Removing complexity
Simplify and standardise your operating model
**Addressing the complexity challenge**

**Under pressure to meet growth targets many CEOs are looking at the way their organisations operate. Most have arrived at their current way of organising by virtue of default rather than by design. That means they’ve become complex and operate with fragmented and duplicated processes and systems. Operations can’t deliver the value organisations expect.**

**Creating new opportunities**

Removing complexity creates an organisation that’s agile and can respond efficiently and effectively to market changes. They also have a clear view of how the skills and capabilities of their people deliver the most value to customers and the business.

That means their corporate structure, customer channels, processes, systems, organisation and data are simplified, standardised and aligned in an operating model designed to deliver the business strategy and priorities.

This can be challenging, but the benefits are significant and will ultimately lead to improved business resilience and growth that outstrips the market.

**So how do you do it?**

Once you have a broad understanding of the complexity in your organisation and the impact this is having on your performance, you can begin to develop new and innovative ways in which you can change.

The principles of ‘simplify, standardise and share’ will help you to identify opportunities for improvement and show how customer interactions can be improved to increase customer loyalty and grow revenue:

**Simplify:** Identify complex processes and systems by challenging how they’re delivered and comparing them to leading practice.

**Standardise:** Identify what processes and systems can be standardised to deliver the most benefits.

**Share:** Make sure new models of working are shared to improve performance across the organisation.

With an understanding of the requirements across the whole business, you’ll have a clearer view of how to structure your operating model to achieve the best performance. An example of a simplified operating model is illustrated in Figure 1.

**Are you getting the most from your operations?**

- Do your customers have difficulty finding their way round your business? Do you have a single view of how your customers are interacting with you?
- Do you have too many IT systems, with little consistency across the business?
- Is your business running on spreadsheets?
- Do you get a good return on investment from your projects and do they deliver against business priorities?
- Do your processes run seamlessly from end to end?
- Can your core front line staff focus on their primary task in the most efficient and effective way?

54% of UK CEOs say increasing operational effectiveness is one of their top three investment priorities

PwC 16th annual CEO Survey

**Figure 1: Customer centric operating model**

**Strategic Core**

- Business unit 1
- Business unit 2
- Business unit 3

**Embedded support**

**Operational support**

**Expert functional support**
Organisations often underestimate just how complex their operations are. New ways of working can deliver a greater return on investment – often over 10:1.

We appreciate that the cost of any transformation programme can be an issue so before any implementation we’ll work out the profit and capital value you can expect to achieve. We’ll also offer commercial terms that link our success with yours.

Removing complexity will improve the performance of your operations, reduce your costs and give your customers a better experience. So your organisation will be delivering the value you expect – and you’ll be more agile to deal with changing market conditions.

**Creating value for you**

At least 15-20% of inefficiencies can be removed to reduce costs or increase revenue.

Improved customer effectiveness that typically enhances revenue by 5%.

Reduction in 3rd party spend by an average of 12%.

**What our clients say about us**

“What PwC bring is a proven approach to becoming more efficient, and a much more ambitious approach to what can be achieved. Without them, we would be aiming at partial solutions only, and a much lower level of savings. They’re challenging, not confrontational and collaborative, not domineering. They’ve worked with large groups of our staff. In all cases they’ve helped staff develop their own solutions, and we feel they’re supporting us, not ‘doing something to us’. It’s more challenging than we expected, and more rewarding.”

Client feedback: CFO, UK Business Services Provider

We’ve helped over a hundred organisations to find opportunities to increase revenues and create operational savings of over £2 billion.
**Contacts**

**Scott Bailey**
+44 (0) 7771 816002  
scott.bailey@uk.pwc.com

**David Porter**
+44 (0) 7834 251748  
david.r.porter@uk.pwc.com