Core competency analysis
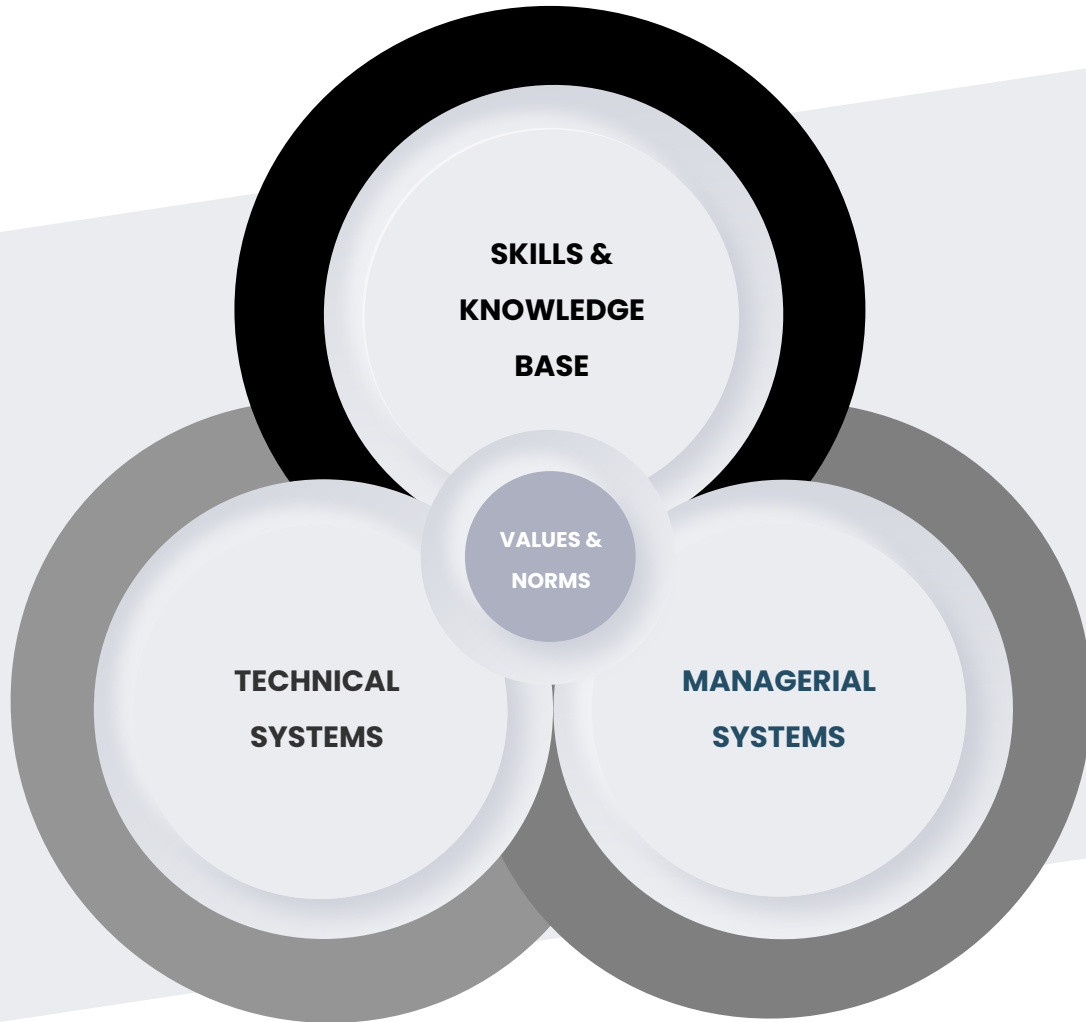
SKILLS & KNOWLEDGE BASE

VALUES & NORMS

TECHNICAL SYSTEMS

MANAGERIAL SYSTEMS

INTRODUCTION

Core competency can be defined as a harmonized combination of multiple resource and skills that distinguish a firm in the marketplace. Core competencies are the foundation of an organization's competitiveness.

CORE COMPETENCIES

- Favorable conditions compared to rivals
- Limited scope and short term measure
- Places company over rivals in one market

COMPETITIVE ADVANTAGES

- Specific set of skills or knowledge
- Far-reaching scope and long term measure
- Allows company to gain presence in multiple markets

CORE COMPETENCIES

+

COMPETITIVE ADVANTAGE

=

LONG-TERM SUCCESS

CORE COMPETENCIES

- Pre-launch competency
- Launch company
- Life cycle management competency
- Personal development skills

CORE POTENTIAL

- Skills in creating scientific events
- Skills in clinical development
- Skills in management of sales force
- Training skills for reps & internal staff
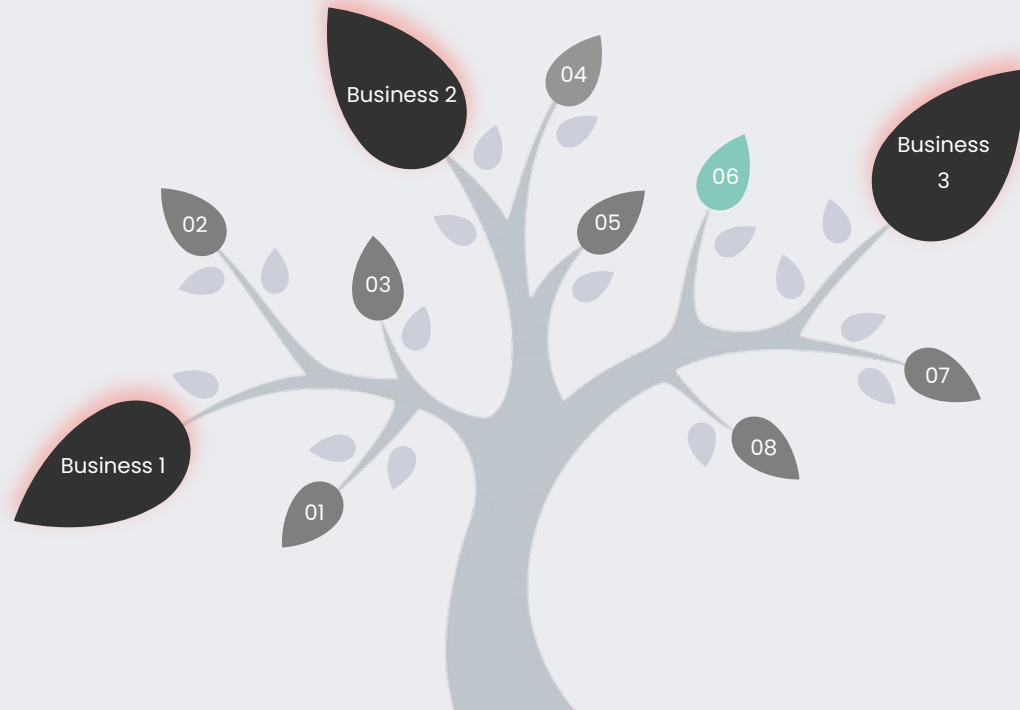
COMPETITIVE ADVANTAGE

- Knowledge reps
- Perception of quality, safety, innovation on a corporate level
- Perception of a leading company
- Patient education
- Product features such as effectiveness, safety, compliance, convenience

COMPETENCY TREE

Business 2

04

Business 3

02

06

05

03

07

08

01

Business 1

Leaves = End products

Branches = Core products

Trunk = Core business

Roots = Core competency

Competence 1   Competence 2   Competence 3   Competence 4

COMPETENCY MODEL

	general	LANGUAGE	specific

STRUCTURAL COMPLEXITY (high → low)

high

- Multi-level leadership competency models
- Professional or technical core competencies

- Multi-level technical or professional role based competencies

low

- Value-based competency models
- Core competency models

- Technical or professional role based competencies
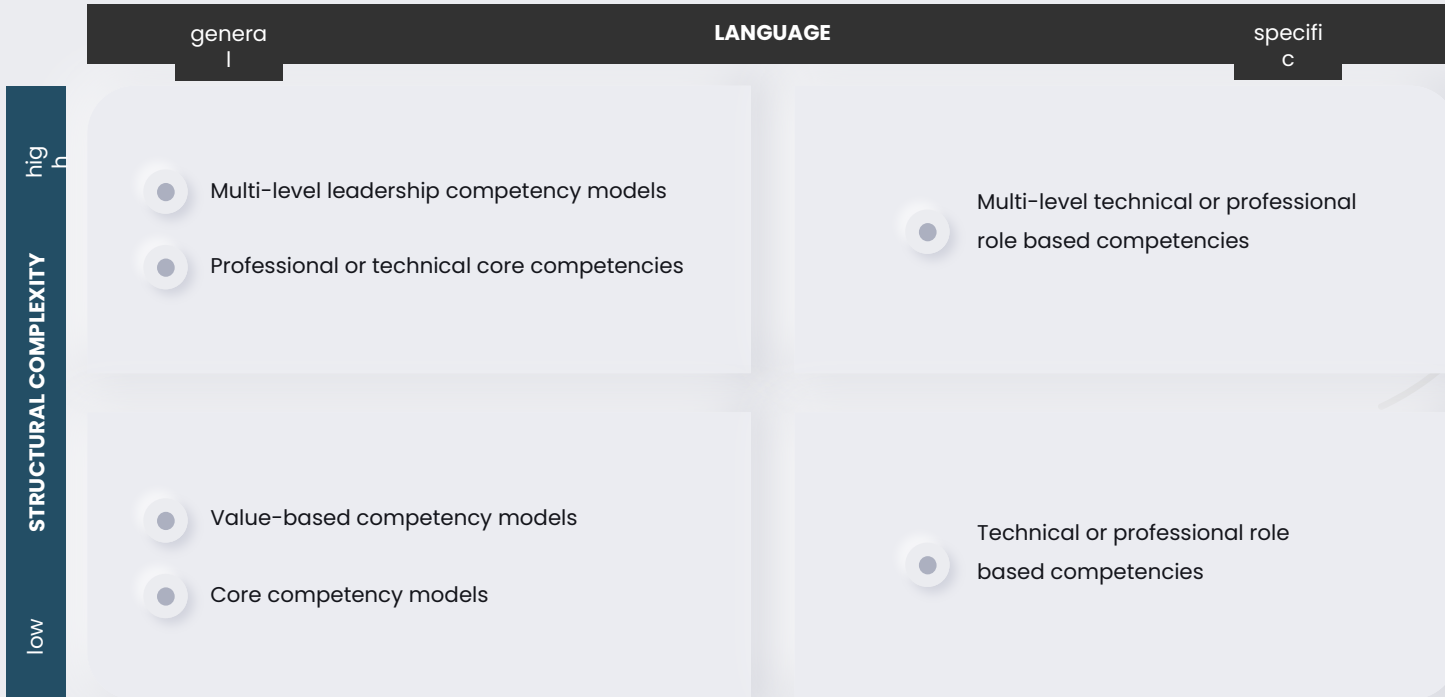
SELECTION PROCESS

Your mission & vision statements

- Strong core competencies needs a clear perspective of where you plan to go
- Specify your vision and mission to help understand your core competencies

Understand your business

- Really understand what your organization does, how it does it and who does what
- Complete a thorough job analysis of all active roles to better understand what everyone does

Draft your core competencies

- Brainstorm, meeting, survey or competency software can also help with this process
- From there, identify. core employee competencies that will push the organization forward.

Validate your core competencies

- Validate the core competencies defined.
- This can be done with the help of feedback received from employees or clients

Preach the core competencies

- Take every opportunity to get the word out on the new competencies and how they can be used in your organization
- Publicize core competencies and use them in daily business life

Implement the core competencies

- Must be integrated into regular business practices to make a difference
- Including competencies in everyone's performance evaluations, reorganizing a production line or having clients more involved in a planning process

CORE COMPETENCY ANALYSIS
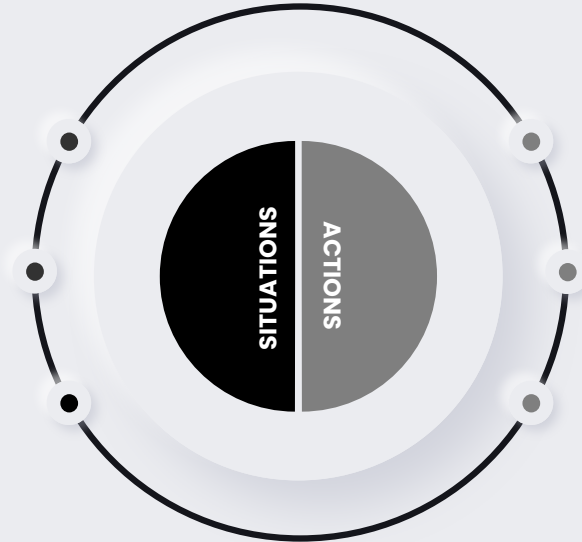
1   If you already have a core competency

2   You have no core competencies but have identified potential ones

3   You have not identified any existing or potential core competencies

SITUATIONS

ACTIONS

1   Identify how to develop and improve each core competency

2   Identify which core competency it makes sense to invest in and develop

3   Involve more people in the discovery process, such as customers or outside facilitator

CORE COMPETENCY ANALYSIS

SITUATIONS

Existing core competency

Potential core competency

Existing core competency
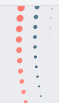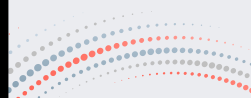
Potential core competency

Existing core competency

Potential core competency

ACTIONS

Identify how to develop and improve each core competency

Identify which core competency it makes sense to invest in and develop

Try again, this time involve more people in the discovery process, such as customers and outside facilitator

MANAGEMENT SKILLS

- Strategic perspective
- Planning
- Organizing
- Decision making
- Relationship development

TECHNICAL SKILLS

- Assessment methods
- Research & analytics
- Financial analysis
- Risk modification
- Data interpretation
- Behavior modification
- Information systems

RISK MANAGEMENT

- Standards and frameworks
- Adaptation approaches
- Process & solutions
- Subspecialties

ORGANIZATION SKILLS

- Strategy/objectives
- Operations & value chain
- Culture
- Decision making processes
- Stakeholders

ATTRIBUTES

- Leader
- Visionary
- Influencer/motivator
- Negotiator
- Innovator
- Facilitator
- Inquisitive

BUSINESS KNOWLEDGE

- Business model
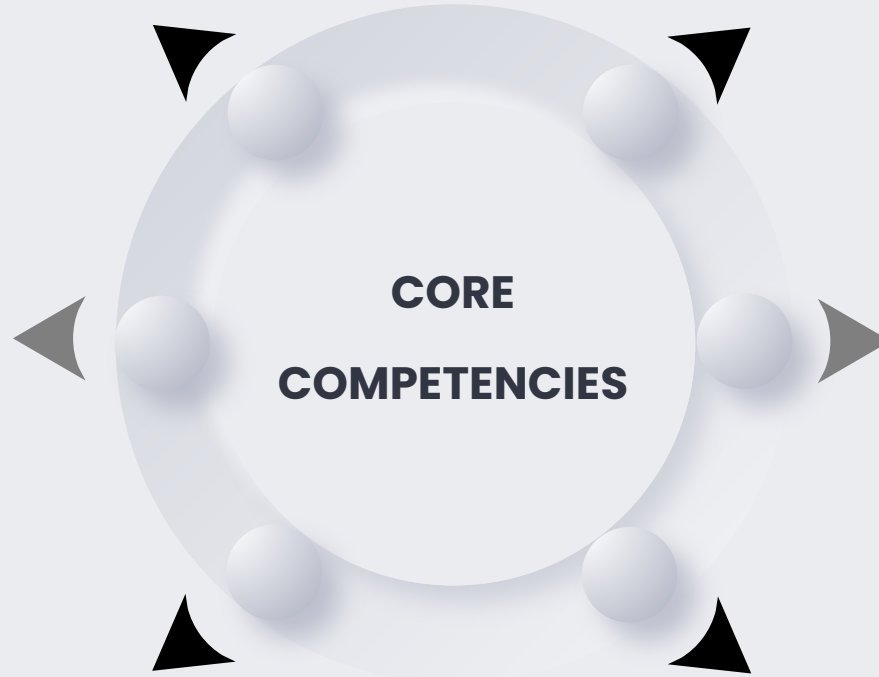- Performance management
- Economics
- Functional areas

COMPETENCY TO PRODUCTS
COMPANY COMPARISON

Core competencies	Core products	End products

COMPANY A

| Ability to miniaturized consumer electronics | Portable music device | Product name A |

COMPANY B

| Indexing technologies & large-scale hardware | Cloud based productivity tools | Product name B |

COMPANY C

| Strong brand and taste-making "authority" | Easy plug-and-play web design tools | Product name C |

COMPETENCY TO PRODUCTS
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Portable music device

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COMPANY B

Indexing technologies & large-scale hardware

Cloud based productivity tools

Product name B

COMPANY C

Strong brand and taste-making "authority"

Easy plug-and-play web design tools

Product name C

COMPETENCY TO PRODUCTS COMPANY COMPARISON

	Core competencies	Core products	End products
COMPANY A	Ability to miniaturized consumer electronics	Portable music device	Product name A
COMPANY B	Indexing technologies & large-scale hardware	Cloud based productivity tools	Product name B
COMPANY C	Strong brand and taste-making "authority"	Easy plug-and-play web design tools	Product name C

CORE COMPETENCY DEVELOPMENT PROGRESS

1 Define internal capabilities that are strategically positioned to deliver sustainable value.

2 Perform a core competency review throughout the organization and evaluate its strengths and weaknesses.

3 Compare with other companies with similar capability to ensure development of key competencies are targeted.

4 Establish a roadmap for the organization thereby setting goals for competence building.

5 Promote all-inclusive participation in development of core competencies across the organization.

68%

30%

65%

70%

25%
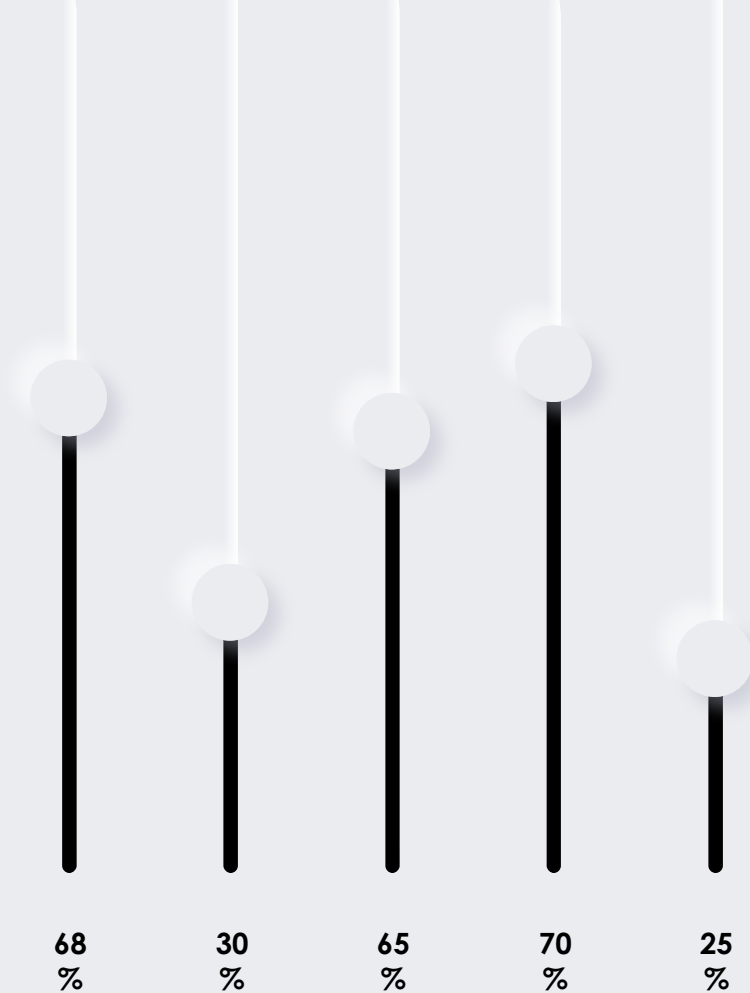
LEADERSHIP CORE COMPETENCIES

EXECUTIVE

MANAGER

SUPERVISOR

PROJECT

EXECUTIVE
External awareness
Big picture/vision
Strategic thinking
Entrepreneurship

MANAGER
Technology mgmt.
Financial management
Creativity & innovation
Partnering/political savvy

SUPERVISOR
Human resource mgmt.
Leveraging diversity
Conflict management
Service motivation
Developing others

PROJECT
Team building
Customer service
Technical creditability
Decisiveness
Influencing/negotiating

LEADING ORGANIZATION

MANAGING PROGRAMS

MANAGING PEOPLE

MANAGING PROJECTS

MANAGING SELF

CORE LEADERSHIP COMPETENCIES

Integrity/honesty interpersonal
Skills continual learning

Integrity/honesty interpersonal
Skills continual learning

Integrity/honesty interpersonal
Skills continual learning

COMPANY CORE COMPETENCIES
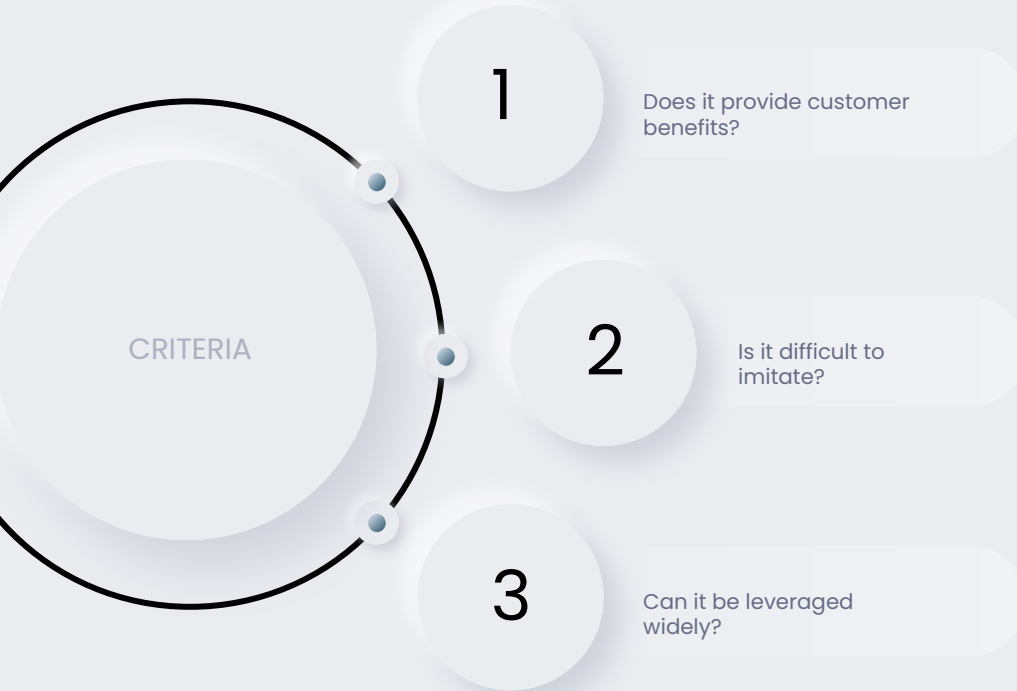
- Strategic planning
- Financial management
- Vendor Management
- Cross-functional alignment
- Technology & process support
- Service delivery & alternative support model
- Organizational design, support & management
- Communications
- Data Analytics
- Litigation support & IP management
- Knowledge management
- Information governance & records management

TESTING CORE COMPETENCIES

CRITERIA

1 Does it provide customer benefits?

2 Is it difficult to imitate?

3 Can it be leveraged widely?

Competency 1	Competency 2	Competency 3
✕	✓	✕

Competency 1	Competency 2	Competency 3
✓	✕	✓

Competency 1	Competency 2	Competency 3
✓	✕	✕

CORE COMPETENCIES ANALYSIS

1 Ability to produce cutting edge and trend-setting designs

2 target high-value low-maintenance customers with database technologies

3 Quality management programs for design and manufacturing

4 Respond rapidly to competitive product launches

CORE COMPETENCY TABLE ANALYSIS

COMPETENCIES	DESCRIPTION	IMPORTANCE	DEFENSIBILITY	COMP. STRENGTH
What are our key strengths (technologies, assets, business model, capabilities etc.) ?	What does this competency allow us to do ?	How strategic is it for the future? (1=Low; 10=High)	Can competitors copy it? (1=Easy; 10=Hard)	15+ = strategic capability & likely differentiator
		10	5	15
		4	2	6
		2	4	6
		1	10	11
		1	1	2
		1	1	2

Porter's Generic Strategies framework is a simple and effective way to scope out the competitive landscape your business is operating in, and what your product is up against.

With something like this, you can then identify what perhaps they're implementing that you aren't, or are just doing better than you - for example, lower prices/discounts or differentiating features, which give them a competitive advantage.

COMPETITIVE ADVANTAGE	LOWER COST	DIFFERENTATION
Broad target	Cost leadership: In cost leadership, an organization will focus on the broader market, identifying the prices that are set overall, and set out to be the low cost producer in its market.	Differentiation: Here, an org will look at the broader market and identify what features are considered important within the market, and position themselves in a way that they show this, and how it sets them apart from the competition.
Narrow target	Cost focus: Select a target segment and focus on how to get this cost advantage.	Differentiation focus: Select a target segment and focus on how to set yourself apart from them.