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Centers of Excellence
Setting up for success



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Overview on Centers of Excellence (COEs)

Organizations are relentlessly targeting to adopt the latest industry trends to future proof themselves. Every business aspires to have efficient end-to-end processes to deliver an enhanced customer experience, and therefore improve the topline.

As the term Excellence is shifting from a general concept to become a business necessity, the race to adopt excellence and setting up the right structure to drive excellence is on, and every organization aims to be at the frontline.

Such a necessity unveils itself in the form of Centers of Excellence (COEs) designed in different forms, mainly focused on establishing the required capabilities to create assets for the organization and reaping the returns from those assets.

Drivers for establishing the COE

Categorically, organizations strive establish their centers of excellence to achieve one of more of the below objectives:

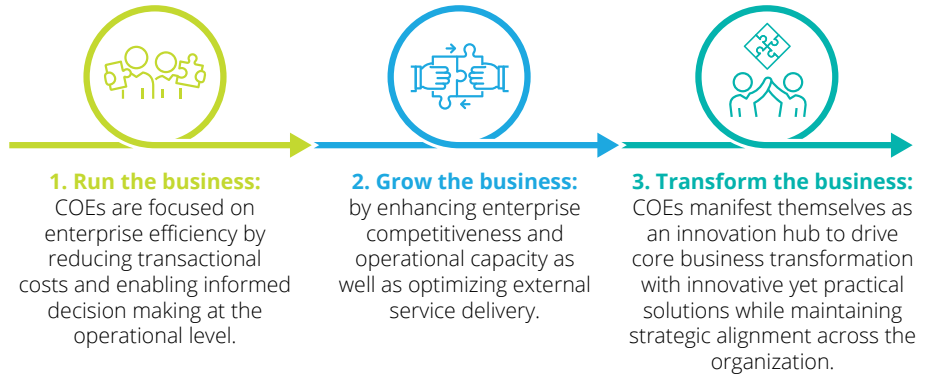


Figure 1 :Objectives for establishing COEs

COEs – A Middle East perspective

The significance of COEs is being increasingly recognized across the Middle East for more than a decade now. Several regional governments have embarked on a journey to encourage both public and private entities to adopt excellence through varying awards & incentives programs. For example, in 1999, the UAE launched The Sheikh Khalifa Excellence Award (SKEA) aimed at continuous improvement and enhancing competitiveness. Later in 2000, KSA launched The King Abdul Aziz Quality Award focusing on implementing the

principles of total quality. Lastly, in 2002, Jordan launched the King Abdullah II Award for Excellence focusing on government performance and transparency.

In Saudi Arabia, such significance was translated in the form of royal decrees to adopt the excellence agenda. To achieve such goals, government entities are bound to establish their centers of excellence and seriously transform their core business.

Types of COEs

Globally, 4 variations are recognized to deliver the desired business impact:

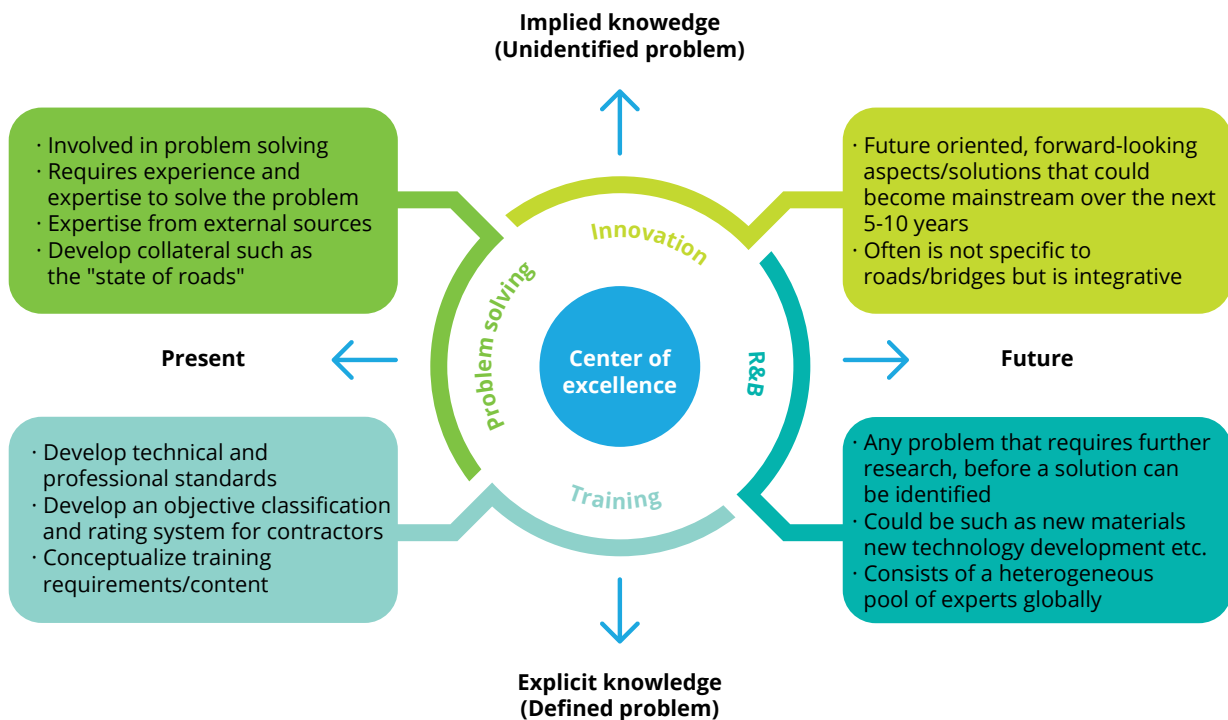


Figure 2: Types of COEs

The Building blocks of a COE

At some point during their tenure, all organizations feel the need to establish a center of excellence. This need may arise due to several reasons, such as: Provoking a culture of innovation and ideation, standardizing and managing business processes, enhancing business performance, or fueling the organization with comparable business insights.

One important consideration when embarking on the excellence journey is the path reach its maturity. COEs are meant to be scalable and practical in nature and do not need to be built all at once. Rather, it is best to develop them organically and gradually as they operate in fluid and transformational environments.

The formation and size of any COE varies depending on the organizational context, i.e; their excellence agenda. Common building blocks of COEs are:

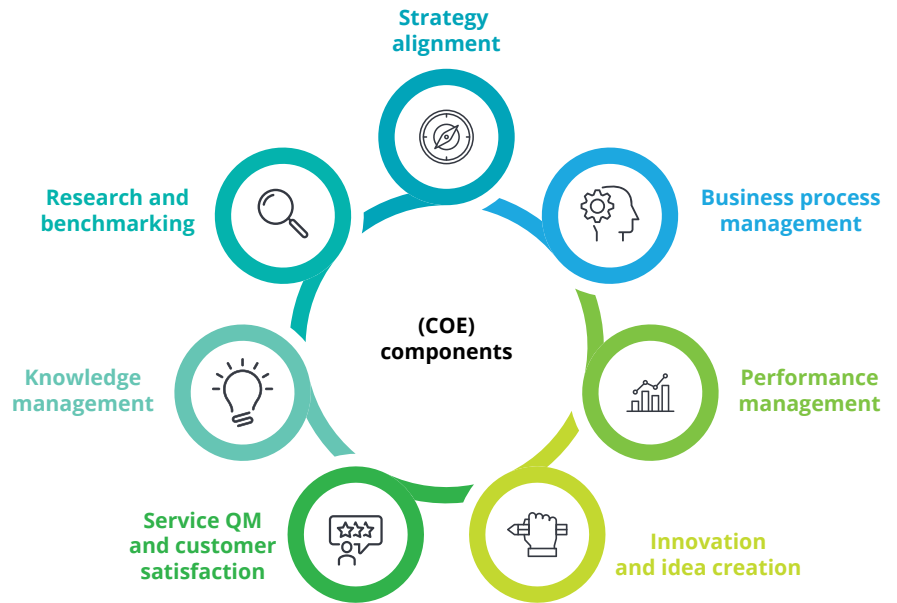


Figure 3 : COE components

The COE journey

Nowadays, activating COEs is considered mission-critical to organizations to future proof their business. Gradual deployment and progression is a tested and proven approach:

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Imagine : You should start with a clear business case and a directional strategy for the Center.



1



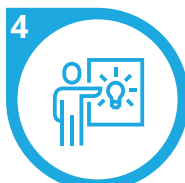
2

Establish : At this stage, you need to define the COE's operating and governance Models, lay out its reference frameworks and methodologies, and rally the right team to run it.

Operate : Activating the COE is key as you need to broadcast the right required communications across the organization, scaling skilled teams, activating the right collaboration across the corridors and continuously monitor the COE's performance by tracking the predefined excellence success metrics and stakeholders' feedback.



3



4

Optimize : To ensure its sustainability & alignment to the organization's strategic direction and to guarantee that the COE is delivering the value and impact, you need to focus on instilling a culture of knowledge through repositories of cumulative experiences and translating such experiences into your day-to-day operations within the COE and the organization at large.

Figure 4 : The Centers of Excellence journey

The strategy should answer critical questions to determine the form and positioning of the COE within the organization. Such critical questions are:
 » What does excellence mean to our organization?

» What is the role of COE within the organization?
 » Who are the stakeholders of COE and how would the interaction model look like?

» What is the culture of COE within the team?
 » What will success look like for COE?
 » What is the level of centralization vs. Decentralization we aspire to maintain?

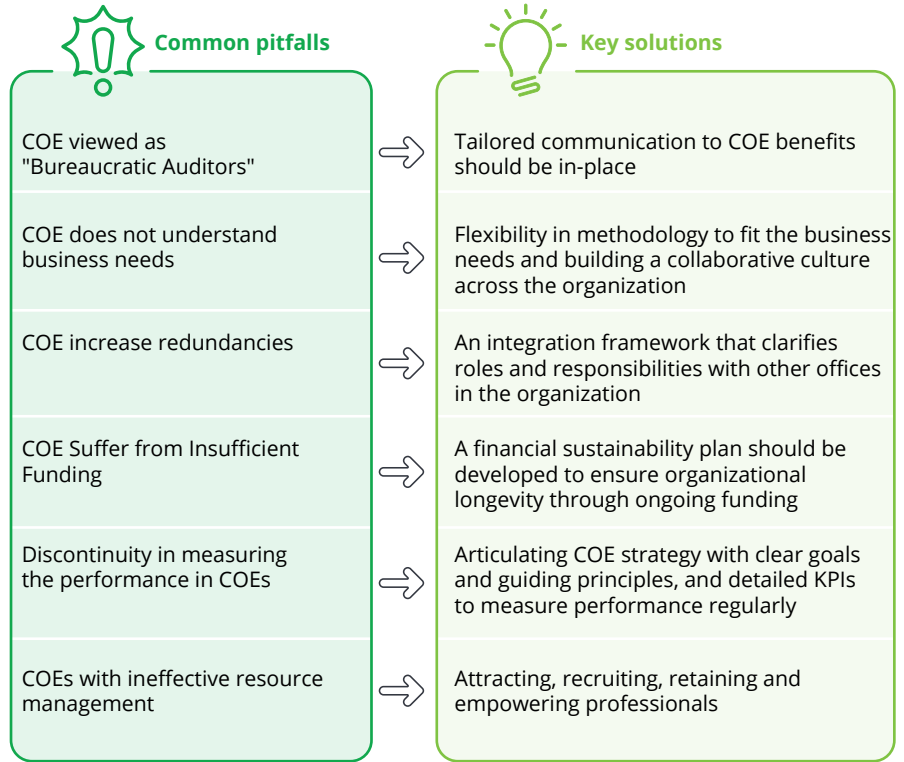
Common pitfalls and critical success factors for COEs

Pitfalls and potential solutions

As organizations embark on this journey, they face obstacles during the establishment, operation & optimization stages.

Without the right experts and their professional guidance, organizations are more likely to experience several pitfalls. With Deloitte’s global experts on your side, such pitfalls could be safely surpassed and knowledge can be transferred to your team every step of the way.

To build and sustain an effective COE, focus must be shed on a set of critical aspects from design through to operation and optimization. Leveraging our repeat experiences, our experts were able to identify these critical success factors.



Critical success factors

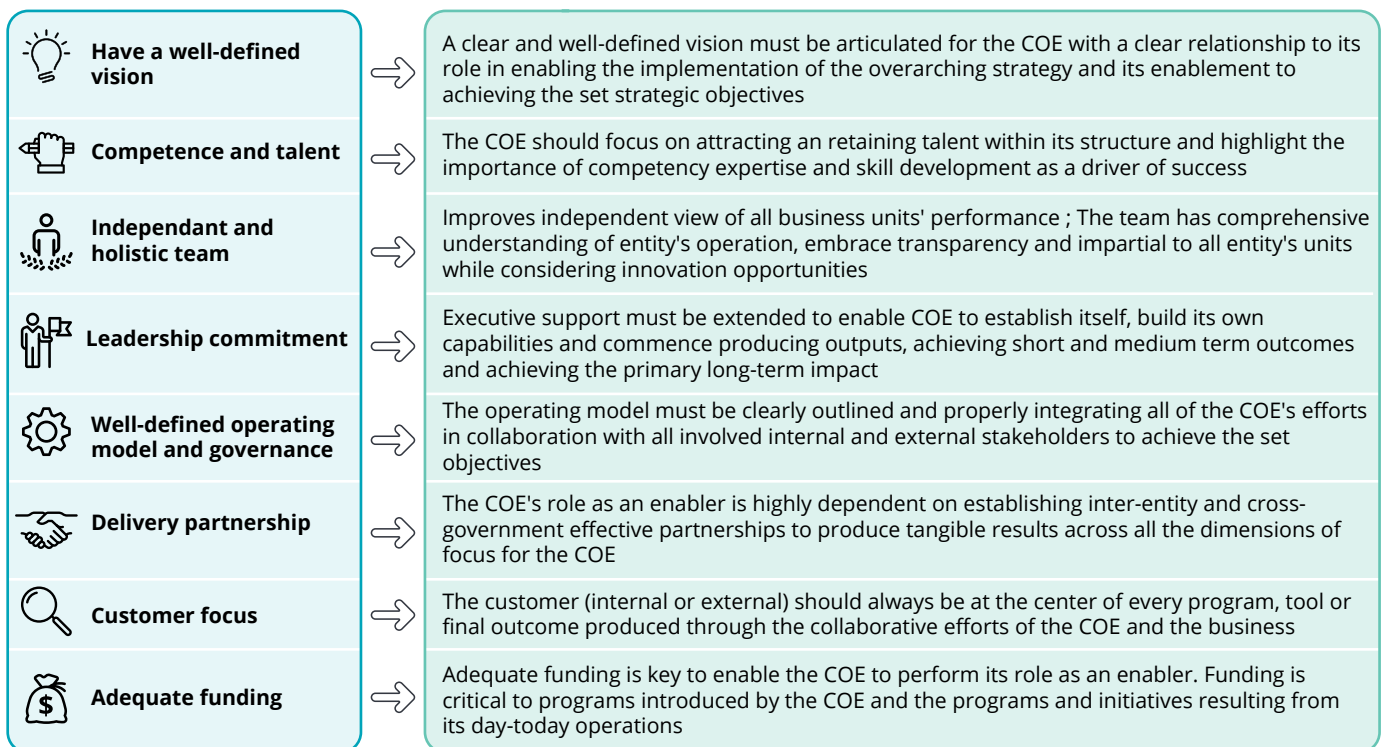


Figure 4: Critical Success Factors

Role of the Center of Excellence

The Center of Excellence should have a clear role within the organization which is highly dependent on the strength and spread of the excellence culture across the organization. This role can and should vary to align to the maturity level of the overall excellence agenda.

To build and sustain an effective COE, focus must be shed on a set of critical aspects from design through to operation and optimization

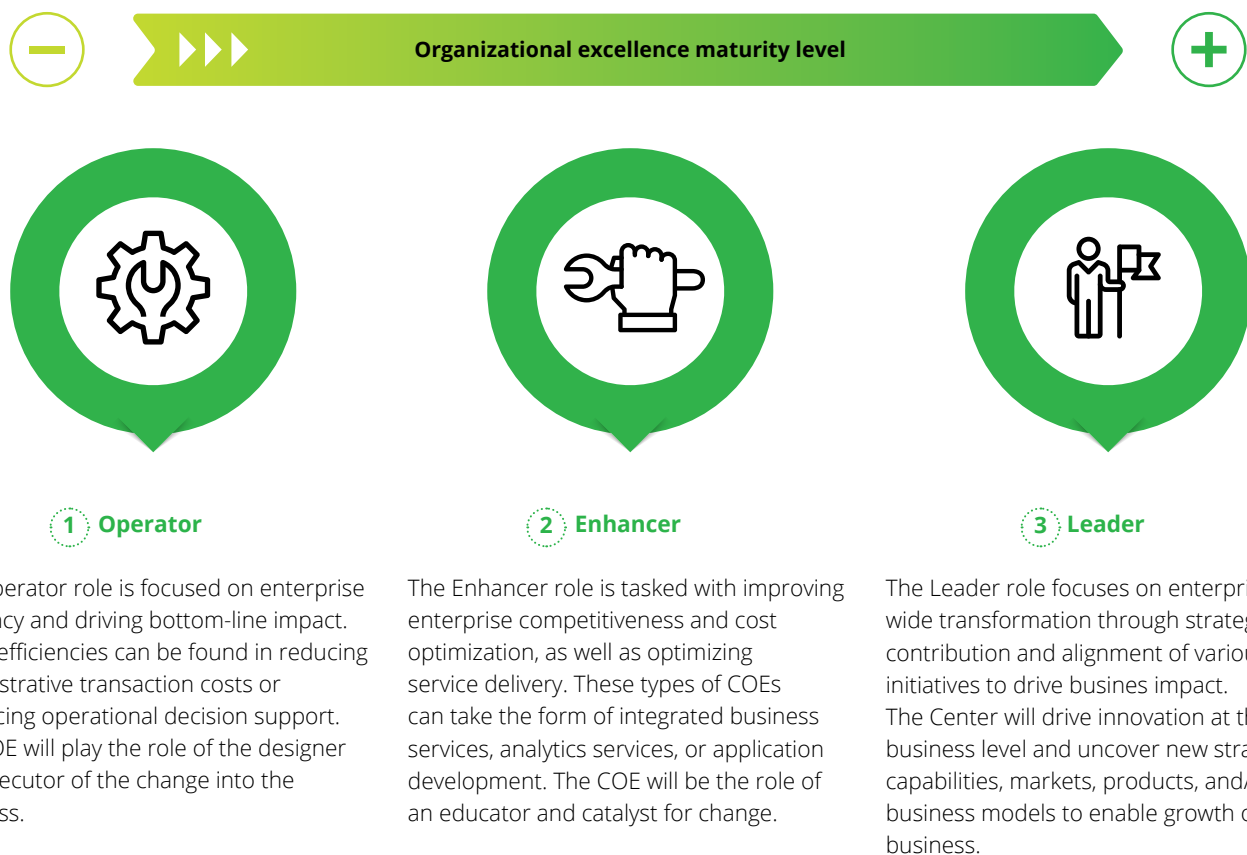


Figure 5: Role of the Center of Excellence

Conclusion

Establishing a Center of Excellence (COE) can help drive the collaboration, communication, and framework necessary to enable the delivery of tangible impact.

A COE is a team or function within an organization that provides knowledge

and expertise to unify and accelerate the path to becoming a results and impact organization.

COEs are necessary to organize governance and drive excellence in an integrated format, allowing for synergies to be leveraged and change to be more impactful and cohesive across the organization.

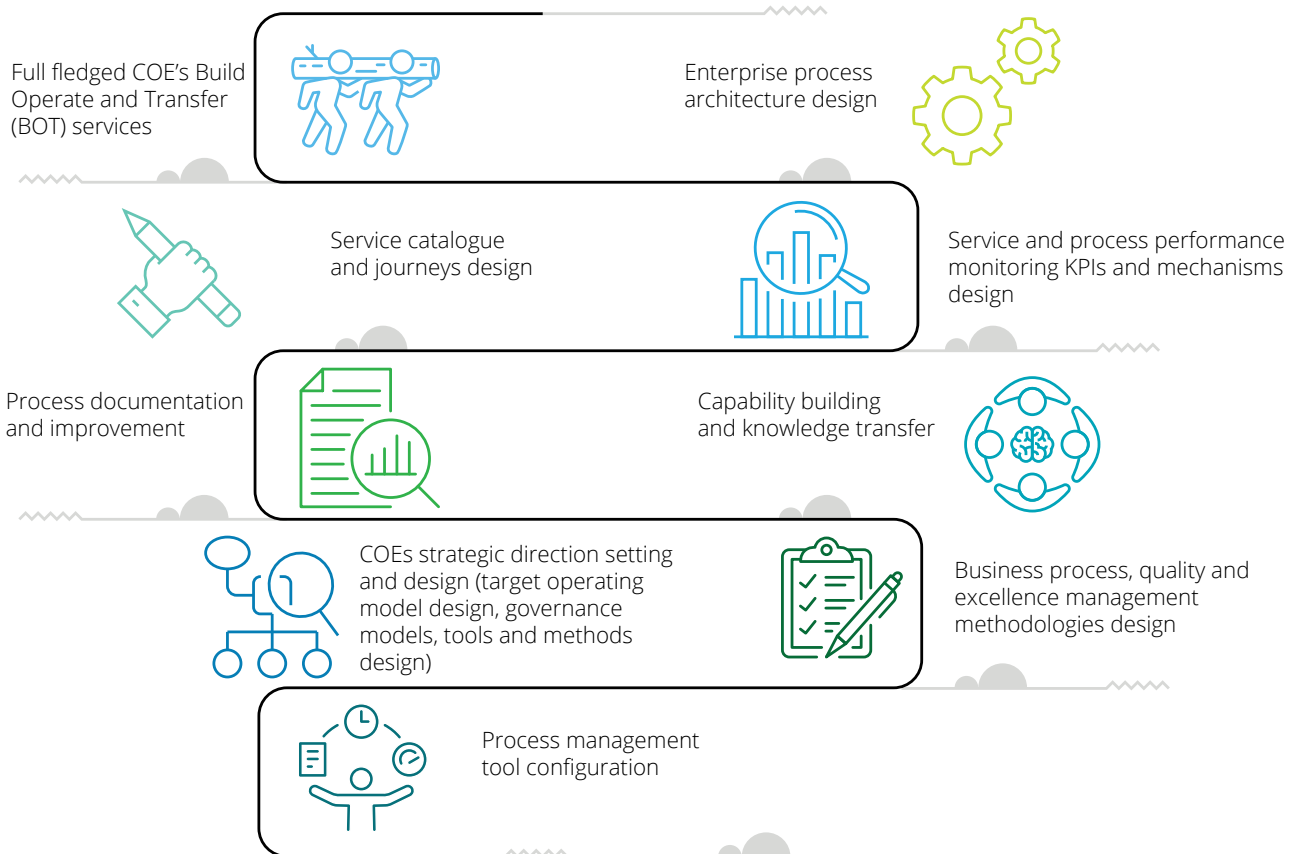
By creating a COE, organizations are moving away from siloed teams while also creating champions, who will lead the organization towards a more collaborative culture where everybody learns from each other.

How we can help

Centers of Excellence and their building blocks vary across industries and organizations depending on the organizational context, with the help of our experts, the transition would be smoother.

There is no one solution that fits all organizations. COEs design requirements vary based on the maturity, mandate and goals of the organization.

Extended services by our inhouse experts *(Non-exhaustive list)*



Note from Deloitte operational excellence leaders

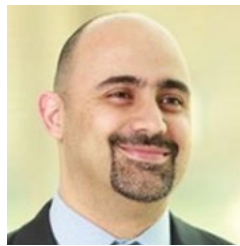


Rami Khalaf
Partner
Core Business Operations - Middle East

In today's world, the Center of Excellence (CoE) applies to any organization that wants to create and use excellent state of art and showcase its technological, service and business-oriented capabilities.

A Center of Excellence (COE) should be in synchronization with the philosophy of the organization business imperative, hence the strategy and roadmap for CoE are required to launch and sustain the business needs. Without a CoE, you will lack the necessary ecosystem to optimize operations.

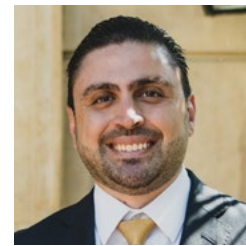
Establishing Center of Excellence (CoE) will help the organization to optimize processes, increase competitiveness and become more efficient.



Yousef Srouji
Partner
Operations Transformation Lead - Government Public Services

The only constant in the world of business is change. As leaders aim to future-proof their organizations in today's turbulent business environment, sustainability and excellence go hand-in-hand to form the only strategic pillar that should be in any corporate strategy. The journey towards sustainability and excellence is an endless one, similar to how organizations reflect on their existence and aspiration for growth.

Successful leaders recognize the importance of instilling the principles of excellence and understand the positive impact of such principles on the organization and its prosperous continuity as well as its impact on the wider environment in which the organization operates. Excellence is key to any organization's resilience, adaptability, competitiveness and its ability to navigate successfully into a more successful future.



Shadi Haddad
Director
Operations Transformation - Government Public Services

Establishing COEs should be driven by the business challenges and corporate strategy and priorities.

I have witnessed COEs evolving in public and private sectors within the region to expand their mandate and impact through transforming from process management offices into becoming the business driver and enabler for innovation and excellence. This was achieved through focusing on building the quality, excellence and innovation capabilities to drive processes improvements, digitization, working environment enhancements and service measurement and delivery.

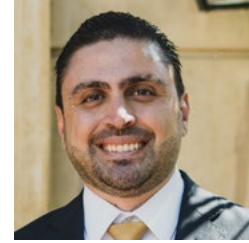
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