

Dynamic by Design: Implementing a Product-Based Operating Model

Designing and implementing a prescriptive blueprint won't deliver a sustainable outcome; Mozaic recommends that teams learn new ways of working through experience and shape their own transformation.

Many organisations are transforming their operating models to align around product, with the aim of rapidly driving value to their customers. As structures are shifted from heavy, enterprise-driven governance towards empowered and self-managed teams, the biggest obstacle to implementation is cultural.

The required adjustments to mindset and ways of working are so fundamental that attempting to enforce a pre-defined target state model will not land effectively. These changes can't be taught in a classroom or dictated by a set of diagrams. To avoid organisational rejection, teams can be given ownership of the design, allowing them to experiment, learn and iteratively build their new ways of working.

Over several recent engagements, the Mozaic team has challenged the traditional prescriptive corporate blueprint and turned it on its head, advocating a different way of establishing a new model. We have worked with business and technology leaders to enable their teams to follow an intentionally iterative approach; moving away from following a pre-defined blueprint to creating continuously evolving playbooks that are dynamic by design.

This brief paper summarises the steps that we recommend for achieving the transition in a way that is sustainable, adaptable and ready for future challenges.

A product-aligned operating model provides the joined-up way of working that enables timely delivery of relevant value to customers and service consumers

Many of our clients are making (or have made) the shift to a new way of working that actively drives agility, innovation and customer-centric value by aligning resources and activities around product teams. We work with them to understand the requirements and objectives for their transformation and collaborate with their teams to implement the model whilst maintaining efficiency, control and predictability with appropriate shared capabilities.

We have found that those who have attempted to implement a detailed design and set of blueprints based on a point in time assessment typically struggled to “land” the change. This approach leaves little room for long-term flexibility and limits the organisation to a static reference asset that may never become relevant to the circumstances of the business. In our experience, implementation works best when time is invested to develop an approach bespoke to the specific organisation, in a way that is dynamic by design, to achieve cultural acceptance and set the teams up for long term success.

Advocate, Iterate, Evaluate, Automate

Mozaic recommends that leaders decline to build out detailed blueprints for implementation in favour of empowering teams to take ownership of the rollout. Once core principles are established, they can then iterate, experiment and learn along the way. Below are the main considerations for success:

1. Leaders set the tone from the outset.

- Without active advocacy from leadership, product model transformations are likely to fail. An effective way to secure this support up front is to conduct a **leadership visioning session**.
- Take a people-centric approach, acknowledging what is being asked of the team, how it will feel for them and most importantly **giving clear permission** to the experimentation approach. For example, reporting and governance information won't initially be in place as before; recognising that this is acceptable at the start, given the focus of the transformation, is a key factor.
- Provide collaborative and **active coaching opportunities constantly throughout the journey**, fostering a culture of open feedback, in the spirit of continuous learning and development.

In a recent engagement with a FTSE-100 financial services organisation, transformation principles were proposed by leadership as part of a day-long immersion session but shared with and bought into by the wider organisation before getting started.

At a UK building society, early engagement and outspoken sponsorship from leadership has proved to be pivotal in setting up the transformation for success. Buy-in from the wider teams has been effectively secured and the organisation is moving ahead very positively and with enthusiasm towards their new structure.

2. Start small to achieve demonstrable value, rapidly.

- **Build and deploy new teams** throughout the adoption.
- Use **iteration, testing-and-learning** to adapt ways of working along the change journey, inspiring cultural change through specific teams having ownership of their areas.
- Facilitate critical planning, review and reflection events for each team and **continuously refine playbook style collateral** to inform the rollout with lessons learned at each step.
- Plan where the **Product principles** can be used in Services and Platform delivery.

As the adoption gathers scale and pace, we work with our clients to capture lessons learnt from the first experiments and plan/adjust the roadmap. As each wave moves forward, we determine how many and what experiments to start in subsequent wave and extend concepts to Service and Platform Teams. Throughout, we work to build a sustainable coaching and product owner capability, as well as designing the supporting infrastructure, governance, and funding models.

3. Learn and share, continuously.

- An enterprise-wide **Centre of Product Enablement** can own the playbooks to ensure syndication of lessons learned and good practices.
- Continually **demonstrate that value is being delivered** – understand and learn from all experiments – don't expect them all to work first time.
- Establish **coaching and feedback mechanisms**, whether from an internal or external partner perspective this is best delivered from "within the trenches", i.e., by someone working side by side with the team.
- Regularly **"take the pulse" of team engagement** to ensure any points of friction can be addressed.

At a FTSE-100 financial services organisation, a large sub-set of the C-suite attended frequent sessions to help create an environment for success for the teams that formed the first wave. By participating in these reviews, they were able to understand the enterprise-level blockers and take steps to unblock them, as well as acknowledge achievements and value.

4. Automate and orchestrate.

- Adopt appropriate tooling practices, **establishing automation and orchestration across the model** to reduce points of friction and drive velocity through change and delivery.
- Building the right toolset will **help Product Teams to stay within appropriate guiderails**, codifying the flow of work that enables them to utilise the patterns and templates offered by shared capabilities.

Mozaic recently delivered an engagement to implement orchestration and automation capabilities for a global insurance company as a precursor to helping shape the product-model transformation. Effective orchestration, where the control points are codified and invisibly delivered to the Product Teams, can significantly increase velocity; in this way our engagements typically take over 80% of time to release out of the process, whilst also reducing cost and improving the quality of delivery.

Recommendation: Implement with playbooks, not blueprints

By applying the playbook technique, rather than following a blueprint to the letter, leaders leave scope for the continuous addition of new strategies and tactics that will make ways of working even more successful going forward. Teams will start delivering more relevant, timely value through the product focus whilst balancing investment and cost in a way that is not only transparent and measurable but also dynamic and adaptable.

With the flexible and future-proof way of working offered by the product-based operating model, we believe this really could be the last major operating model change an organisation will ever need to make.

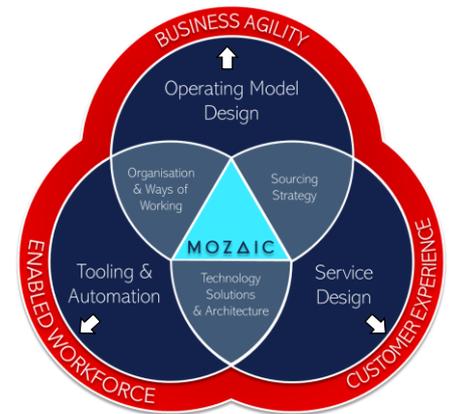
An integrated approach to the transformation delivers best results. Talk to us to find out more about how we could help you implement your product-based ecosystem or, if you have already made the shift, how we can help you to continuously improve, automate and reduce friction across your enterprise.

ABOUT MOZAIC

We believe that delivering **business agility**, offering great **customer experience** and enabling **a talented workforce** are critical for attaining Digital Excellence.

Our experienced consultants collaborate with organisations to assess and redesign their digital strategy, delivery and operations; achieving significant improvements that offer meaningful business benefits.

We design and implement radical improvements in IT performance and agility, using automation, tooling and by delivering new ways of working.



Clients Trust Mozaic Because We Have:

Deep Specialisation

We specialise in IT assessment, operating model design and transformation.

Our models and methods have been proven in the field. We are independent, our approach is unbiased, and recommendations are always focussed on delivering maximum value to our clients.

Outstanding People

Our people have a healthy balance of operational delivery knowledge and consulting experience.

We work collaboratively alongside clients to identify the right recommendations and gain buy-in with their teams.

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Established Materials and Methods

We use proven models to quickly understand how you manage IT today, confirm and optimise the form of your future roadmap, and quantify the benefits that transformation will deliver.

Read more of our white papers [here](#).

Demonstrable Track Record

We have delivered significant benefits through executive-led initiatives within complex organisations, across a wide range of industry sectors.

A list of our clients can be found [here](#). Case studies and references are available on request.

To learn more about Mozaic's work and how we could help your organisation, contact us: info@mozaic.net

Related Reading - [Increasing the Velocity of Change Doesn't Mean Losing Control](#).

This white paper touches on the product-based operating model explored here as a key step in increasing velocity of change and expands on how to orchestrate the flow of work, break down technology dependencies and build reusable components and patterns.