

Taking Stock of What We Have

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In the lead article of our last newsletter (see “Planning for the Recovery” June, 2009 newsletter) we asked “**Are you ready to prepare your organization for the *recovery*?**” Needless to say, at that time we were all hoping for a more rapid economic recovery than we are actually experiencing.

Nevertheless, we do see signs that a recovery is blossoming. In that article we introduced a seven-step process designed to guide us in building our organizations for the approaching recovery and our future endeavors. In particular, we spent time exploring:

- The critical step of establishing (or at least “refreshing”) our stated business purpose, organizational mission and vision
- The necessity of taking these concepts a step further by defining measurable goals and objectives to support our organizational vision
- To serve as milestones in achieving that vision

Now we will pick up on the third critical step of that 7-step organizational planning process. That step involves conducting a comprehensive “current state analysis” or quite simply, *taking stock of what we have to work with!* In doing so we will take an objective view of things in light of our where we are going (our “vision”) rather than where we are today or what we have done in the past.

We’re preparing to ask ourselves whether or not we have the organizational wherewithal to achieve that vision; and if not, what type of changes or enhancements will be necessary. In taking stock (e.g., current state analysis), we want to conduct a comprehensive, and perhaps, detailed review of our current organization structure, infrastructure and organizational functioning. Such a comprehensive review will always account for the topics below.

People

Yes, we will want to look at our **human capital**, our **organizational culture**, and the **competencies** our current incumbents bring to the organization both in the aggregate as well as in mission critical positions or services. In that regard we want to take inventory of our talent including a critical review of our programs for attracting, developing, utilizing and retaining talent.

For many of you, this review should not be limited to those on your direct payroll. Rather, many organizations are also dependent upon non-employees for needed resources or services, and they too should be covered within this comprehensive review. Examples might include:

- Outside marketing/advertising firm
- Key suppliers
- Outsourced services

- Outside sales support and channel partners, and/or distributors.

The key question is “are those with whom you have existing business relationships capable of helping you achieve your vision”... yes or no? If so, are they organized and motivated in the right way to help you get it done?

Key Business Processes

Our second cut in conducting a comprehensive current state analysis should include a critical review of our key business processes. Essentially what we are talking about is determining:

- “Who does what”
- “How” and “how well”

By “key” we mean those processes of highest importance, not every process or procedure that exists, but those that are critical to achieving your business purpose.

Lots of people tend to get bogged-down during this phase, wanting to review and/or document every process that exists in the company. That’s not at all necessary! Rather, it is better to take a fairly “high-level” view of a few “key” processes that are critical, and most of those are critical to almost every business organization! These include:

- How we get new customers or retain existing customers
- How we complete a sale and place an order (for products or services)
- How we acquire critical resources (raw materials, supplies, people, knowledge, capital etc.) for our production and/or service delivery process
- How we produce and deliver what it is that is of value
- How we get paid for what it is that we provide (pricing, billing, collections, etc)

Keep it at a high level ... it works better! Equally important, we should look at including measures and metrics by which we can determine “how well” things are being done, particularly in comparison to our competitors or our own financial requirements.

Enabling Technologies & Assets

The third area of inquiry looks at the technology systems and other critical resources that help us do our work. Typically this means a high level assessment of our information systems (IT) support. But we’re not simply talking “IT” here; we should also look at other assets that may be critical to our production or service delivery capability.

- For banks and financial institutions this may include assets and/or branches
- For retailers it may include the number and location of stores
- For educational systems it might include the number and distribution of schools, learning centers and online educational support capabilities.

The key question to consider is how well will these resources serve you in fulfilling your vision and purpose?

Wrapping It Up

Most of us are familiar with the type of SWOT Analysis frequently used in strategic planning wherein we assess our strengths, weaknesses, opportunities and threats relative to the marketplace and business opportunities. I have found this same concept to work very effectively in summarizing a “current state analysis” if you make a small modification. That modification is simply looking at your organizational characteristics in light of ***achieving your purpose and vision***.

In conducting this SWOT Analysis, you will likely find there are some organizational attributes and characteristics that are clearly strengths (things that you are not likely to change) and some that will even present themselves as an opportunity or capability that can be leveraged. Yet other characteristics will appear to be weaknesses or detractions from your ability to achieve your purpose and vision. These you will want to address or work around. And, in almost all cases there will be an organizational attribute or characteristic that may pose a “threat” to achieving your vision and purpose.

Isolating “opportunities” and “threats” produces the juicy fruit of the current state analysis. Doing so tells you what needs to be changed and the relative priority for doing so!

A Final Word of Caution:

Conducting a good current-state analysis requires skill in documenting organization properties and characteristics, as well as, process flow mapping. While not everyone has these skills, they can be learned.

A trickier issue, but one of utmost importance, is the ability to maintain an objective view! Taking an objective view is critical to a successful current state analysis and sometimes very difficult for insiders to do, because they are often part of “what is”. In fact, almost every client I have worked with over the years has told me that they would not have been able to do an “objective” current-state analysis without some outside assistance; they just don’t have the viewpoint! So, please keep the “objectivity” imperative in mind as you go forth.