

DO YOU HAVE THE Competencies for Growth?

By Bluteau Devenney

A recent combined study (June 2011) by McKinsey and Company with Egon Zehnder International reported that only about 11 per cent of executives currently possess the three competencies that will make the most difference for an organization to successfully grow. In the research it was found that executives possessing strengths in these three critical areas were responsible for companies being in the top quartile of revenue growth firms.

What are these critical skills?

1. **Delivering Customer Impact** - the capacity to understand customers' changing needs.
2. **Market Insight** - looking beyond the current business landscape to see future growth opportunities.
3. **Results Orientation** - driving for higher performance.

1) Delivering Customer Impact: First and foremost, it always starts with the customer. Yet, in more than 80 per cent of situations, most executives don't have a sound understanding of what impacts the customer and, most importantly, how the customer actually uses the organization's products or services. So, as a result, the understanding we have about customers is based on advocacy (leading the witness to where we already want to go) rather than inquiry (being open to finding out what really matters).

For individuals to develop the Customer Impact Delivery competency, the fundamental component is asking questions. The ability to ask questions of customers is the most direct route to understanding how they experience working with your product or service and the organization. It's a key executive talent to be able to understand the interaction of the customer with the organization, how the job actually happens from the customer's perspectives and where value is provided, can be

improved, or where change will happen.

2) Market Insights: After attending to the customer, exceptional executives have strategic market insight. They understand the organization's positioning within the industry and what are the critical factors that differentiate the company from the competition (intentional or otherwise). Building market insight is gained through reading, talking and thinking with the focus on what is happening ahead and being able to make connections. What factors may affect future positioning could be a deliberate strategy or an unintentional result of not watching the signs.

For executives to develop their market insight, we strongly encourage building a network of people in the organization's industry as well as other industries to understand competitive and customer trending, potential impacts and opportunities for "copying" from external markets for unique applications. Reading about your own industry as well as about completely separate topics also stimulates thinking.

3) Results Orientation: Execution remains the number one challenge facing CEOs in 2011, so it isn't surprising that the third critical competency needed in executives to support organizational growth is an orientation for achieving results.

Performance is about connecting the end result with the activities and people that will be pivotal in providing the desired outcomes. Measurement is one of the best routes for being able to maintain focus, understand the connections to why things happen as hoped or not, and assessing performance for improvement. Executives who understand and apply the use of scorecards take a huge step forward in maintaining a results orientation.

More than making things happen, executives who understand people and how to effectively use influence to motivate people to engage in the work needed to produce results will be separated for greater success.

The world is more competitive and complex. Things will never go back to "normal". We now operate in a new "normal" that places far greater pressure on organizations and executives to be able to think and act with a greater capacity for judgment. To excel in this world, we need to develop three critical competencies for growth – both individually and for our organizations.



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