



Literature Review

17 November 2010

Competing for the Future

By

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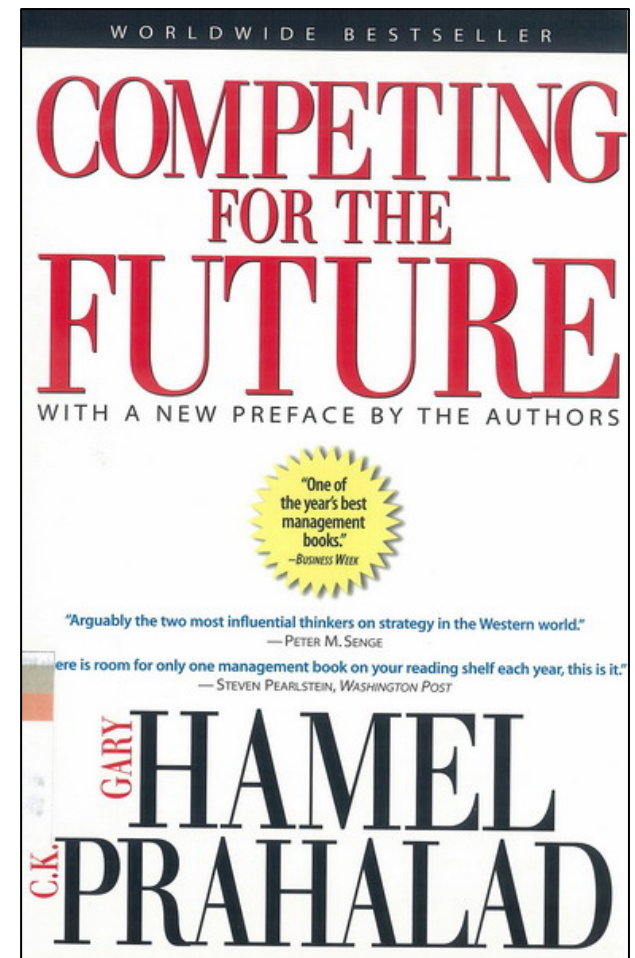
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Performance Analysis & Reporting



- Getting off the Treadmill
- Core Competencies
- Corporate Genetics
- Genetic Variety
- Denominator Management
- Strategic Architecture

Agenda





Getting off the Treadmill

Which response better describes TMA?

1. Which issue absorbs more of senior management's attention?
 - a. Reengineering Core Processes
 - b. Regenerating Core Strategies



Getting off the Treadmill, continued

Which response better describes TMA?

2. What are we better at?

- a. Improving Operational Efficiency
- b. Creating Fundamentally New Businesses



Getting off the Treadmill, continued

Which response better describes TMA?

3. To what extent are senior managers working on the present or designing the future?
 - a. Mostly Present
 - b. Mostly Future



Core Competency

- Set of skills and technologies that enables a company to provide a particular benefit to customers.
- To be considered a core competency:
 1. Must create customer value
 2. Must differentiate company from competitors
 3. Must be extendible to other products or services



Core Competency, continued

- Examples:
 - Toyota's "just in time" lean production system
 - Apple's innovative design and technology
 - Google's ranking algorithm
- What is TMA's core competency?



Corporate Genetics

- Set of biases, assumptions, presuppositions about:
 - Industry's structure
 - Who the competition is/isn't
 - What customers want/don't want
 - Which technologies are/aren't viable
- Does TMA have a particular genetic code?



Corporate Genetics, continued

Dangers of Corporate Genetics

1. Individuals may forget why they believe what they believe
2. Managers may come to believe that what they don't know isn't worth knowing
3. Yesterday's "good ideas" become today's "policy guidelines" and tomorrow's "mandates"



Genetic Variety

- Protects against the dangers of corporate genetics



Genetic Variety, continued

Authors asked twenty officers in a U.S. company how many of them had:

1. Spent their entire career in one industry
2. Worked for only one company during their careers
3. Reached the top through the sales and marketing function
4. Never worked for more than five years consecutively outside of the U.S.



Genetic Variety, continued

- Almost all hands went up to all four questions
- Without genetic variety, it's difficult for companies to compete with new, nontraditional competitors
- Does TMA have genetic variety?
- As a government agency, is this relevant to us?



Denominator Management

- ROI and similar measurements involve:
 - Numerator: net income
 - Denominator: investment, net assets, staff headcount
- Raising numerator is hard; it requires
 - Anticipating changes in customer needs
 - Investing in and building new competencies
- Cutting denominator is a shortcut:
 - Involves cutting resources, not leveraging resources
 - Raises productivity temporarily



Denominator Management, continued

- What experience have you had with denominator management?
 - Been laid off?
 - Been in a company whose practice was to manage the denominator?



Strategic Architecture

- Typically about 20 years
- High-level blueprint for:
 - Deploying new functionalities
 - Acquiring new competencies
 - Reconfiguring customer interface
- Tells what must be done, but not how
 - Apple's SA: to acquire knowledge about cell phones
 - Led to strategic plan describing how to create iPhone



Strategic Architecture, continued

- Does TMA have a strategic architecture?
- Does PE&TMB?



Questions for Discussion

- How relevant are these topics to a government agency versus a private-sector company?
- What experience have you had in your careers with these topics?
- Any other questions?