Capability Discussion Paper

Strategic partnering succeeds when all of the partner companies have (or develop) Partnering Capability.

The following sections outline what "Capability" means, how to build collaborative partnering capability and measure improvement.

- Partnering Capability - What is it?
- What would a Company do to Enhance Capability?
- Why Does this Matter?
- How do you Measure Capability Improvement?

Capability - What is it?

Capability is partly defined by the words it encapsulates. Words like: able, ability, capable.

In business terms, one way to consider it is: ready, willing and able. A combination of:

Ready

- Skills

- Knowledge

- Proven ability in applying the knowledge and using the skills (competence)

Willing

- Appropriate attitude

- Behaviours Motivated

Able

- Information provided

- Supporting technologies in place

- Operational processes defined

- Management support available

- Performance measures agreed Management processes (e.g. performance review) in place

The term applies not only to physical resources, such as technologies, but also - and perhaps more importantly at the strategic level - to people.

Success of a business is based on ensuring it has the internal resources that are able to deliver the needs of the market - and that deliver those needs to an appropriate standard of quality for an acceptable cost and price.

If any of the company resources are unable to fulfill their role in doing this then they need corrective action - otherwise they become a high maintenance overhead cost to the business.

When the company technologies are not delivering the functionality the company needs them to, they are upgraded with new software. When people do not have the necessary skills, ability etc to meet a need in the market then the human capability of the organisation needs to be further developed.

In responding to new ways of doing things, such as Partnering, then all dimensions of the companies capability, people, technologies etc, need to be reviewed.

The most complex area may well be the management of people. They are more complex and inherently more valuable than technologies - they are collectively the spirit and identity of the company as well as the 'face' of the company to customers and others.

In summary: A successful strategic relationship plan will include strategies to get 'the people capability' right, at the same time as addressing '*systems and processes*'. This will ensure your business is **'Capable'** of developing value-add Partnering Relationships to support its strategic goals.

What would a Company do to Enhance Capability?

Develop Framework and Standards for Partner Relationship Management

- Engage key people in business
- Ensure an aligned understanding about Partnering and the distinctions between it at a Strategic and Operational level
- Establish model of partner 'types' and appropriate capabilities for each agree policies and practices
- Develop and facilitate ongoing roll-out

Establish Capability Development programme

- Identify skill, knowledge, systems, process and other needs
- Develop suitable means of improving capability
- Roll out programme of training, coaching and facilitated workshops
- Roll out programme of new process, system etc capability needs

Monitor and Measure Results and Business Benefits

- Monitor and measure performance and improvements in performance of partnering relationships in delivering outcomes
- Introduce and facilitate programme to review and improve relationship feedback (e.g. feedback surveys, Expectations Review, focus group discussions

Why Does this Matter?
- If you want customers to prefer using you, you need suppliers and other partners to prefer using you
- The better your relationships with these partners (of all types) the more cost-effectively they deliver results, and the less time/cost wasted on disagreements and re-work
- The cost each time you go to market to re-issue contracts is high
- These relationships cost money every year to maintain and it is critical to get the best possible outcomes from them

How do you Measure Capability Improvement?

Areas to monitor include:

- Improvements in partner satisfaction (with customers, employees, strategic suppliers)
- Reduction in cost of dispute/ issue resolution
- Improved speed of introduction (and results delivery) in new partnering relationships.