TOMBOX

TARGET OPERATING MODEL

Final Deliverable

Operating Model Design | Technology-Agnostic | 2026 Modernization

Purpose of This Document

01 Consolidates the complete Target Operating Model design into a single board-ready deliverable

02 Synthesizes 17 design assets: process taxonomy, maturity models, service catalogue, RACI, governance, policies, controls, technology, data & MDM, KPIs and job architecture

03 Technology-agnostic: the design holds regardless of platform selection

04 Basis for mobilization: target state defined across all six design layers

INTENDED AUDIENCE

→ Executive Steering Committee

→ Transformation programme team

→ Consultants, Private Equity, Scale-ups

Executive Summary

01 A complete, 2026-ready operating model for the end-to-end lifecycle: 3 domains, 16 process pillars, 100+ L3 processes

02 Six-layer design: process, people, service delivery, technology, data & insights, governance

03 Modernized for the AI era: agentic sourcing, touchless invoice processing, AI governance with human-in-the-loop controls

04 ESG elevated to a dedicated pillar: Scope 3 tracking, supplier ESG scoring, circular

05 Clear path to value: phased modernization to Level 4–5 maturity across all six layers within 24 months

The Design at a Glance

16
L2 process pillars across Source-to-Contract, Requisition-to-Pay and Process Governance

116
Leading practices embedded (106 core + 10 new for 2026)

30
Catalogued services with SLAs across 4 delivery quadrants

41
Policies and 215+ risk-control pairs

85+
KPIs benchmarked against APQC top-50 utility medians

36
-tool technology landscape with a suite-backbone platform strategy

11
Role profiles including 3 new AI-era positions

Contents

01 Operating model principles & design approach

02 Target state by component

03 Service delivery model

04 People & organization design

05 Process taxonomy

06 Performance management & KPIs

07 Governance, policies & controls

08 Technology & data

SECTION 01

01

OPERATING MODEL PRINCIPLES & DESIGN APPROACH

How the target operating model was designed, and the principles that anchor every layer

[EXAMPLE PROCUREMENT]

The Case for Change — in 2026

01 Generative and agentic AI are moving from pilots to production across sourcing, negotiation and AP

02 Best-in-class AP functions now exceed 50% touchless invoice processing

03 ESG regulation (EU CSRD, ISSB) makes Scope 3 and supplier sustainability data non-negotiable

04 Cyber supply chain risk and geopolitical disruption demand continuous, AI-powered monitoring

Utility benchmarks show the headroom

16%
Maverick spend

35%
Median touchless rate

22%
Invoice exception rate

Source: Complete TOM Document — 2026 modernization themes

TOM Design Framework — Six Layers

Functional Process 1

Standardized, touchless-first process design

People 2

AI-literate workforce, new digital roles, clear accountability

Service Delivery Model 3

Right work, right place: CoE, Transaction Services, Business Partner, Site Support

Technology 4

Suite backbone, AI layering, composable architecture

Performance Insights & Data 5

Single data model, real-time analytics, NLP querying

Governance 6

Three lines of defense, AI ethics oversight, continuous control monitoring

Source: Complete TOM — Part II (six TOM layers)

Design Principles

Technology-agnostic

Process design leads, platforms follow

Global standards, local flexibility

Only where regulation demands

Touchless by default

Automate transactional work, elevate human judgment

Every process has one owner

Global Process Owner accountability end-to-end

Risk-calibrated governance

Oversight intensity matches value and risk

ESG and AI ethics

Designed in, not bolted on

02

SECTION 02

TARGET STATE BY COMPONENT

The target design for each of the six TOM design layers of the function — the Level 5 end-state and its 2026+ frontier, layer by layer

The Six TOM Design Layers

01 Functional Process

The end-to-end process taxonomy: three macro domains and 16 L2 pillars (15 original plus new P16 ESG, Sustainability & AI Governance), each decomposed into L3 processes with a Global Process Owner accountable end-to-end.

02 People

Roles, skills and career paths across the function — 8 original job profiles plus 3 new 2026 roles (AI & Automation Specialist, Data Scientist, Supplier ESG & Risk Analyst) with digital and AI competencies.

03 Service Delivery Model

How services are delivered across four SDM quadrants — Center of Expertise, Transaction Services, Business Partner and Site Support — mapped in the Service Catalogue to the role delivering each service.

04 Technology

A technology-agnostic landscape of 12 capability categories — from end-to-end suites, sourcing and CLM through spend analytics, AP automation and automation & AI platforms — enabling the defined processes.

05 Performance Insights & Data

The KPI register (85+ indicators plus 10 new 2026 KPIs), the reporting register (200+ reports plus 8 new dashboards) and the MDM framework that let the function measure, benchmark and improve.

06 Governance

Five governance principles, a Three Lines of Defence model, 9 oversight bodies, 41 policies (35 original plus 6 new) and 215+ risks with corresponding controls that keep the function compliant and in control.

TARGET DESIGN — THE LEVEL 5 END-STATE, LAYER BY LAYER

LEVEL 1 LEVEL 3 LEVEL 5 — TARGET

The Maturity Model defines Levels 1, 3 and 5 for each of the six layers. This section presents the Level 5 end-state as the target design, together with the 2026+ frontier that extends each layer toward AI-orchestrated, autonomous .

Source: Complete TOM — Ch. 3 Maturity Model · Ch. 1 Process Taxonomy

SECTION 03

SERVICE DELIVERY MODEL

03

Right work, right place — the delivery quadrants, the 30-service catalogue, the service levels and the interaction model that connects the functions

SECTION 04

PEOPLE & ORGANIZATION DESIGN

04

The organigram, role profiles and accountabilities that bring the operating model to life

SECTION 05

PROCESS TAXONOMY

05

Three domains, 16 Level-2 pillars, the complete Level-3 process architecture and the accountability model that governs it

SECTION 06

PERFORMANCE MANAGEMENT & KPIS

06

From an 85+ indicator library to a three-tier scorecard — cascaded by pillar and benchmarked against best-in-class

SECTION 07

GOVERNANCE, POLICIES & CONTROLS

07

Decision rights, oversight bodies, the policy house and a modernized controls framework

SECTION 08

TECHNOLOGY & DATA

08

A 36-tool landscape, a suite-backbone platform strategy, and the data foundation that powers it