BOARD BRIEFING

Operating Model Drift

A board and executive briefing for recognizing when structure, decision rights, measures, and the real work have moved out of alignment.

DESIGNED FOR

Boards, CEOs, COOs, executive committees, and transformation sponsors

OPERATING SIGNAL

Performance conversations focus on individual programs while recurring friction continues across the boundaries between them.

CORE PROPOSITION

Operating models drift gradually as strategy, markets, technology, roles, and local adaptations change. The risk is not variation itself; it is losing the ability to see which model the enterprise is actually running.

Drift is often quiet

An operating model is the practical arrangement through which strategy becomes decisions and work: roles, authority, capabilities, processes, information, platforms, measures, incentives, and management cadence. It changes whenever the business changes, whether or not leadership has designed the change.

Drift becomes material when those elements no longer reinforce one another. Strategy asks for one behavior while measures reward another. A platform centralizes a process while decision rights remain local. New capabilities appear, but ownership and funding still follow the old structure.

Signals worth executive attention

No single symptom proves operating-model drift. Look for patterns that recur across business units, programs, or reporting periods, especially where individual leaders are working hard but the boundary between their areas remains unreliable.

- ↗ The same cross-functional decision repeatedly escalates to the executive team
- ↗ Transformation programs meet local milestones while enterprise outcomes remain difficult to explain
- ↗ Workarounds become permanent roles, spreadsheets, meetings, or manual reconciliations
- ↗ Measures describe activity inside functions but not the flow of value across them
- ↗ Technology ownership and business accountability separate at important moments
- ↗ Local adaptation is either suppressed without reason or allowed without a shared boundary

What the board should be able to see

Board oversight should focus on the coherence, consequence, and learning system around the operating model. The board does not need program-level detail, but it should be able to understand how the design supports strategy, where material dependencies sit, and how management knows the model is working.

- Which enterprise capabilities are essential to the strategy, and who owns their performance across functions?
- Where do decision rights create delay, duplication, or unmanaged exposure?
- Which transformation investments depend on the same constrained people, data, platforms, or change capacity?
- How does management learn when the designed operating model differs from the real one?
- What evidence would cause management to change the model rather than push harder on execution?

A working session for the executive team

The executive team should begin with one material value flow or strategic capability, not the organization chart. Follow the work across customer promise, decisions, roles, data, platforms, controls, measures, and learning. Capture disagreement as evidence of a boundary that needs attention.

The session should end with a small set of explicit choices: what becomes shared, what remains local, which decision right changes, which measure is retired or added, and which condition management will observe before the next review.

EXECUTIVE ALIGNMENT CANVAS

STRATEGIC PROMISE	The outcome or capability the operating model must make possible.
CRITICAL FLOW	How value, information, and accountability move across the enterprise.
DECISION BOUNDARY	What is shared, what is local, and who resolves the exception.
ENABLING SYSTEM	The people, data, platform, control, and partner capabilities that must work together.
EVIDENCE	The small set of measures and observations that reveal whether the model is holding.
LEARNING RHYTHM	Where management reviews the evidence and changes the model when required.

Govern coherence, not conformity

A high-performing operating model does not make every part of the enterprise identical. It makes the reason for variation explicit. Shared elements should protect enterprise value, trust, interoperability, and scale. Local elements should preserve customer context, regulatory fit, speed, and the knowledge held close to the work.

The leadership task is to keep the boundary visible and revisable. Coherence is achieved when local choices can be understood in the context of the whole and when enterprise standards make the local operation stronger rather than merely easier to control from the center.

Bring the live decision into the room.

Tao Mgt works with leadership teams to make complex operating, technology, and transformation choices more visible, governable, and usable.

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