# Value by Design:
# Open Systems Application

*"Organisations are perfectly designed to get the results that they achieve. If you want to change the results, you need to change the design."*

Markets are shifting fundamentally. Old products and traditional ways of working are being disrupted by new technology, evolving customer behaviour, and higher employee expectations. Relying on outdated approaches is no longer a viable strategy for survival.

When facing this shift, the instinctive can be to try to squeeze more from your existing system—optimising departments or cutting costs within silos. However, you cannot fix a fundamental landscape shift by simply tweaking old structures. Your leaders need to move beyond managing "boxes and lines" and focus instead on value flow.

*"When you try to implement a brilliant, new strategy with a broken process, the process will win every time."*

## Moving beyond hierarchy to maximise value

To evolve, we must first understand the two operating systems:

1. **The Hierarchy** (Vertical) - This is your skeleton. It defines authority, career paths, and functional excellence, ensuring specialists are skilled and compliant. However, hierarchies are internally focused, designed to manage people rather than the customer experience.

*"The biggest waste in an organization isn't people working slowly; it's work sitting idle waiting for a handoff or an approval."*

2. **The Value Stream** (Horizontal): This is your flow. Performance happens horizontally through the continuous activities that define your product lifecycle and customer relationships. It is the actual path work takes across your departments.

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When you're running your organisation with a hierarchy-only model work gets caught in the "white space" between departments. No one owns the horizontal journey, everyone is busy within their silos, and each project regularly sits idle, waiting for handoffs or approvals.

By introducing a dual operating model, you maintain the hierarchy to provide the functional expertise, and focus on the value flow that actually moves the work and impacts performance. Your organisation is no longer just a collection of high-performing departments, but a single, high-performance open system.

## Investing where it actually drives results

Implementing a dual operating model allows you to:

- **Move from local optimisation to system optimisation:** You stop wasting money "improving" a department that isn't the bottleneck. By identifying the true constraint in the flow, you invest only where it actually increases the speed from order to payment

- **Eliminate the cost of delay:** In a hierarchy, work is often "active" for only 15% of the time, the rest is spent waiting. Shortening this lead time doesn't just make customers happy; it pulls revenue forward. In a competitive market, being first to fulfil a complex need means capturing the margin before the customer looks elsewhere

- **Capture the whole margin:** By organising around a stream, you can bundle multiple high-margin services into a single, seamless flow, making it easy for the customer to buy and impossible for competitors to disrupt

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## How we build your dual operating model

We designed the Value by Design process to guide your leadership team through the process of designing and implementing your dual operating model using Open Systems Thinking.
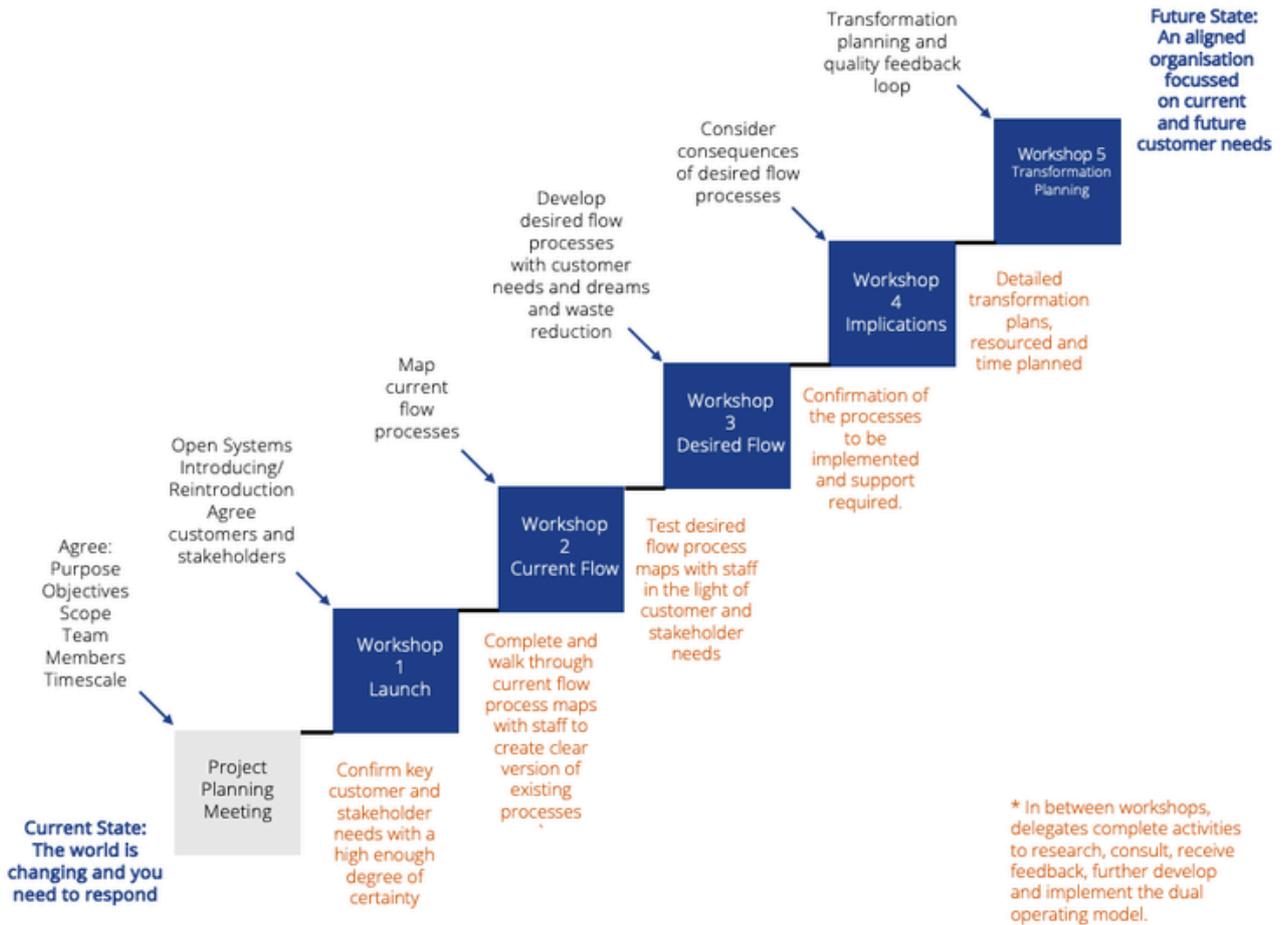
We typically complete the following steps over a 6–9 month period. Workshops are intended to "ring fence" time away from day-to-day operations to focus on the future.

- **Project Launch Meeting:** We agree scope, purpose, objectives, timescales, project team, and budget
- **Workshop 1 - Launch:** We introduce/refresh Open Systems Thinking and map out at a high level the whole system to be renewed e.g. the company/division/function. Next, we define who the key customers and stakeholders are. The whole organisation only exists to meet their needs and dreams
- **Workshop 2 - Current Flow:** We map the current flow i.e. the horizontal journey of delivering your products and services. We follow the work, not the people, to identify where your current structure is blocking your effectiveness
- **Workshop 3 - Desired Flow:** We combine customer and stakeholder needs and dreams together with inefficiencies in your current flow and create a desired flow that meets the needs and solves the problems
- **Workshop 4 - Implications:** We determine the changes that are needed and support that is required for the desired flow to operate successfully
- **Workshop 5 - Transformation Planning:** We build a detailed transformation plan and quality feedback loops to achieve successful implementation

In between workshops, attendees complete activities to research, consult, receive feedback, further develop and implement the dual operating model.

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## How we build your dual operating model



Future State:
An aligned organisation focussed on current and future customer needs

Transformation planning and quality feedback loop

Consider consequences of desired flow processes

Develop desired flow processes with customer needs and dreams and waste reduction

Map current flow processes

Open Systems Introducing/ Reintroduction Agree customers and stakeholders

Agree: Purpose Objectives Scope Team Members Timescale

Workshop 5 Transformation Planning

Workshop 4 Implications

Workshop 3 Desired Flow

Workshop 2 Current Flow

Workshop 1 Launch

Project Planning Meeting

Current State: The world is changing and you need to respond

Confirm key customer and stakeholder needs with a high enough degree of certainty

Complete and walk through current flow process maps with staff to create clear version of existing processes

Test desired flow process maps with staff in the light of customer and stakeholder needs

Confirmation of the processes to be implemented and support required.

Detailed transformation plans, resourced and time planned

* In between workshops, delegates complete activities to research, consult, receive feedback, further develop and implement the dual operating model.

All change begins with a conversation.
To learn more, contact info@opsisconsulting.com

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