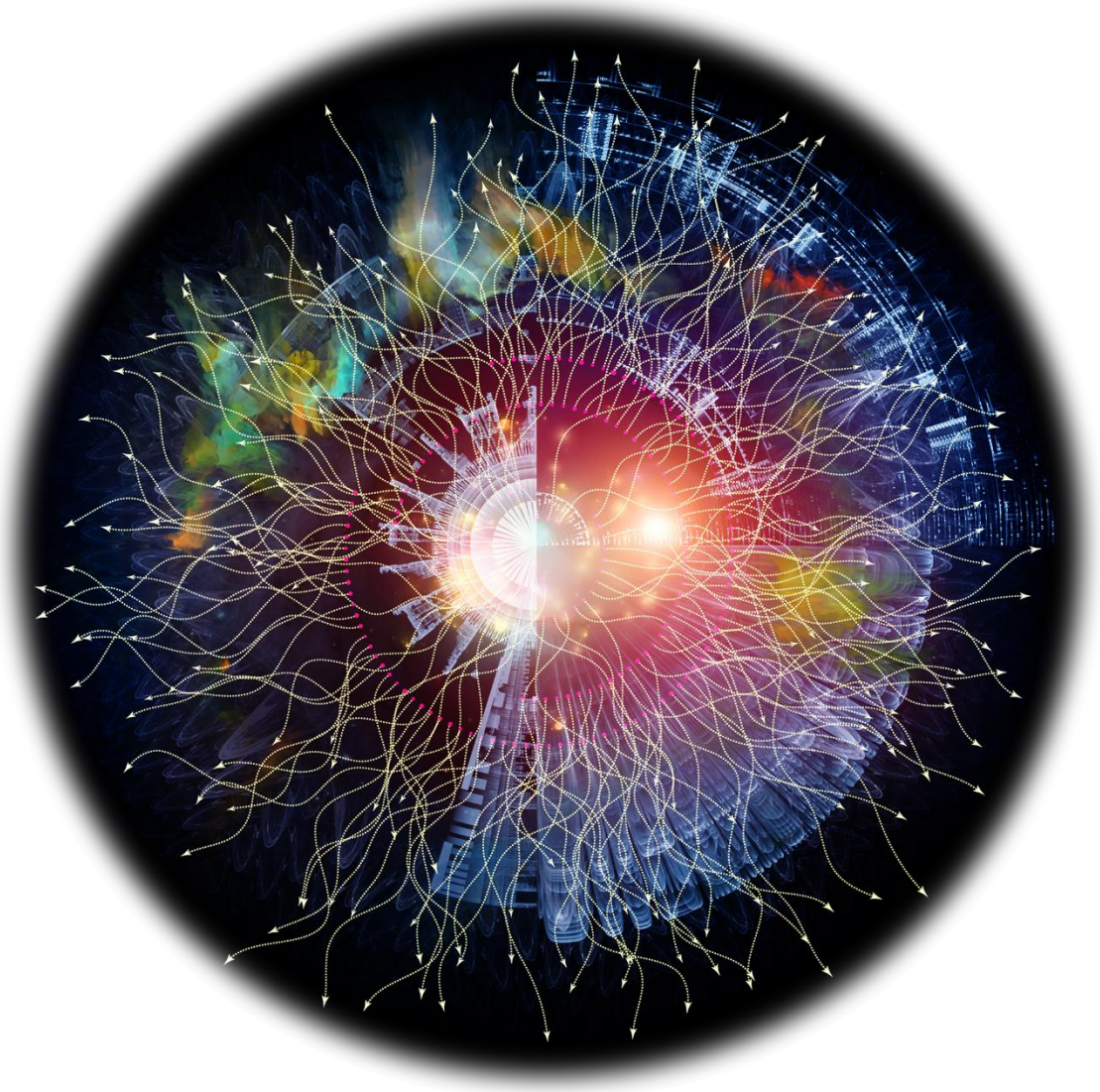
Deloitte.



Digital Operating Model Design and Implementation

G-Cloud 15 Service Definition Document

January 2026

Contents

1	Deloitte Overview	1
2	Service Overview	3
3	Detailed Service Description	4
4	Contact Details	8

1 Deloitte Overview

As a leader in professional services, Deloitte LLP is committed to making an impact to our clients, our people and for society. We have over 27,000 staff based across the UK providing audit, risk advisory, tax, consulting, financial advisory and legal services to public and private clients across multiple industries. We work together to build trust, support inclusive growth, and build capability, enabled by our **breadth and depth of expertise across advisory, delivery, engineering and managed services.**

Our **public sector practice** serves Central Government, Government Agencies, Local & Regional Government, Defence, Security and Justice, Health and Social Care, Transport, Education and Housing. We also provide services to the Northern Ireland Office, Scottish Government, Welsh Government and Crown Dependencies.

Our Cloud Capability

At Deloitte, we help our clients **Imagine, Deliver** and **Run** the businesses of the future through the power of **Cloud**. We have deep Cloud architecture, engineering, operational, commercial, and business transformation expertise delivered by a team of more than 26,000 Cloud Practitioners globally. We have delivered over 2,000 cloud implementations over the past 5 years and have 60+ cloud centres of excellence supporting the delivery of cloud services to our clients.

In the UK, we have a team of over 100 Cloud managed service specialists plus the following certifications across AWS, Microsoft Azure, Google Cloud and Oracle Cloud Infrastructure (OCI):

We help our clients with all aspects of their journey-to-cloud and optimisation of their cloud and cloud-services investments. Our Cloud practice can support you to optimise your client investments, and to navigate your organisations cloud journey, providing specialist cloud architecture, engineering, and operational skills at all stages, with a large proportion of our team holding the clearances required to meet your specific security requirements.

Our AI Capability

Deloitte stands at the forefront of AI transformation and was recognised as a Leader in the 2025 IDC MarketScape for Artificial Intelligence (AI) services for the fourth consecutive time. Supported by a £3 billion investment in AI, Data, Automation, Cloud, and Cyber, we seamlessly integrate our deep AI expertise with our extensive cloud capabilities. Our UK team is part of 339K AI-fluent practitioners globally, and includes over 1,300 AI specialists and engineers, many of whom hold the necessary security clearances for public sector delivery.

Through the Deloitte AI Institute, our hub for cutting-edge research and innovation, and strategic alliances with leading hyperscalers, we empower public sector clients to optimise costs, streamline processes, and navigate their AI journey. We achieve this by leveraging our ReadyAI™ models, which provide end-to-end support for AI solution implementation, and our Trustworthy AI™ framework, ensuring responsible and ethical deployment.

Our alliances & ecosystems

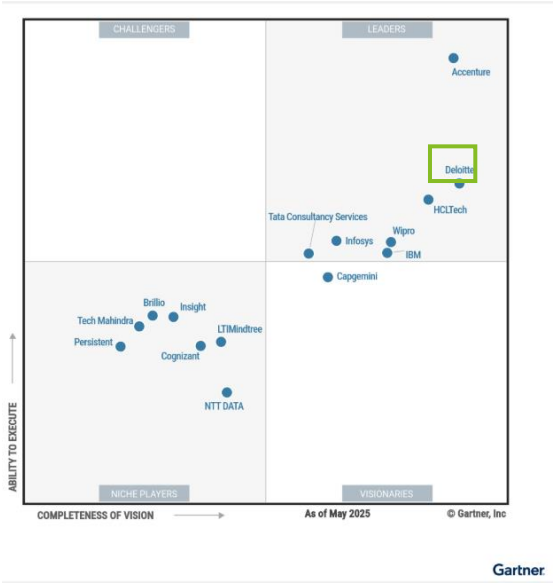
To bring full value to our clients, Deloitte is a premier consulting partner with all the leading hyper-scale cloud vendors in the market including AWS, Google, Microsoft[1], Google and SAP. A selection of our partners and alliances are presented below:

What the analysts say

Don't just take our word for it. Deloitte is recognised by the analyst community as being **leaders in cloud transformation services.** This reflects the wealth of experience we have in delivering cloud services across the public sector and wider private sector combined with our out-of-the-box templates, tools and assets.

Gartner

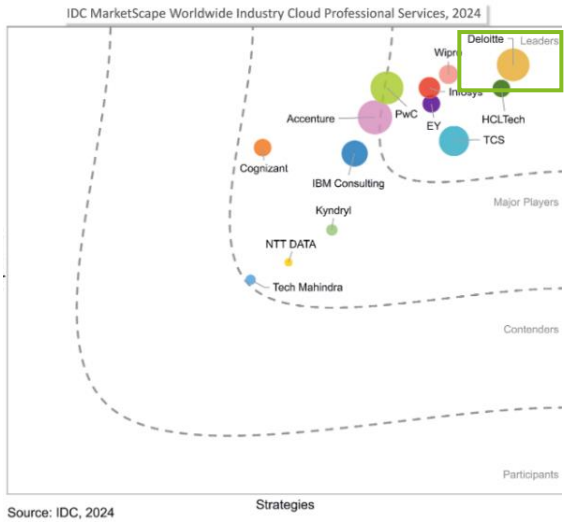
Originating in 2021, Deloitte has been recognised as a Leader in this category for four years in a row. Deloitte was also positioned as a Leader in the **Gartner Magic Quadrant for Public Cloud Infrastructure Professional and Managed Services, Worldwide** in 2021, 2020 and 2019, the previous form of this category.



Gartner: Magic Quadrant for Public Cloud IT Transformation Services. **© Gartner inc. 2025**

IDC

Deloitte has been awarded Leader status in the **IDC MarketScape: Worldwide Industry Cloud Professional Services 2024** Vendor Assessment. We have also been recognised as Leaders in **Hybrid IT Consulting & Integration Services** and **Software Engineering Services**.



IDC MarketScape: Worldwide Industry Cloud Professional Services Vendor Assessment
© IDC inc. 2024

[1] As Microsoft's Independent Auditor, Deloitte cannot have a direct or material indirect business relationship with Microsoft, such as having an alliance or being a registered partner. Nonetheless, Deloitte can provide Microsoft-related technology services and invests heavily across its global business building technical skills and capabilities to develop world-class consulting and solution delivery capabilities.

2 Service Overview

Our comprehensive Enterprise Design Method helps organisations shape and deliver technology and business transformation. It configures an organisation to deliver its strategy, with a specific focus on thriving in the digital age.

This versatile method scales from individual teams, through whole organisation wide re-design, to entire ecosystems. It adapts to new technological and methodological developments, and functions as a coherent data model for analysis and simulation. This offers a significant improvement over other common operating model ontologies.

Our model addresses transformation at four distinct levels:

- Ecosystem: How the organisation operates within its wider supply chain or system.
- Enterprise Wide: How the entire organisation configures its functions to deliver outcomes.
- Functional: How a department, capability, or "team of teams" is structured to deliver impact.
- Team: How individual teams work to deliver impact.

We design operating models using our Component Model, developed from extensive Deloitte input and over 20 method inputs derived from decades of cross-sector experience. This model outlines all the building blocks of an organisation that can be consciously designed, particularly breaking down technology into discrete components for investment consideration. The Component Model serves as Deloitte's core ontology for Enterprise Design and operating model redesign, akin to the periodic table in chemistry. It effectively visualises our design work for clients and clarifies relationships between operating model components.

The six groups of components are:

- Identity: Primary ambition, employee sentiment, and consumer perceptions.
- Environment: Sector, competitors, relevant trends, supply chain limitations, shareholder requirements, and regulations.
- Relationships: Interactions with the environment, contractual commitments, digital channels, and management of complementary organisations.
- Outcomes: Key value offering, legal obligations, and potential unintentional side effects of pursuing goals.
- Structure: Resource interaction, departmental organisation, technological architecture, and standard processes.
- Resources: Costs, stock levels, and required people, infrastructure, or tools for productivity.

The Component Model provides a shared basis for understanding through:

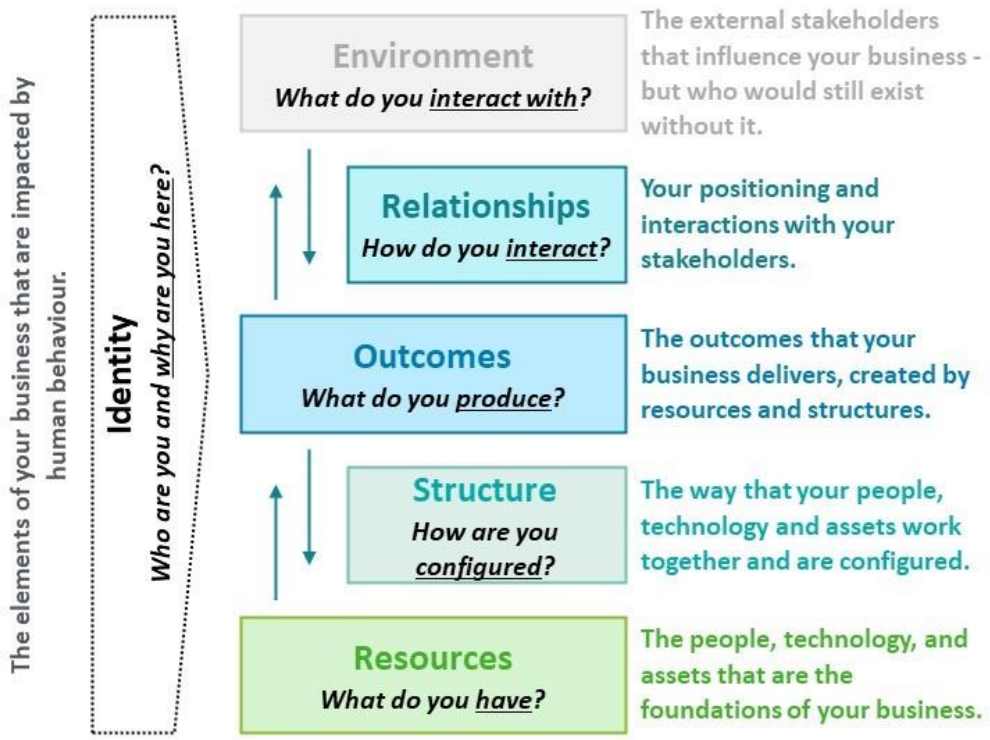
- Compelling visuals: Clear pictures summarising organisational workings and enabling detailed exploration.
- Shared language: Consistent terminology understood by all, describing the organisation's activities and composition, minimising misinterpretation.
- Quantitative models: A coherent data foundation (e.g., cost or resource data) to track operational efficiency and effectiveness.

We also employ a proven delivery approach that integrates learnings from various methods, including agile, to provide a unified framework for technology and business transformation design.

3 Detailed Service Description

Public sector bodies are increasingly under pressure to update their service delivery models for the digital age, in response to: i) new digital technologies; ii) changing behaviours of citizens and employees; and iii) rising citizen expectations. Our experience is that adapting service delivery models to digital cannot just be about redesigning existing operations and existing services. Instead, implementation of a digital strategy often means creating services that are fundamentally different to those of today. Fundamental changes to services results in questions for the 'enterprise-wide' operating model and can mean starting with first principles, such as a new operating model scope or case for change.

Our Methodology



Technology, and key current drivers of digital change such as Cloud and AI, are not called out in this high-level summary because they are woven through all of these groups: technology capability includes digital resources, data, physical devices, infrastructure and skilled and experienced people. It requires organisations to consider technology architectures, relationships with digital suppliers and how the organisation interacts with the rapidly changing digital environment. Technology even needs to be considered as part of the organisations' identity, for example appropriate behaviours around information and cyber security.

At its simplest, an operating model is an articulation of 'how things work'; however, for a digital operating model to be successful, it must enable the delivery of an organisation's digital strategy. Our approach to operating model design starts with determining what role the organisation will have and then how this will be delivered. We have a tried-and-tested Enterprise Design methodology which has been developed, tested and refined over the course of 100s of projects across the public and private sector. Key features include:

- Breaking down the organisation into a number of **'components'**. We see each 'component' as interdependent but work on each needs to take place in parallel to test interdependencies e.g. your 'Resources' are dependent on the 'Outcomes' an organisation is seeking and equally resources have an impact on what outcomes you can achieve.

- The methodology considers how functions should be **configured internally**, as well as how the organisation will behave within an **external ecosystem**, considering the relationships to an organisation's operating environment;
- A **detailed blueprint** which enables current structures and future variations to be explored in a consistent, repeatable, and visual format. The methodology includes over 70 components to build the detail of how the organisation will operate; and
- An underpinning digital operating model approach which embeds test and learn and experimentation approach to design and implement operating model change.

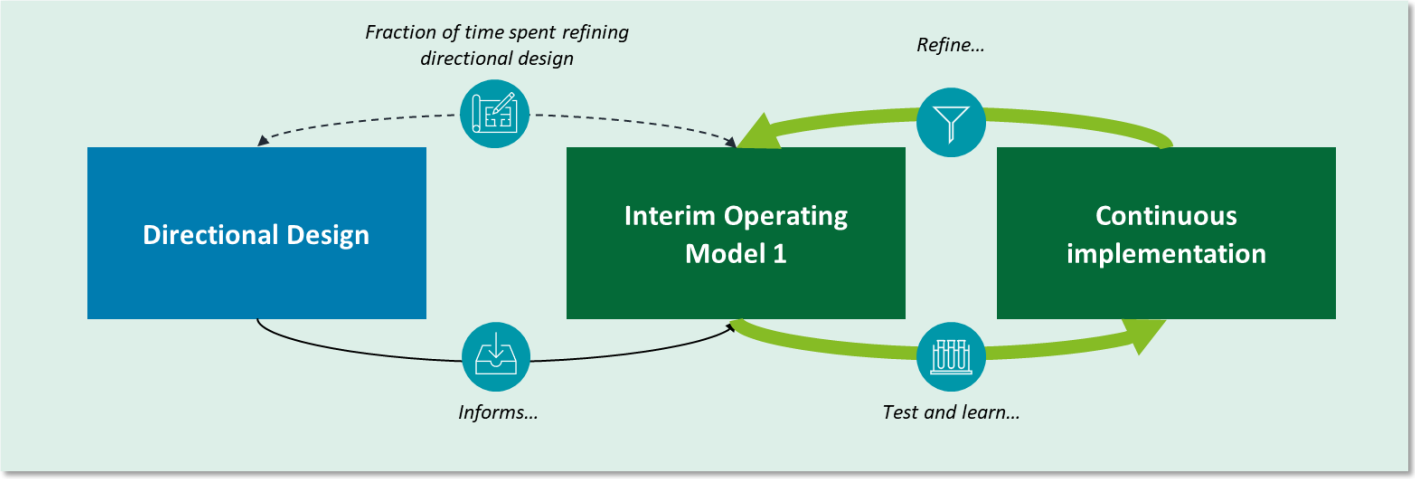
Our Approach

Digital operating models and operating model implementation is a vast and complicated topic. We will work with you to refine your requirements and determine the best fit of our services to your needs. In this section we outline three core features of our approach:

- Firstly, how we think about operating models in an iterative way, aligning with digital agile approaches;
- Secondly, how we embed a series of 'injections' and tools to digitise the design process; and
- Finally, a summary of our approach to change management and the capability and cultural changes that must fit alongside the design and implementation of new operating models.

It should be noted that there are a number of inputs we would expect to have to start this work, and there are a range of outputs that Digital Operating Models provide, including a range of digitally platformed operating model components (i.e. not just MS Office outputs) depending on the scope, client problem and duration of the project.

The diagram below provides a summary of our digital operating model approach:



Iterative Operating Models for Digital Agile Approaches

Digital and agile methodologies are transforming operating model design, challenging the traditional concept of a Target Operating Model (TOM). TOMs are often unachievable in dynamic environments due to continuous learning and evolving landscapes. Our approach embraces agile ways of working through:

- Directional Design: Agreeing on a visionary, high-level operating model 'sketch' that sets the general direction for the digital strategy, rather than a detailed blueprint.
- Interim Operating Model: Developing detailed interim models for specific timepoints or significant changes (e.g., technology go-live), allowing for piloting and testing.

- Continuous Design and Implementation: Fostering a cycle of design, implementation, testing, learning, and adaptation, where interim models are piloted, refined, and then scaled.

To enable this approach, there are a number of inputs that can affect the approach and are important to consider throughout all three phases. These could be:

- Existing operating model and strategy documentation
- Key data about resources and capability areas
- Leadership's ambition for change
- Current approach to design and desired engagement
- Reason for change and key requirements

The approach can lead to different outputs, depending on the requirements and how the organisation is likely to engage best with a new operating model. Usual outputs may include a combination of:

- Organisation charts
- Process maps
- User and customer journeys
- Conceptual diagrams
- Digital artefacts
- User stories and requirements
- Business function model

Digitising the operating model design process helps organise information for technology platforms, reduces vulnerability to workforce churn by retaining corporate memory, and improves speed, cost, and output quality through interactive tools and clear definitions. We make use of the following tools:

- Setting the Dials: This proprietary survey tool captures leadership insights to assess alignment and drive buy-in for transformation.
- Design studios: These structured workshops gather stakeholders to collaboratively develop operating model options with trained facilitators.
- Archetypes: We use function, sector and transformation specific archetypes to provide examples of standard digital operating model features and challenge conventional thinking.

Our approach to business change, capability building, and cultural change during digital transformation is underpinned by three key principles:

- Leadership alignment and buy-in: Nurturing leadership at all levels is crucial to address the scale and pace of digital business change.
- Iterative approach to business change: A flexible and responsive iterative approach is essential for business change in a fluid digital context.
- Digitising the business change experience: Delivering digital change through a digital platform showcases new ways of working and encourages early adoption.

Case Studies

- An Organisation wide Operating Model re-design of a whole department, covering all of its missions and capabilities, end-to-end.

- The complete re-design of the HQ function of a major Government department, platforming all of the products digitally.
- An Ecosystem Operating Model across a number of UK Government organisations, standing up a new joint mission covering all the capabilities required for end-to-end delivery.
- The design of a functional Operating Model, including all business functions for end-to-end delivery of a new product which was initially used for resource and cost forecasting.

Critical Success Factors

Based on our experience, we believe there are several critical success factors, including:

- **Using the digital strategy as a starting point –** Too often, clients try to develop an operating model without a clear strategy. We believe form should follow function, and that it is vital to determine 'what' you want to do before considering 'how' to do it;
- **Involving customer and users in design and validation** – It is vital that the model has a direct link to customers' needs;
- **Not seeing the operating model as separate from digital transformation** – There are times that digital teams consider the operating model a distraction from the design and build of digital products. It's important that operating model designers are embedded into the digital transformation team, working collaboratively to explore for digital change might impact across different components of the organisation;
- **Build in time for stakeholder engagement throughout the design process** – As with all major transformation programmes, thinking through the optimum stakeholder involvement and engagement strategies – the transition to digital can involve significant challenges for staff and often requires engagement with external bodies (such as the Government Digital Service, the Cabinet Office, NAO, etc.) which requires dexterity and judgement to ensure navigated appropriately; and
- **Embed agile principles within the design process, as much as possible** – Working out how to avoid changes becoming subsumed into enormous "transformation" programmes with long delivery timescales - which can prevent early testing and iterative improvement of the design over time.

Exclusions

Digital Operating Model is a broad offering that tackles functional, organisation wide and ecosystem challenges, blending digital issues and solutions with wider business issues and solutions. As such it can cover a huge range and breadth. Each individual project will be scoped to exclude specific areas. We often see and expect technology focused workstreams to be part of or result from Digital Operating Model projects and while these should overlap, typically larger pieces of technology implementation, testing, migration, etc. are commissioned separately.

Traditionally, Digital Operating Model projects don't include corporate entity, mergers and acquisition, legal or tax restructuring, and this sort of work would also be commissioned separately. Finally, 'in life' services and ongoing support for running operations within newly implemented operating model designs are also normally commissioned separately.

4 Contact Details

Please send your requirement to publicsectorbidteam@deloitte.co.uk. Alternatively, if you wish to discuss your requirements in more detail, please send us the following information and we will be happy to contact you:

- Your organisation name
- The name of this service
- Your name and contact details
- A brief description of your business situation
- Your preferred timescales for starting the work.

Deloitte.