

Building a New Operating Model in a Virtual Environment

Learn how to develop an operating model that is engaging and cost-effective.

By Fred Jewell and Kristine Jordan

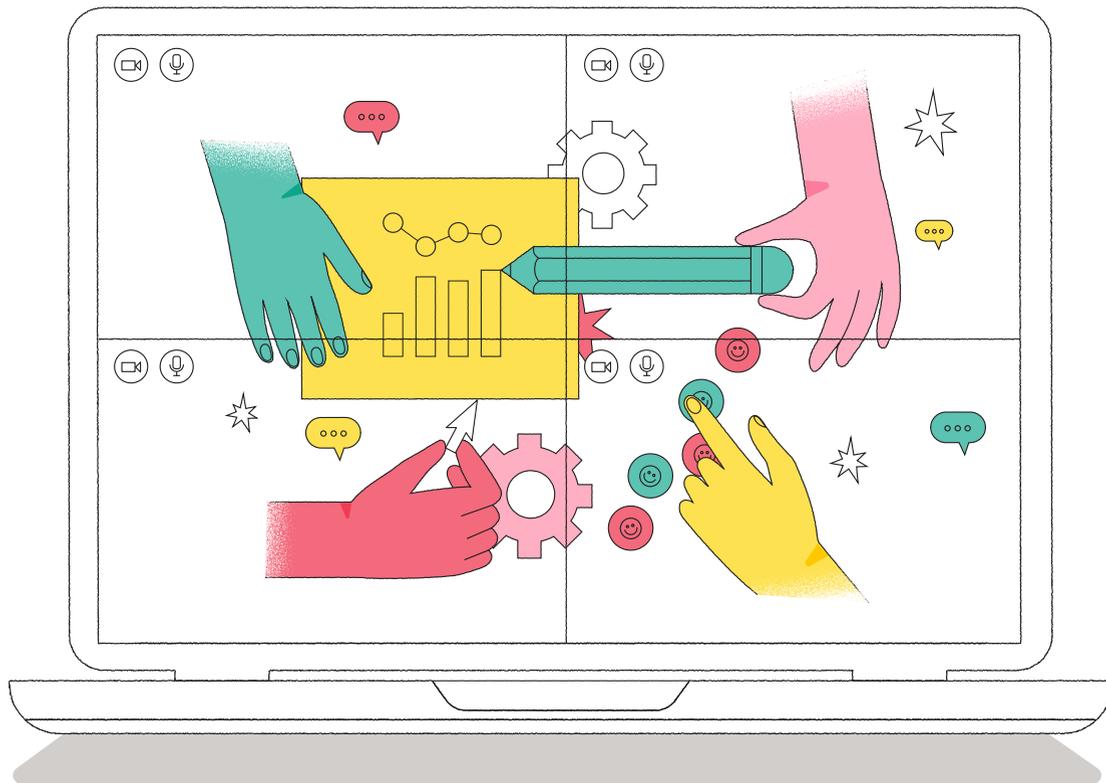
The pandemic pushed the world into new ways of working. In the case of the Jabian operating model design and development approach, this turned out to be a good thing. We were able to improve the initial steps of our process for the better because of the widespread use of online meeting and screen-sharing tools.

The rapid adoption of this technology, combined with the capability modeling and interaction design process improvements we made, allowed for a real-time collaborative creation process with our clients, compressed delivery times, and improved buy-in to the new designs. With this evolution of our process, we facilitated stakeholders through capability and interaction modeling in focused online working sessions. This deep stakeholder involvement helped stakeholders feel these changes were not being “done to them,” but rather that they were a part of the process, and they bought in on the output because they helped create it.

When offices started closing in March 2020, we suddenly lost access to many of the key tools and ways of working that were hallmarks of our

process, such as the ability to meet in person and collaboratively fill giant whiteboards with new ideas and ways of approaching work; to print, distribute, and easily mark up our favorite 11"x17"-sized Excel and PowerPoint visuals; and to pop by our clients' offices with quick questions to test our thinking. All of that was gone.

Our new process had to be different; no more whiteboards, no more paper, no more face-to-face in-person meetings. We needed to find a new way to engage our clients and build the necessary deliverables in a virtual environment. Today, our clients are more involved in the process, resulting in an aligned operating model and corresponding organization structure that everyone supports because we built the solution together. Next, we'll outline and explain our new process.



**JABIAN'S PRE-PANDEMIC APPROACH:
OPERATING MODEL 1.0**

Before we do so, let's take a look at our pre-pandemic model. For years, our original process was broken into five steps:

1. Conduct Interviews

We conducted interviews to understand our client's current-state operating model well enough to document it.

2. Assess the Current State

We assessed how well the current state was working and iterated on that with a small "core team" of clients assigned to lead the effort.

3. Draft an Improved Operating Model

Based on the assessment of our client's current state, we independently drafted a future state operating model as influenced by the direction of the industry and known pain points.

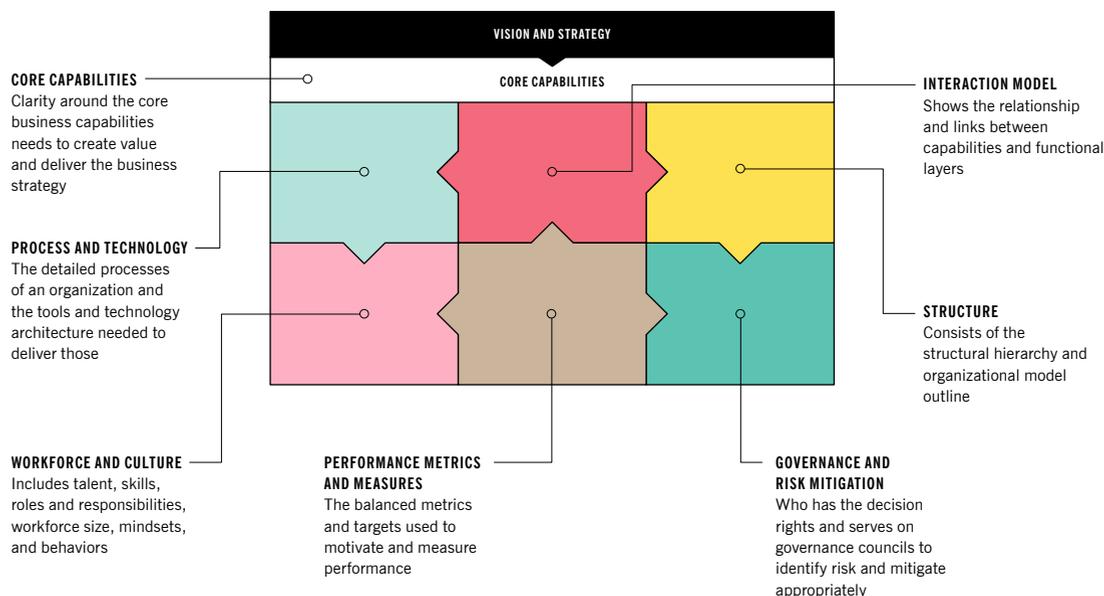
4. Review the New Design

In the review with the core team, we took their feedback and incorporated it into our draft, continued to iterate until everyone was happy, and then took it to leadership for more feedback and iteration.

5. Gain Support

Finally, the hard part: garnering the change management required to get buy-in, commitment, and engagement from everyone outside of the small core team. That could mean initiating engagement with a dozen or more key executives and other stakeholders who weren't designated part of the core team, stakeholders who (rightly) suspected someone might be about to encroach on their turf.

Figure 1.
JABIAN'S OPERATING MODEL FRAMEWORK



**OPERATING MODEL APPROACH 2.0:
A MORE COLLABORATIVE APPROACH**

For the record, the core components that make up our operating model framework didn't change, but how we developed them did. While our original method was effective, the pandemic prohibited us from using our "normal" technique for creating the deliverables. We had to be more creative since we couldn't all meet live in front of one whiteboard. The result was a more collaborative approach. It also gave us the time to challenge existing ways of working and develop even better processes and structures.

Some elements remain consistent. To improve an operating model, an organization must be willing to "break" the norms of how work gets done today. Have you ever thought about how you might organize the flow of work or an organization structure differently if you had a chance to do so from scratch? Consider this your opportunity. We did.

Some elements changed. For example, by facilitating sessions real-time in Microsoft Teams, we could move boxes around on capability models in a way to test out logical groupings based on complexity, degree of interaction, and similarity of tasks and skillsets required to perform the capability. Here's how the new process works:

1. Confirm Mission, Vision, and Goals, and Build the Capability Model (a.k.a. "What does our organization do?")

As with any operating model effort, we ensure the mission, vision, and goals of the organization are clear and adopted by senior leadership. If that step hasn't been completed, it's important to stop and do so before designing the wrong go-forward vision. The next step is building the capability model for the organization. This involves identifying the capabilities needed to achieve

the organization's goals. We then group those capabilities into broader business functions.

In this step, it is important to stay focused on the process and stay away from organizational structure/ownership of the processes. In order to build as pure of a process-focused capability model as possible, we keep the focus on aligning the capabilities to the business functions where they best fit. An initial draft of the capability model takes only a short time to develop, but this foundational activity results in a significant amount of organizational learning and leadership alignment.

What's different?

Capability modeling lends itself well to support from an online meeting and screen-sharing tool like Microsoft Teams. We used Microsoft PowerPoint to develop the model, on the fly, with our client stakeholders in joint 60- to 90-minute working sessions. One senior strategic advisor facilitated

Figure 2.

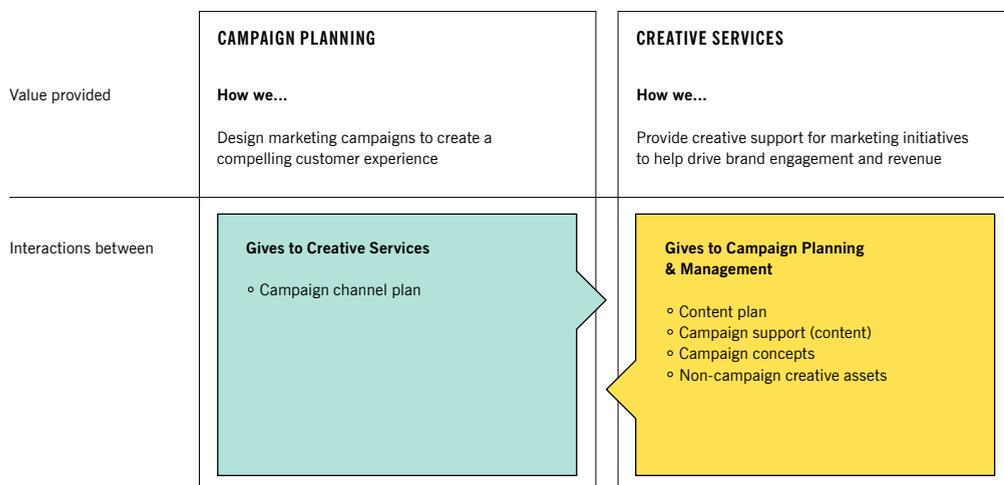
SAMPLE CAPABILITY MODEL FOR MARKETING

	LEADERSHIP	GO-TO-MARKET MARKETING			
Function	MARKETING LEADERSHIP	PRODUCT MARKETING	CUSTOMER MARKETING	CAMPAIGN PLANNING	CAMPAIGN MANAGEMENT
Capability	BUDGETING STRATEGY WORK INTAKE AND PRIORITIZATION ANNUAL PLANNING BRAND POSITIONING CUSTOMER EXPERIENCE	TARGET IDENTIFICATION MANAGEMENT MARKET INSIGHTS COMPETITIVE INSIGHTS PRODUCT INSIGHTS PRODUCT VALUE PROPOSITION INTEGRATED MARKETING PLAN DEVELOPMENT GOAL SETTING REVENUE GOALS	PERSONA MANAGEMENT CUSTOMER INSIGHTS CUSTOMER MESSAGING DEVELOPMENT CUSTOMER LIFE CYCLE MARKETING PLAN DEVELOPMENT REVENUE GOALS CUSTOMER VALUE PROPOSITION	CAMPAIGN STRATEGIC PLANNING CAMPAIGN IMPLEMENTATION OVERSIGHT CAMPAIGN OPTIMIZATION PLANNING AND FORECASTING REVENUE FORECASTING	CAMPAIGN EXECUTION LEAD GENERATION ACCOUNT-BASED MARKETING FUNNEL OPTIMIZATION DEMAND FUNNEL MANAGEMENT BUDGET EXECUTION QUALIFIED TRAFFIC GENERATION

	SHARED SERVICES		
Function	CREATIVE SERVICES	MARKETING ENABLEMENT	INTELLIGENCE & ANALYTICS
Capability	SCHEDULING CREATIVE PLANNING CONTENT DEVELOPMENT CREATIVE PROJECT MANAGEMENT CREATIVE STRATEGY AND SOLUTIONING CREATIVE DESIGN CREATIVE DEVELOPMENT PRODUCTION	MARKETING TECH AND DATA STRATEGY MARKETING TOOLS SELECTIONS MARKETING TOOL INTEGRATION MARKETING TOOLS SUPPORT PROCESS FACILITATION AND DEVELOPMENT TOOLS AND PROCESS ADOPTION PROCESS IMPROVEMENT	KPI DASHBOARDS DECISION SCIENCE MODELING CUSTOMER SATISFACTION MANAGEMENT CUSTOMER DATA ANALYTICS MARKETING RESEARCH & ANALYTICS CAMPAIGN ANALYTICS CHANNEL ANALYTICS

INTERNAL PARTNERS
SALES
SALES OPERATIONS
PRODUCT MANAGEMENT
FINANCE
STRATEGY
LEGAL
INFORMATION TECHNOLOGY
HUMAN RESOURCES

Figure 3.
EXAMPLE INTERACTION



the conversation while a process consultant drove the PowerPoint and manipulated the labeled boxes representing the process-focused capabilities live on everyone’s screens. It proved to be better than whiteboarding as it was clear, clean, and easy to keep current. The ability to have key stakeholders from multiple business functions participating from multiple locations (often across the globe) allowed for deep discussions about where specific capabilities fit within the business.

2. Define the Interaction Model (a.k.a. “How do functions work together?”)

Once the capabilities and functions are drafted, it’s time to define how the business functions — now comprising more detailed capabilities — interact with one another. This step in the process creates many real “aha” moments. We look at each pair of business functions (the top-row

boxes in the capability model shown in Figure 2) and define what each function provides to the other. We call this the “gives” and “gets” (i.e., what deliverables, knowledge, and expertise does one function give to another and what does it get back?). As leaders and subject matter experts talk through these gives and gets, clarity begins to form about the work to be done within each business function. At this point, it’s important to ensure these interactions are defined independent of organizational structure and as blindly as possible to individual people and roles. It’s strictly about the “work to be done.” Again, this is all still developed in real time by a desktop while collaboratively making notes/ edits to the models on screen. See an example interaction between two of the functions in our example capability model in Figure 3.

The interactions between functions within one highest-level business function (e.g., marketing) help to

create clarity on the work to be done and the best alignment to business functions. In this marketing example, one of the biggest benefits of modeling is to look at the interactions between each marketing function and other “internal partners,” or boundary partners to marketing. In the marketing capability model shown in Figure 2, defining the interactions together with leaders from internal partners like sales, sales operations, product management, etc. clarifies the needs and key accountabilities between these high-level business functions.

Dozens of these specific interactions are required, but the work goes fast with preparation by the facilitators.

What’s different?

In the past, we would have used notes taken from interview sessions to draft capabilities on behalf of our client stakeholders. Instead,

we defined interactions between business functions together, live on screen. This approach creates more clarity and detail and helps to challenge the norm/expose the pain points associated with the current ways of working.

Facilitation by a neutral third party is key to success in this step. The role of the facilitator is to challenge the participants to focus on the future operating model (not the current way of doing things), clarify any ambiguous “gives” or “gets,” suggest other potential gives and gets that the participants haven’t thought of, and surface and resolve any potential conflicts that might exist between the participants. Previously, clients resisted the proposed change more because they felt the new design was being imposed upon them. This new collaborative, challenger approach results in our clients feeling ownership of the design — making it their idea, not ours. This eliminates the bulk of the change management required in traditional approaches to capability model development.



THE ABILITY TO HAVE KEY STAKEHOLDERS FROM MULTIPLE BUSINESS FUNCTIONS PARTICIPATING FROM MULTIPLE LOCATIONS (OFTEN ACROSS THE GLOBE) ALLOWED FOR DEEP DISCUSSIONS ABOUT WHERE SPECIFIC CAPABILITIES FIT WITHIN THE BUSINESS.”

3.

Create a List of Key Accountabilities

Once the interactions are complete, all the “gives” for a particular function can be rolled up across all of the interactions with other functions to create a solid list of key accountabilities. For example, creative services shown above will have a clear list of accountabilities based on what that function “gives” to other functions in the organization.

What’s different?

It all really flows from the way we develop the interactions between functions. We develop the interactions with the team members that will do the work in the new model. Defining the gives and gets between their function and all the other functions defined in the capability model breaks a complex question (what all is your function responsible for?) into manageable chunks. Instead of us telling them what they should provide to other functions, they generate it themselves. Of course, when we have best practices or new ideas to offer that our clients don’t come up with, we suggest letting the client decide whether to include them. Almost always, a suggestion we make results in a “yes, that’s a great idea, we need to be doing that, so please add that to the list.” Those interactions become the accountabilities, which in turn feed organization design and detailed role descriptions.

One of the biggest risks in an operating model effort is generating support for the newly defined model. Many operating model design efforts fail because key stakeholders never buy into the new version, mostly because they didn’t have any input in it. The beauty of this process is that most of the change management buy-in is complete once the interactions are defined, at least

for the leaders and subject matter experts participating in each business function. Because they developed the capability model and interactions, the subject matter experts involved are already aligned around the to-be model. It’s relatively easy to get the rest of the organization on board with those constituents invested.

Conclusion

This new way of developing capability and interaction models is an engaging and cost-effective way to launch a new operating model effort within any organization. The learning that happens across the organization, along with the resolution of sometimes long-standing friction points between functions, is invaluable. These operating model foundational components can then serve as the basis for detailed process design, organization design, technology implementation, governance process, and cultural transformation. It’s worth asking again: If you could design how work happens within your organization or broader company from a clean slate, would it look the same as it does today? Would you get the same results? ☑

Fred Jewell

fred.jewell@jabian.com

Kristine Jordan

kristine.jordan@jabian.com