



# Operating Model Redesign & Implementation in the Public Sector

THE PUBLIC SECTOR IS A VITAL ASPECT OF ANY SOCIETY AS IT IS RESPONSIBLE FOR PROVIDING IMPORTANT SERVICES SUCH AS HEALTHCARE, EDUCATION, LAW ENFORCEMENT, AND MUCH MORE. TO ENSURE THAT THESE SERVICES ARE DELIVERED EFFICIENTLY AND EFFECTIVELY, AN OPERATING MODEL NEEDS TO BE ESTABLISHED. AN OPERATING MODEL CAN BE DEFINED AS A FRAMEWORK THAT OUTLINES HOW AN ORGANIZATION SHOULD OPERATE IN ORDER TO ACHIEVE ITS GOALS. IT IS A ROADMAP THAT DEFINES HOW RESOURCES, PROCESSES, AND STRUCTURES SHOULD BE USED TO ACHIEVE OBJECTIVES. IN THE PUBLIC SECTOR, IT IS IMPORTANT TO ESTABLISH AN OPERATING MODEL THAT GUIDES THE EFFICIENT AND EFFECTIVE DELIVERY OF SERVICES TO CITIZENS AND THE MANAGEMENT OF PUBLIC RESOURCES.

The traditional operating models used in the public sector might not always be efficient and effective in delivering services to its citizens. Therefore, there is a general need for a redesign of the operating model in the public sector, which can be challenging due to various factors.

## Challenges in redesigning an Operating Model in the Public Sector

**Resistance to change:** The public sector is known for being bureaucratic, meaning there is a strict hierarchy that is resistant to change. The workforce is often resistant to change because they are used to working within specific structures and procedures. Changing these structures can be met with resistance, making it challenging to implement a new operating model.

**Financial constraints:** The public sector often operates on a tight budget and reallocating these funds for a redesign can be difficult. Redesigning operating models can require significant investment in new technologies, staff training, and organizational restructuring. However, such investments can lead to long-term cost savings, improved quality of services, and efficient operations.

**Engaging with stakeholders:** Implementing a new operating model requires careful planning and engagement with both internal and external stakeholders. External stakeholders could be citizens, civil society organizations, and the private sector who use the services provided by the public sector. Internal stakeholders include the workforce, trade unions, and management teams. Engaging them in the design, implementation, and evaluation of the new operating model is essential to its success.

**Coordination:** Substantial coordination and collaboration requirements between multiple stakeholders. These stakeholders can include different levels of government, regulatory agencies, and various departments within the public sector. Coordination difficulties can arise when there are siloed operations, varying management structures, and a lack of clarity around responsibilities.

**Sustainability:** Ensuring that the new operating model is sustainable. Developing a sustainable operating model requires the inclusion of environmental, social, and economic considerations. Sustainability goals can include the reduction of carbon footprint, the promotion of clean energy, and the employment of disadvantaged groups. Achieving these goals requires constant monitoring, evaluation, and adaptation.

## Overcoming the challenges of an Operating Model re-design

In order to overcome the mentioned challenges, one has to carefully follow several steps when redesigning an operating model for a public sector organization. First, it is important to clearly define the organization's purpose and objectives. This should be followed by an assessment of the organization's resources, processes, and structures. The next step is to identify any gaps between the current state and the desired state, and to develop a plan to bridge these gaps.

One key consideration when designing an operating model for a public sector organization is, as stated already in the challenges above, stakeholder engagement. It is important to involve all relevant stakeholders, including staff, citizens, and other partners, in the design process. This can help ensure that the operating model is aligned with the needs of the organization and its stakeholders.

Successful implementation of an operating model requires sustained effort and commitment. One best practice for ensuring sustainability is to establish a governance structure that oversees the implementation process. This can include regular monitoring and evaluation of progress, as well as ongoing stakeholder engagement.

Before we do a deep dive into the importance of stakeholder management and how to change employees' mindset in a positive and sustainable way when redesigning and implementing a government entity's operating model, we will first outline some of the key pillars of an operating model for the public sector.

## Key Pillars of an Operating Model for the Public Sector

The first pillar of an operating model for the public sector is a clear strategy and goals. In order to achieve its objectives, any public sector organization needs to have a clear and well-defined strategy that articulates its vision, mission, and values. This strategy should be tied to specific goals and objectives that can be tracked and measured. Clear goals ensure that all stakeholders involved in the process understand what is being done and why it is being done, leading to better coordination, collaboration, and execution.

The second pillar is a robust governance framework. This framework should clearly define the roles and responsibilities of all stakeholders involved in the delivery of public services for that specific government entity, including government officials, civil servants, agencies, and other third-party contractors. The governance framework should also include clear policies and guidelines that govern procurement, financial management, risk management, and compliance.

The third pillar is an efficient and effective service delivery infrastructure. This includes the deployment of resources such as personnel, technology, and physical assets to ensure that services are delivered in a timely, cost-effective, and quality-assured manner. This infrastructure must also be responsive to changing public needs and emerging risks.

The fourth pillar is a strong performance management system. This system should evaluate the performance of the public sector organization in achieving its goals and objectives while providing feedback and guidance for improvement. This includes metrics to measure the effectiveness of public services, such as customer satisfaction, response times, and outcomes.

Finally, the fifth pillar is a sophisticated risk management framework. This framework should be designed to identify potential risks that could affect the public sector organization's ability to deliver services and take actions to mitigate those risks. This helps ensure that public services are delivered consistently and reliably, even in the face of unpredictable events.

"The implementation of a new operating model requires a clear vision, strategic planning, and strong leadership to ensure success.", Seif Shieshakly, Co-Founder & Managing Partner, Four Principles

## Examples of Operating Models in Public Sector globally

Best-in-class government examples of operating models include the United Kingdom's Public Value Framework, which focuses on maximizing the value of public services in terms of social outcomes and provides guidance on policymaking and service delivery. Another example is Singapore's Whole-of-Government Approach, which aims to coordinate the efforts of different agencies to provide integrated and citizen-centric services. Both of these models have been successful in improving public service delivery and can serve as excellent examples for other governments to follow.

Saudi Arabia provides some compelling examples of best practices in operating model design and implementation. In recent years, the Saudi government has focused on modernizing its public sector organizations to improve efficiency and service delivery. One notable initiative is the National Transformation Program (NTP), which aims to create a more effective and responsive public sector.

The NTP incorporates several key elements of successful operating model design and implementation. These include clear strategic objectives, stakeholder engagement, and a focus on sustainability. The program also includes specific targets and metrics to measure progress and ensure accountability.

"Public sector organizations that embrace operating model redesign and implementation are better equipped to meet the needs of their constituents and deliver impactful results.", Patrick Wiebusch, Co-Founder & Managing Partner, Four Principles

## Importance of managing Key Stakeholders for a successful Operating Model Implementation

In any organization, stakeholder management is an essential and critical component of achieving successful outcomes. In a public sector operating model redesign and implementation, this becomes even more crucial as it is essential to the government's primary objective to provide service to its citizens and meet the expectations of various stakeholders.

The public sector's operating model redesign and implementation process is a complex undertaking that requires a collaborative approach involving key stakeholders such as civil servants, employees, politicians, and community members. Managing and accommodating these stakeholders' concerns, expectations and demands, can significantly impact the success of the project, its costs, and the overall outcome.

Effective stakeholder management involves identifying and prioritizing stakeholders, understanding their interests, and developing appropriate strategies to engage and communicate with them throughout the process. One approach to stakeholder management in a public sector operating model redesign and implementation is the use of a stakeholder engagement plan. This plan should consider stakeholder identification, prioritization, communication and engagement strategies, and feedback mechanisms.

The identification of stakeholders in the public sector involves identifying those who are likely to be affected by the operating model redesign and implementation, either positively or negatively. The prioritization of stakeholders based on the impact of the project on them is crucial as some stakeholders may have more significant influence than others. Once the stakeholders are identified and prioritized, the communication and engagement strategies can be developed.

Effective communication and engagement strategies are critical to gaining stakeholder acceptance and buy-in. Stakeholders need to understand the rationale behind the operating model redesign and its intended benefits. Communication should also be two-way to provide stakeholders with an opportunity to share their views and feedback.

The feedback mechanism is also a crucial component of stakeholder management. Feedback should be regularly sought from stakeholders to allow the project team to address any concerns, make necessary adjustments, and ensure stakeholder satisfaction. This will help manage stakeholders' expectations, and maintain stakeholder interest and support throughout the project lifecycle.

Successfully managing stakeholders in a public sector operating model redesign and implementation requires a robust stakeholder engagement plan that is consistently monitored and adjusted to meet the needs of stakeholders and the project. The plan should be developed in collaboration with stakeholders to ensure their input is incorporated, and that their concerns and needs are addressed. Moreover, stakeholder engagement in the operating model redesign and implementation will build trust, strengthen relationships, and ultimately result in a successful project outcome.

Stakeholder management is a critical component of the public sector operating model redesign and implementation process. By identifying and prioritizing stakeholders, developing robust communication and engagement strategies and incorporating regular feedback mechanisms, an organization can ensure that they are meeting the needs and expectations of their stakeholders. In a public sector operating model redesign and implementation project, this becomes even more crucial as the government's primary objective is to provide service to its citizens and meet the expectations of various stakeholders.

Effective stakeholder management can help gain stakeholder acceptance and buy-in, build trust and strong relationships, and ultimately result in a successful project outcome. Without proper stakeholder management, a public sector operating model redesign and implementation project could face delays, increased costs, and even objections from stakeholders. Therefore, it is essential to prioritize stakeholder management to ensure a successful outcome that meets the needs of both the government and its citizens.

"To achieve successful implementation, it's important to communicate the benefits of the new operating model to all stakeholders and involve them in the process.", James Ryan, Senior Advisor, Four Principles

## Employee integration in Operating Model Redesign and Implementation

Achieving a successful public sector operating model redesign and implementation can be a challenging process, especially when it comes to changing the mindset of employees. It is important to recognize that the employees are the backbone of any organization, and their attitude and approach to work can have a significant impact on the success of the project. Therefore, it is crucial to ensure that public sector employees undergo a positive and sustainable mindset change during the redesign and implementation phase.

The first step in achieving this goal is to communicate the benefits of the new operating model to employees. The employees need to understand why the change is necessary and how it will improve their work processes and overall productivity. The communication should be clear, concise, and provide practical examples to help the employees relate to the change.

The second step is to involve the employees in the redesign process. Employees who participate in the change process are more likely to feel empowered and take ownership of the new operating model. It is essential to listen to their feedback, ideas, and concerns. Encourage them to share their experiences and expertise to improve the redesign and implementation process.

The third step is to provide employees with the necessary training and support to adapt to the new operating model. It is important to ensure that employees have the knowledge and skills to perform their duties effectively in the new system. Training can be a combination of classroom sessions, hands-on experience, and online resources. Employees should also have access to support to assist them in adjusting to the new process.

The fourth step is to create a positive work environment that fosters collaboration and teamwork. Employees will be more willing to embrace the new operating model when they feel valued and supported by their colleagues and managers. Encourage employees to work together and celebrate their successes as a team. Additionally, incentives and recognition programs can motivate employees to embrace the change.

Finally, it is essential to continuously evaluate the effectiveness of the new operating model and re-align it if necessary. Regular feedback from employees can be used to identify areas of improvement and make necessary adjustments. It would help provide employees with regular updates on the progress of the change and solicit their input.

"Successful operating model implementation requires a culture of learning, experimentation, and constant improvement to drive innovation and achieve sustainable results.", Mehdi Chelhi, Partner, Four Principles

## Conclusion

Designing a new operating model for the public sector is a challenging but necessary task. Resistance to change, financial constraints, engaging stakeholders, coordination challenges, and ensuring sustainability are some of the challenges that need to be tackled while redesigning and implementing a new operating model. Addressing these challenges requires skilled leadership, careful planning, and open communication between stakeholders. However, with the right approach, a redesigned operating model in the public sector can lead to more efficient, effective, and sustainable provision of essential services to citizens. It can also improve the overall quality of life of citizens, promote economic growth, and lead to a more responsible approach to the environment and society. Therefore, it is important to recognize these challenges and work towards overcoming them for the betterment of society as a whole.

If you want to find out more about how Four Principles can help your public sector organization to bring in new ideas, new perspectives, and new approaches for a successful operating model redesign and implementation to ultimately meet the needs of your stakeholders, drive progress and innovation, and deliver better outcomes for society, please contact us at [info@fourprinciples.com](mailto:info@fourprinciples.com) or +971 4 368 2124.



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Should you be interested to know more about our Lean services regarding this topic, then please contact us:

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