



## TenStep Supplemental Paper

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### From Over to Makeover

#### Key Learnings

- Unless organizations recognize the importance of a capability, survival is difficult.
- Leading business schools and research institutions need to develop a capabilities toolkit for organizations to smoothly adapt to change.

Many large organizations refuse to even consider a change in technology. Heartening, though, is the fact that most organizations that fail to undergo a makeover do so not because they are unwilling but because they lack the capability to change.

Unless organizations develop the capability to undergo a complete makeover, be it a change in technology, market trends or even new competition, survival is difficult. The good news, however, is that help is around the corner.

#### Rescue Tools

A capabilities toolkit will help organizations deal with different kinds of crises when faced with sudden change. Developed by the International University Consortium for Executive Education (UNICON), the toolkit gleans and compiles the best practices from more than a thousand organizations to ensure that organizations can undergo a complete makeover in the face of change.

According to Bob Stiliard, the Director of executive education in a management school, "The capabilities toolkit works something like a global positioning system. Like GPS, it helps keep an organization on the road pointed in the right direction as it navigates extreme change".

The objective is to equip toolkit users with knowledge and skills required to deal with sudden and extreme changes. Comprised of six essential elements, the capabilities toolkit prepares an organization to acquire new skills and knowledge in time to cope with the next big change.

#### The Six Senses

##### Element One: Strategic Leadership

In most organizations, questions such as 'Who is in charge of prioritizing and strategizing capabilities?' and 'Will he or she require team support?' remain unanswered. This usually happens when senior management or the board of directors ignore the task of strategizing capabilities. A recent survey revealed that boards seldom address this charter responsibility.

Getting senior executives to micromanage the knowledge and skill requirements of the organization is no onerous task. However, it is important to get them to acknowledge that assuming a direct oversight of knowledge development and capabilities strategizing is an

## TenStep Supplemental Paper

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important aspect of their jobs. This goes a long way towards addressing the leadership problem.

The capabilities toolkit recommends first-hand involvement of the board of directors and senior executives.

Active senior management participation aside, the toolkit recommends building a strong support system around the person in charge of strategizing capabilities, be it Chief Learning Officers (CLOs), heads of the departments, or vice-presidents of HR. A good support system has a network of multi-functional and highly talented teams that assist in performing critical tasks, such as developing knowledge to meet future needs.

### **Element Two: Assessment**

Can the organization cope with emerging technology using its current strategy, or will it be blindsided by it? Does the organization have the aptitude to cope in a dynamic environment? Is the organization strong enough to undergo a makeover? In short, is it equipped with appropriate infrastructure, finances, and culture? An important function of the toolkit is to assess an organization on these scores.

Another set tries to determine whether existing organizational capabilities are adequate to make the crossover. It also considers whether the organization can address situation-specific capabilities issues.

Additionally, the assessment evaluates workforce relationships and the management system that includes job rotation, internal training, compensation, succession planning, coaching and mentoring. Effective management systems are a pre-requisite to a smooth crossover. Therefore, they should come under extensive evaluation.

### **Element Three: Prioritization**

An assessment identifies and compiles the capabilities gaps in an organization in a 'to-do' list. While things on this list need to be accomplished to tide over a capabilities crisis, an organization may not be able to 'do it all' at once. This is because in most cases, the 'to-do' list is too long and organizations face resource, budget and time constraints.

The toolkit recommends prioritization to shorten the list and to get the organization to do what must be done. A matrix approach to prioritization identifies key individuals and positions critical to bridging the capabilities gaps. Some organizations adopt competency models that reveal gaps.

### **Element Four: Measurement**

Organizations undergoing change must keep track of the direction they are heading towards. In addition to tracking milestones, the toolkit recommends measuring success in terms of critical capabilities achieved and capabilities gaps bridged. Learning professionals are still on the lookout for metrics that measure intangible assets like knowledge. While the toolkit patronizes no particular metric, it recommends that managers develop a keen understanding of what the organization requires in terms of



## TenStep Supplemental Paper

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capabilities. Then it uses appropriate metrics to measure success in achieving these capabilities.

As capabilities are evolving constantly, it is imperative to upgrade the metrics being used. The biggest advantage of using proper measurement is that it allows the organization to compare previous implementations and learn from them. As one learning professional says, *"Metrics provide you with a good road map to every change."*

### **Element Five: Learning Objectives**

An organization cannot properly address its capabilities crises in the absence of learning objectives; even ill-defined or ambiguous objectives are of little help. For instance, it is not enough to say that the finance department will need more training over the next two years. The organization must establish who will learn what, when and for how long.

### **Element Six: Program Design**

Considered the most important aspect of the capabilities toolkit, the program design is what helps achieve intended objectives. A program designer selects learning material, faculty, and program formatting and decides upon learning methodologies, facilities and administrative issues. A skilful designer can create a program design that best addresses shortcomings in the capabilities area.

Clichéd as it sounds, change is inevitable. Organizations can make a smooth and complete crossover with the help of the capabilities toolkit.