Types of Work

An RBL Approach



How do you build confidence in the future?

The Architecture for Intangibles model describes how organizations can build investor confidence.



Source: How Leaders Build Value: Ulrich and Smallwood

Distinctive capabilities are the capstone intangibles

Business Strategy





(The What)

Technical Capabilities result from the integration of one or more work processes, systems, information platforms and/or technologies.

(The How)

Cultural capabilities result from integration of customer value proposition, firm brand, organization design, work processes and HR practices.

Advantage technical **capabilities** and cultural capabilities create distinctiveness from other companies and generate confidence in the future for stakeholders. Customers have confidence you will deliver on a clearly defined value proposition and investors have confidence your organization has built capabilities that will make the strategy successful and generate ongoing value.

Organizations that build confidence with customers and investors are deliberately designed to optimize distinctive capabilities

In a world of limited resources, high-performing organizations are those who have defined and resourced the work that creates distinctiveness to customers through advantage technical capabilities to and unique cultural capabilities.



All work is <u>not</u> created equal

- Different work has different value to your customers and investors
- Some work drives buying decisions and differentiates you from your competitors
- The work that drives the most external value should be the focus of your organization

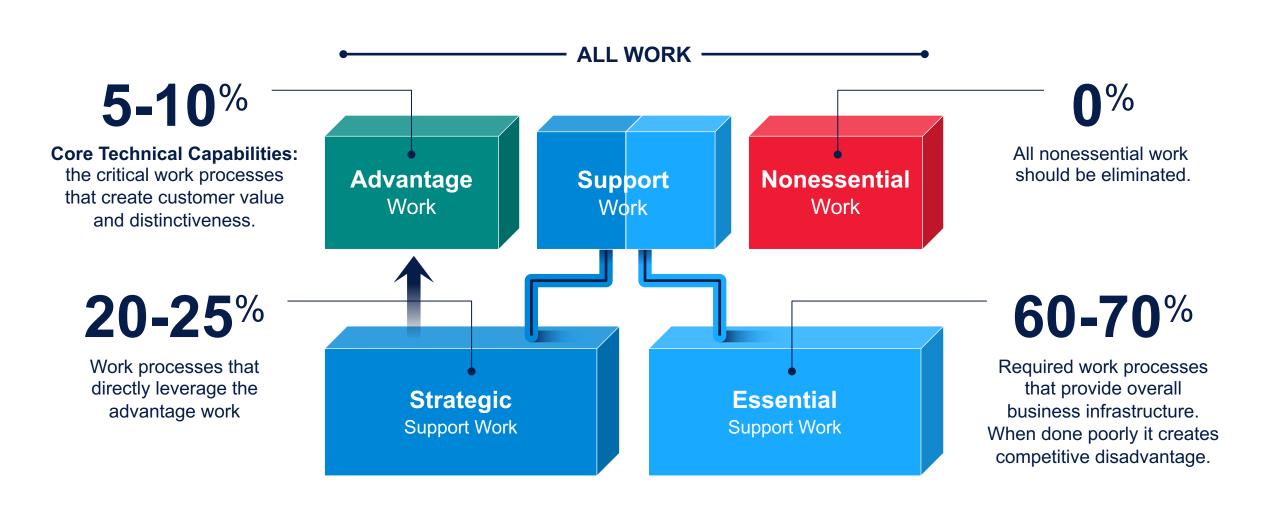


Invest-in & optimize what matters

- Every organization has limits to what it can invest in
- You need to choose what you want to optimize and be known for
- Some work should be driven by effectiveness logic, some work by efficiency logic

All work is not equal.

All work done in any organization fits into one of the following types of work.



Advantage Work (Core Technical Capabilities) should be managed and developed as a Unit



- Processes that fundamentally determine distinctiveness and advantage with your customers over the competition
- Areas where you should possess "best-in-world" capability
- There are one set of Advantage capabilities per business
- Cost should not be the primary concern when organizing and managing
 Advantage work
- Should be designed and managed as one complete, integrated process
- Determines the needs and requirements of support work
- Should not be outsourced

Strategic Support Work

Strategic support work does not, by itself, create distinctiveness for the customer. Three conditions must be met to qualify as strategic support:

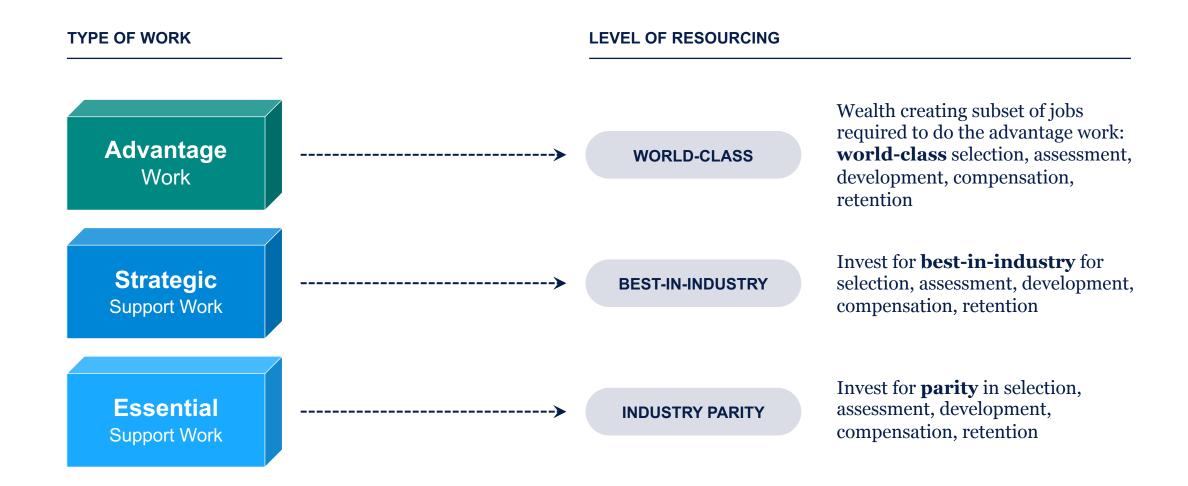
- 1. It *leverages* the Advantage work to provide greater distinctiveness to the business.
- 2. It directly supports one or more Advantage elements.
- The business is willing to invest above industry levels in these processes.
 Desire to make it "best in industry."

Essential Support Work

Essential support work must be done to stay in business but it does not create or facilitate advantage.

- 1. When essential support work is done poorly, it creates competitive disadvantage
- 2. What is essential may be different by business line
- 3. The focus is doing this work as cost efficiently as possible.

Each type of work drives different levels of resourcing for roles/jobs



If You Have Ongoing Concerns With....

How to streamline the organization and reduce handoffs
How to prioritize investments for growth
How to make short term cost reductions in a way that doesn't compromise long term plans
How to build capability in parts of the business that will have the most impact
How to clarify what parts of the organization should be core and which should be support
How to build bench strength in the parts of the organization that will have the most impact

...understanding the value of different types of work and organizing to optimize advantage work will <u>create greater customer value.</u>

