

Target Operating Model

The Client

Major High Street mortgage lender

Situation

Our client was developing a programme plan for an important new business initiative. This included designing a detailed organisation structure to support the governance, conduct and operations of the programme. The initiative would have a significant impact on both the retail and wholesale sides of the organisation.

Challenge

There was a potential disconnect between the objectives of the retail side of the business, which regarded the initiative as an opportunity to develop new business lines and to expand the customer base; and the corporate treasury, which saw the initiative as providing opportunities for more sophisticated financial engineering.

This divergence in attitude was making it difficult to take tactical decisions, and the project team was being pulled in conflicting directions.

Solutions

We assembled a small team of experienced consultants who had not previously been involved with the programme. The consultants conducted a series of structured interviews, gathering information to build a target operating model (TOM) for the proposed operation.

We then designed and facilitated a workshop in which we presented the 'straw man' TOM. This workshop surfaced a number of outstanding issues, but ultimately created a consensus around the key objectives of the programme, and gave clarity to the planning process.

We also proposed a revised structure to the programme design, which better reflected the diverse nature of the work streams within it.

Benefits

This brief assignment enabled the client to resume planning with confidence that all stakeholders were clear about the objectives, targets and performance indicators around the programme. Outstanding issues were clarified, and their ownership assigned.