

# Considering the shift to a product and platform technology operating model?

We've got your 8-step checklist for success.

You might have heard of the “product and platform” technology operating model, and how it’s gradually eclipsing the traditional project-driven model for IT functions.

In a nutshell, with a product-centric model, the IT function begins to act like a business; one that serves customers and produces products. The products? You might call them IT applications or solutions. The customers? Anyone who uses the application and finds it valuable – internal or external. A dedicated multi-disciplinary team, with specialist knowledge of the underlying platform, is assembled around each product. Their responsibility is to make sure that this product continues to serve the customer’s needs, while those needs keep changing.

The traditional approach of “steady state run, with the occasional big project” is being replaced by “continuous, agile evolution”, and this structural approach recognises and embraces that change. Thus, working hand-in-hand with the business, agility and responsiveness to the market are embedded deeper into the DNA of the organisation.

Nevertheless, making the jump to a product-centric operating model is much more than a quick re-organisation or a simple refresh of internal processes. It’s a new way of approaching work which needs to be carefully embedded into the ways of working and culture of the organisation.

Get this right and the benefits can be substantial, so we’ve compiled a checklist to help you get there.

Increased customer satisfaction, speed and agility are cited as the top three drivers for moving to a product and platform model.

Gartner survey, June 2019



*“As the world of technology becomes increasingly agile, fast-paced and customer-focused, we have seen a gradual yet noticeable organisational shift: from project-based IT to product-driven delivery. We’re proud to have supported many of our clients as they embark on this transformative journey towards a more customer-centric world.”*

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# Your 8-step checklist for success

## 1 Tease out the target

As you start this journey, there will be various potential finish lines along the way - it's up to you to define upfront how far you want to go. Many organisations end up adopting a hybrid model, where some teams work in an agile fashion, and others continue in waterfall, project-based mode. Consider the nature of your products and platforms, maturity of different areas of the business and associated change impact before coming to a decision.



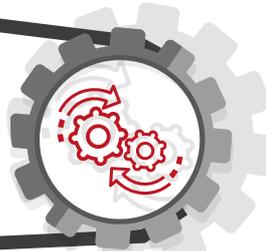
## 2 Commitment is critical

Change of this scale isn't easy. In fact, it requires a great deal of re-shuffling at the strategic and operational levels of the organisation. It takes time and effort to identify capable people, assign them to product families and devolve authority to them. Leadership needs to be comfortable with the implications before diving in headfirst.



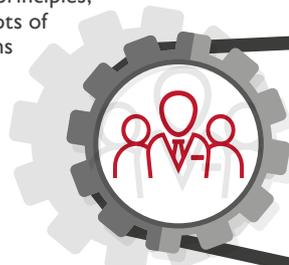
## 3 Two words (or one): DevOps

DevOps is a culture that marries the traditionally separate worlds of solution development (i.e. "build") with solution operations (i.e. "run"), typically using an agile approach. An organisation which already embraces a DevOps and Agile culture, or has implemented some of these principles, will find this shift easier. The concepts of silo removal, multi-disciplinary teams and continuous agile delivery should already be familiar.



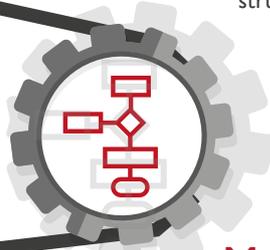
## 4 Get people on board

Commitment from leadership is critical, but you'll also need buy-in from the business and IT. After all, you're asking them to work hand-in-hand. People must be open to potentially being part of a new team, one that's more customer- and product-focused. Meanwhile, leadership must be willing to evolve the existing organisational structure (one which probably favours delivery of projects) and remove traditional barriers between the business and IT.



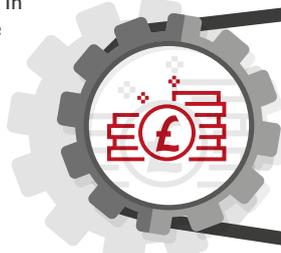
## 5 Dust off your processes

Lift the lid on your processes. They may favour a more traditional IT operating model (i.e. delivery of projects where IT "hands over" to the business and support teams once done) in which case they likely need reworking. An example: take a look at how you measure the performance of your people. While they might have a set of core goals, their tactical objectives are probably determined by their project. In a product-centric world, performance management is likely to be driven by business outcomes and customer satisfaction.



## 6 Manage your money

Many IT organisations are used to project-driven budgeting. A budget is set to cover BAU with specific investment approvals for projects. Turning the focus to products means a notable shift in how money is allocated, which might feel like a nail-biting loss of control for many CIOs and CFOs. Time needs to be spent implementing new financial management processes that support this new way of working: top-down allocation, by product line, based on business outcomes.



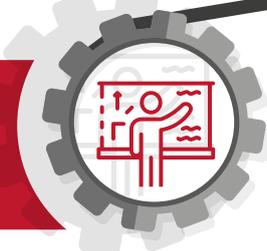
## 7 Make it stick

Top tip: instituting small but effective cultural changes, supported by a well-defined change management strategy, will probably land best. Education on what is and isn't happening should be crystal clear. To make the change stick, you need a team that is fully supportive and motivated, not one that is worried about the security of their jobs. Work with your HR team to define clear messaging, that communicates the key points in a way that is easy to digest.



## 8 Train your team

Walk in the shoes of your team members. The core structure of your job changing, having to re-learn new processes, and having to work with new people can seem daunting. Training is vital to ensure your people are upskilled and feel comfortable with the change. Identify where capability gaps might lie and plug them with tailored, high quality training to ensure your teams don't struggle to adapt.



If you are interested in learning more about the topics raised in this article, or would like to understand how we're helping clients in this space, please contact our Partner Jon Bradbury.

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