



“Converting Capability into Profitability”

Let's Get Specific!

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So, if you are like me I'm thinking you might be kinda tired of hearing about all of these changes we need to make to be more successful, more profitable or more whatever. While the intentions of the writers are good I find myself often times frustrated because I get the **WHAT** I am supposed to do but I struggle with the **HOW**.

Now I have to confess that as an educational writer I have committed this crime on more than one occasion. In fact, much of what I write about is **WHAT** changes are upon us in the new knowledge economy; **WHAT** we need to be thinking about doing differently and the **WHY**'s behind it all. But I think that to be really helpful those who write for those who read need to give a few more **HOW**'s if we want to really help. And I can assure you we all do.

I liken talking about the **WHAT**'s and the **WHY**'s to the town crier who starts yelling that a flood is coming and that I need build a boat to survive. As the flood gets closer and closer he yells louder and louder that we all need to build boats to avoid disaster. After a while, it's like, “OK I hear you! And thanks for the information and thanks for the advice but what I could really use are some instructions on **HOW** to build a dang boat!”

And I don't need anything fancy, just something that will get me by. I can always get better at boat building as time goes on but for now just give me the basics and I'll happily take it from there.

So, in this article I promise to do more than to just talk about **WHAT** you can be doing to maximize access to the ****knowledge capital** in your organizations. After framing the topic over the next few paragraphs I promise I am going to give you some valuable and proven boat building instructions.

***Knowledge capital is the know how that results from the experience, information, knowledge, learning, and skills of the employees or individuals of an organization or group. Of all the factors of production, knowledge capital creates the longest lasting competitive advantage. It may consist entirely of technical information (as in chemical and electronics industries) or may reside in the actual experience or skills acquired by the individuals (as in construction and steel industries). Knowledge capital is an essential component of human capital. (Sourced from Wikipedia 2011)*

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The Flood Warning:

I have been writing for a few years about the need for everyone and anyone in management to do a much better job at maximizing the knowledge capital, that resides in your workforces. There are so many reasons to do this that I hate to get into them for fear they will consume the entire article and I will once again never get to the **HOW**. But I can't resist to give just a few because I am absolutely passionate about the need for companies to get this point and it is SUCH a no brainer. Embrace this thinking and you and your organization will benefit so much from doing it you will wonder why you didn't do it sooner!

So, humor me for a bit. Here are just a few reasons **WHY** you should look to gain more access to the untapped pools of knowledge capital that is hidden all around you:

1. You are already paying for it.
2. They want to give it to you.
3. You desperately need it. **"Dumb" companies are dead companies in the next decade.**
4. It will increase morale, productivity, employee engagement and customer satisfaction.
5. It will make you more money and save you more money without costing you more money...
It is **FREE** money.
6. You need the money.

Now there are two basic ways to increase your access to the knowledge capital that is all around you but stuck in the tar pits of processes, procedures and politics. One way is to create an environment that sparks, fosters and rewards new levels of creativity, innovation and employee engagement. The problem with taking that angle is that it is likely that you would most likely need to retain the services of someone who understands how to make that happen in order to make that happen. And while the ROI on those types of services are very high its not a boat you can build on your own. So I won't talk about that in this article.

The other way to increase your access to this capital is to remove the things that are stifling, blocking or killing off the creativity, innovations and ideas that are already there. In other words, instead of buying new ideas, simply do a better releasing those which are already residing within the people in your organization. The question then becomes: **"HOW** can I do that?"

How to Build Your Boat:

In order to release this pent up human capital you must learn what stifles, blocks or kills it off; not only in individuals but within groups as well. For the most part there are three things which are responsible for blocking 90% of the knowledge capital in most organizations. I call them **"The 3 P's that Pound your Profits."**

1. Too many Policies
2. Too many Procedures
3. To many Politics



Before going further I think it is important to state the obvious fact that you are never going to get rid of all 3 of these issues, nor should you try. You obviously need policies and procedures and not all politics are bad, just the bad kind. But, I can guarantee you that there is some low hanging fruit in these areas which will yield nice results if you overturn the right rocks, poke a few sacred cows and have the courage to address the causes of any unhealthy politics. If you can do that then with just a few tweaks, in a very short amount of time, you will make a difference in the morale of your organization which will increase your employee engagement and **that automatically increases your access to the knowledge capital that you so desperately need.**

Formula for Success:

**Increased Morale = Increased Engagement = Increased Access to Your Knowledge Capital
It's just a matter of physics and is just that simple.**

But the challenge we face is that management, with its top down view of things, and the workforce, with its bottom up and side to side view of things have very different perspectives of what is working and what isn't in an organization....and why. This is a very big problem but one that is very easy to begin to address.

The first step is that you have to bridge the divide and bring the two perspectives AND the two groups together if you are to see the entire picture of what is really happening in your organization and where the blockages are located.

The following is an explanation on how to do that.

A Cool Tool

A few years ago I created a tool that I call the **Complexity Audit** which I used in organizations I was running. The concept is very simple but depending upon the size of the organization and the size of the challenge you want to take on this can be either a simple procedure or quite complex. The choice is yours to keep it small or make it larger. My suggestion is to start small. Its safer and easier on everyone. You can always decide to do more later. Besides its best to jog before signing up for a marathon.

By the way, I have to warn you. This process isn't for sissies because it will test you. And its not for those who don't like truth because it will reveal it. But, if you are serious about having a sustainable and resilient organization then this little bit of Castor Oil will be well worth the taste.



So this is how it works. It starts with a survey. I always suggest you allow people the opportunity for anonymity. This helps to insure you get more honesty. You can use an online tool such as Survey Monkey (www.surveymonkey.com) to create and implement the survey. Its free and simple to navigate. It also offers the ability for anonymity and allows you to correlate the data easily.

At the beginning of this process it is important to set the stage properly. First define the targeted group. Identify the people, or the group, who you feel could be the ones who could provide the most

input. Sometimes I use a blend of management and workforce and other times I will do separate exercises for these groups. But make certain that, at a minimum, you involve the workforce because that is where most of your suppressed knowledge capital resides. You can always do upper management later....and I would.

Tell the participants what you are doing and why. Do your best to insure they understand that you are really serious about having their honest and mature input. Explain that this is a process that is designed to help them identify and possibly begin to resolve issues that have been frustrating their abilities to do their jobs better and to lessen their stress levels. That alone should be enough to get their initial buy in.

Next comes the questions. This is the easy part. Ask them to focus on each of the **3 P's, Policies, Procedures and Politics**. Then ask them to identify no more than 2 areas or situations in each of those categories which make their jobs either more complex or more frustrating than they need to be. Make sure they know that you expect these to be well thought out and unemotional. You aren't looking for drama. You are looking for impediments to your mutual success.

Ask them to write a BRIEF description of the issue and why it is worthy of concern. Then ask them to write a BRIEF description of a possible solution. No issues can be presented that do not come with a proposed way to solve the problem or lessen its impact on the organization. **(This keeps them thoughtful and focused. It also marks the beginning of you tapping into more of the intellectual capital of the group! As you can see the impact of this exercise is immediate.)**

It is fine if they do not have any problems in an area or only one in a category but allow them no more than 2 issues. You are looking for quality of input not quantity. Besides if you want to go deeper later you can always do so.

Give them a week to provide their feedback. Often times a Monday to a Monday works well because it gives them plenty of time and a full weekend to settle into the project. Then you should take a week to look at the input. At this point you are looking for patterns and similarities. Chances are there are several issues that will show up on several people's surveys. These are the ones to focus upon, regardless of their size, because they are the ones affecting the most people. You are now beginning to get an inside look at what is happening within your organization instead of just a top down view.

After you have had time to look for patterns and prioritize the issues then pull everyone back together again to review what came up and begin the work of addressing the issues TOGETHER. One thing I stress in this process is that it is not a B**ch session. It is a process that requires maturity and focus on all levels. Pettiness, finger pointing and passive aggressiveness is not to be tolerated by either side. And it is up to YOU to establish and keep the high ground. Problems affect everyone so solutions need to be a joint effort. No one gets to abrogate their responsibility to work on behalf of the company. If they can't do that then they shouldn't be collecting a paycheck.

Setting Sail

What is really nice about this process is that you are not only being shown problems that you may not have realized were there but you are also getting possible solutions and ideas at the same time. You have instantly increased your level of employee engagement because they are telling you what is



keeping them from helping you more and are offering their ideas on how to fix it. This impacts morale in a big way.

In addition you are building a culture that brings problems to the surface with the expectation that possible solutions are offered simultaneously.

It should be noted that in this process there may issues that arise that are not a result of something being broken and that there are good reasons for the way something is being done. In those instances you have an excellent opportunity to educate the people about the managerial or business reasons for how and why things are being done. And when you educate someone and help them understand something they weren't clear on you increase the level of knowledge capital in your organization because the more people know about why things are done the more knowledge the group now possesses.

As you can see this simple process can have tremendous ripple effects in your organization in many areas. Just take your time, don't try to solve all the problems of the world at once. And as you go through the assessment, analytical and solution processes do it as a team and with respect for the other person. Because it is not just the solving of the problems that accelerates your access to the hidden knowledge capital you are seeking. Rather it is the bonding, connecting and the learning that goes on through the experience that really makes the entire process gel.

But, I have to give another warning: You must do this exercise with honesty and integrity. If you don't it will blow up on you. You don't have to be perfect just be real and be committed to doing your best to deal with what comes out of the process. Because if you make them pay for their honesty, or if you see a bunch of problems that you don't want to deal with, you will create a very bad situation for yourself. They will feel betrayed and you will have just shut them down even more.

But if you do this process with integrity and with the intention to see clearly what is holding you back and why, and everyone has the strength to deal with the gems you are finding, you will be amazed at the impact it will have. And it is ALL GOOD!!

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Founder of Capability Accelerators and creator of the Bigger Know Principles of Leadership. (www.TheBiggerKnow.com) Jeff brings over 30+ years of expertise in Leadership, Innovation and Talent Management and has created sustainable emerging leadership models to support 21st century organizations. He is a successful entrepreneur in the Telecommunications industry, has co-founded and built several national and regional industry organizations and spent 3 years as a partner in an innovative Think Tank developing tools and processes to help organizations excel in the knowledge economy. He also has 20 years experience as a political strategist and lobbyist. Jeffrey's passion and expertise is in helping successful businesses to find and then mine great talent and ideas into profits.