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**TRANSFORMACIÓN
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Topic 3: Business Model

April 19th 2022   -   May 10th 2022

Welcome to the Digitalisation for international trade course!

This is the third topic of the programme:
"Business Model", which aims to develop the concepts associated with the second domain of digital transformation: Competition and Value. Here you will begin to understand how your company can generate greater customer value by leveraging the different stakeholders that make up your value chain.
Contents: business and operating model, canvas, platforms, business relationships
The **objective** of this document is to present the main relevant concepts that will serve as a guide to deepen your business model, and that will allow you to gain the knowledge and skills necessary to transform your company.

Take up the challenge! Let's keep learning together

Contenidos

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Operating Model

An operating model is a framework that defines the capabilities, processes and internal systems necessary to execute the daily activities that are carried out in a company to achieve business objectives.

A business model is a framework for finding a systematic way to unlock long-term value for an organization, while delivering value to customers and capturing value through monetization strategies. On the other hand, an operating model tends to structure your core processes and describes the way the business is executed to capture value. The business model and the operating model must be aligned and integrated with the strategy.

What are the main characteristics of an operating model?

Although there is no single way to define an operating model, it is recommended that the design of the operating model have the following characteristics:

1. **Relentless focus on customer:** Structures core processes based on a deep understanding of their needs, preferences and behaviors. Similarly, execute productive activities that generate value.
2. **Business Model Flexibility:** Business models with the ability to adapt to an environment and customer needs that are constantly changing.
3. **Transformaciónn cultural:** It consists of a process of evolution and development of changing the culture of an organization
4. **Agile Value Chain:** Tools and methodologies that regularly apply a set of good practices to work collaboratively, as a team and obtain the best possible result of projects
5. **Competitive Advantage:** It consists of one or more characteristics of a company that differentiates it from others, placing it in a superior relative position to compete. That is, any attribute that makes it more competitive than the others.
6. **Measure Everything:** Set of tools that establish KPIs in real time in all processes in order to measure performance performance

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The operating model manages the processes, people, technology and information necessary to daily operate activities such as production, logistics, marketing, sales, among others. Therefore, it defines how the value proposition and other elements previously identified in the business model will be fulfilled. The five dimensions that make up an operating model are presented below:
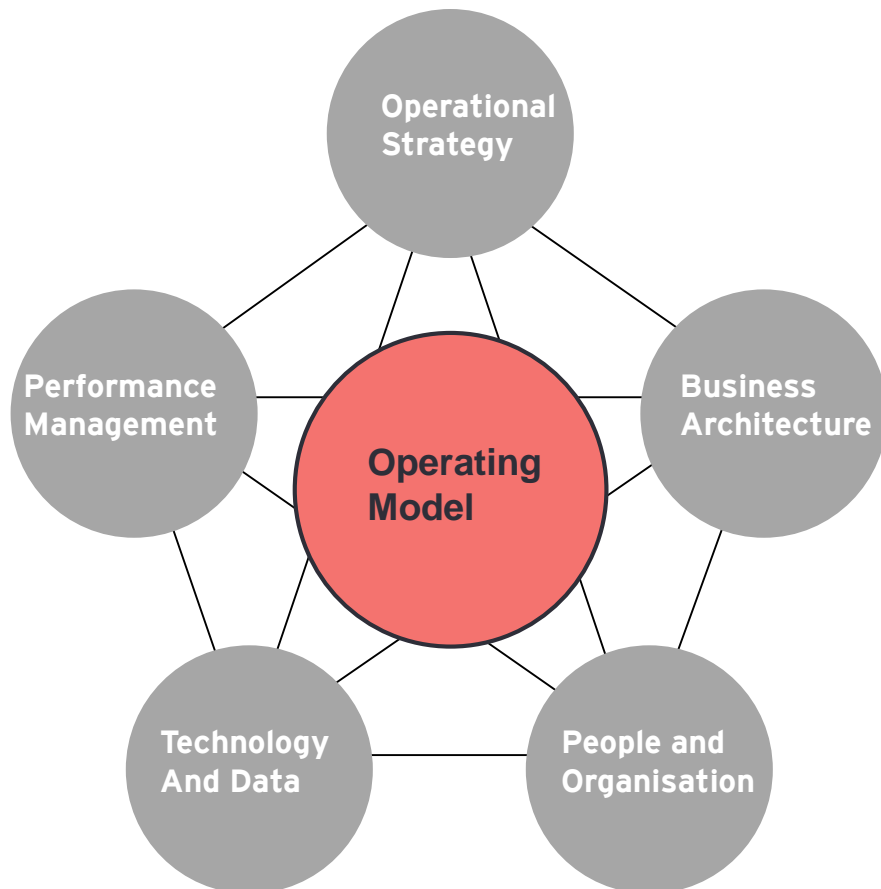
- **Operational Strategy:** Definition of initiatives in the short, medium and long term that are aligned with the business, product, client and risk objectives.

- **Business Architecture:** It is a business discipline that describes what the business does and how it should operate to achieve the business vision and strategy.

- **People and Organisation:** Define clear roles and responsibilities within the organizational structure to set direction, confirm alignment, maintain governance, and deliver successful outcomes.

- **Technology and Data:** Define the vision and purpose of technology across an enterprise leveraged on the use of integrated, real-time data.

- **People and Organisation:** Establish performance metrics in financial and qualitative terms. Through the management of business analytics platforms and KPIs to measure performance performance in real time.

Target Operational Model(TOM)

The target operating model (TOM) is what companies refer to when they talk about their future state. This term refers to the state in which a company strives to implement various initiatives, programs and projects through a redesign of the current Operating Model. Through an iterative process, the dimensions are tested and adapted to grow along with the model within a cycle of constant evolution.

The redesign of the operating model from its current state to the target operating model must have analyze internal and external components.

External Drivers

External drivers refer to economic and market trends that affect one or more sectors of the economy over a period of time.

Therefore, they can be identified through a political, economic, social, technological, legal and environmental (PESTLE) analysis.

Example:

- Volatility of the representative market rate for importing and exporting companies of the products

Internal Drivers

Internal factors vary between companies, depending on their market needs, customers, and inventory.

Therefore, they can be identified through an analysis of strengths, weaknesses, opportunities and threats (SWOT).

Ejemplo:

- New line of products

Benefits

❖ Increase revenue and benefits

❖ Improve the customer experience

❖ Reduce operational risks

❖ Improve control and supervision over the business

❖ Reduce operational costs

❖ Improve data quality and timeliness

❖ Correct assignment of roles and effective training planning

Adding Value to the Operating Model

Alineación con el estilo de vida del cliente(Customer Journey)

Create pods that align to the customer lifecycle. Leaders of the pods will own all aspects of how to make the customer journey successful across the enterprise. For example, a bank may currently be organized by division (retail, commercial, business, wealth and asset management, etc.). Under a customer journey model, a pod may be dedicated to delivering all new customers a great welcome experience in their first six months, regardless of division or the product or service they have bought. The pod would then be incentivized to and measured against delivering the best possible customer outcomes rather than divisional or enterprise KPIs.

Design Thinking

Master design thinking. Service design is a human-centered approach where designers consider the complex chains of interactions involved in innovating, producing and delivering a product or service. It takes a multidimensional view of how to meet customer needs, inclusive of every impacted role within the enterprise. It's an approach that allows companies to engage in iterative product development, scale based on customer needs and invest based on a better appreciation of market size.

Análisis de datos

Give pods the data and empower them to make decisions. Modern organizations are putting anonymized or pseudo-anonymized data in the hands of pods and frontline, customer-facing employees. Because they are on the front lines, they can see how a product or service is performing. Companies need to allow these employees to make data-driven decisions to pivot or shift the direction of a product or service without intervention from core leadership.

Adding Value to the Operating Model

Empathy Mindset

Create an empathy mindset. Companies need to create a culture that prizes empathy. Empathy with the end customer enables pods to intensely channel personas and optimize products and services for maximum customer engagement.