

Capability Modelling Guidelines

for designing adaptive and purpose-aligned enterprises

Wolfgang Goebel

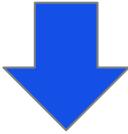


INTERSECTION GROUP

The symptoms

Enterprises struggle with executing their purpose

Disciplines work on “how” before “what”&“why” is clear



Project portfolios, organisational & IT structures messy, not adaptive and not in alignment with each other and Enterprise purposes.

Section 1

**How to structure a
Capability Map**

Section 2

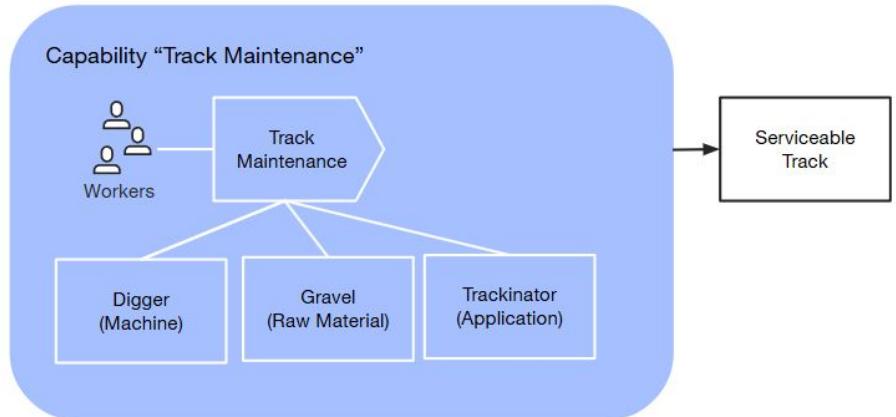
**How to use capabilities to
align investments with
purpose**

Section 1

How to structure a Capability Map

○ Capability

What we are able to do by orchestrating people and assets.



<https://enterprise.design/wiki/Capability>

Capabilities as organic Business Modules

Each module: orchestration of people, assets and processes to create well-defined outputs



First people co-design the boundaries of the garden beds

Design the “what”

**Well-defined,
distinctive outputs**

**Together what
belongs together**



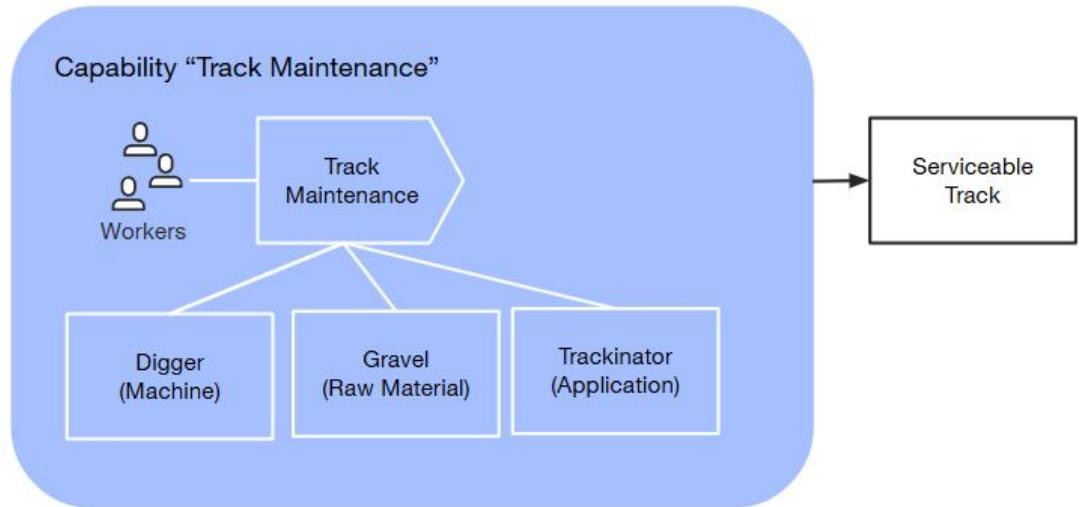
Then people realise their capabilities

Design the “how”

Which people/skills?

Which assets?

Which processes?



“Belongs together” in an enterprise context



By object (powerlines)



By activity (logistics)

Make an intentional design decision based on specialisation.

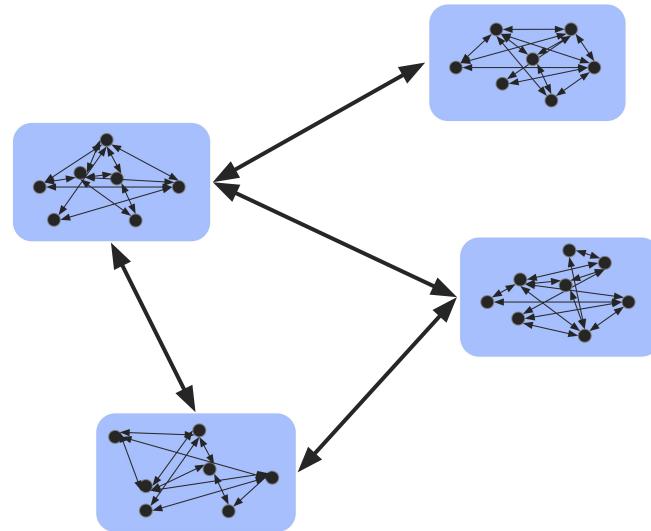
○ Loose coupling

Clear accountabilities

Avoid redundancy

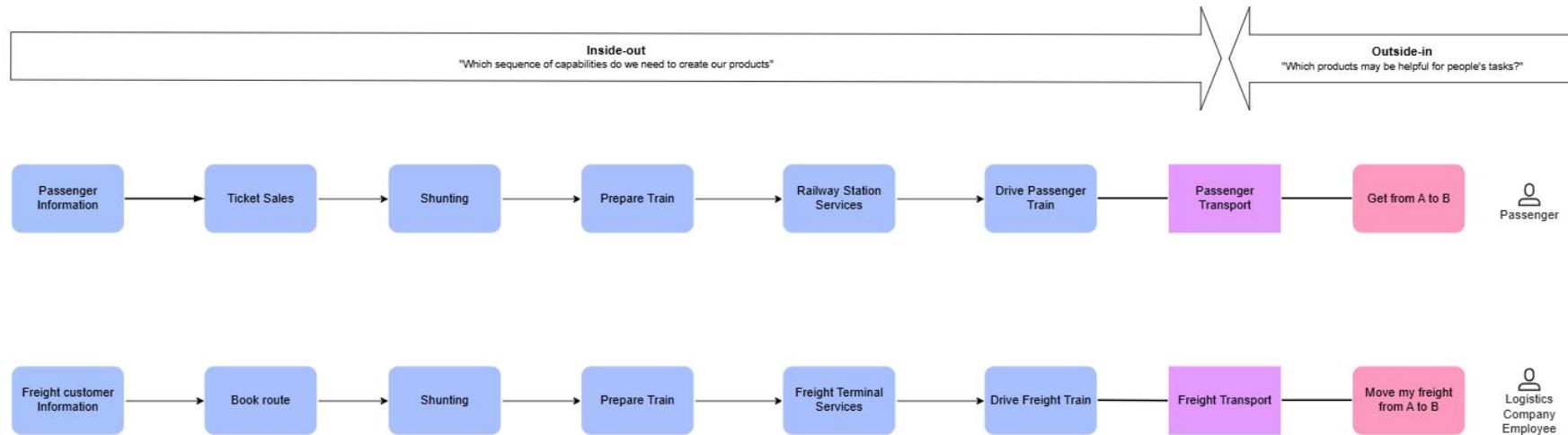
**Minimise interactions
between capabilities**

Key to adaptivity



Follow the flow to product creation

Work backwards through the flow of product creation activities



Follow the flow to product creation

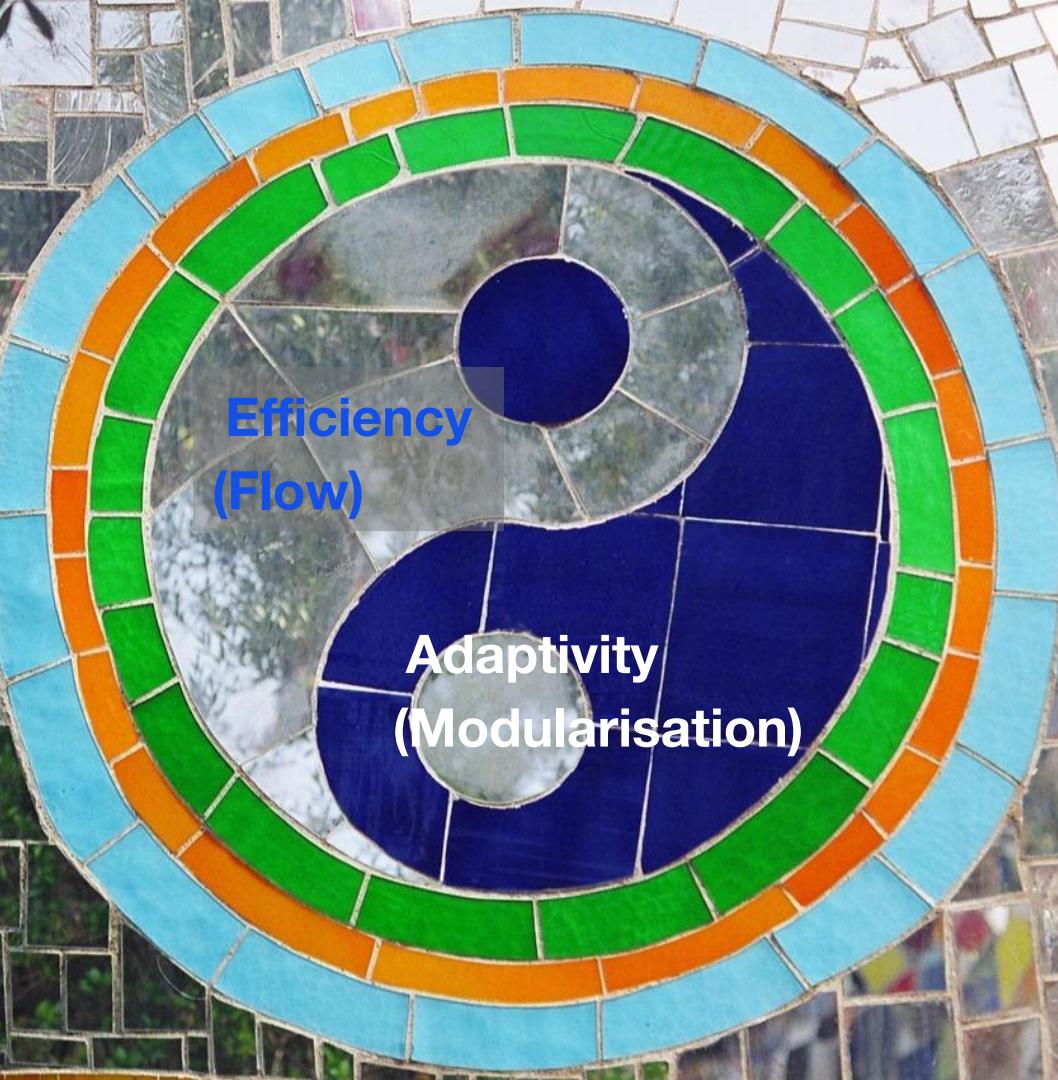
Work backwards through the flow of product creation activities

Easiest way to find high-level capability families

Scaffolding of the process model

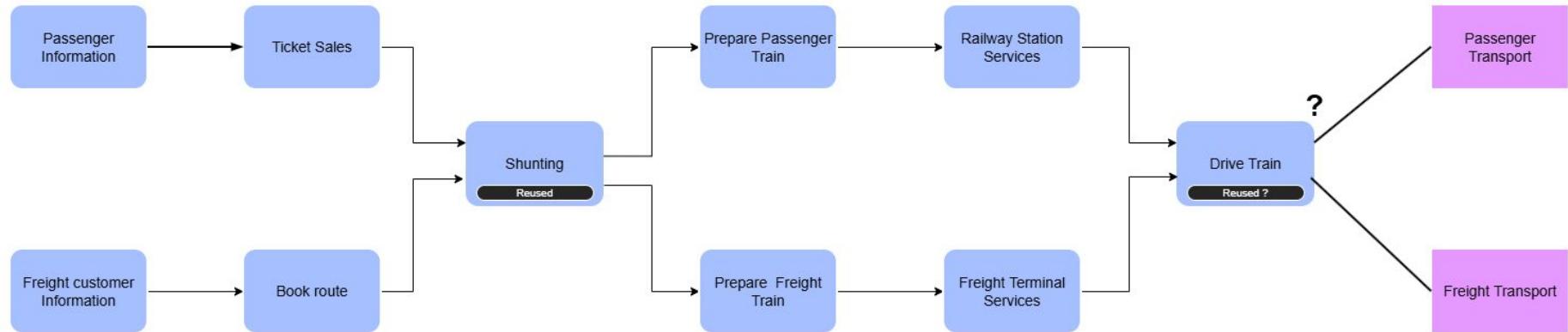
Leads to stream-aligned organisations

**Balance efficiency
with adaptivity...**



Balance efficiency with adaptivity

By reusing capabilities (=business modules) between flows



Clear language is THE foundation for modelling

Information is subjective. Always. Put more effort into terminology than you are used to.

Make maintaining the glossary a team effort.

Embrace the enterprise's dialect.

Don't accept poorly defined concepts.

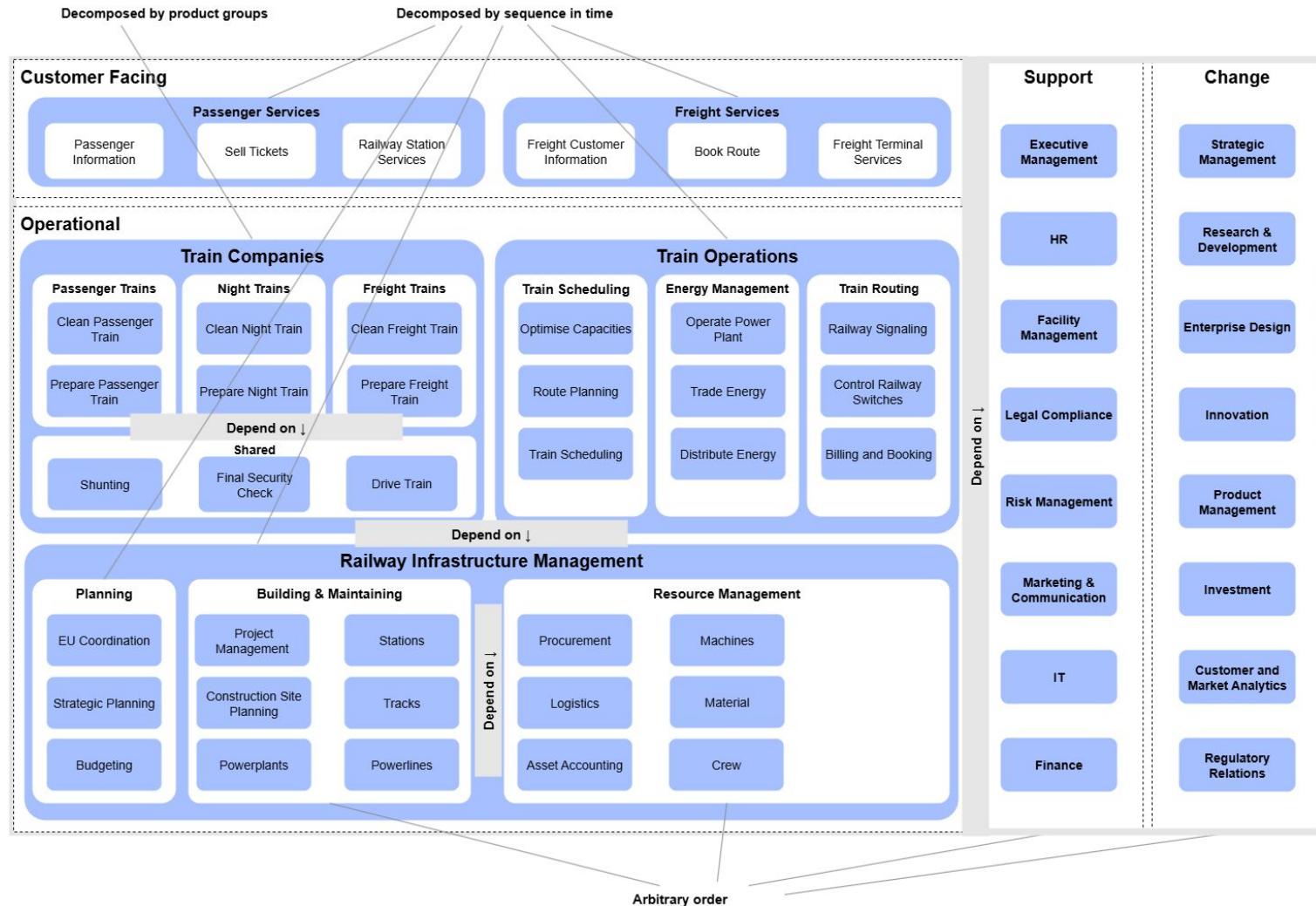
Use simple common terms or verb-noun action phrases.

Introduce new terms with care.

Vigorous verbs.



Layout your map with care



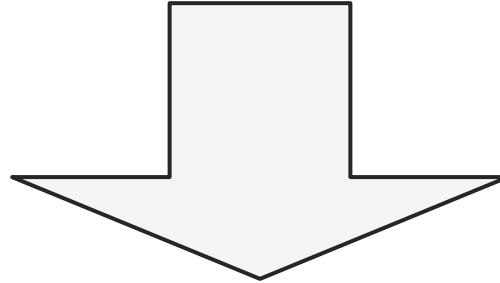
Section 2

How to use capabilities to align investments with purpose

What are we talking about today?

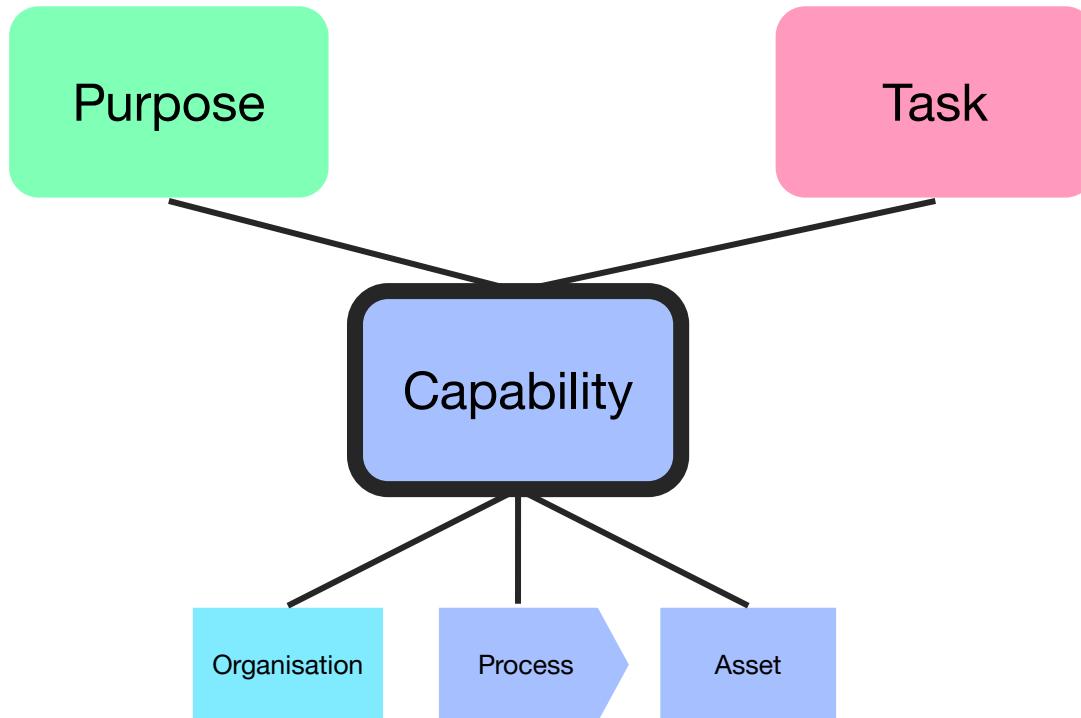
What do we want?

What do they want?

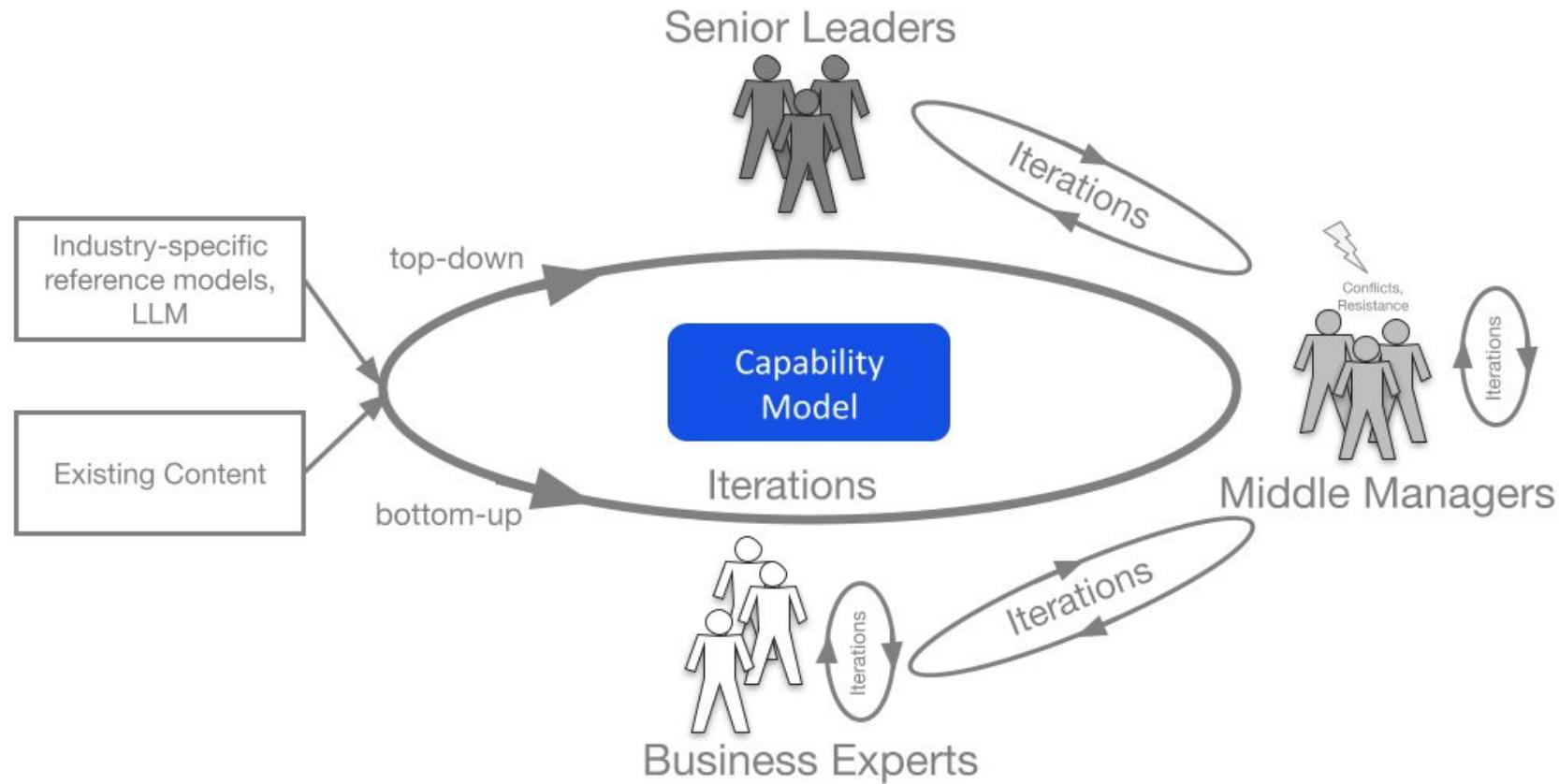


What do we need to do?

○ What are we talking about today?



Capabilities align people towards a shared purpose



Seek outside inspiration - LLMs

Set context with your first prompt:

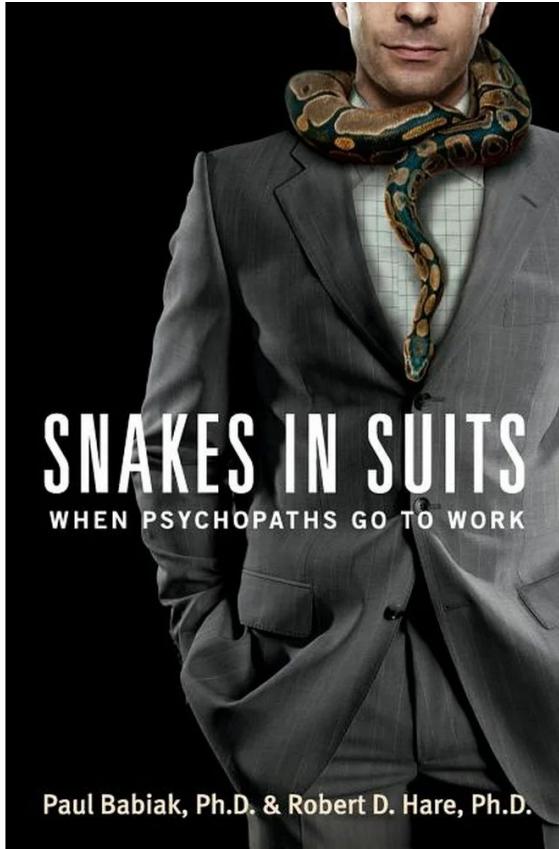
LLM Prompt: “For central-EU passenger travel, who are my competitors within and outside railway Enterprises?”

Get more specific about what you are going to use the Capability Map for:

*LLM Prompt: “Consider a complete capability set of my railway enterprise and organize it into a **hierarchical depiction** of names of capabilities. Use no more than **seven top levels** and no more than **two sublevels**. This depiction will be **used to discuss performance and investments** in improving performance.”*

Deal with resistance (of middle managers)

Not everybody likes the transparency that comes with a capability map!



Deal with resistance (of middle managers)

Tips	Why
Be transparent about the mandate, goals and Process.	A middle manager may view Capability modelling as another time-consuming and abstract exercise with unclear benefits. Explain your mandate (ideally from senior leaders), the goals and address potential concerns head-on.
Provide concrete examples.	Demonstrate benefits for the middle manager in the form of a realistic use case. How would the Capability map help address a particular pain point for middle managers?
Show empathy and respect for their time.	Acknowledge the middle manager's workload. Keep meetings focused and efficient by communicating estimated time commitments upfront. Show that you care about their concerns.
Listen and show that you care about their concerns.	When managers show resistance, listen to understand the root cause. Is it fear, scepticism, or a genuine practical concern?
Start small if the resistance is very high.	If resistance is very high, consider piloting the Capability modelling in a less sensitive or smaller department first to demonstrate success before rolling it out broadly.
Create a power map.	Map out the relationships between people and identify where the key interests, relationships, and points of tension are.

Benchmark as-is capabilities

Use all kinds of sources to understand competition's capabilities

- *Competitor's website*: products, pricing
- *Public data*: Financial reports, ratings
- *Research firms*: industry benchmarks, market research
- *Social Media and online forums*: client comments and ratings
- *Mystery shopping*: Sign up for competitor products or services
- *Customer surveys*: Ask your customers why they use or left a competitor
- *Employees who may have worked at competitors*

LLM Prompt: “For central-EU passenger travel, who are my competitors within and outside railway Enterprises?”

LLM Prompt: “Summarise what creates competitive advantage for each of the competitors in a table.”

Benchmark as-is capabilities

Begin with a basic performance indicator...



Overall performance:

...best in class

...above average

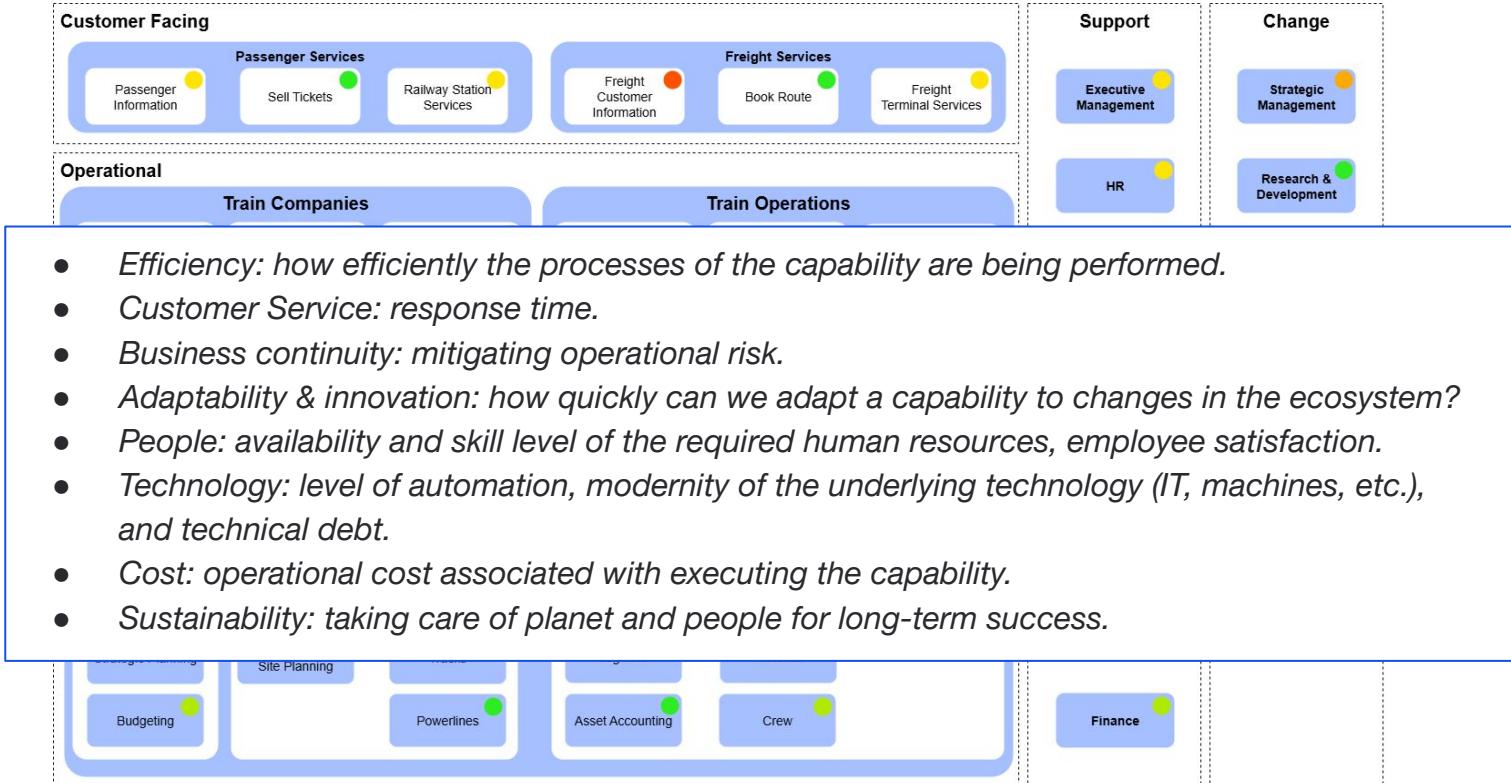
...average

...below average

...well below average

Benchmark as-is capabilities

...and analyse further where in doubt.



Overall performance:

...best in class

...above average

...average

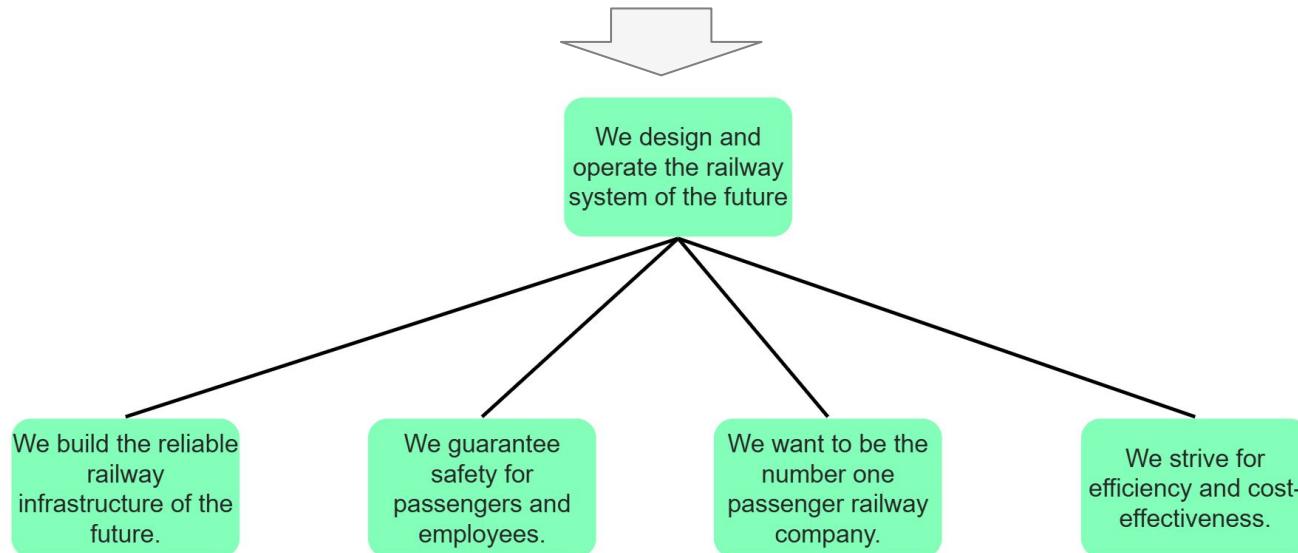
...below average

...well below average

Clarify Vision

Vision statement → purpose hierarchy → competitive advantage statement → distinctive capabilities

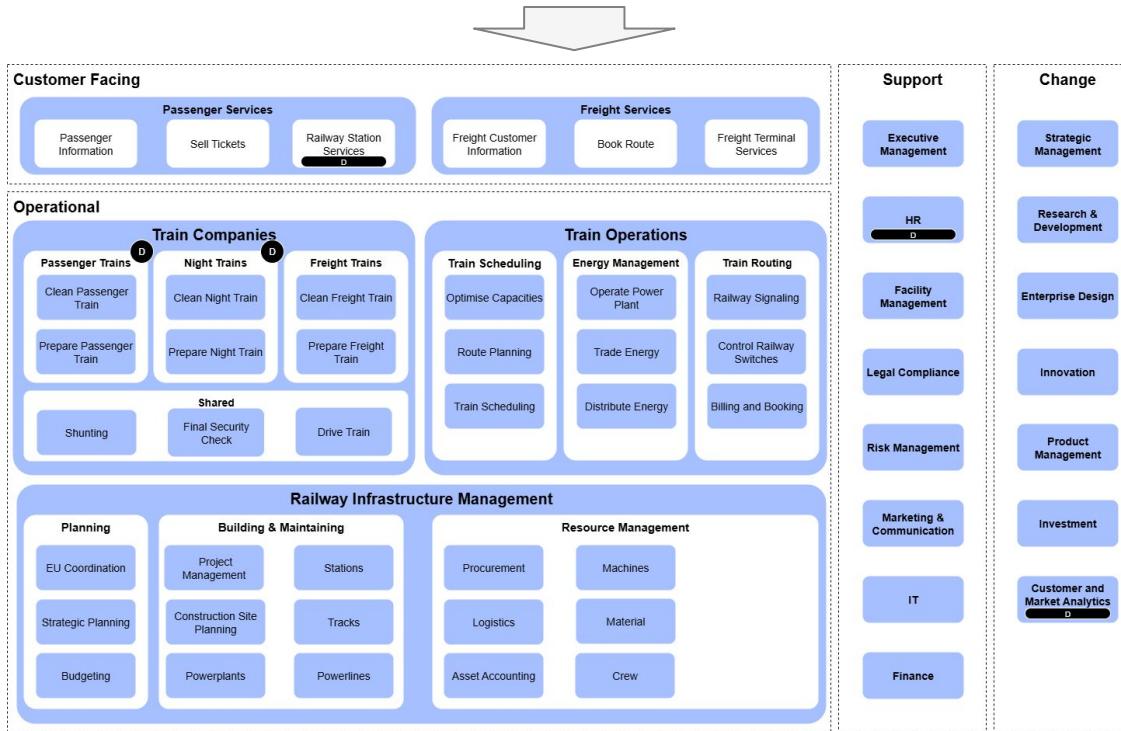
“Our vision is to lead the transformation of rail transport by designing and operating the railway system of the future. We are committed to building a reliable and forward-looking infrastructure that ensures the highest standards of safety for both passengers and employees. Driven by innovation, efficiency, and cost-effectiveness, we aim to become the number one passenger railway company, setting new benchmarks for excellence in mobility.”



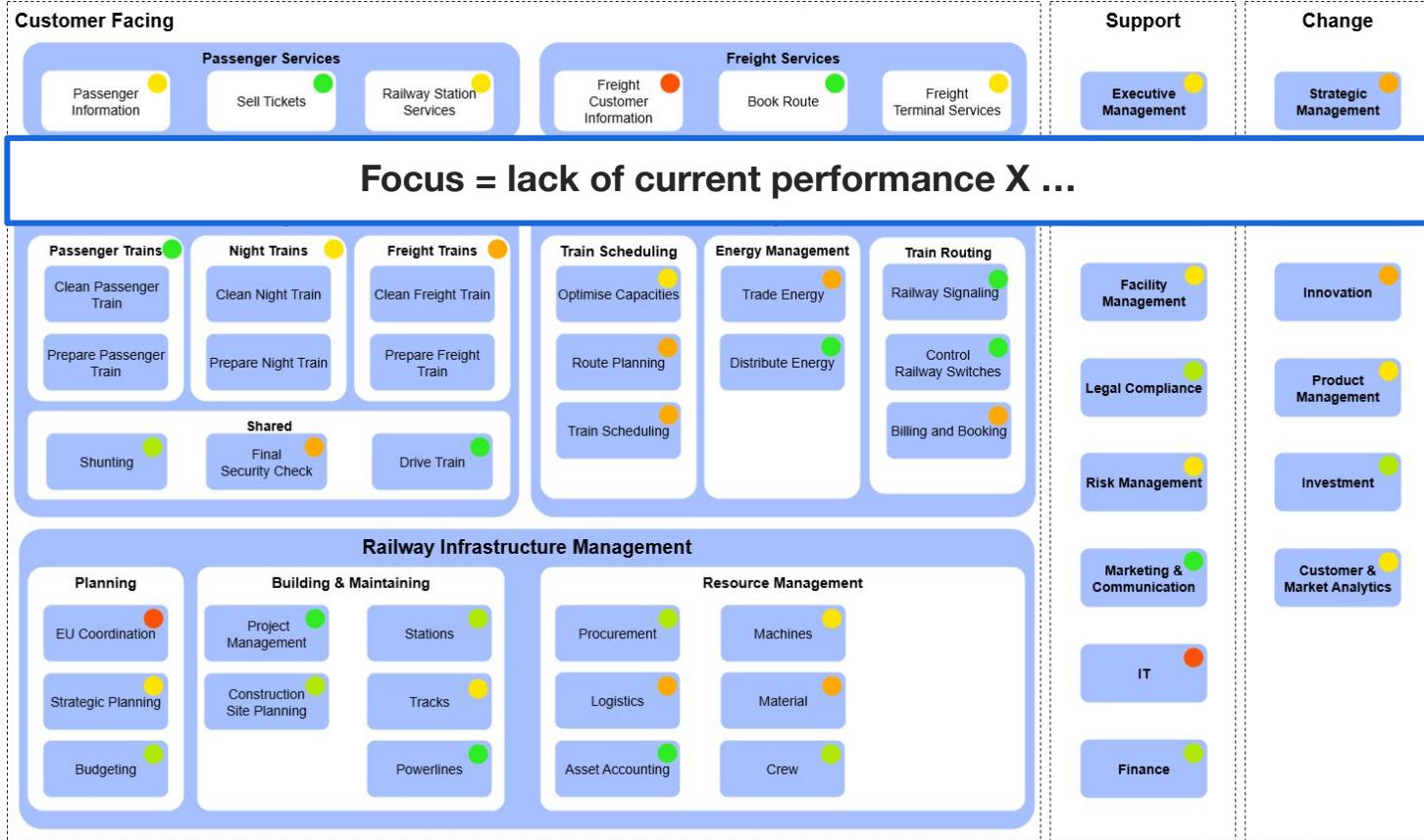
Clarify Vision

Vision statement → purpose hierarchy → **competitive advantage statement** → **distinctive capabilities**

“We deliver the most convenient experience for our passengers by day and night in the physical space—combining cleanliness, and unmatched experiences in the stations and onboard the trains. ”



Indicate where to focus



Overall performance:

...best in class

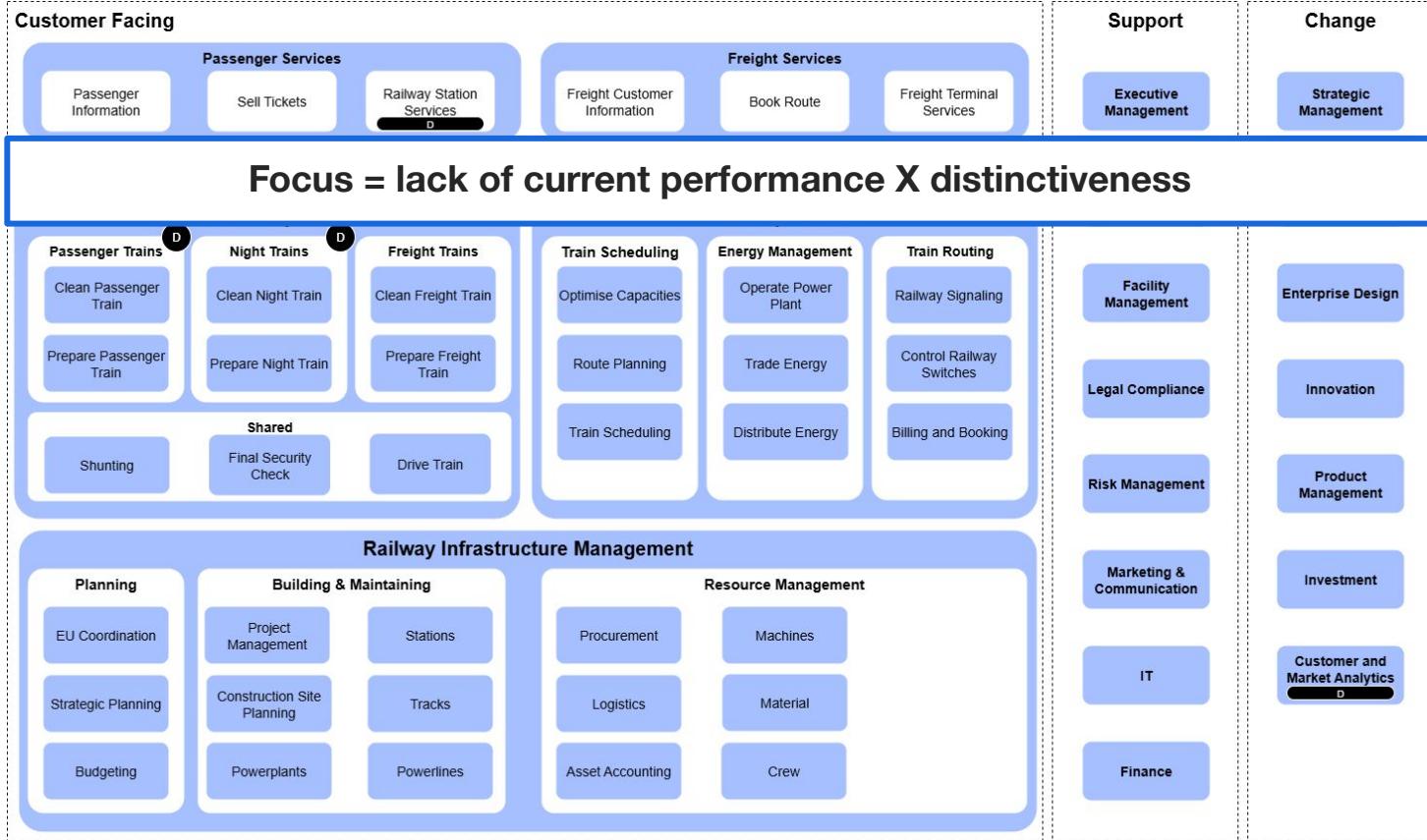
...above average

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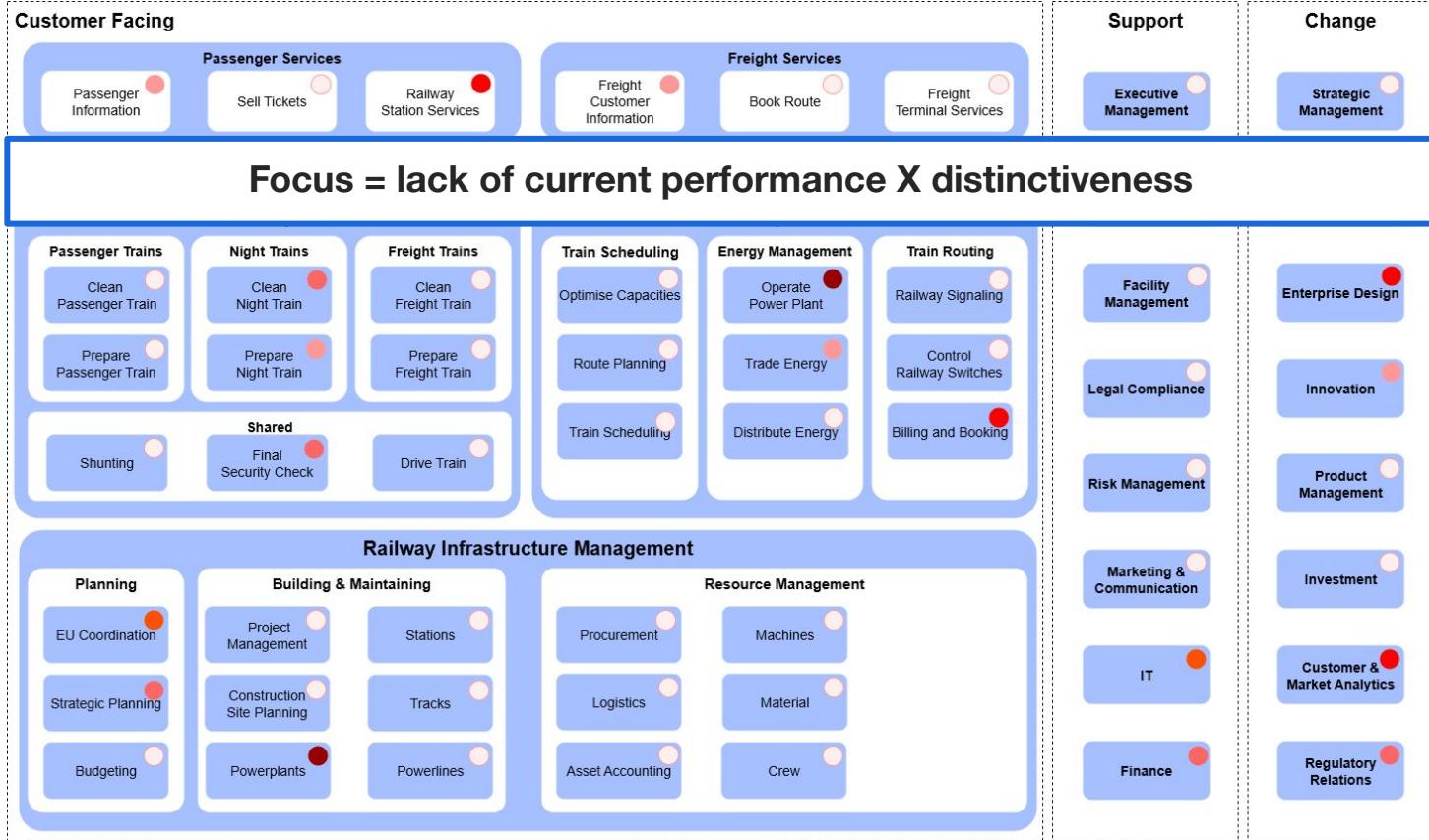
...below average

...well below average

Indicate where to focus



Indicate where to focus



Investments in change: ○ ...minimal

● ...moderate

● ...significant

● ...high

● ...transformational

Today

**Capability maps use
uncommon language and
are used exclusively by
Enterprise Architects.**

Tomorrow

**Capability maps are
co-designed by all relevant
business experts and used
throughout the company
(for Management,
Organisation, Finance, IT,
Asset Management, ...)**

Today

Organisations are structured into departments and teams by their managers.

A combination of politics and gut feeling.

Tomorrow

Capabilities are co-designed by all relevant experts first.

Organisation structures are derived from capabilities.

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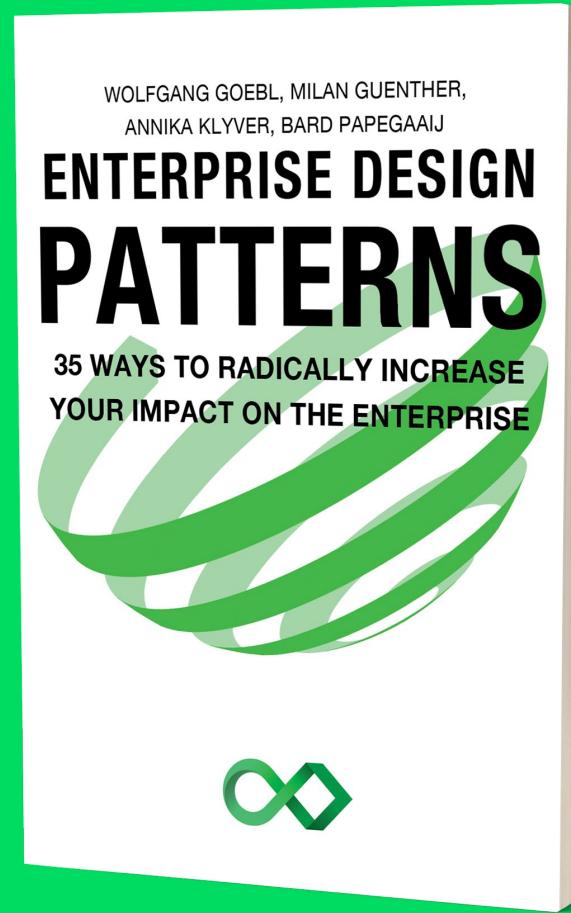
Patterns

Journey to impact

Behaviour patterns

Practice patterns

Creations patterns





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