
Capability Gap to Implement Important Initiatives – Execution skills

Welcome to our latest paper in this series of short articles for the AMTIL constituency. We trust that there have been issues which have struck a cord (good or otherwise) and that they are stirring up emotions and becoming a catalyst for potential change.

In our previous articles we have written articles in relation the following topics-

- 1/ Lack of Strategic Direction
- 2/ Performance Measures
- 3/ Leadership Behaviours

For those who may not have read any of these articles previously, each month we write on a topic that we believe is quite likely to be an issue within your businesses and the one that we encounter time and time again whilst undertaking our consulting work.

This month we are discussing a topic that we call “**The Capability Gap**”.

This is the “gap” that exists between the aspirations of a business and the reality surrounding the ability or capability to achieve those goals.

Many business people have brilliant ideas and a clear understanding of where they want the business to go in both the immediate and long term futures. However, like any business plan, the idea is one thing; the implementation thereof is an entirely different matter.

As an analogy, you may wish to drive to Sydney from Melbourne. You know where you want to get to but ultimately how you get there is going to be up to you. There are many ways to do it, fly, drive, train, but at the same time there may also be many distractions or issues that come up along the way. Distractions such as the time available, road works, cost, transport reliability and even the weather can take your eye off the main goal. You need to plan where you want to go, which way you want to go, how you want to go and then begin the journey. If you don't have the requisite tools or petrol or road maps, you might not make it. So in this case get them, plug the gap!

So matter how good the CEO or General Manager or Owner of a business is, they cannot create and fulfil a business' vision by themselves. There are a number of “planks” that need to be put over the gaps” to achieve success. We will cover a number of these below which we see as being the most important. There are others, but we don't have enough space to write about them! However if you cover off or at least consider these three, then the gap should close or your aspirations need to be reigned in, in line with your business's capability.

Having Enough Capital

This almost goes without saying but would be the single biggest hurdle many companies face. In simple terms, your business plan needs to include scope for the ability to draw on capital during those low cash flow weeks. They will come, and they will create strain if not allowed for. This obviously becomes a distraction to your main aim. Even the most optimistic business owner would recognise that they cannot be successful each and every week, many times through no fault of their own. So to ensure that you can concentrate on your business goals, the financial support must be there. The homework around your cash flow requirements has to be done. Spend the time to research this and then locate a great (friendly?) Business Banker who will support your vision and therefore allow you the latitude you need! No matter what else is covered in your business, if you don't have the financial resources to fund payroll and suppliers, the plan is dead and buried!

Recruit The Right People for The Right Jobs

As stated above, you can't do it all on your own.

You also cannot expect people whom you hired to bend metal rods in the production area to be the person you expect to market your business presentation to a key stakeholder. Likewise you cannot be expected to bend the rods yourself as it is not where your own skills are. Don't buy a dog and bark yourself as the old saying goes. This is about matching skills to the business roles which in turn is linked to the business vision.

If you do not assess what positions you require to achieve your goals, and then recruit the right people to fulfil those requirements, you will forever be taking up the slack yourself and ruining your decision making abilities. This will manifest itself through increased frustration levels, getting upset and constantly feeling like the goalposts are getting further and further away. Your dream is slipping away.

We constantly reinforce to anyone who cares to listen our strong belief that your people are your biggest asset. Again an old common sense saying, but oh so true. Unless they are the right people with the right skills filling the right roles, you are setting yourselves up for a fall. Do not underestimate this aspect of your business. The capability you need via these resources will come at a price. You need to attract the best. A band aid option simply will not do. If you pay peanuts, you get monkeys, pay a bit more and get a gorilla but if you are prepared to pay or invest in the right person, a significant amount of the burden of trying to achieve your goals will be reduced; as the load is shared.

Don't be afraid to re-think the structure you currently have if you are not moving in the right direction. You may simply need to put a more senior person in an area or possibly merge other roles into a bigger one. Don't be frightened to give up some of your "control" in non critical areas to allow you to fully concentrate on areas that really matter.

But no matter what you do, you need to define what the role is going to do and then look for the right person. All too often "mates" or friends of friends are recommended and jobs are created around them which may not necessarily be the best option for your business. Be firm in what you are looking for and wherever possible, do not compromise on what you feel is best for your business.

Processes and Procedures

Another aspect to the potential gap in your businesses capability may arise through a lack of systems and procedures. Put simply if you do the same thing a different way each day, you are not being as productive as possible. You need to have consistent and well documented procedures. This will assist everyone in being able to complete the types of job related duties that you expect. A business will not have the capability to grow and achieve greater results if it is still operating like a 1 person outfit. Until it becomes more aware of the need to streamline and document clearly what the process should be you cannot improve your outputs/reduce costs etc. This creates compliance which in turn allows greater productivity which then leads to more opportunities for undertaking value add projects to "super charge" your business.

So in summary, (as we have run out of space), look at these 3 issues carefully and make an objective assessment of your own business. Assess of your financial situation (its liquidity, do you need more capital if you have plans to expand?) , assess your team(are they really adding value, are they holding you back due to their own limitations, is there a need to rethink the jobs your currently have? And finally assess if your processes and procedures would stand the test of compliance should anyone audit any function to determine if there is consistency in application.