

GROUP
AUDIT

Organizational Capabilities Audit

Target your capabilities. **Realize the potential.**

Organizational Capabilities **Audit**

The purpose of this survey is to assess the relative strengths and weaknesses of your organization's capabilities in 12 key areas that affect an organization's ability to create intangible value. Completing the survey should take no more than 15 minutes. Please respond as candidly as possible. Individual responses will be kept confidential. Thank you for your time.



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Part I: Audit

Please rate each item according to how well you believe your organization currently performs based on the following scale:



-
- | | | |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 1. | Our leaders set a clear direction, are trusted by key stakeholders, and build the technical and organizational capabilities we need to excel. | (1) (2) (3) (4) (5) |
| <hr/> | | |
| 2. | Our leaders are good at ensuring that employee actions are aligned with customer expectations. | (1) (2) (3) (4) (5) |
| <hr/> | | |
| 3. | Our planning processes ensure that we have the right leaders in the right roles at the right time. | (1) (2) (3) (4) (5) |
| <hr/> | | |
| 4. | Stakeholders and competitors see us as having distinctive leaders at every level. | (1) (2) (3) (4) (5) |
| <hr/> | | |
| 5. | Our leaders are regularly sought after by other organizations. | (1) (2) (3) (4) (5) |
| <hr/> | | |
| 6. | We are good at identifying and developing future leaders. | (1) (2) (3) (4) (5) |
| <hr/> | | |
| 7. | Employees provide important input in defining organizational goals and objectives. | (1) (2) (3) (4) (5) |
| <hr/> | | |
| 8. | Employees can make choices about what is most important based on their understanding of our strategy. | (1) (2) (3) (4) (5) |
| <hr/> | | |
| 9. | Each person understands how he or she contributes to the execution of our strategy. | (1) (2) (3) (4) (5) |
| <hr/> | | |
| 10. | We are good at working together to meet our goals as an organization. | (1) (2) (3) (4) (5) |
| <hr/> | | |
| 11. | Our communication practices ensure that employees understand and feel committed to the goals of the organization. | (1) (2) (3) (4) (5) |
| <hr/> | | |
| 12. | We are able to see ourselves as customers see us and then adapt how we work to delight them. | (1) (2) (3) (4) (5) |



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- 13.** We are good at building long-term relationships of trust with our customers. ① ② ③ ④ ⑤
-
- 14.** We take a customer perspective in the way we design and deliver our products and services. ① ② ③ ④ ⑤
-
- 15.** Our internal management practices are aligned with customer expectations. ① ② ③ ④ ⑤
-
- 16.** Employees in all functions – not just sales and service staff – understand their role in meeting customer needs. ① ② ③ ④ ⑤
-
- 17.** We are good at finding new and better ways of serving our customers. ① ② ③ ④ ⑤
-
- 18.** Our responsibility as a corporate citizen is a key factor in decision-making. ① ② ③ ④ ⑤
-
- 19.** We think and act “green” by seeking ways to increase environmental sustainability and reduce our carbon footprint. ① ② ③ ④ ⑤
-
- 20.** We encourage employees at all levels to take active roles in civic or charitable groups and organizations. ① ② ③ ④ ⑤
-
- 21.** We have articulated and follow core values that reflect high ethical standards in all of our actions. ① ② ③ ④ ⑤
-
- 22.** We support and invest in philanthropic activities. ① ② ③ ④ ⑤
-
- 23.** We publicly link our firm brand with our social responsibility activities. ① ② ③ ④ ⑤
-
- 24.** We have a clear firm brand identity that permeates every aspect of our organization. ① ② ③ ④ ⑤
-
- 25.** How we want to be known by customers and stakeholders is consistent with the experience we deliver. ① ② ③ ④ ⑤
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- 26.** We communicate our brand identity to customers and other external stakeholders through our actions and decisions. ① ② ③ ④ ⑤
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- 27.** We do a good job of reinforcing this brand identity to employees through our people practices (how we select, train, assess, reward, etc.). ① ② ③ ④ ⑤
-
- 28.** We do a good job of communicating our identity to employees so that they understand it and feel a commitment to it. ① ② ③ ④ ⑤
-
- 29.** We are good at working together across boundaries such as: functions, time zones, organizational units and geographies. ① ② ③ ④ ⑤
-
- 30.** Information and experiences are willingly shared for the benefit of the larger organization. ① ② ③ ④ ⑤
-
- 31.** We systematically share and adopt internal best practices across boundaries of function, geography, time and organizational unit ① ② ③ ④ ⑤
-
- 32.** We encourage and reward cooperation by individuals and teams. ① ② ③ ④ ⑤
-
- 33.** We are good at leveraging the distinctive strengths of teams and departments across boundaries so that the whole organization is greater than the sum of our parts. ① ② ③ ④ ⑤
-
- 34.** We are good at generating new ideas and ways of working that have real performance impact. ① ② ③ ④ ⑤
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- 35.** When we want to implement a new idea or approach we have effective and systematic processes for applying it across organizational boundaries. ① ② ③ ④ ⑤
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- 36.** We are able to identify, learn from, and apply the best practices of other organizations that are relevant to the work we do. ① ② ③ ④ ⑤
-
- 37.** We willingly let go of old ways of working when new approaches are shown to be better. ① ② ③ ④ ⑤
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- 38.** Our management team encourages and supports individual and team learning and development. ① ② ③ ④ ⑤
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- 39.** We are good at creating new products and services that drive growth. ① ② ③ ④ ⑤
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- 40.** We give people time, resources, and encouragement that allow them to innovate in multiple ways: products, processes, administration, business model, etc. ① ② ③ ④ ⑤
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- 41.** Our leaders focus on creating a desired future for our organization; they do not rely solely on past success. (1) (2) (3) (4) (5)
-
- 42.** We understand how market trends and dynamics are changing, and the opportunities and threats those changes bring to us. (1) (2) (3) (4) (5)
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- 43.** There is a clear protocol for implementing innovative products, processes, and practices. (1) (2) (3) (4) (5)
-
- 44.** Our employees have the skills our organization needs to succeed. (1) (2) (3) (4) (5)
-
- 45.** We are good at attracting and retaining talented employees. (1) (2) (3) (4) (5)
-
- 46.** We are good at engaging and motivating people so they are committed to the organization. (1) (2) (3) (4) (5)
-
- 47.** Our employee value proposition ensures that employees who contribute more are rewarded more. (1) (2) (3) (4) (5)
-
- 48.** We invest significantly to develop our employees and assist them to improve their contribution. (1) (2) (3) (4) (5)
-
- 49.** We do a good job of reducing unnecessary bureaucracy (e.g. meetings, procedures, reports, etc.). (1) (2) (3) (4) (5)
-
- 50.** Our organization is good at making important changes happen fast. (1) (2) (3) (4) (5)
-
- 51.** We have a clear understanding of who needs to make what decisions. (1) (2) (3) (4) (5)
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- 52.** We know how to ensure that projects are done on time and on budget. (1) (2) (3) (4) (5)
-
- 53.** We are attentive to market opportunities and competitive threats, and are quick to respond to them. (1) (2) (3) (4) (5)
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- 54.** Our culture or “the way we do things” enables us to take action quickly. (1) (2) (3) (4) (5)
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- 55.** We are good at managing and reducing costs. ① ② ③ ④ ⑤
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- 56.** We have effective processes for continually reducing the costs of our business practices. ① ② ③ ④ ⑤
-
- 57.** Our employees have the skills, support, and encouragement to identify and implement more efficient ways of working. ① ② ③ ④ ⑤
-
- 58.** We track our costs carefully and know where improvement is needed. ① ② ③ ④ ⑤
-
- 59.** We have a fair resource allocation process. ① ② ③ ④ ⑤
-
- 60.** Roles in the organization are clearly defined and communicated. ① ② ③ ④ ⑤
-
- 61.** We set clear goals and objectives. ① ② ③ ④ ⑤
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- 62.** We rigorously measure how well our people deliver on their goals and objectives. ① ② ③ ④ ⑤
-
- 63.** Employees understand the consequences for delivering or not delivering on these measures. ① ② ③ ④ ⑤
-
- 64.** Employees regularly receive clear, honest, and constructive feedback on their performance. ① ② ③ ④ ⑤
-
- 65.** People at all levels feel a strong personal commitment to delivering on their promises. ① ② ③ ④ ⑤
-

66. Consider your strategy and what your key internal and external stakeholders will value most from your organization over the next 2-3 years in order to be a high-performing organization. Regardless of how well you are able to do the capability today, select from the list below the two capabilities that you believe are most critical for your organization to excel:
(select only 2)

- | | |
|----------------------------------------------------------|-----------------------------------------|
| <input type="checkbox"/> Leadership | <input type="checkbox"/> Learning |
| <input type="checkbox"/> Strategic Unity | <input type="checkbox"/> Innovation |
| <input type="checkbox"/> Customer Connectivity | <input type="checkbox"/> Talent |
| <input type="checkbox"/> Corporate Social Responsibility | <input type="checkbox"/> Speed |
| <input type="checkbox"/> Shared Mindset | <input type="checkbox"/> Efficiency |
| <input type="checkbox"/> Collaboration | <input type="checkbox"/> Accountability |

Part II: Open-Ended Questions

Please answer the following questions in the space provided below. Your name will not be linked with your responses in any way, though the text will appear exactly as you type it below.

QUESTION	
1	What do we do well today as we develop relevant organizational capabilities?

1.

2.

3.

QUESTION

2

How could we improve the way we develop relevant organizational capabilities?

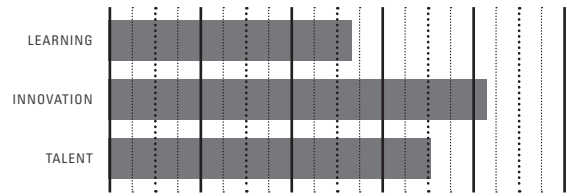
1.

2.

3.

Part III: Scoring

Tear off the next sheet in this packet (page 10) and enter your scores for each question on the scoring sheet. Using the average scores calculated on the scoring sheet, fill in the following diagram as shown in the example to the right:



	0	1	2	3	4	5
LEADERSHIP						
STRATEGIC UNITY						
CUSTOMER CONNECTIVITY						
CORPORATE SOCIAL RESPONSIBILITY						
SHARED MINDSET						
COLLABORATION						
LEARNING						
INNOVATION						
TALENT						
SPEED						
EFFICIENCY						
ACCOUNTABILITY						
	0	1	2	3	4	5

Part IV: Scoring Sheet

Tear sheet along perforation

LEADERSHIP	CORPORATE SOCIAL RESPONSIBILITY	LEARNING	SPEED
1. _____	18. _____		49. _____
2. _____	19. _____	34. _____	50. _____
3. _____	20. _____	35. _____	51. _____
4. _____	21. _____	36. _____	52. _____
5. _____	22. _____	37. _____	53. _____
6. _____	23. _____	38. _____	54. _____
SUM _____ ÷ 6	SUM _____ ÷ 6	SUM _____ ÷ 5	SUM _____ ÷ 6
AVG _____	AVG _____	AVG _____	AVG _____

STRATEGIC UNITY	SHARED MINDSET	INNOVATION	EFFICIENCY
7. _____	24. _____	39. _____	55. _____
8. _____	25. _____	40. _____	56. _____
9. _____	26. _____	41. _____	57. _____
10. _____	27. _____	42. _____	58. _____
11. _____	28. _____	43. _____	59. _____
SUM _____ ÷ 5	SUM _____ ÷ 5	SUM _____ ÷ 5	SUM _____ ÷ 5
AVG _____	AVG _____	AVG _____	AVG _____

CUSTOMER CONNECTIVITY	COLLABORATION	TALENT	ACCOUNTABILITY
12. _____			60. _____
13. _____	29. _____	44. _____	61. _____
14. _____	30. _____	45. _____	62. _____
15. _____	31. _____	46. _____	63. _____
16. _____	32. _____	47. _____	64. _____
17. _____	33. _____	48. _____	65. _____
SUM _____ ÷ 6	SUM _____ ÷ 5	SUM _____ ÷ 5	SUM _____ ÷ 6
AVG _____	AVG _____	AVG _____	AVG _____

Part V: Understanding Your Results

This report presents a current-state assessment of your organizational capabilities that can lead to an action plan for improvement. What follow are ideas about how to use this report to strengthen your organization and create intangible value.

Get focused.

It's better to excel at a few targeted capabilities than to diffuse leadership energy over many. Well-managed companies typically excel in as many as three strategic areas that are most critical to the successful execution of their strategy while maintaining industry parity in the others. Many organizations find it helpful to present the results of this audit at a leadership offsite with dedicated time to establish consensus on the top two or three capabilities, an initial action plan, and what measurable outcomes will be achieved within a specific time-frame. It's important to remember that organizational capabilities are interdependent, not independent, and focusing on one will likely surface related issues in other capabilities. For example, an organization that identifies speed as one of their most critical capabilities will likely need to improve the speed of its innovation or efficiency. Staying focused on the primary aspects (*speed* of innovation or *speed* of efficiency) is important to maintain the focus required for success.

Learn from the best.

Compare your organization with others that have world-class performance in your target organizational capabilities. Think broadly. It is likely that these companies won't be in the same industry (which also makes them more willing to share best practices with you), so look for analogous industries where companies may have developed extraordinary strengths that you can learn from.

Continue to measure and improve.

Over time, repetitions of the assessment-investment cycle create a virtuous cycle that maintains focus on building the organizational capabilities that deliver the results stakeholders expect and enhances market value. Additionally, if the initial assessment was limited to an internal group—particularly if it just included the senior leadership team—a more comprehensive assessment process that includes customers, selected investors, or a broader cross-section of employees often reveals a different assessment of the current state of the organization's capabilities.

Few dispute that intangible assets matter. Assets like leadership, talent, and speed are what produce superior market value. Assessing and then building targeted organizational capabilities provides a meaningful framework and helps identify specific actions you can take to build the intangible assets in your organization.



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