in the moment.

Developing maturity around journey management is most definitely a journey in itself. To help clients navigate these challenges, we have identified four key components for journey management maturity:

1. Cross-channel coordination

2. Customer view

3. Journey orchestration

4. Content and path adaptation.

Does your organisation have the systems, tools, digital skills and technology needed to achieve its digital goals?

Capabilities looks at the digital skills possessed by the organisation, ranging from one person who looks after the website and email, to the senior digital leadership existing across the organisation within effective delivery teams.

It also assesses the technology itself, determining whether systems are limited in scope/unintegrated, or are leading edge, i.e. interconnected tools and systems that provide a smooth, effective internal and external user experience.

Advisory Services

Digital technologies can help organisations to unlock their full potential – but only when done right.
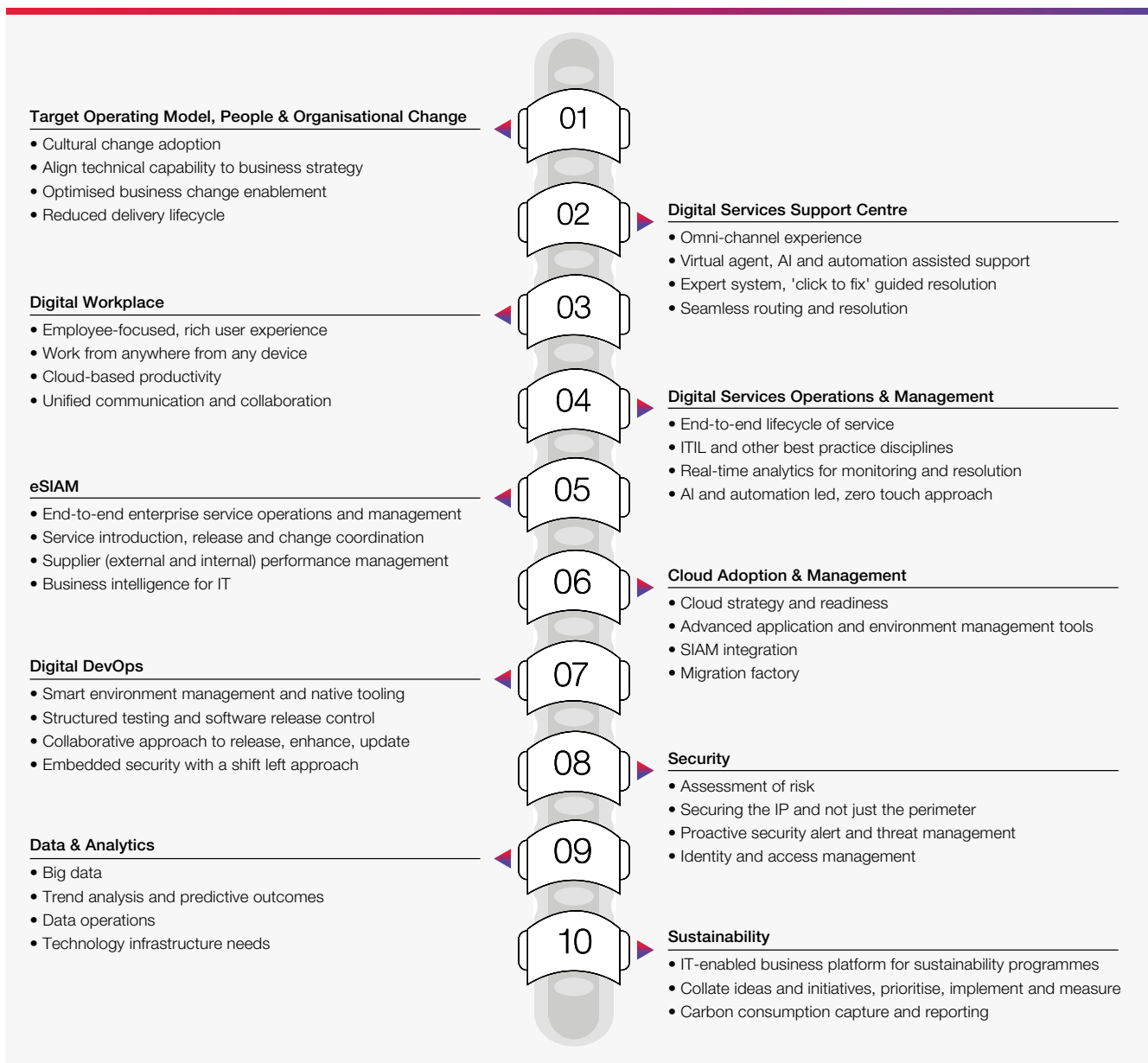
We understand that digital transformation isn't simple, and CGI Advisory Services is here to help you develop and implement the appropriate operating model and organisational change process to transform the way your organisation works.

The Digital Backbone methodology

This comprehensive portfolio of Advisory Services solutions is designed to encourage digital transformation and enable IT as an extension of our clients' organisations. Incorporating the appropriate target operating models and organisational change management approaches throughout, our Digital Backbone methodology will ensure your transformation project succeeds.

01

Target Operating Model, People & Organisational Change

- Cultural change adoption
- Align technical capability to business strategy
- Optimised business change enablement
- Reduced delivery lifecycle

02

Digital Services Support Centre

- Omni-channel experience
- Virtual agent, AI and automation assisted support
- Expert system, 'click to fix' guided resolution
- Seamless routing and resolution

03

Digital Workplace

- Employee-focused, rich user experience
- Work from anywhere from any device
- Cloud-based productivity
- Unified communication and collaboration

04

Digital Services Operations & Management

- End-to-end lifecycle of service
- ITIL and other best practice disciplines
- Real-time analytics for monitoring and resolution
- AI and automation led, zero touch approach

05

eSIAM

- End-to-end enterprise service operations and management
- Service introduction, release and change coordination
- Supplier (external and internal) performance management
- Business intelligence for IT

06

Cloud Adoption & Management

- Cloud strategy and readiness
- Advanced application and environment management tools
- SIAM integration
- Migration factory

07

Digital DevOps

- Smart environment management and native tooling
- Structured testing and software release control
- Collaborative approach to release, enhance, update
- Embedded security with a shift left approach

08

Security

- Assessment of risk
- Securing the IP and not just the perimeter
- Proactive security alert and threat management
- Identity and access management

09

Data & Analytics

- Big data
- Trend analysis and predictive outcomes
- Data operations
- Technology infrastructure needs

10

Sustainability

- IT-enabled business platform for sustainability programmes
- Collate ideas and initiatives, prioritise, implement and measure
- Carbon consumption capture and reporting

About CGI

Insights you can act on

Founded in 1976, CGI is among the largest IT and business consulting services firms in the world.

We are insights-driven and outcomes-based to help accelerate returns on your investments. Across 21 industry sectors in 400 locations worldwide, our 88,500 professionals provide comprehensive, scalable and sustainable IT and business consulting services that are informed globally and delivered locally.

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