

S 2 I NEWS

Apr, 2003

S2I News is a monthly publication of Strategies 2 Innovate. It aims to present information on topics important to today's business leaders. We hope these articles will help you develop a clear framework useful for guiding your organization's innovation and strategy.

This is the fifth article in our series on core competencies. Past issues include:

Jan 2003 "What Core Competencies Really Are."

Feb/Mar 2003 "Identifying Your Core Competencies: Pt-1&2."

Our next article will examine the issue of building and enhancing core competencies.

Strategies 2 Innovate supports business leaders in developing and implementing successful innovation strategies. Read about us and visit our **knowledge portal** at the web address below, or call us toll free at 1-866-978-8242.

To request our capability brochure, send an email with "send-brochure" in the subject and full contact details in the text. To register for this newsletter, send an email with "send-news" in the subject and full contact details in the text.

info@strategies2innovate.com
www.strategies2innovate.com

Copyright 2003 Strategies 2 Innovate.
All rights reserved.

Leverage Your Core Competencies

So you have identified your core competencies. What next?

You are now ready to put your new insight to work by leveraging those assets. First, make sure you clearly understand how much you are currently leveraging your core competencies.

This can be done using a matrix such as that shown below. Here you can see the number of differing products that stem from each core competence. In addition, the extent that each core competence is leveraged against other core competencies is evident. This will help you to appreciate the value generating potential of individual core competencies.

Next you will need to share your core competence strategy with your organization. This is a very critical part of the process.

Make sure everyone understands it and works in harmony with this new approach. Now is the time to get your people on board!

Your personnel should understand:

- Why you have adopted a core competence strategy, i.e., the advantages.
- What those core competencies are.
- Your core competence strategy is a long-term commitment that will yield organizational benefits.
- Each individual should think in terms of leveraging and enhancing those core competencies.

Your next challenge is to consider how to further leverage those core competencies and extract more value from them.

(Continued over page)

	Product 1	Product 2	Product 3
Core Competence A	■	■	
Core Competence B		■	■
Core Competence C	■		■

Table 1: Mapping Products Across Core Competencies



LARRY VAN DEN BERGHE, Ph.D.

Larry van den Berghe is the Founder and Principal of Strategies 2 Innovate. He has 20 years international experience in the aerospace and information and communications technology industries in England, Australia, Singapore and Canada. He has been an active manager and contributor in R&D and new product development in electronics, VLSI and software. He holds two US patents, one UK patent and has a number of publications. He is a Chartered Engineer (UK) and a Fellow of the Institute of Electrical Engineers.

Larry is also an adjunct professor for the Management of Technology Distance Education program at the University of Waterloo and past faculty with the Technical University of British Columbia. He has developed courses in new product development, strategic management of innovation and technology, entrepreneurship and knowledge management. His recent research on core competencies examined the adoption of emerging technologies for product innovation within the Canadian information and communication technology industry.

He holds a Ph.D. in Management of Technology from the University of Waterloo, a M.Sc. in Microelectronics (with Distinction) from Middlesex University, London, U.K. and a B.Appl.Sc. in Applied Physics from Curtin University, Perth, Western Australia. Larry has served as Chairman, Board of Directors, serves on the Education Committee of the Saskatchewan Advanced Technology Association and is V.P. Public Relations of a Toastmasters International Club.

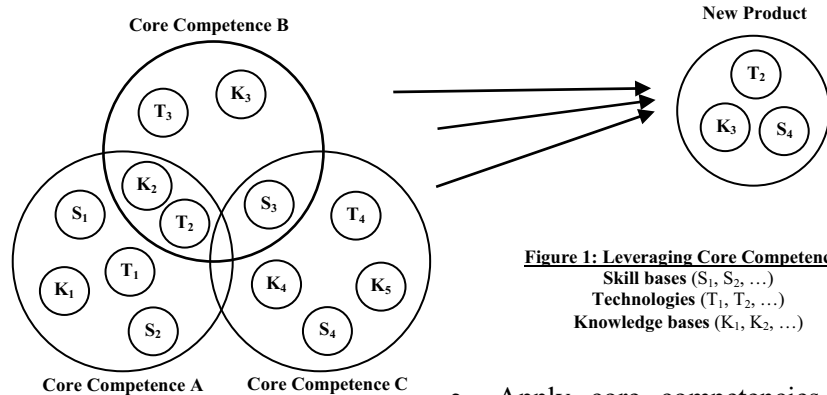


Figure 1: Leveraging Core Competencies
 Skill bases (S₁, S₂, ...)
 Technologies (T₁, T₂, ...)
 Knowledge bases (K₁, K₂, ...)

Core Competencies

(Continued from previous page)

Here are some suggestions to think about:

- Examine ways of applying your core competencies to develop new products or services.
- New products/services do not necessarily need to embed ALL of the knowledge and skill base components residing in the core competencies, as shown in Figure 1 above.
- Identify *new combinations* of knowledge and skill bases to produce new types of products or services.
- Search out new market opportunities that match the value attributes your core competencies generate.

- Apply core competencies into areas you have not considered before. Diversify your markets and products.
- Look to increase both the number of new products and the breadth of product lines based on your core competencies.
- Leverage your core competencies into strategic alliances with partners that value them, while taking advantage of the core competencies that your partner has, and which you do not have.

Remember to communicate your core competencies widely throughout your organization. This is an internal marketing exercise or great importance.

In our next issue, we will look at building your core competencies.

See you next issue!

Larry van den Berghe

SPEAKING ABOUT INNOVATION

Larry is a Competent Toastmaster and an enthusiastic speaker when it comes to innovation. He addresses critical issues such as core competencies, technological innovation, new product development, strategic technology planning, testing innovative business concepts through research, etc. Bring innovation to the *TOP* of your next speaking agenda. Call toll-free 1-866-978-8242 to discuss these possibilities.

Note: This article and subsequent articles synthesize much of the work on core competencies from the body of literature. For more information and for references to the literature (e.g. annotations, [1], etc.) please visit our innovation strategy knowledge portal www.strategies2innovate.com and follow the links to “Your Core Competence Strategy” and “Knowledge References.”