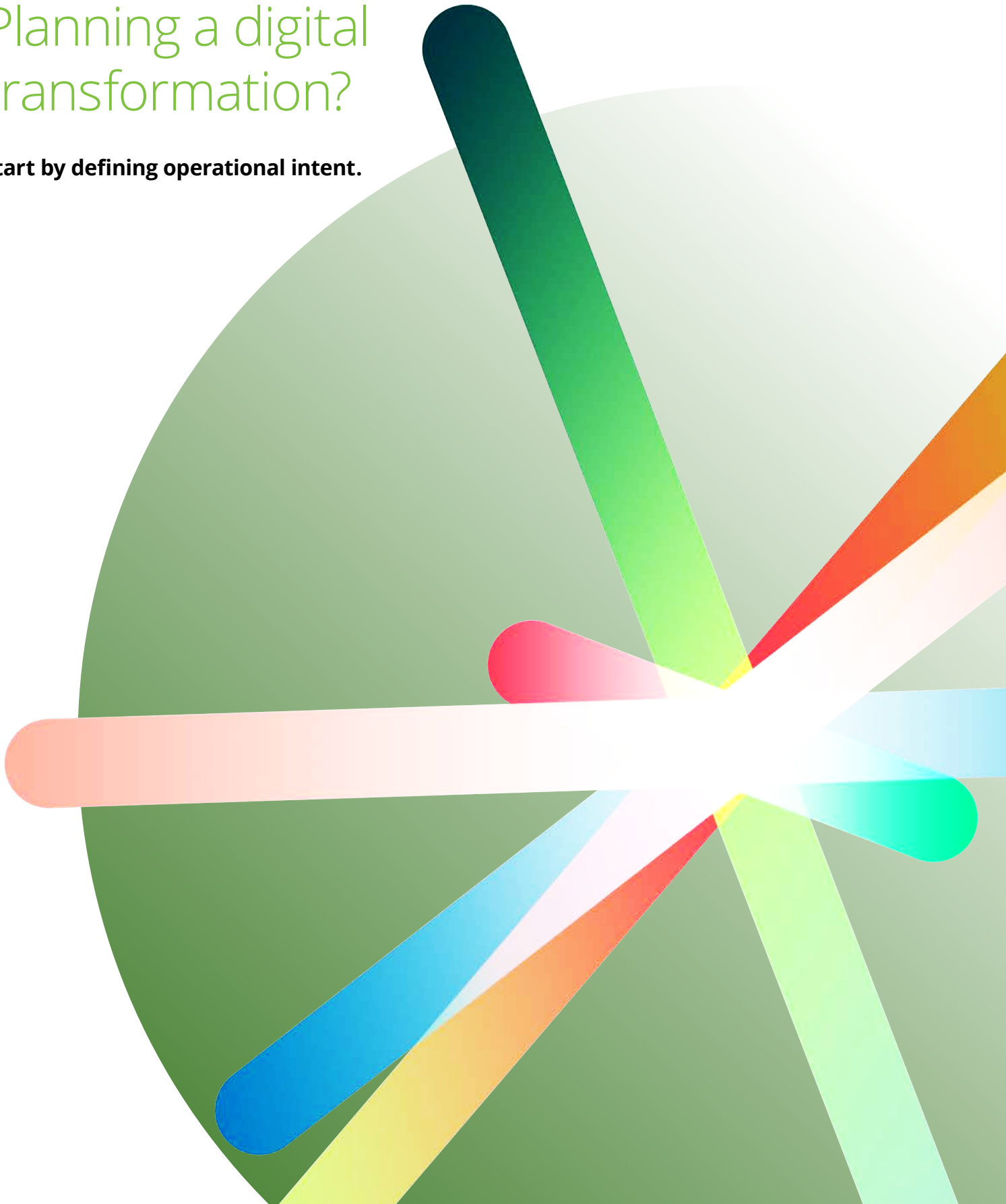
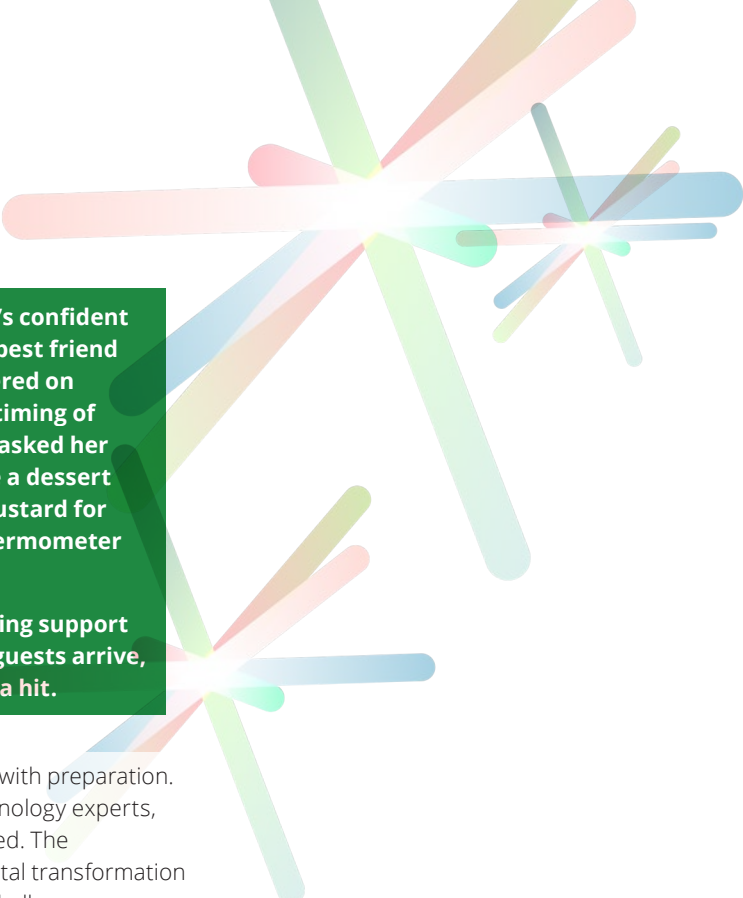


**Deloitte.**

Planning a digital  
transformation?

**Start by defining operational intent.**

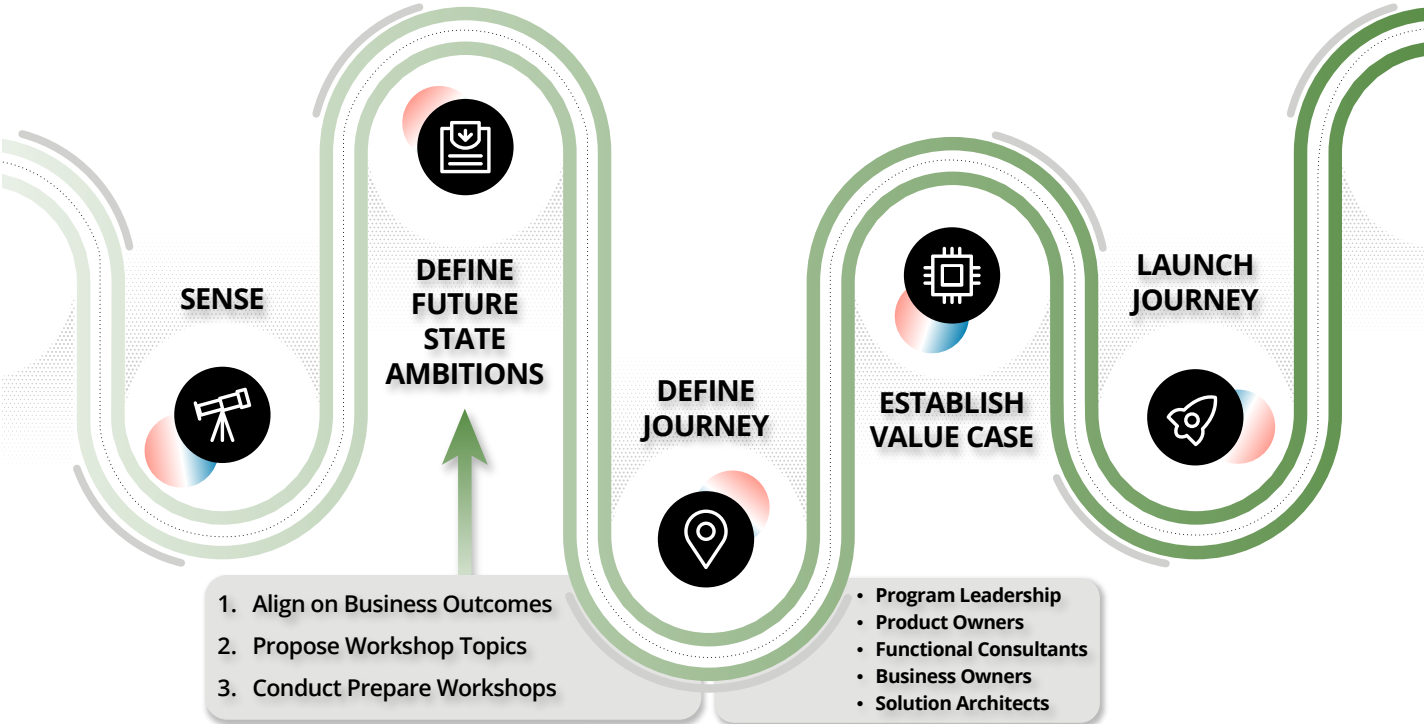




Claudia's last big dinner party didn't go smoothly, but tonight she's confident that she can serve the perfect meal to a big group of friends. Her best friend helped her figure out ways to avoid the problems she encountered on her last attempt. To get better results this time, they altered the timing of courses, and reduced the guest list to a manageable size. Claudia asked her guests in advance about their food allergies, and decided to make a dessert that could be served with custard for some guests, and without custard for those with dairy restrictions. Her friend lent Claudia a kitchen thermometer to ensure the food would be served at the right temperature.

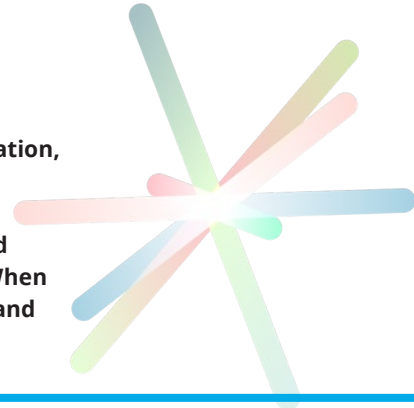
All the choices she's made about the quality of the dishes and timing support her vision of how the night will unfold: perfectly. When Claudia's guests arrive, she executes each course exactly as planned. This dinner party is a hit.

Just like a perfect dinner, a successful digital transformation journey starts with preparation. By laying the foundation in advance with a small team of business and technology experts, it's possible to shorten lead times for end products that need to be delivered. The preparation phase of Deloitte's Ascend™ methodology jump-starts the digital transformation by defining operational intent. This involves considering an organisation's challenges, digital ambitions and commitment to value, as well as the benefits of embarking on a digital transformation.



# What is operational intent?

Defining operational intent is an element of preparing for a digital transformation, and is done on a business process group (e.g., Market-to-Cash team) level. Operational intent embodies critical decisions regarding process vision, improvement opportunities and impact, degree of process harmonization and centralisation, key business requirements and key performance indicators. When operational intent is defined well, those five building blocks are coordinated and clearly link back to the process vision:



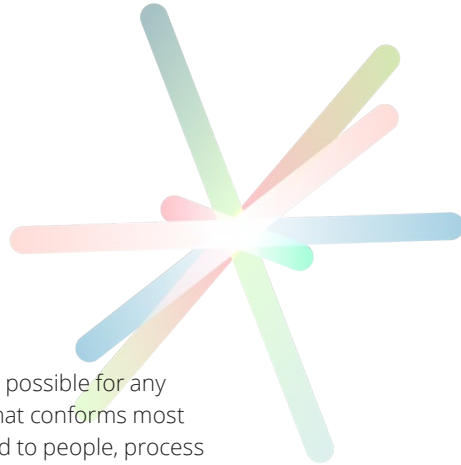
Building Block	Definition	Dinner Metaphor Example
The process vision	Ultimate desired state of the process	Optimal choice of dishes and timing between courses
Improvement opportunities and impact	Improvements on people, process and technology levels, and related impact to reach the desired state process	Manageable group size
Degree of process harmonisation and centralisation	The (organisational) level at which processes are harmonised and/or centralised	Dessert preparation was centralised (made in one kitchen), but not harmonised (served two ways)
Key business requirements	Specific needs that must be met to measure process excellence	Consideration of allergies
Key performance indicators	Ways to measure process performance	Temperature of food

If business process owners do not structure their vision of where their department should be heading to meet organisational objectives, and make that vision clear to their team members, it is difficult to define next steps and measure outcomes. Deloitte consultants help leaders overcome this challenge, organising and facilitating process group workshops to clearly define and link all operational intent components. The consultants share industry process knowledge and insights, and highlight the latest technology trends.

Stakeholder agreement on a process library is the starting point of the operational intent discussions, to illuminate organisation-specific versus industry-standard processes. Examples of such libraries are SAP Signavio for S/4HANA-based Digital Transformations, or Deloitte's homegrown Enterprise Consciousness. Our Enterprise Consciousness process library contains industry-specific process models and is continuously improved based on client input.

Deloitte then invites stakeholders to highlight specific process steps for workshop discussion. Process execution challenges or activities that provide a competitive edge are examples of steps that might need attention. During the workshops, the stakeholders translate the highlighted process steps into business requirements that align with the broader vision. The deliverable of the workshops is a one-page, coherent description of operational intent aspects that are specific to a process group.

## Why is the operational intent definition important?

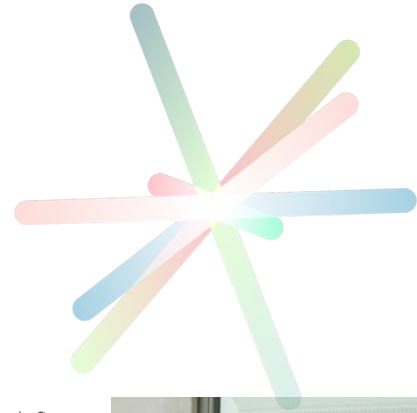


The structured, fixed format of the operational intent definition makes it possible for any project member to apply one simple rule: The best decision is the one that conforms most closely to the operational intent. Any business decision—whether related to people, process or technology—should be measured against the operational intent.

Claudia intended to plan a dinner party that all guests would enjoy, so she might have needed to replace a planned dish after learning it contained an ingredient a guest was allergic to. In business cases, the operational intent input can similarly be used to help select tools, assess technology solutions (e.g., standard versus custom solution), or redesign business processes. It can even guide organisational features like team structure.



## What can you expect from the Deloitte workshop process?



A recent Market-to-Cash workshop offers a case study in how Deloitte assists teams to define operational intent. The sales business owner of one of Deloitte's clients shared that it was challenging to control and monitor account managers' sales activities. The handover between the account manager and sales representative led to delays, and the pricing model was not applied in a uniform way. As a result, the business owner defined the vision as follows: All order management process activities should be standardised, transparent, measurable and as automated as possible.

The Deloitte consultant examined the approval process step and found that approval procedures were not set up properly, which the business owner acknowledged as another challenge. Workshop participants used these insights to define key business requirements:

- sales representatives should be aware of their responsibilities at all times and supported by IT in active order management;
- pricing should be determined based on fixed rules and any deviations require approval from the sales manager;
- sales managers should have the reporting capabilities to control the sales process.

To measure these business requirements, key performance indicators (KPIs) were identified:

- % of sales orders with confirmed date equalling requested delivery date;
- % of sales orders touched by a sales representatives within 24 hours after creation;
- % of sales orders with a more than 2% price deviation from the pricing model.

Workshop participants then discussed the level of centralisation and harmonisation. To preserve the professional relationship between local sales representatives and customers, they decided to keep order management at the country level, but to harmonise the process worldwide. To address a handover challenge, they opted to centralise order management, training sales representatives to share customer portfolios.

The final hour of the workshop was dedicated to brainstorming about improvement opportunities. To increase overall responsibility and centralise sales representatives' work at a country level, one option raised by the business owner was changing the structure of the sales representative team. All stakeholders agreed that the impact on the sales representatives would be high, so the consultant made clear in the operational intent one-pager that involvement of a change manager would be necessary.



# Paving the way for successful digital transformation projects



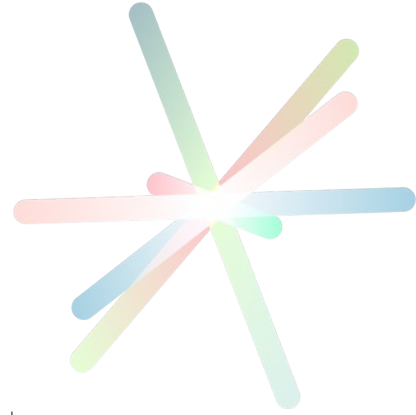
Deloitte's methodology reflects the complexity of moving a digital transformation project forward. Clearly defining operational intent provides direction for process design workshops, which take place in the next project phase. Processes under consideration can be validated based on the operational intent if the design is in line with the key business requirements, and if the future state is characterised by positive KPI measurements and correct levels of harmonisation and centralisation.

A process design workshop for sales document pricing offers an example of using operational intent to validate proposed processes. Workshop participants note a key business requirement that price calculation should be based on fixed rules. A sales manager offers a rush order scenario for consideration: Flexibility in pricing is required, but there is no time for approval procedures. The sales director uses the operational intent definition to affirm to the group that fixed pricing rules are important.

The operational intent becomes a common thread—not only during this workshop, but over the full course of the project. Using the operational intent as a guide does not necessarily mean that the organisation should stop serving the customer who places these rush orders. Rather, a business case would be built, considering various factors and culminating in a decision that is measured against the operational intent and the project's guiding principles. If the business case shows that an exception should be made for the rush-order scenario, the team's awareness of the operational intent makes it easier to document the implications of this design decision, and thereby limit the overall negative process impact.



# Let Deloitte experts guide your digitalisation journey



As when organising an excellent dinner party, preparation is key to the success of digital transformations. Deloitte consultants help organisations' leaders through each preparation stage, including defining operational intent—a critical activity, and the subsequent implementation project. With the benefit of Deloitte's expertise, your organisation can clearly set its direction, improving decision-making in the later stages of the project.

Are you planning on embarking on a digitalisation journey? Reach out to us to learn more about Deloitte's implementation approach, including defining operational intent.



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