

Development of a Target Operating Model for a Machinery Platform

Student



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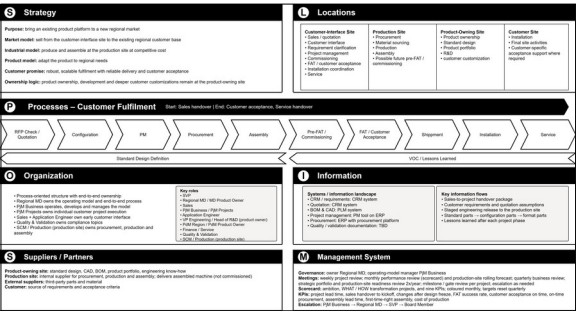
Objective: A multinational machinery group plans to introduce an existing product platform into a new regional market through a cross-site collaboration between three locations: one site owning the customer interface and sales, a second site owning production and assembly, and a third site retaining product ownership and engineering. The initiative is currently in a pilot and prototype phase, and no fully defined operating model yet exists for the end-to-end execution of customer projects. Roles, responsibilities, governance structures and process ownerships across the three sites remain partly unclear, which exposes the launch to inefficiencies, ownership conflicts and non-scalable ways of working. The objective of this thesis is therefore to develop a scalable target operating model that defines the organisational and operational framework for efficient customer project execution across the involved sites and functions, and that can serve as a blueprint for comparable cross-site product introductions within the organisation.

Approach: The model is developed using the Operating Model Canvas and its six POLISM dimensions — Processes, Organisation, Locations, Information and technology, Suppliers and Management system — following the ten-step design logic of Campbell et al. (2017). The work draws on cross-functional workshops, stakeholder interviews and management validation, and applies a consistent toolset to each dimension: a value chain map and a BPMN swimlane process model, an organisational chart, a location and capability footprint, a RACI matrix for decision rights, a high-level IT blueprint, a supplier matrix, and a management calendar combined with a scorecard. The most contested design question, the location of commissioning, is examined through a break-even cost model comparing the customer-interface site with the production site. The resulting model was reviewed and validated with the prospective owner, the responsible regional managing director.

Result: The thesis produces a coherent and validated target operating model that distributes the value chain across the three sites without relocating the whole business. The regional organisation takes the configure-to-order segment, while full engineer-to-order work and product ownership remain at the product-owning site, protecting engineering sovereignty and scoping the new market to work it can perform competitively. Customer-facing steps are placed at the customer-interface site and cost-driven industrial steps at the production site, with end-to-end accountability concentrated in the regional managing director and decision rights distributed through the RACI matrix. The break-even cost model shows that relocating commissioning to the production site would remain economically attractive even if it took up to roughly three times as long as at the

customer-interface site (about 60 against 20 days), so the transition is bounded by capability and readiness rather than by cost. A management calendar paired with a nine-indicator scorecard governs the model once live. The model meets the strategic and scoping requirements it was built against, while the remaining open points — the sales-to-project handover specification, the change-control logic, the quality and validation documentation system, and the KPI targets — are specific and manageable items to close during implementation.

Target Operating Model
Own visualization based on Campbell et al. (2017, p. 14)



Advisor

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Subject Area

Business Engineering