

Symptoms of a Poor Operating Model

An Operating Model workshop took place at OEE Consulting's Future of Service Conference November 2015. The attendees were asked "How can you tell that your Operating Model design needs fixing?" The delegates combined responses were collated into Table 1.

Table 1: Symptoms of a poor operating model

Element	Potential indicator
Customer experience	<ul style="list-style-type: none"> • Persistent difficulty in meeting contractual requirements • Low customer loyalty due to high customer effort • Customer dissatisfaction with service aspect, e.g. channel options • Significant percentage of service demand hard to fulfil because operating model does not align • Team (and customers) do not understand proposition
Journey and Process	<ul style="list-style-type: none"> • Excess process complexity and numbers of processes • Large unpredictable backlogs due to incorrect process categorisation • Persistent customer complaints / regulator issues – lack of control • Persistent / increasing failure demand and costs • Gap between proposition and real demand (voice of the customer) or in legal requirements
Locations, functions and teams	<ul style="list-style-type: none"> • Long lead and response times due to excess hand-offs and 'bounce backs' • Slow, ineffective, end to end collaboration and improvement • Teams have insufficient view of big picture and end to end customer journey • Excessive costs for simple services and/or insufficient empathy and expertise for high discretion services
Technology and Infrastructure	<ul style="list-style-type: none"> • Technology drives high error rates and cost of 'work arounds', exceptions, and duplications • Lack of work visibility, cost of multiple systems, fragility • Stalled innovation and inability to adapt to changing needs • System fragility and high cost / transaction
People, culture and organisation	<ul style="list-style-type: none"> • Organisational conflict – low trust, loyalty and advocacy • Blame culture – lack of transparency, accountability and understanding • Slow decision making • Insufficient skills – inability develop and train in right areas fast enough • High staff turnover / absence rates – particularly managers • Incentives drive wrong behaviours. Integrity issues • Persistent communication failures. Low staff engagement and morale
Management Framework	<ul style="list-style-type: none"> • Inability to measure, forecast and match capacity to demand • Significant swings between over / under capacity • Measures are all green but customers are unhappy • Costly and ineffective improvement, risk and change management

Attendees

Spicerhaart, UKAR, FCA, Continua, Tesco Bank, RBS, Lloyds Banking Group, Imperial College, Aberdeen Asset Management, NFU Mutual, Old Mutual International Limited, Allied Healthcare, NHS Property Services, KnightAM Limited, OM Wealth, Mencap, Lloyds Banking Group, Compass Group, Plymouth University, Royal Air Force, HP, ABN Amro, UKAR, VKD, Visa.