

# 8 Tips for Successful Operating Model Redesign

In Bridgespan's advisory role, we have helped a number of nonprofit organizations and funders grapple with the tough questions that arise from revising an operating model. From these engagements, we have identified eight best practices.

1

## Start with strategic clarity.

It is impossible to improve performance without strategic clarity. Redesigning an operating model begins here. Ensure the strategy is specific enough to know what you are designing for: Which lines of business, programs, funding models, and geographies will be the focus? What will it take to succeed?



2

## Use design parameters to define what matters most.

Once you are clear about strategy, translate that strategy into a list of requirements for operating model design. We call these "design parameters"—a set of 10–15 written statements that describe what the operating model needs to do to enable the strategy. These parameters essentially serve as criteria for evaluating operating model design alternatives.



3

## Up your game on decision effectiveness.

An organization's ability to execute well rests on its ability to make and implement the decisions that matter most. An effective operating model must explicitly address the decision challenges that many nonprofits struggle with: unclear priorities, ambiguous decision roles, poor decision behaviors and meeting norms, and organizational structures that complicate rather than simplify decision accountability.



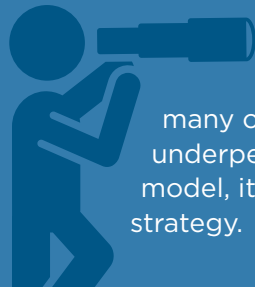
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## Prioritize must-deliver capabilities over those that can be "good enough."

Prioritize the handful of capabilities most essential to delivering your strategic goals and ensure your operating model is set up to deliver them well. That's why we include "must-get-right" capabilities—as well as key decisions—in the center of our operating model framework.



5



### Look past structure.

Organizational chart reshuffling is a go-to fix for many organizations trying to do something new or solve for underperformance. While structure is an important part of an operating model, it alone rarely holds the key for delivering on an organization's strategy.

6



### Look both within and outside for inspiration.

Nobody knows the strengths and weaknesses of an organization's operating model as well as its employees. Capturing and synthesizing that knowledge can provide a meaningful base for operating model design.

In addition, an external look at analogous organizations can spark new thinking and expand design options.



7

### Work with a small group before going organization-wide.

Operating model assessment and design can be a complex process. Start with a small group of leaders—the executive team or a core working team that brings organization-wide perspective—that can safely learn, debate, and experiment before refining a high-level blueprint with a wider group of stakeholders.



8

### Actively manage the long tail of the change.

Some aspects of an operating model blueprint can be implemented right away. Others, such as new processes or new roles, may require additional design work, ideally led by those closest to where the change is needed. Essential new behaviors can take time to embed. Such complex change requires a well-managed approach that sequences implementation, provides timely internal communications, and ensures sustained leadership commitment.



To learn more about operating models, read the full article:  
[Operating Models: How Nonprofits Get from Strategy to Results](#)