Capabilities

collect, document, and leverage

CAPABLE
COMPANY
Adaptive organizations from adaptive leaders

**Jim Dowling**

About Capable Company

Rich Lynch

- **Company leaders**: CIO, COO, PMO

- **Consultants** coach teams and build leadership capability to transform organizations

- **Authors**: *Capable Company*, *Corporate Renaissance* and *Measure Up!*

- **Educators**: we have bundled the above and transformed into a leadership development and education company.

EDGY and The Framework for Adaptive Organizations

EDGY is an Enterprise Design modeling tool that covers the essential activities to support a coherent loop between innovation and transformation - the main forces driving enterprise change.

The Framework for Adaptive Organizations is *one way* to collect data from the business to populate EDGY.
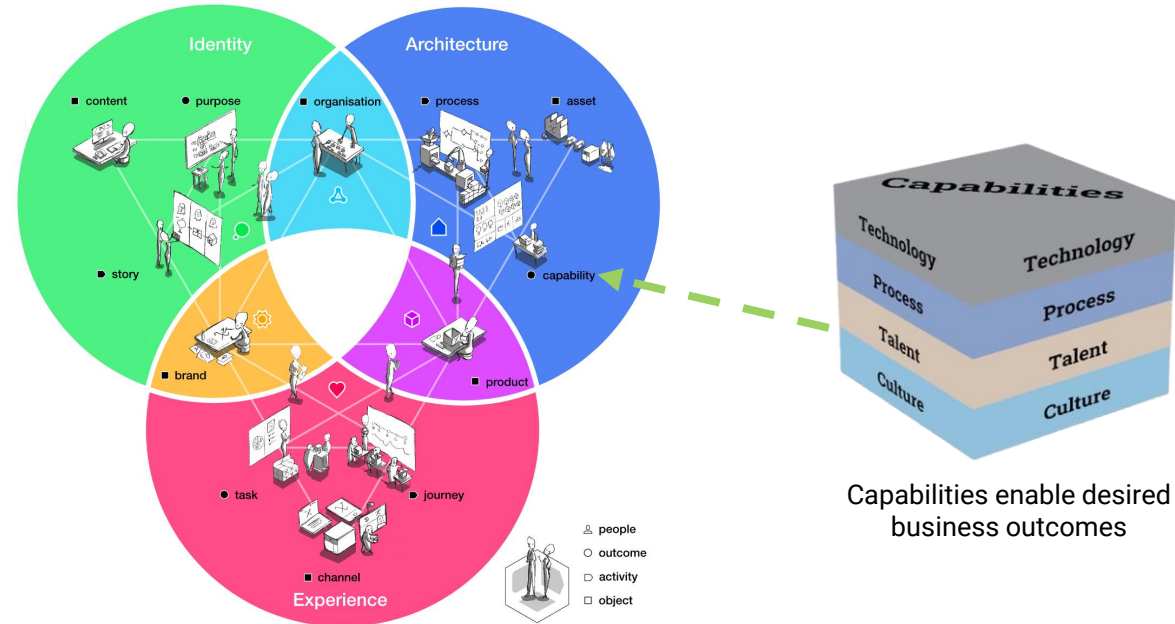
Capabilities enable desired business outcomes

Framework for adaptive leaders and organizations

COMPONENTS	ELEMENTS		
ASPIRATIONS	PURPOSE	VALUES	
INTENTIONS	VISION	ANCHORS	MISSION
PATHWAY	GOALS	STRATEGIES	CAPABILITIES
ENABLERS	PROJECTS	PROCESSES	
RESULTS	TANGIBLES	INTANGIBLES	

After each topic we will learn from each other

Questions on the topic
 -> Post to CHAT or ASK A QUESTION

Share your experience
 -> Raise your Zoom Hand

Capability Definition

- A capability is "what" the enterprise needs to be able to do and be to fulfill Purpose, realize Stories/Vision and accomplish Mission Objectives.

- Think of a Capability as the ability to do something by orchestrating People (Talent), Process, Technology, and Culture assets. Examples:

  - *Leverage data about cruise passenger behavior to achieve maximum revenue per available cabin and stateroom.*

  - *Combine elastic and inelastic materials side by side.*

  - *Sell into medical specialty doctors office*
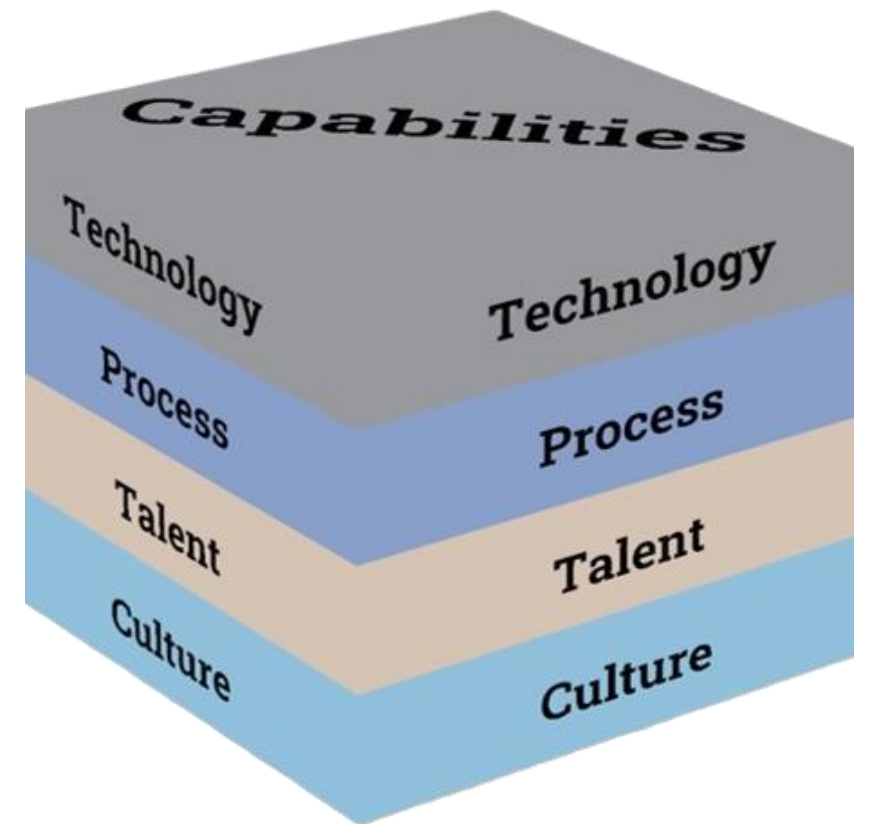
Model Organizations as sets of capabilities

Directing and Controlling
Strategy, Enterprise Design, Portfolio Management, Investment Roadmap

Operating
Value creation from ideas to goods, services, information, and good will

Enabling
Human capital provisioning, automation, facility management, logistics, quality, legal

Customer Interaction

Passenger Services
- Passenger Information
- Sell Tickets
- Train Restaurant

Night Services
- Conciergerie
- Night Services

Train Operations

Train Scheduling	Run Trains	Night Trains	Energy Mgmt.	Train Routing
Optimise Capacities	Clean and Prepare	Luggage	Operate Powerplant	Railway Signaling
Route Planning	Drive Train	Furnishing	Trade Energy	Control Railway Switches
Train Scheduling	Shunting		Distribute Energy	Billing and Booking

Railway Infrastructure Management

Planning	Building & Maintaining		Resource Management	
EU Coordination	Project Management	Stations	Procurement	Machines
Strategic Planning	Construction Site Planning	Tracks	Logistics	Material
Budgeting	Powerplants	Powerlines	Asset Accounting	Crew

Support
- Executive Management
- HR
- Facility Management
- Legal Compliance
- Risk Management
- Marketing & Communication
- IT Operations
- Finance

Change
- Strategic Management
- Research & Development
- Enterprise Design
- Innovation
- Product Management
- Investment
- Customer and Market Analytics
- IT Change

ACADEMY

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Capability levels

Provide solutions along the care continuum ②

- ⊞ 2.1 Gather customer requirements
- ⊞ 2.2 Develop regular cadence of new products in the ...
- ⊞ 2.3 Innovate to improve the product
- ⊞ 2.4 Create evidence-based portfolio
- ⊟ 2.5 Build and acquire new platforms for better pati...
  - 2.5.1 Facilitate ordering appropriate tests
  - 2.5.2 Mine information from large patient population ...
  - 2.5.3 Facilitate multiple site client test sharing
  - 2.5.4 Provide a 360 view of the patient
  - 2.5.5 Provide remote access of vital patient data
  - 2.5.6 Extend the integrated care model
- ⊞ 2.6 Educate clients and patients about benefits of ...
- ⊞ 2.7 Run CME based education programs that link to F...
- ⊞ 2.8 Build and acquire scalability

Level One: Capability Families
Level One presents a high-level category view of capabilities.

Level Two: Generic Capability Groups
Level Two capabilities are the generic capabilities essential for strategy delivery. This level is useful to explore completeness of the model and provides the data for Capability Map

Level Three: Specific Capabilities
Level Three lists the specific capabilities. This level , an organization assesses performance, makes sourcing decisions, addresses gaps, etc.

worfit by Accelare

A nonprofit organization whose purpose is to end childhood malnutrition

View: No Indicators

Version: 2023

1 — Build Brand and Advocacy

1.1 Build public support, funding, and advocacy influence

1.2 Educate the public about malnutrition and hunger

1.3 Deliver targeted messages about Edesia

2 — Develop Global Partner network

2.1 Develop strategic partnerships

2.2 Align partners to Edesia's Purpose and Values

2.3 Develop & manage partner network

2.4 Work in places where we don't have a presence

3 — Formulate New Products

3.1 Identify and prioritize unmet needs

3.2 Adapt products to local customs and regulations

3.3 Test and rigorously experiment new products

3.4 Assess production impact

3.5 Scale new programs and products

4 — Manage The Supply Chain

4.1 Manage Logistics & Warehousing

4.2 Plan for demand

4.3 Optimize finished goods inventories

5 — Manufacture Products

5.1 Provide Production Facilities

  5.1.1 Contract Production

  5.1.2 Configure Current Facilities

  5.1.3 Build Out Facilities

  5.1.4 Schedule Production

  5.1.5 Manage Capacity Utilization

5.2 Source and Receive

5.3 Store Ingredients

5.4 Dispense Ingredients

5.5 Operate Manufacturing Processes

5.6 Package Products

5.7 Maintain Production Infrastructure

6 — Distribute products

6.1 Plan Distribution Requirements from Orders & Forecasts

6.2 Manage Material Returns

6.3 Process Orders

6.4 Manage Goods Delivery

  6.4.1 Operate Transport & Delivery of Outbound Goods

  6.4.2 Manage the transportation partnerships

  6.4.3 Process & Audit Carrier Invoices & Documents

  6.4.4 Monitor & Address Fraudulent, Gray and Black Marketing

6.5 Manage Waste Disposal

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A nonprofit organization whose purpose is to end childhood malnutrition

Contribution   2023

■ Distinctive   ■ Support   ■ Essential   ■ Business Necessity

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Support Effective / Efficient Adopt : Adapt	Distinctive Effective / Efficient Adapt
Necessary Efficient / No Defects Adopt	Essential Effective : Efficient Adopt : Adapt

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worfit by Accelare

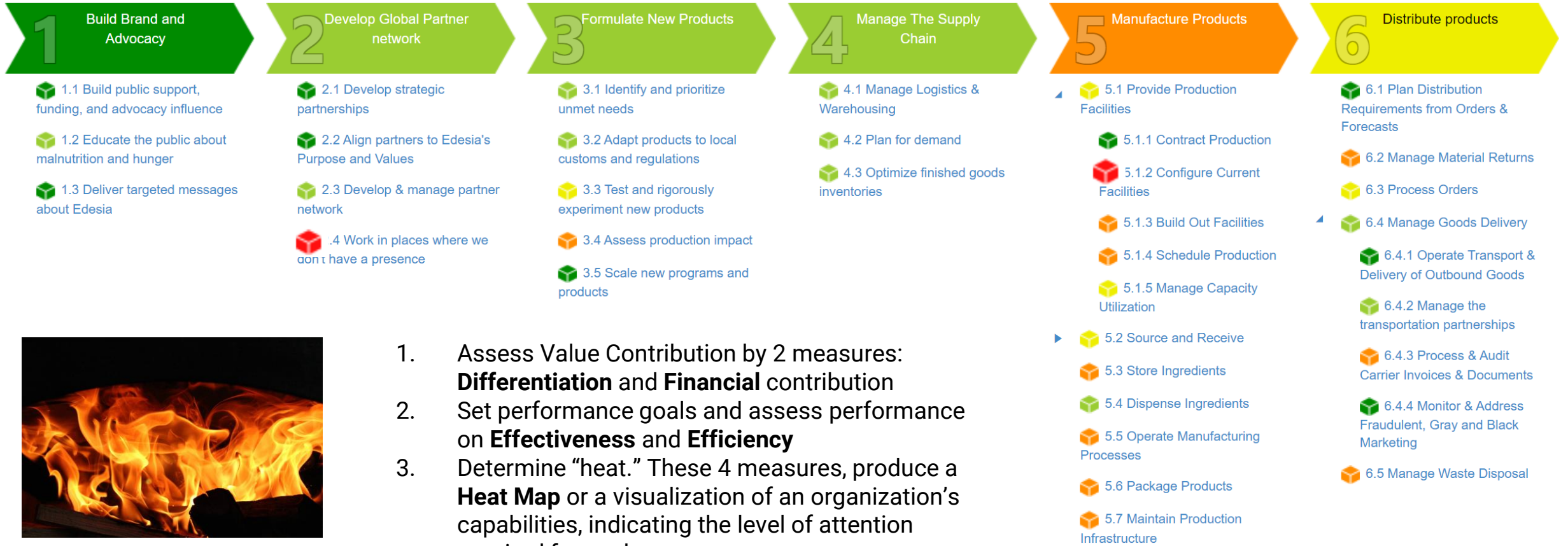**Visualize the future state and what it will take to realize it**
1. Focus projects on capability gaps
2. Portfolios of Run/Improve and Transform the business

The desired future state of a nonprofit whose purpose is to end childhood malnutrition   ↻ Capability Heat   ⌄   2023

🔴 High   🟧 Medium High   🟨 Medium   🟩 Medium Low   🟢 Low

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1. Assess Value Contribution by 2 measures: **Differentiation** and **Financial** contribution
2. Set performance goals and assess performance on **Effectiveness** and **Efficiency**
3. Determine "heat." These 4 measures, produce a **Heat Map** or a visualization of an organization's capabilities, indicating the level of attention required for each.

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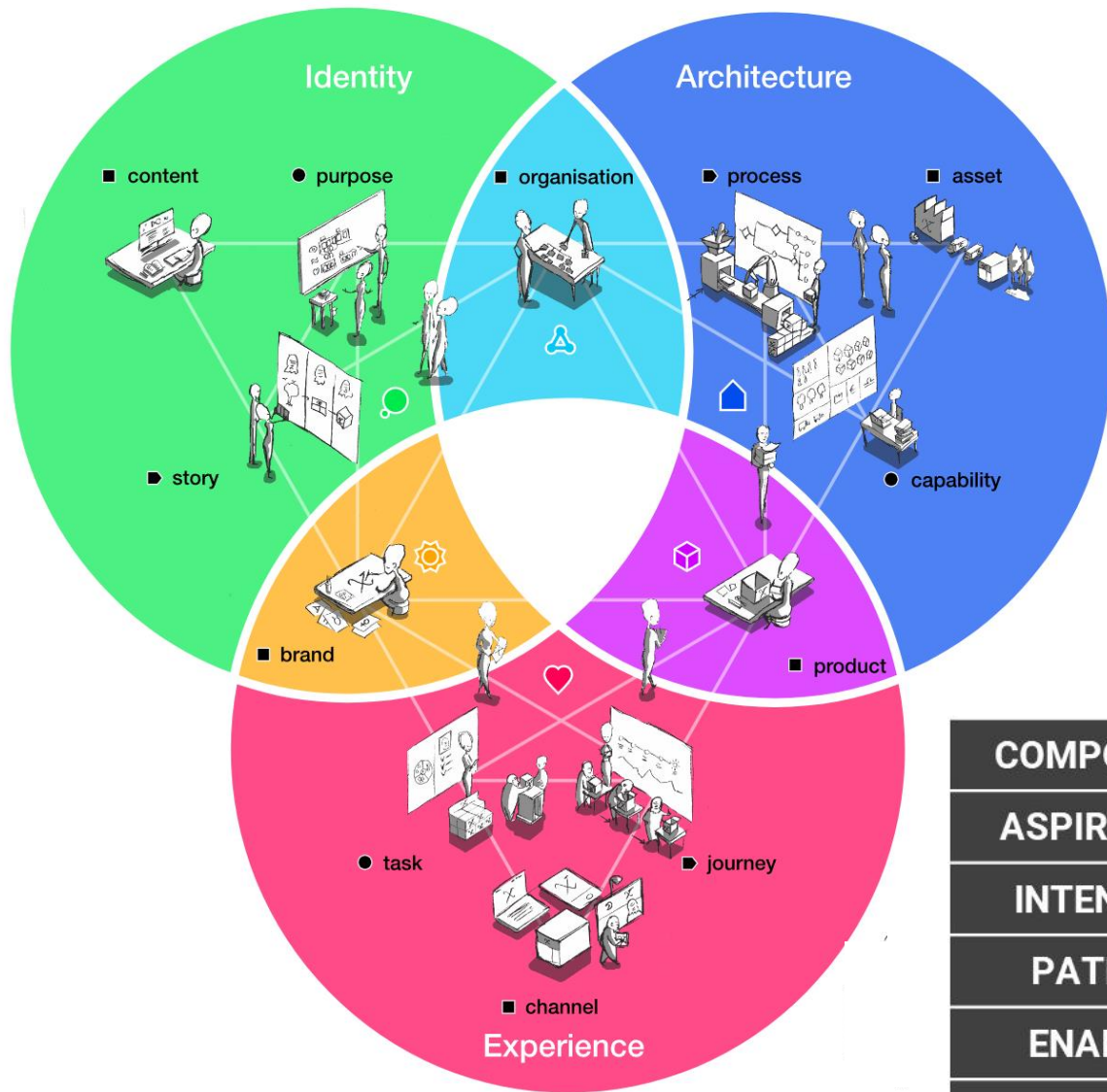
Tell a compelling story
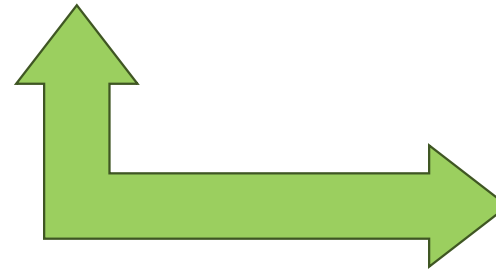
Collect trusted content

| COMPONENTS	ELEMENTS		
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Ways to View Capabilities

A **Capability Map** is a "block-oriented diagram representing capabilities for a business.

- It is a **high-level** view of the business activities
- It is **two-dimensiona**l representation of the business activities for **understanding technology relationships and products**.
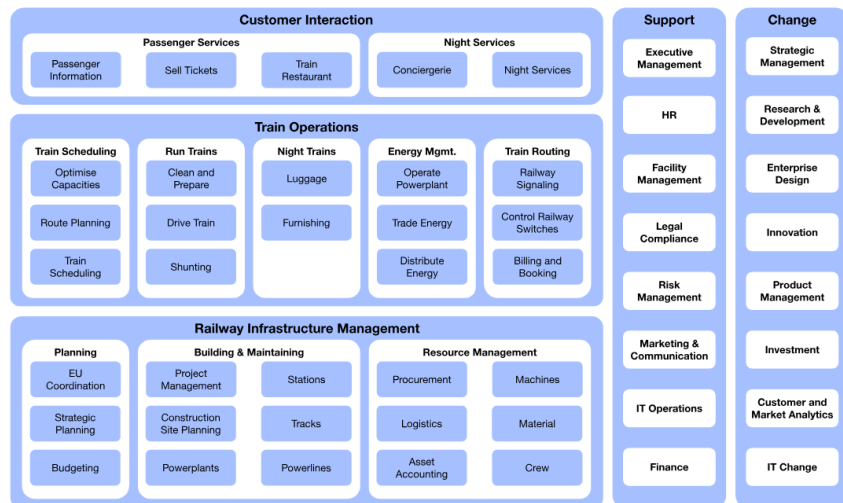
A **Capability Model** communicates a Story about the Organization's pathway to a future state.

- It is a more detailed expression of WHAT capabilities are needed for the enterprise to take strategy to an actionable level.
- It is **a multi-dimensional, Multiview, and dynamic**
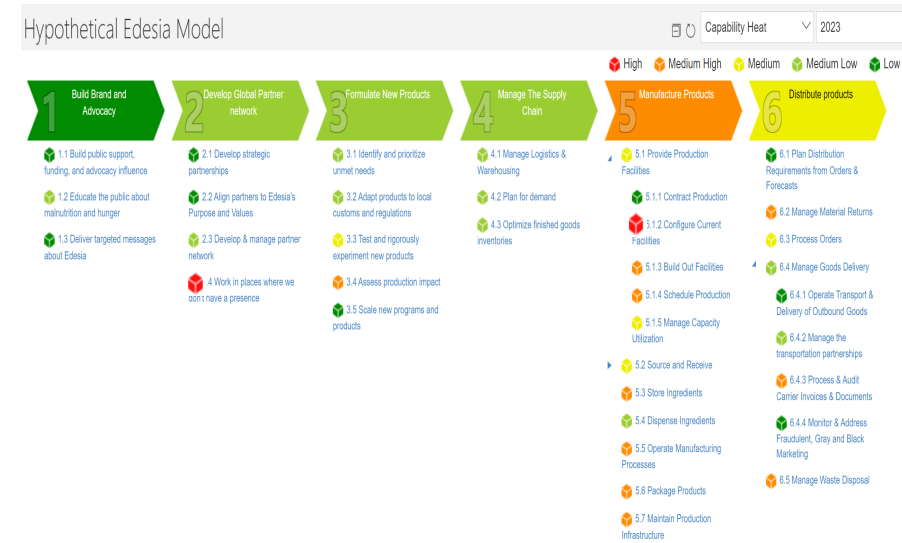
Ways to View Capabilities

- A **Milky Way Map** is a visual representation of the whole business or some part of it; depicting the geography of the business of the enterprise. It shows the big picture in a single view, including *what* customer activities or tasks to be done, *how* the enterprise serves those tasks, and *why* the enterprise is doing all of this.
  - combines the customer's perspective and the enterprise's business perspective and
  - the why, what and how by bringing together the enterprise's outcome elements, Purposes, Tasks and Capabilities.
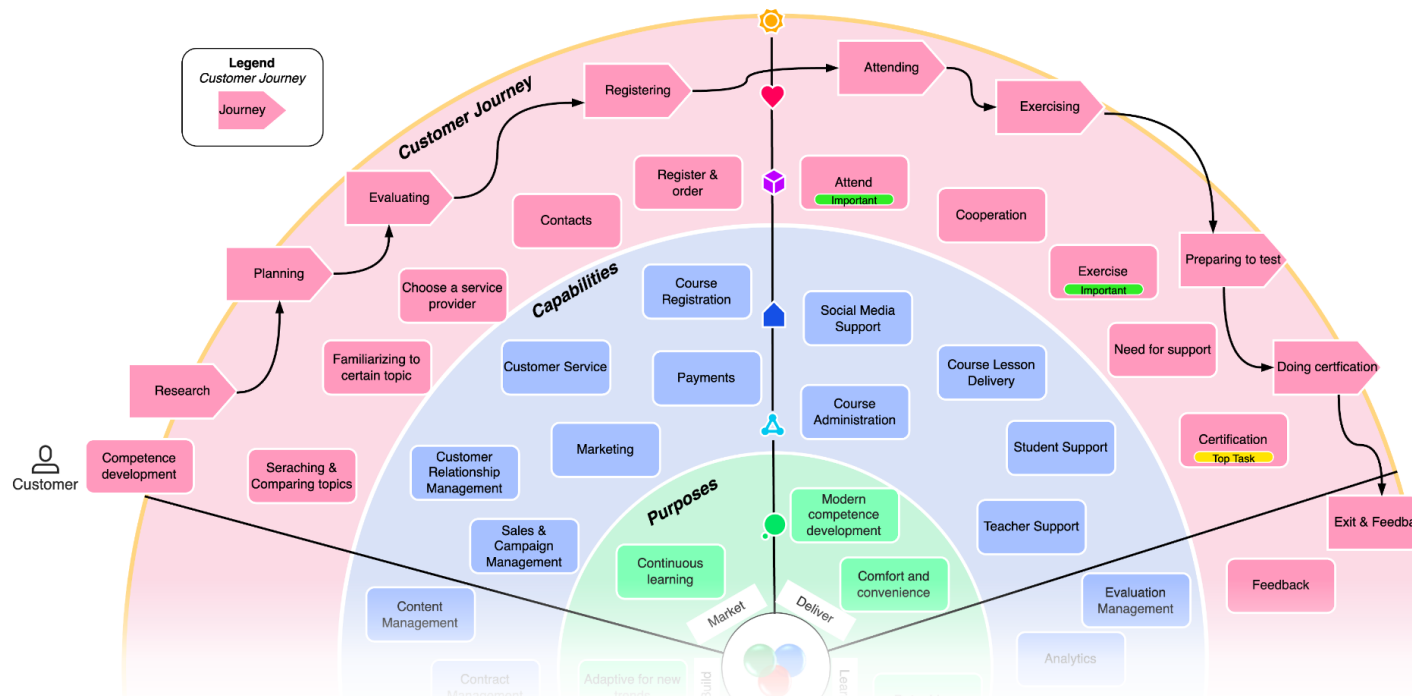
Views:
- Experience Focus
- Services Focus
- Organization Focus
- Budget Focus
- Portfolio Mgmt. Focus
- Architecture Focus

Figure: Focus on experience within the Customer Journey.

Open Discussion

Design Patterns for Capability Models

- Co-design with current and future process owners and representatives of all disciplines who will contribute to realization of Capabilities in Processes.

- Organize capabilities into three collections: Directing and Controlling, Operating, and Enabling

- Organize operating capability families to communicate a story about the organization's pathway to success.

- Order top level families in the operating collection from left to right as value creation stream., i.e., **the core story of the organization**

- Express capability in verb-noun syntax to make it easy to tell the story.

- Order directing and controlling and enabling capabilities in a way that make sense to the business.

- Constrain levels of capabilities to families, generic and specific.

- Assign attributes at the specific level based on [anchors/premade choices], financial contribution and differentiation contribution [basis of competitiveness].

- Iterate on the model and where there are performance gaps, use heatmaps to focus attention on what matters most.