

# Valuable News

The News Engine of Valufacture Solutions



**Valufacture Solutions** are Business Architects; professionals dedicated to the Art and Science of building businesses.

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*“Managers need to think of their companies as if they were living organisms.”*

## Differentiation ~ combining Strategy and Talent to drive Growth:

DNA is your most precious possession. It guided the construction of your body and it continues to control all the basic functions of living. Each of your cells is constantly using information provided by the DNA; asking questions, dealing with challenges; the answers lie in the DNA. DNA is arguably one of the most beautiful molecules in living cells. Its graceful helix is pleasing to the eye

and is easily recognized by everyone. To some, it may carry a negative connotation (as in genetically engineered produce); to others it may bring advances (as in forensic science); but to all, it is the persuasive symbol of our growing understanding of the human body<sup>1</sup>. The parallels with business are uncanny and there is a lot that we can learn from Nature.

### Corporate DNA

Much has been written about Corporate DNA<sup>2</sup>. Global competition and computer technology have made organizations more interdependent. Markets have become chaotic and are transforming themselves at an alarming rate. This change has meant that managers need to think of their companies as if they were living organisms.

## A Simplistic Model ~ the Differentiation Helix:

Living organisms can stagnate as can corporations. Today, it is not enough to simply survive. Companies need to grow and to maintain that growth on an ongoing basis; and one of the best ways to do that is for companies to *differentiate* themselves from the competition.

Unfortunately, companies so often look to their marketing and advertising departments and agencies for the answers but they inevitably come up with band-aids that only slow the decline rather than fix it.

A company's **Differentiation Helix** consists of two strands which partner and wrap around each other to form the familiar double helix (similar to that of DNA.) Those two strands are the company's **Strategy** and its **Talent**. The *Strategy* strand refers to the ability of the company to create a blue ocean or uncontested market space that makes all competition irrelevant<sup>3</sup>; whilst the *Talent* strand refers to the company's ability to fill all its positions or at the very least, its key strategic positions, with 'A' players

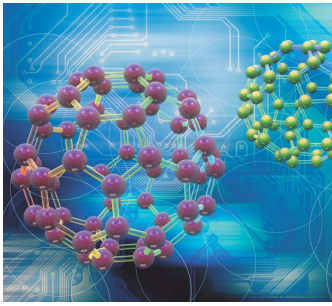
to execute the strategy. True differentiation occurs therefore, only when both strands are wrapped and partnered together.

### How Companies get it wrong

The corporate and executive battlefields are littered with corpses of those companies and executives that got it wrong; and our current landscape is littered with organizations that are bogged down in the steamy swamp of stagnation.

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*“Companies cannot create blue ocean strategies without taking note of the talent responsible for executing that strategy.”*

**Valufacture Solutions** prides itself on creating outstanding value for our clients. Should you need further discussion on the Differentiation Helix or on how best to differentiate your company from the competition, please call us.

## Overcoming Flawed Strategies

Companies cannot create blue ocean strategies without taking note of the talent that will be responsible for executing that strategy. Similarly, it is pointless, let alone highly expensive, for companies to bring in top talent to execute strategies that are flawed. ‘A’ players will quickly see through those flawed strategies and leave on their own accord, or be forced to leave the company by the Board (no doubt a lot richer for the experience.) The Differentiation Helix forms

its double helix when blue ocean strategies are created and the talent (‘A’ players) is put in place to execute that specific strategy.

### Processes and Systems

“What about processes and systems, “you may ask, “can they differentiate an organization?” They can certainly provide an organization with an edge over its competition, but they do not **differentiate** the organization. When people talk about “best-in-class,” they are referring often to a company’s

processes or systems and these form the benchmark for the competition to copy. Blue ocean strategy and talent cannot be copied. A competitor cannot copy your talent (last time I looked, human cloning was outlawed); they can just hire better people. They can also imitate your strategy, and make no doubt about it, when you become successful, they will but by then, hopefully you would have moved on and created your next blue ocean.

## The Molecular Structure of the Differentiation Helix:

The Strategy strand of the Differentiation Helix consists of the following:

- Reviewing and reconstructing your market boundaries
- Looking beyond existing demand

The Talent strand of the Differentiation Helix consists of:

- Topgrading the whole organization or at a minimum, the key strategic roles
- Developing a Workforce Scorecard linked to Strategy

If constructed properly, the Differentiation Helix will be a dynamic molecule, quite flexible and bound by the proteins that interact with it.

1. Adapted from an article by David S. Goodsell; *Molecule of the Month*; RCSB Data Bank (November, 2001)
2. For a more in-depth dissertation on Corporate DNA refer to “Corporate DNA. Learning from Life”. Ken Baskin (Butterworth-Heinemann; 1998)
3. Recommended reading “Blue Ocean Strategy”: Kim.W.C, Mauborgne.R ( Harvard Business School Publishing Corporation; 2005)




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Creating Outstanding Value