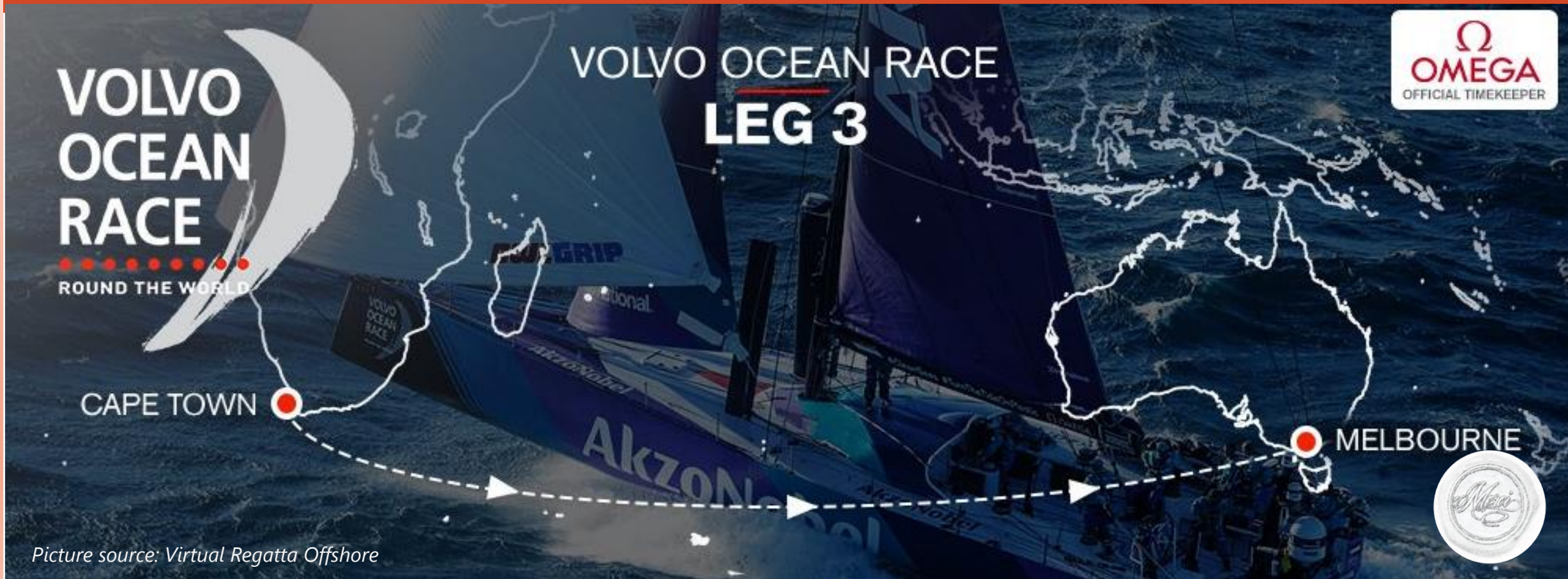


Our Strategy Race:
Leg 3 - From Cape Town to Melbourne. Putting all together to
work.



Picture source: Virtual Regatta Offshore

→ Leg 3. From Cape Town to Melbourne

OUTLINE Leg 3. Resources and Capabilities





Leg 3. From Cape Town to Melbourne.

Leg 3. Putting Resource and Capability Analysis to Work

05

**Framework for
Analyzing
Resources and
Capabilities**



We are here!

Each consulting firm (big or medium or freelance consultant) has their own methodology. There is no right or wrong framework, as far as it delivers results...

Professor Robert Grant has suggested us a step by step methodology as follows:



→ Leg 3. From Cape Town to Melbourne.

Leg 3. Putting Resource and Capability Analysis to Work

05

**Framework for
Analyzing
Resources and
Capabilities**



Practitioners

We are here!

Each consulting firm has developed a framework. The reason why consulting companies emerged over the last century was to help owners and founders with “putting Resources and Capabilities to work”. Methodologies are abundant in the topic. Some of them, are based from an outside-in approach. Others from an inside-out perspective. Which is the best? Depends on the context, depends on the type of organization, the industry and how much are you willing to pay for your consulting advisory firm.

- Functional Classification (traditional approach)
- **Value Chain (Porter) – Monitor Legacy now acquired by Deloitte**
- Resources Based View Theory
- From Key Success Factors to a quadrant appraisal matrix
- **BCG Capability Framework**
- The RBL Organization Strategy models (these firm has several frameworks)
- **The McKinsey C4P Framework**
- Strategy& Capabilities Assessment Tool (Former Booz Allen Hamilton acquired by PWC)
- **BAIN organizational Frameworks for each organizational context...**
- The big Four methodologies: KPMG, Ernst Young, PWC, Deloitte have their own toolkit
- **AT Kearney**
- Many other IT consulting companies have their own toolkits
- Etcetera, etcetera, etcetera...

Academic
Fundamentals



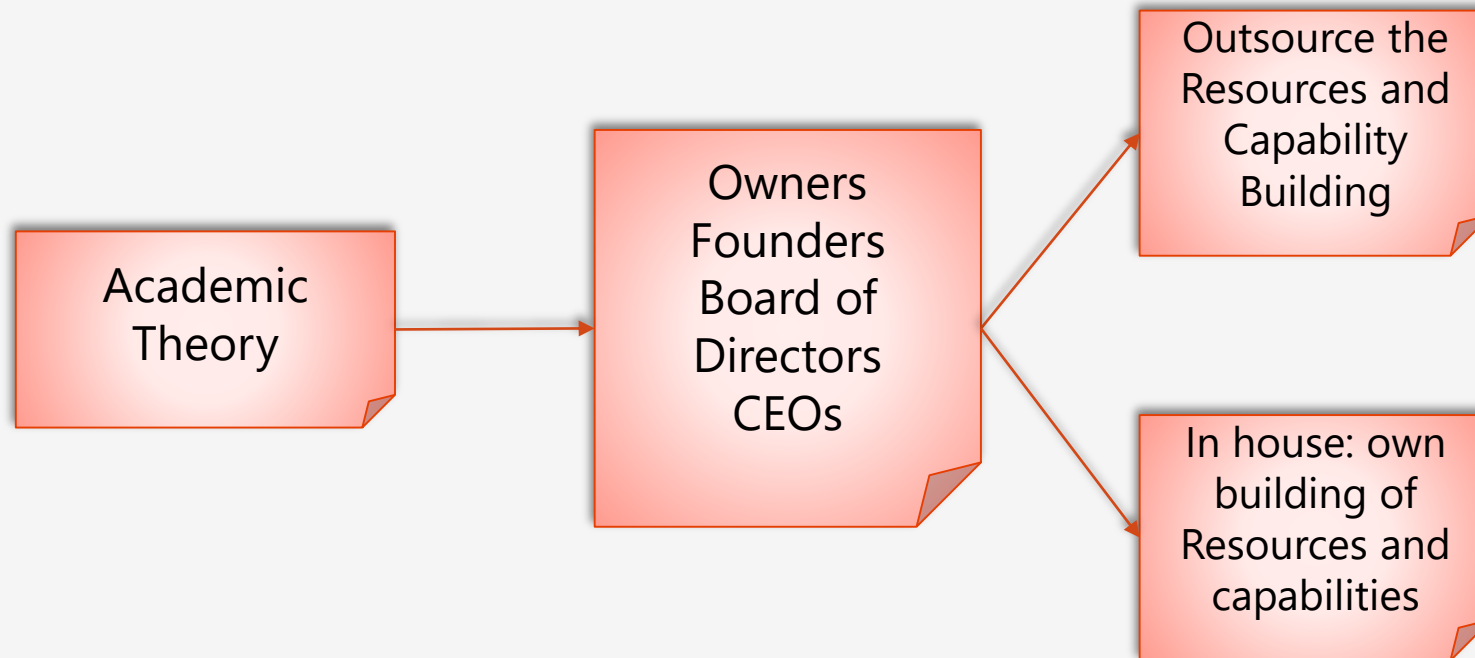
→ Leg 3. From Cape Town to Melbourne.

Leg 3. Putting Resource and Capability Analysis to Work

05 Framework for Analyzing Resources and Capabilities




We are here!



The mission of many Consulting firms should have been to help owners in several areas related to strategy and capability building

From Theory to Action





Leg 3. From Cape Town to Melbourne.

Leg 3. Putting Resource and Capability Analysis to Work

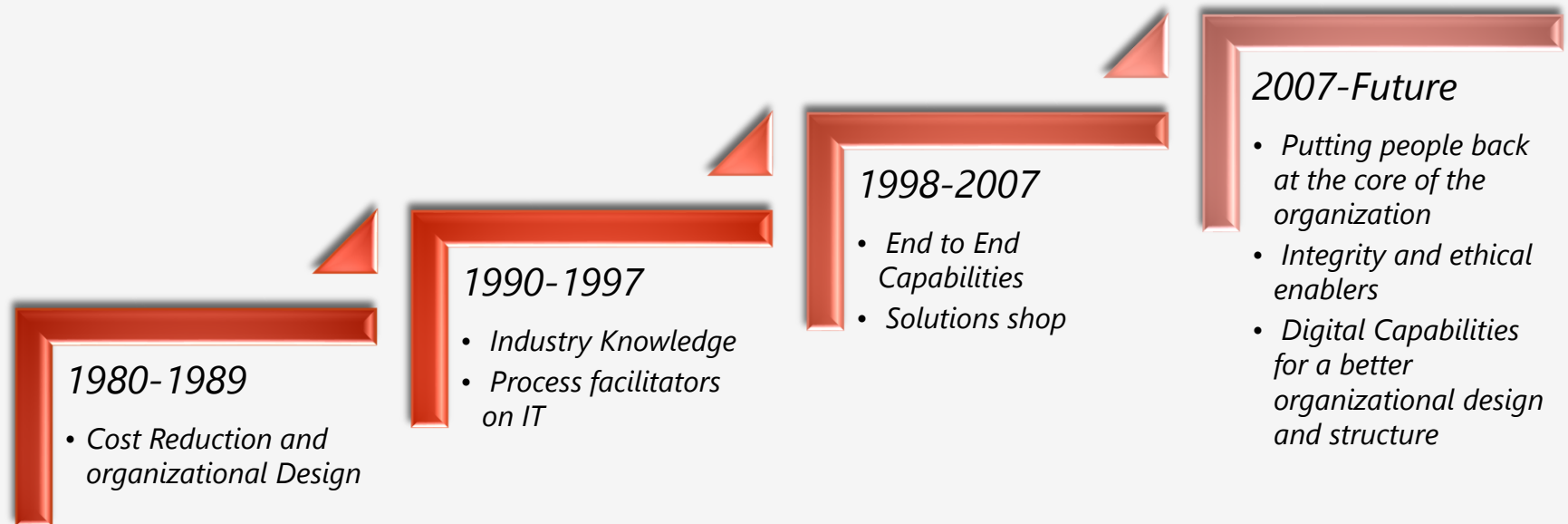
05

**Framework for
Analyzing
Resources and
Capabilities**



We are here!

The consulting industry has undergone continuous change over the last 40 years...



Source: Some of the information shown here belongs to AT Kearney Strategy Training





Leg 3. From Cape Town to Melbourne.

Leg 3. Putting Resource and Capability Analysis to Work

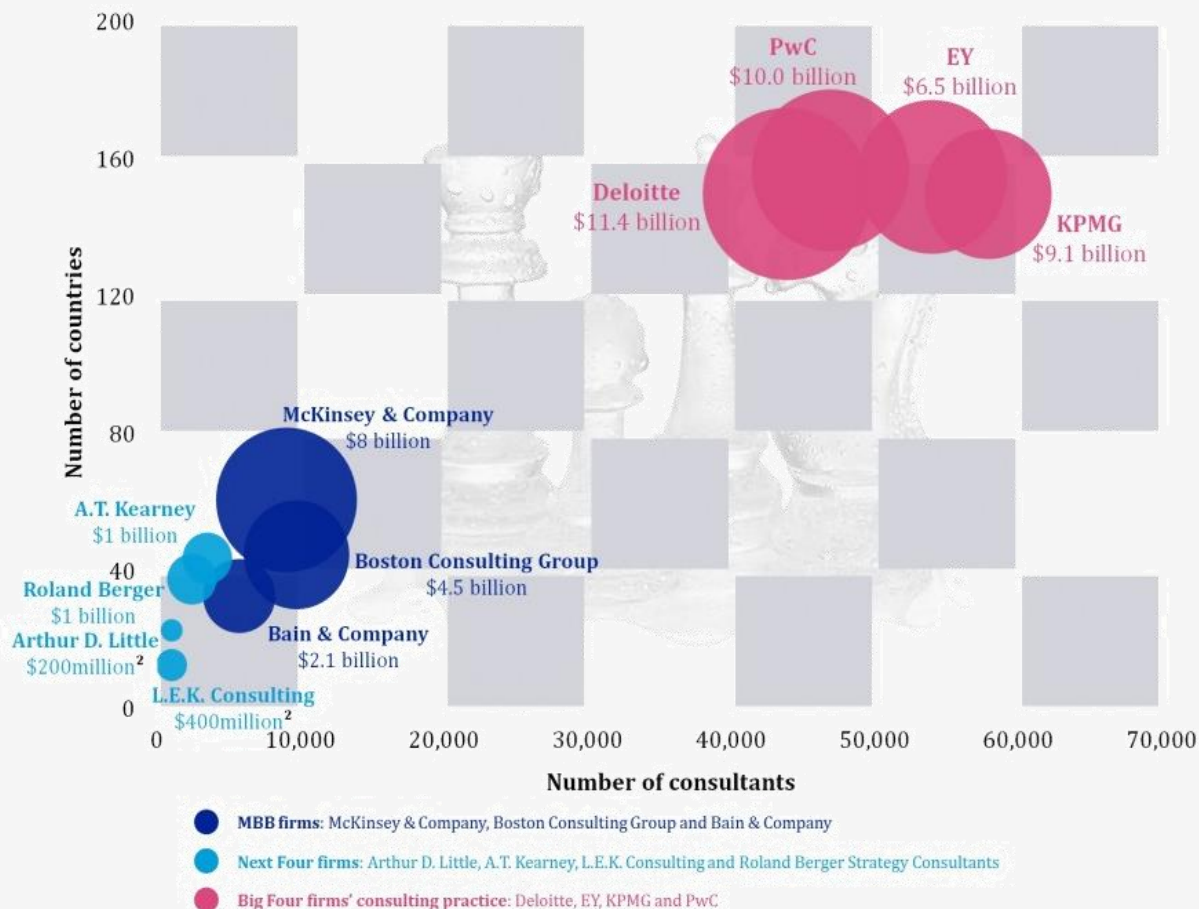
The strategy consulting empires of MBB, Next Four and Big Four firms in 2014

05

**Framework for
Analyzing
Resources and
Capabilities**



We are here!



Note: 1. The spheres represent the relative turnover generated by each firm.
2. Where no information was reported by the firms or media, estimates were applied.

Beaton Capital, has segmented the main players at the global consulting industry in three big groups:

1. *MBB Firms: McKinsey, BCG and Bain & Company*
2. *Next Four Firms: AT Kearney, Roland Berger, Arthur D. Little and L.E.K. Consulting*
3. *Big Four Consulting Practice: Deloitte, EY, KPMG and PWC*



Source: Beaton Capital, Eric Chin.

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Leg 3. Putting Resource and Capability Analysis to Work

One of the three MBBs, Boston Consulting Group has evidence through years of their advisory to its clients, that organizational capabilities drive success. BCG has developed a framework of 20 organizational capabilities...

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**Framework for
Analyzing
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Capabilities**



We are here!



Structural Design

- Organizational Structure
- Role of the Corporate Center
- Layers and Spans of Control
- Organizational Cost-efficiency
- Shared services, offshoring and outsourcing



Roles and Collaboration Mechanisms

- Role Clarity
- Cross Functional Collaboration Mechanisms
- Informal and Virtual Networks



Processes and Tools

- Process Excellence/Optimization
- Project Management
- Business Analytics and Information Management



Leadership

- Leadership Performance
- Leadership Pipeline
- Middle-Management Effectiveness



People and Engagement

- Recruitment and Retention
- Employee performance Management
- Employee Motivation



Culture and Change

- Change Management Capabilities
- Adaptability and Flexibility
- Culture



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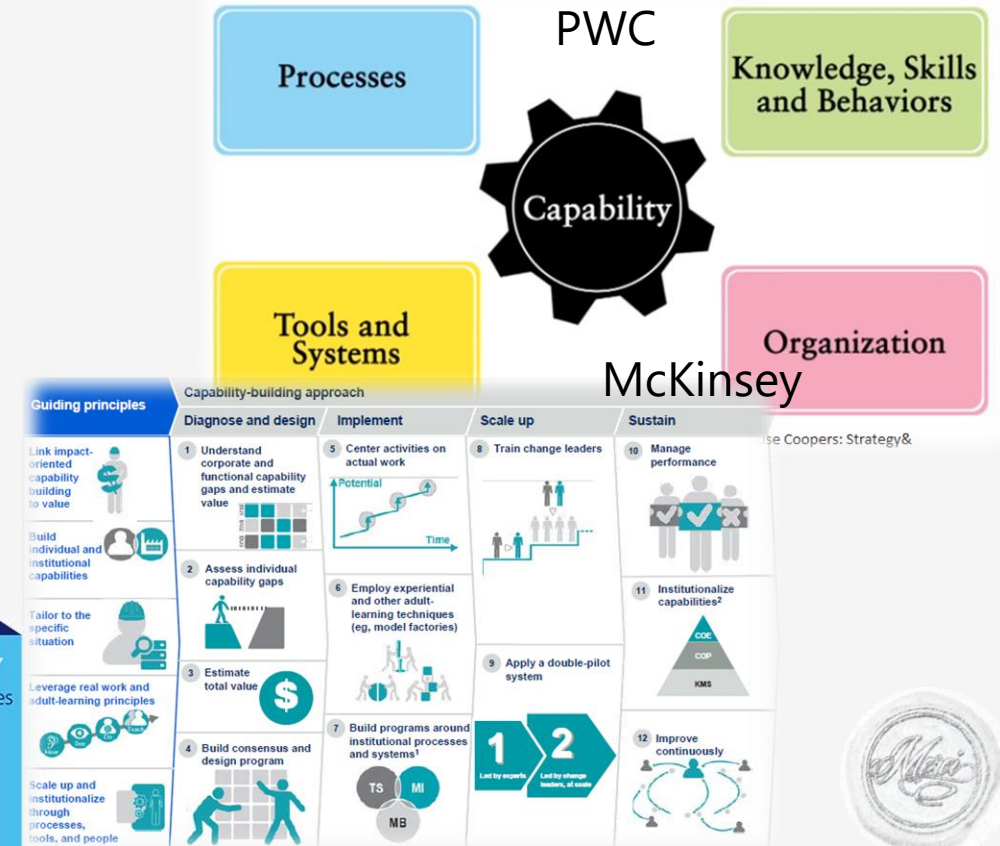
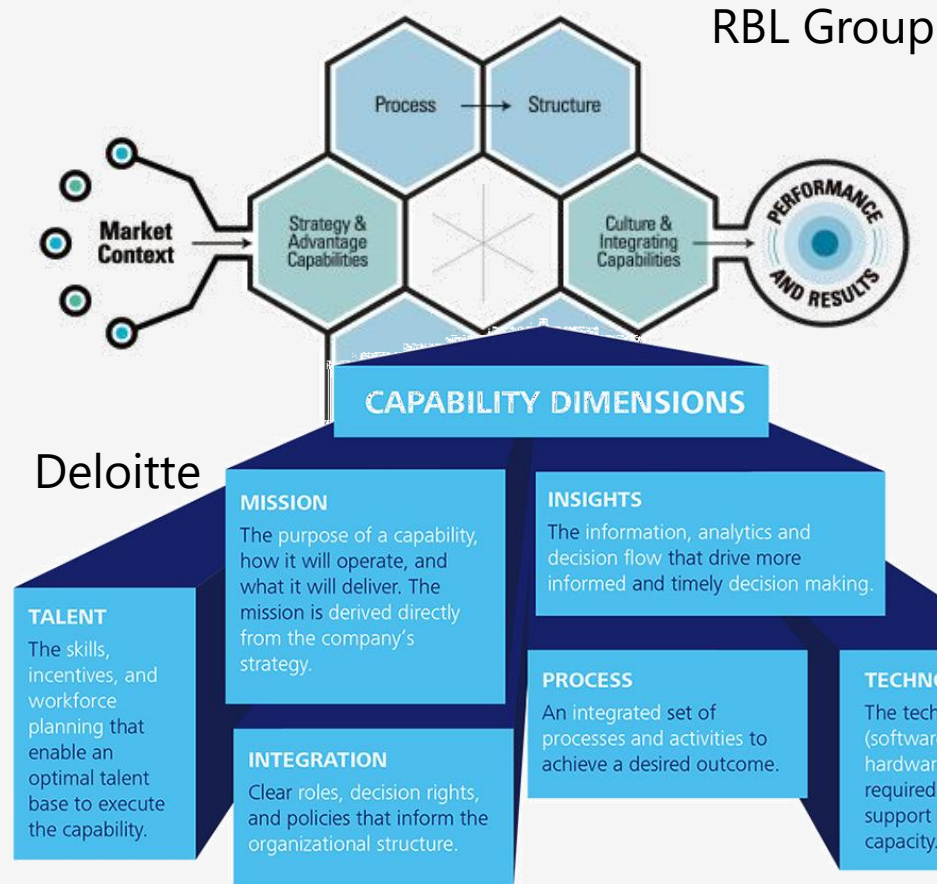
Leg 3. Putting Resource and Capability Analysis to Work

Nevertheless, each consulting firm has their own model on how to assess, analyze, build and sustain capabilities....

05 Framework for Analyzing Resources and Capabilities



We are here!



→ Leg 3. From Cape Town to Melbourne.

Leg 3. Putting Resource and Capability Analysis to Work

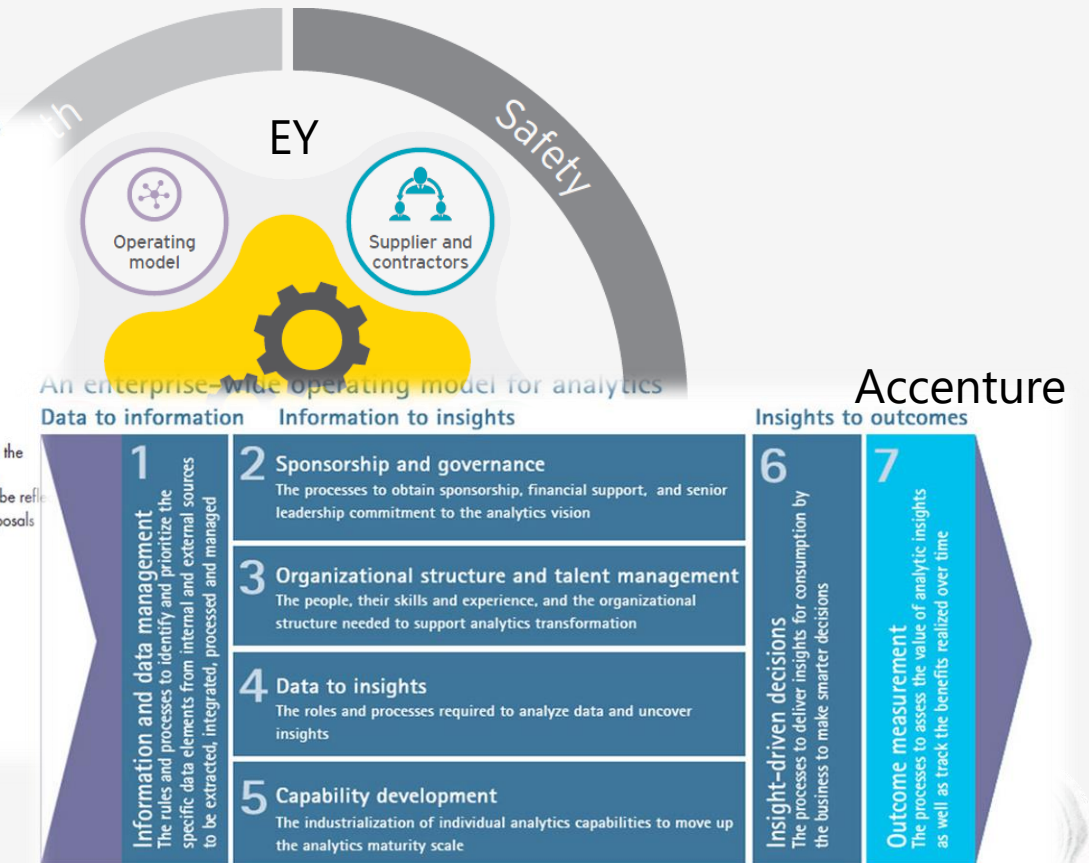
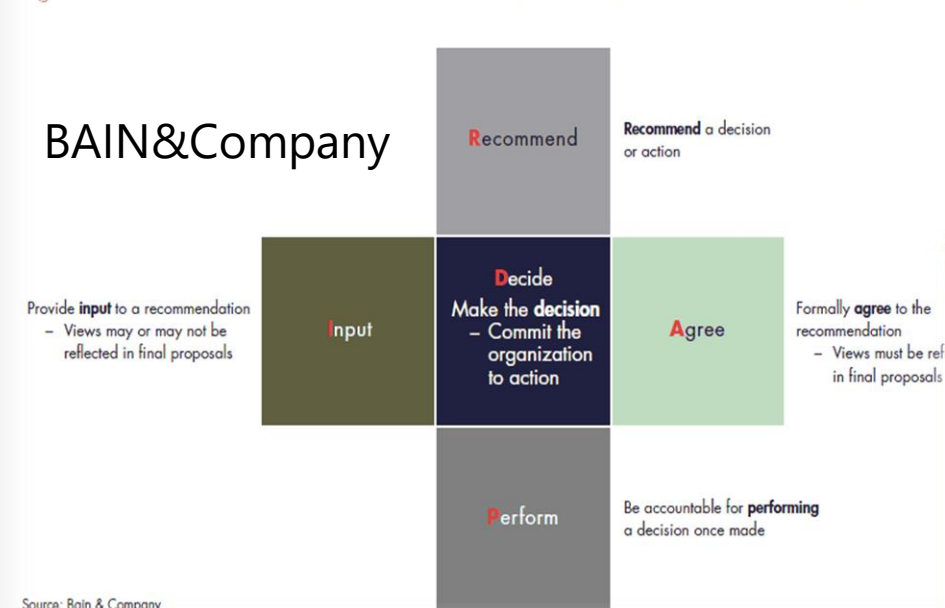
Nevertheless each consulting firm has their own model on how to assess, analyze, build and sustain capabilities....

05 Framework for Analyzing Resources and Capabilities



We are here!

Figure 2: RAPID® clarifies decision accountability by assigning owners to one of five key roles



The Accenture Enterprise Analytics Operating Model provides structure around seven activities that help organizations move from data to information to insights to business outcomes.

Note: This chart appears in "How to become an analytics-driven consumer packaged goods company," an Outlook Point of View from March 2014, an Accenture publication. Copyright 2014 Accenture. All rights reserved.

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Leg 3. Putting Resource and Capability Analysis to Work

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Framework for
Analyzing
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Capabilities



We are here!



Questions:

- **What can we do?, when there are so many consulting model options on how to put the resources and capabilities to work....**
- **And more important, how to prepare our capabilities for the digital era?**
- **Which is the best framework?**
- **Where is the evidence of success for traditional companies? And the evidence for new emerging tech companies?**

My answer is:

- **We are testing the waters. Digital is so new and we have to change our minds, our skills and the design of organizations. I can't recommend one model over another.**
- **What is true: We can't continue doing Resource & Capabilities analysis as in the past.**
- **But definitively with change, we have to see new successful evidence coming from prototype projects already being deployed by some companies.**
- **The economic results are not enough, but also qualitative measures of human improvement and the enhancement of the quality of employee's lives.**



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Our Compass: This is what theory has taught us until today:
Strategy Analysis Holistic Approach

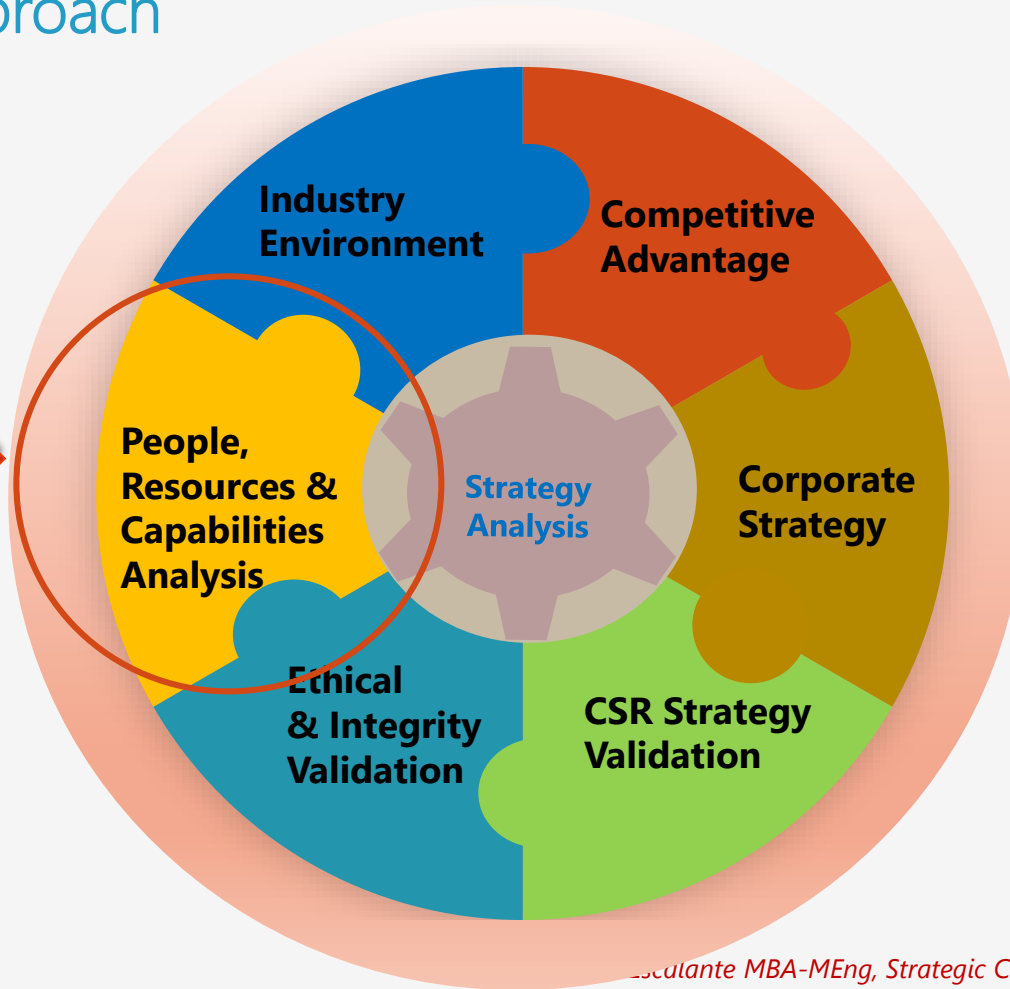
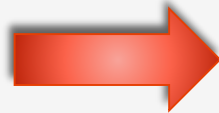
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**Framework for
Analyzing
Resources and
Capabilities**



We are here!

This is the
academic
material for
Leg 3,
which I am
trying to
share with
you



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Our Compass: This is what theory has taught us until today:
Strategy Analysis Holistic Approach

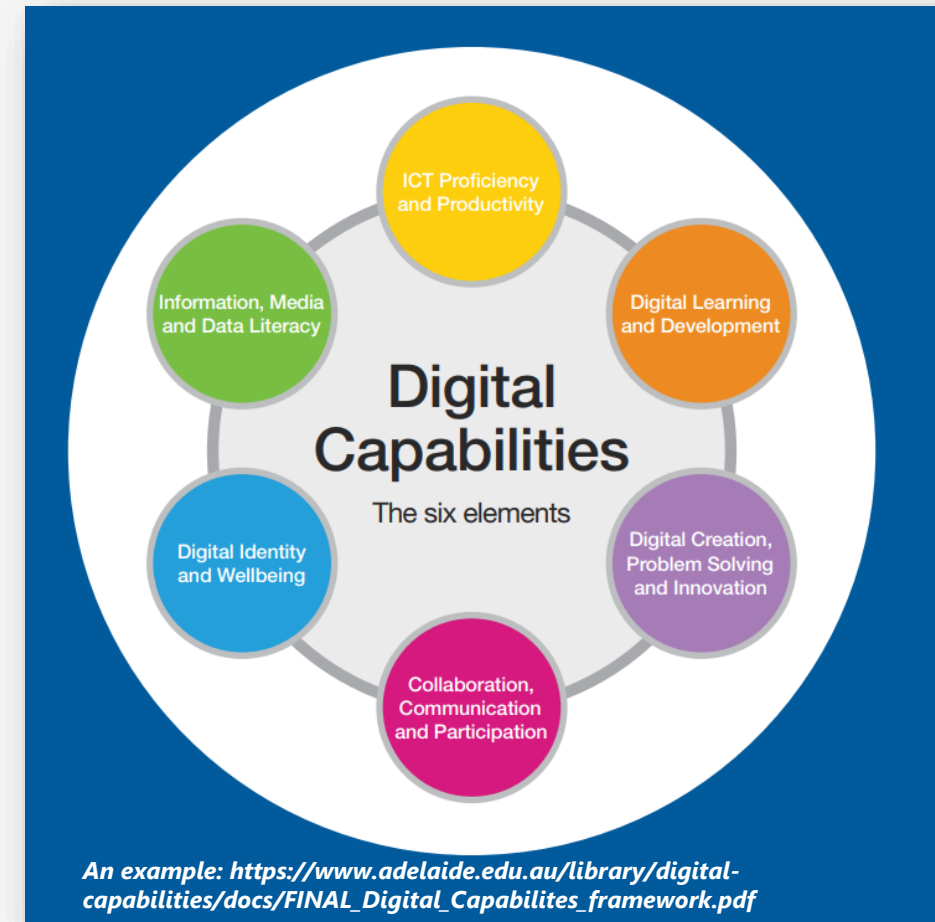
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Framework for
Analyzing
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Capabilities



We are here!

- ***We need to unlearn how to do things, learn with speed what is currently important and relearn for helping the next generation for the future***
- ***Universities are now including Digital Capabilities into their core curriculums. But I would include ethics and integrity as soon as possible.***
- ***All businesses must do the same, without losing the primary foundations of knowledge (math, literature, natural sciences, philosophy, etc.).***



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→ Leg 3. From Cape Town to Melbourne.

Leg 3. Putting Resource and Capability Analysis to Work

- ***My advise is to stick to a framework of analysis (whatever you choose). Either academic or from the practitioners perspective.***
- ***From the point of view of theoretical basis, I have respected Professor Grant steps (but I wouldn't dare to use his functional approach, neither the value chain components as tags for capabilities anymore).***
- ***In addition and I have added a Step 4. Sustaining Competitive Advantage.***
- ***In consequence: I recommend to evolve from functional to integrated capabilities. I wouldn't use separated divisions as manufacturing, or marketing, or financial management or R&D as capabilities. See the Strategy&PWC video below to understand this approach...***

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**Framework for
Analyzing
Resources and
Capabilities**



We are here!



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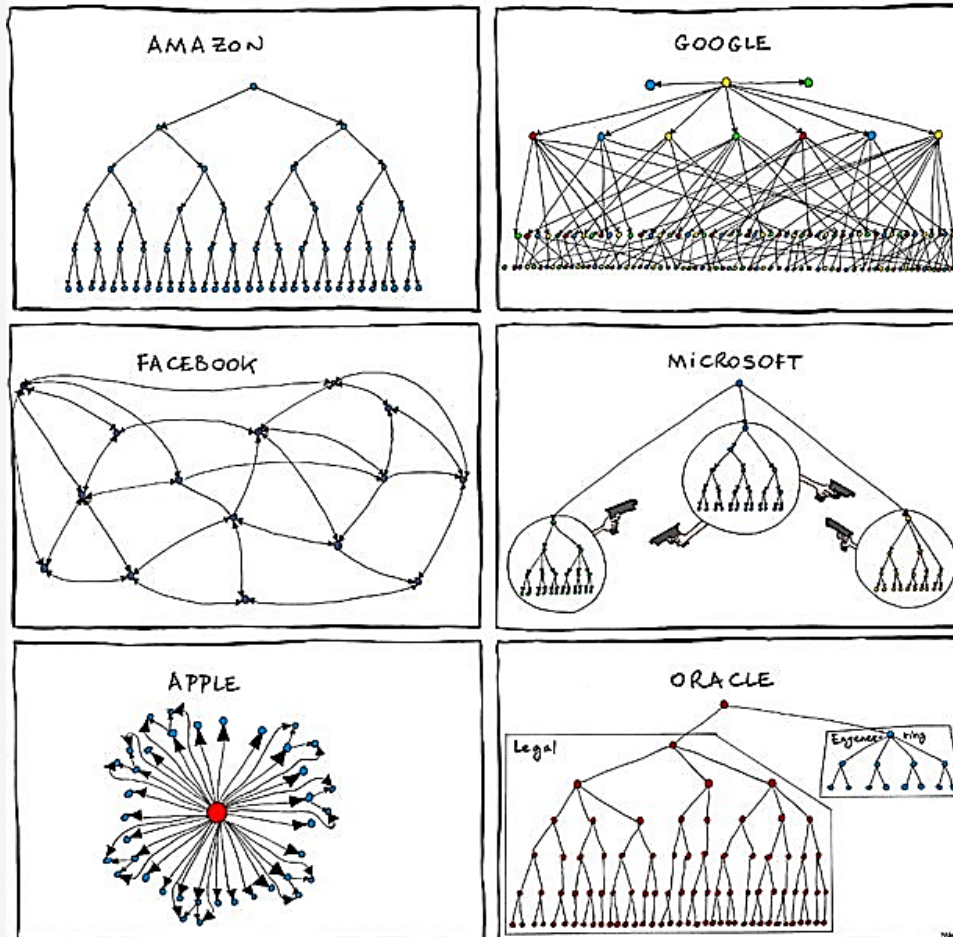
Leg 3. Putting Resource and Capability Analysis to Work

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**Framework for
Analyzing
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We are here!



Source: Manu Cornet website

Remember, right now, even the 4 top companies in the world: Amazon, Google (Alphabet Inc.), Facebook and Apple are struggling with their own organizational design.

Thank you!



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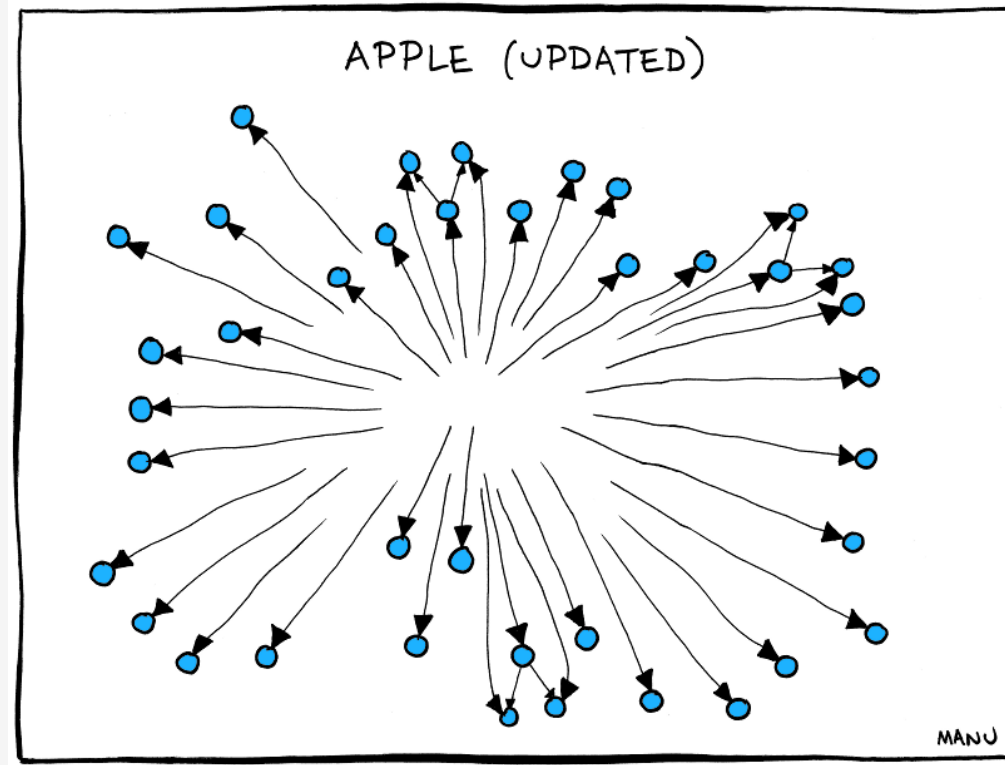
Leg 3. Putting Resource and Capability Analysis to Work

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We are here!



*Apple Organization Chart, Updated.
By Manu Cornet.*

Thank you!



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