

Competences

© Robert Jones 2010

robert.jones@anglia.ac.uk

<http://www.cambridgempa.wordpress.com/strategy>

What is a “competence” ?

Competences

How an organisation exploits its resources

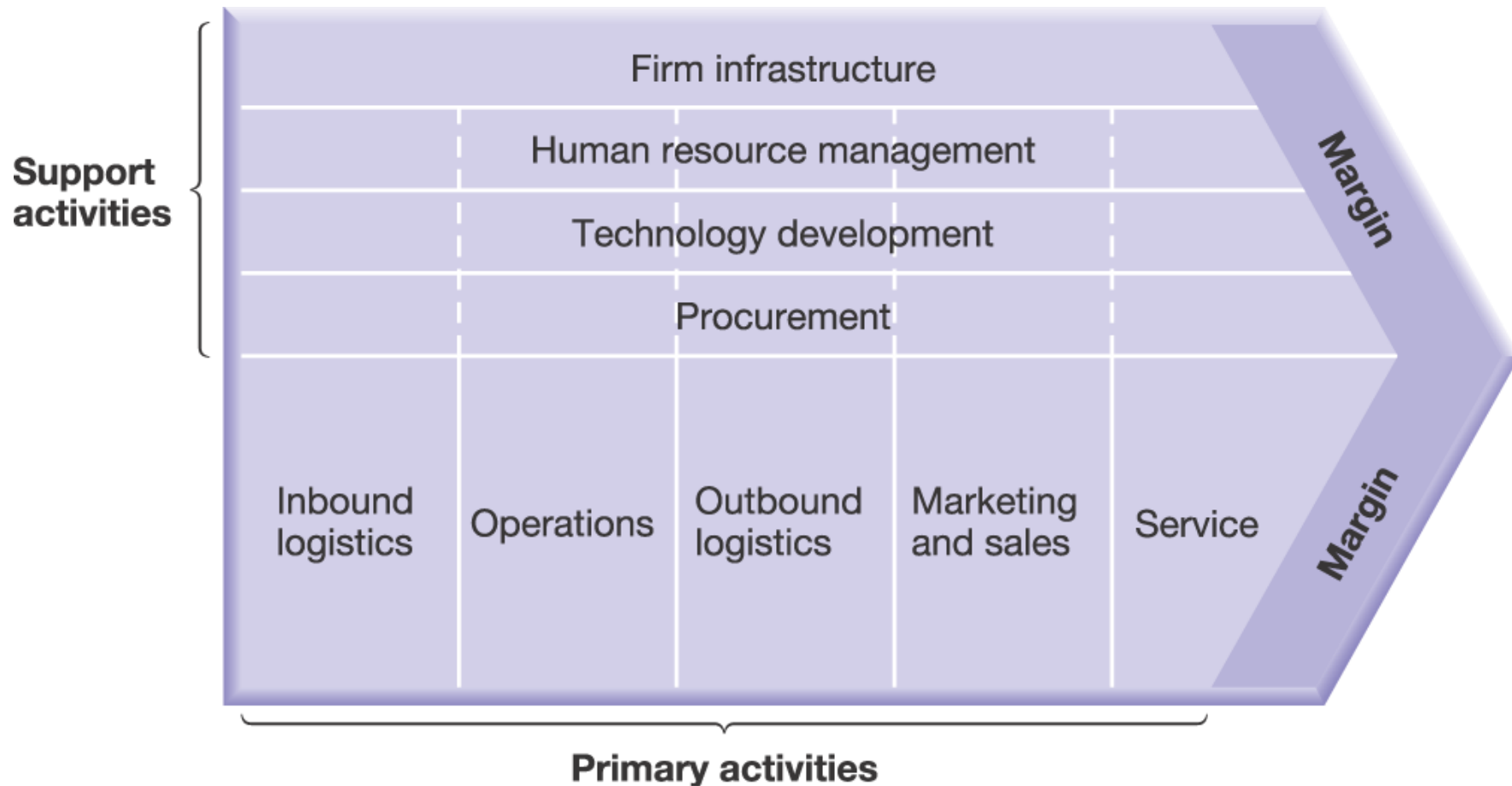
Efficiency and effectiveness of resources

- How they are managed
- Cooperation between people
- Adaptability
- Innovation
- Customer and supplier relationships
- Learning

Resources

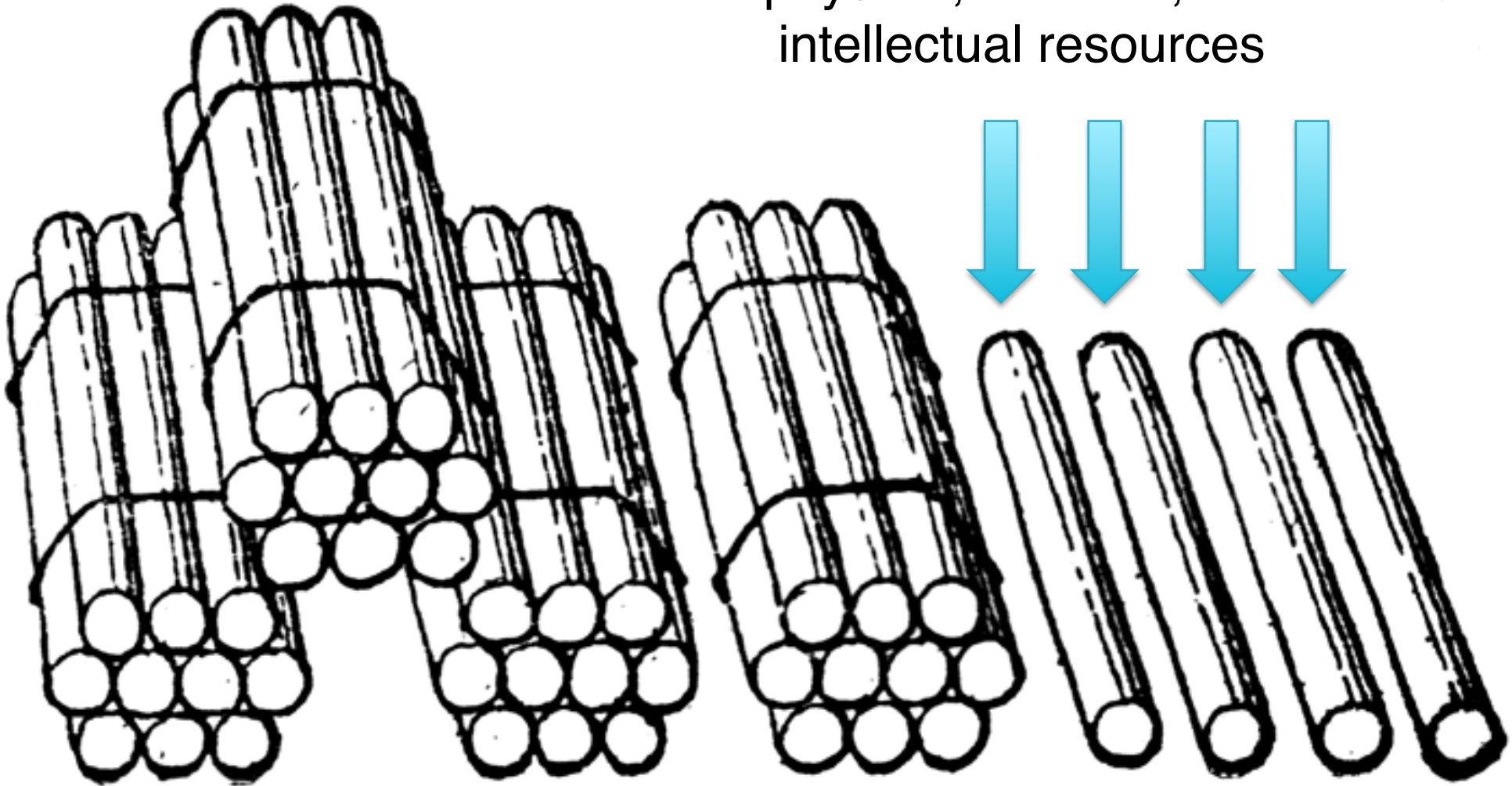
- Physical resources
 - Machines, buildings, production capacity
- Financial resources
 - Capital, cash, debtors/creditors, suppliers of money (shareholders, bankers etc)
- Human resources
 - Number and mix of people, skills and knowledge
- Intellectual capital
 - Patents, brands, business systems, customer databases, “goodwill”

The Value Chain



Source: M.E. Porter, *Competitive Advantage: Creating and Sustaining Superior Performance*, Free Press, 1985. Used with permission of The Free Press, a division of Simon & Schuster, Inc. © 1985, 1988 by Michael E. Porter. All rights reserved.

physical, financial, human and
intellectual resources



Competence

Competence

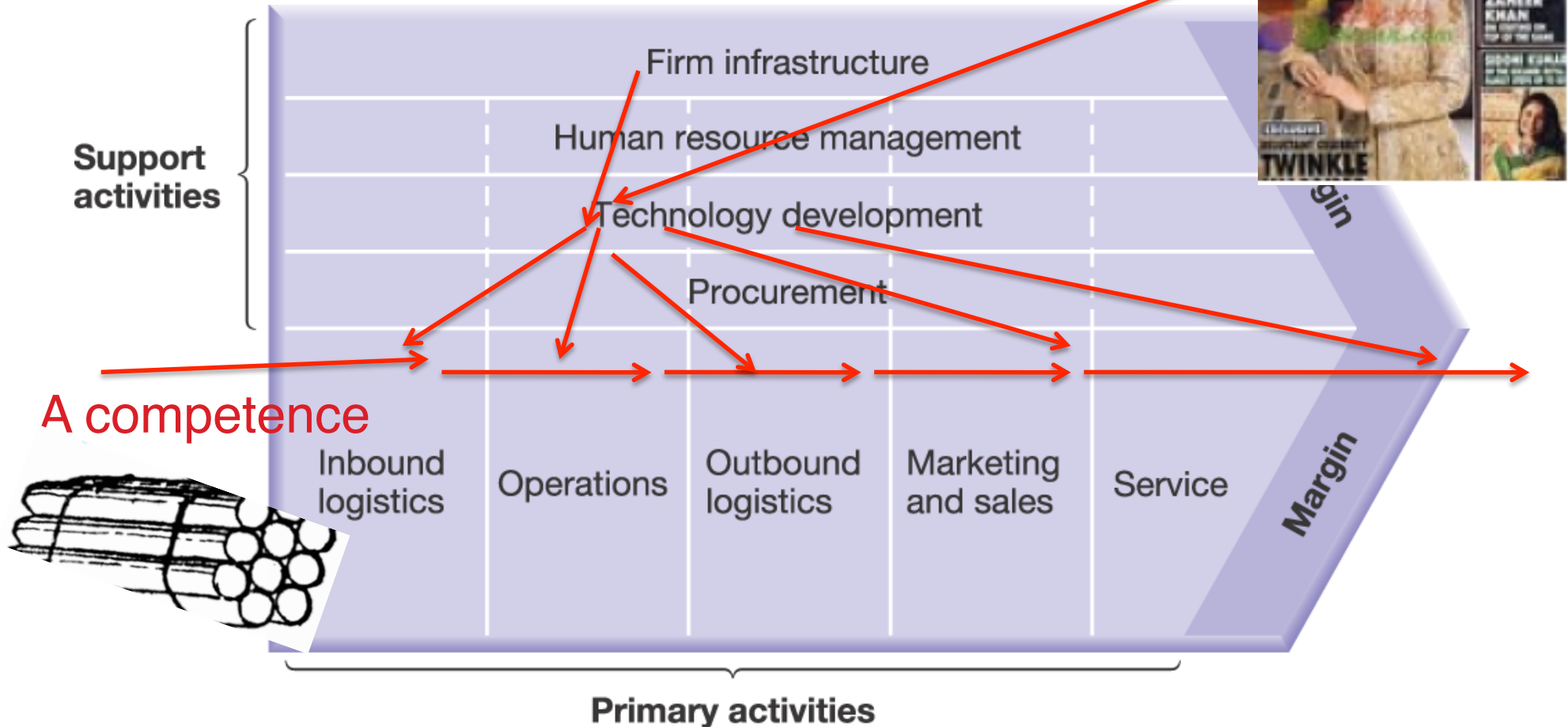
Competence

Slide 3.6

ZARA



The Value Chain



© R Jones 2010, based on:-

Source: M.E. Porter, *Competitive Advantage: Creating and Sustaining Superior Performance*, Free Press, 1985. Used with permission of The Free Press, a division of Simon & Schuster, Inc. © 1985, 1988 by Michael E. Porter. All rights reserved.

ZARA

by David J. Arnold

26 pages. Publication date: Mar 12, 2003.



Zara: IT for Fast Fashion

by Andrew McAfee, Anders Sjoman, Vincent Dessain

23 pages. Publication date: Jun 25, 2004.

Zara's Secret for Fast Fashion

2/21/2005

Spanish retailer Zara has hit on a formula for supply chain success that works. By defying conventional wisdom, Zara can design and distribute a garment to market in just fifteen days. From Harvard Business Review.

by Kasra Ferdows, Michael A. Lewis and Jose A.D. Machuca

Zara: Managing Stores for Fast Fashion

by Zeynep Ton, Elena Corsi, Vincent Dessain

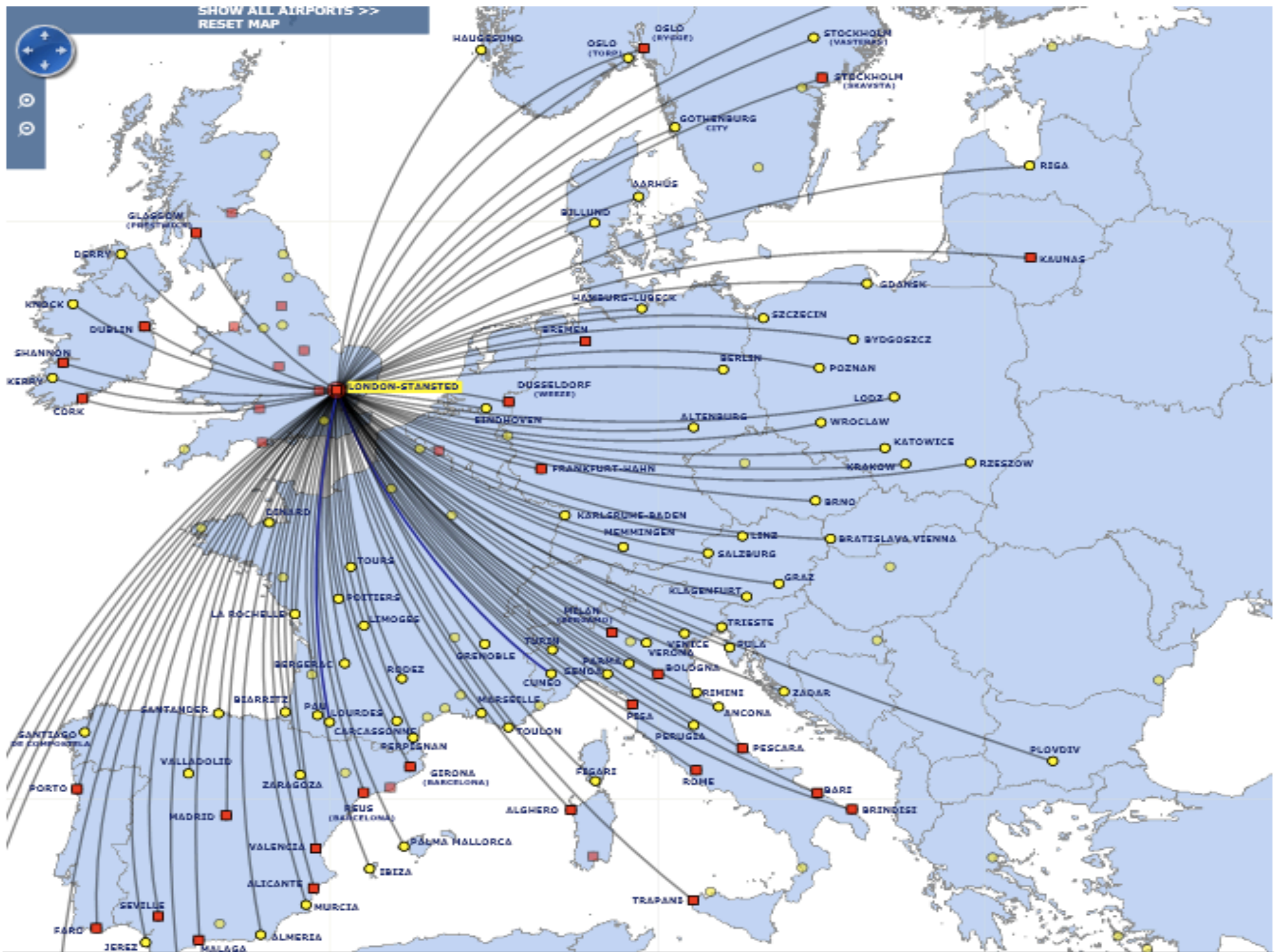
19 pages. Publication date: Nov 23, 2009.

Some businesses achieve **extraordinary profits**
compared with others in the same industry

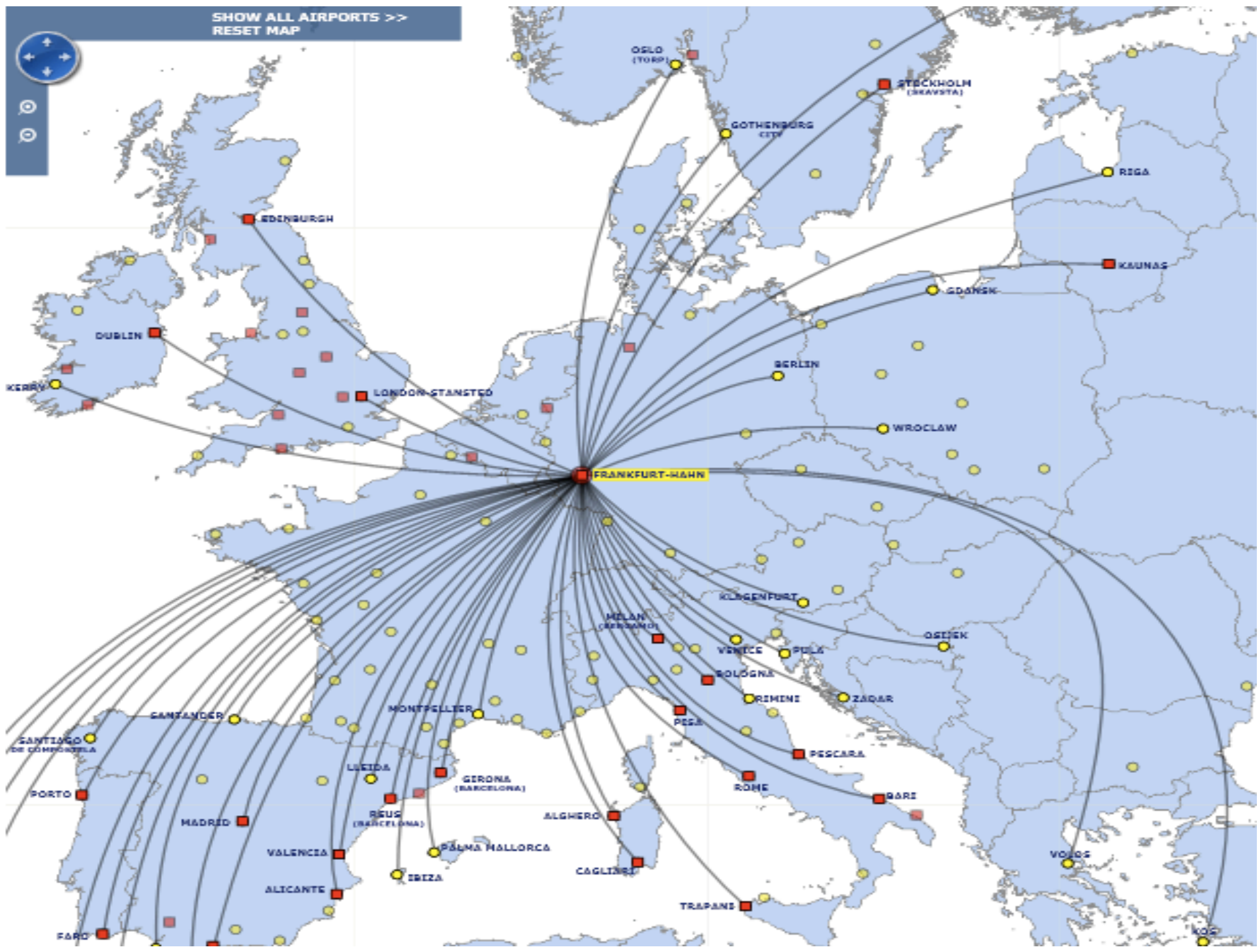
How?



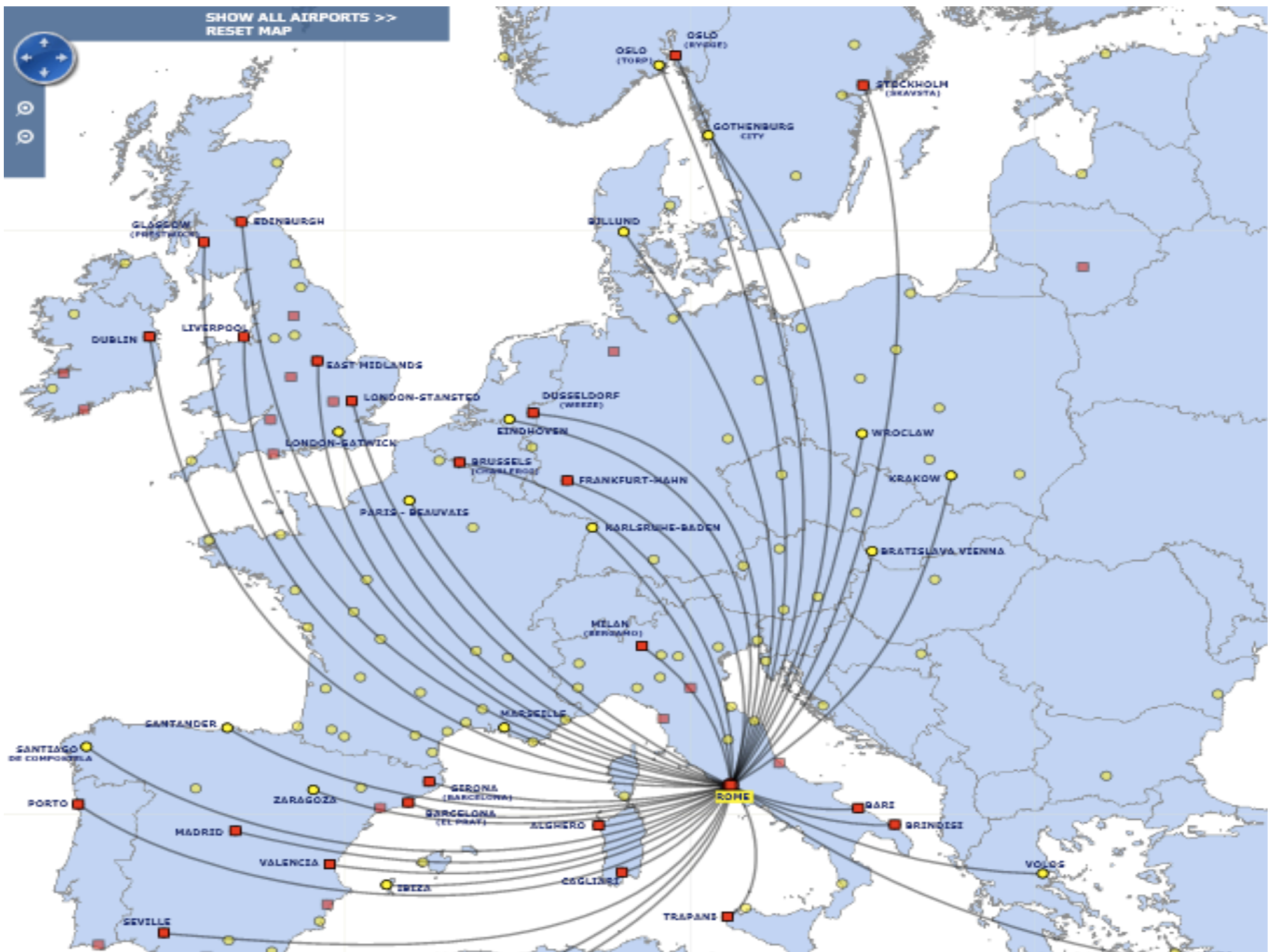
SHOW ALL AIRPORTS >>
RESET MAP



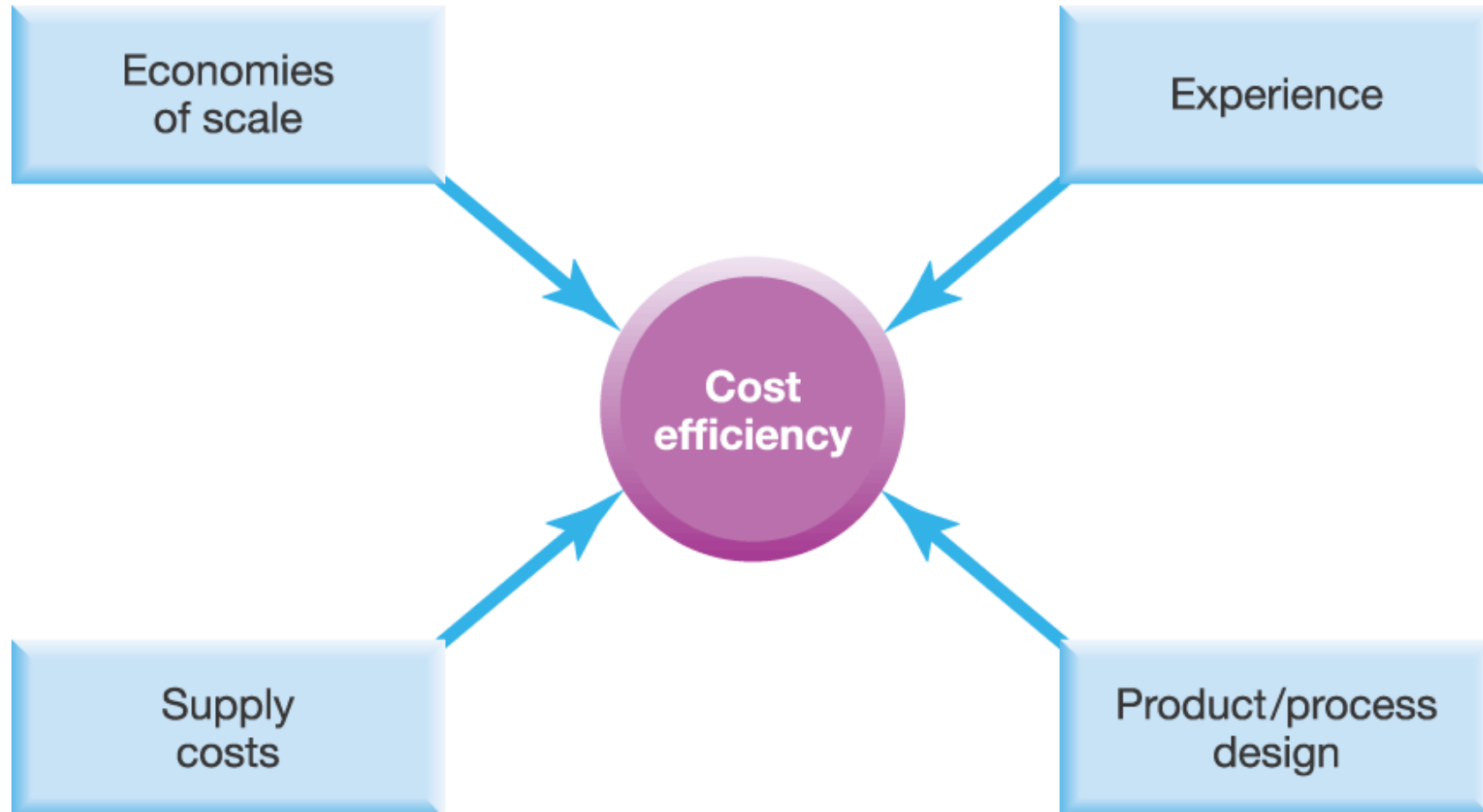
SHOW ALL AIRPORTS >>
RESET MAP



SHOW ALL AIRPORTS >>
RESET MAP



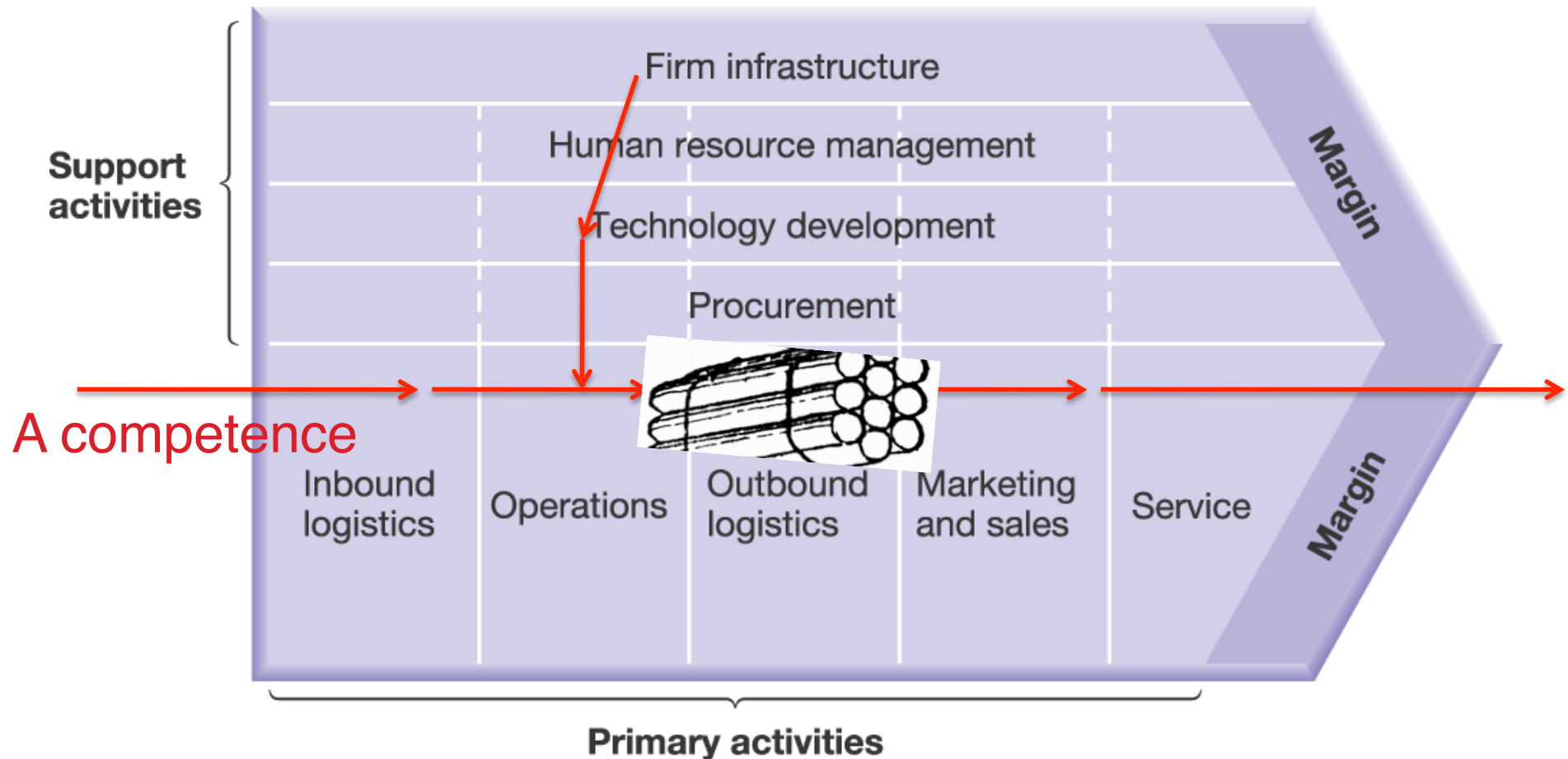
Sources of Cost Efficiency





<http://www.youtube.com/watch?v=oJCuYNvrE8g>

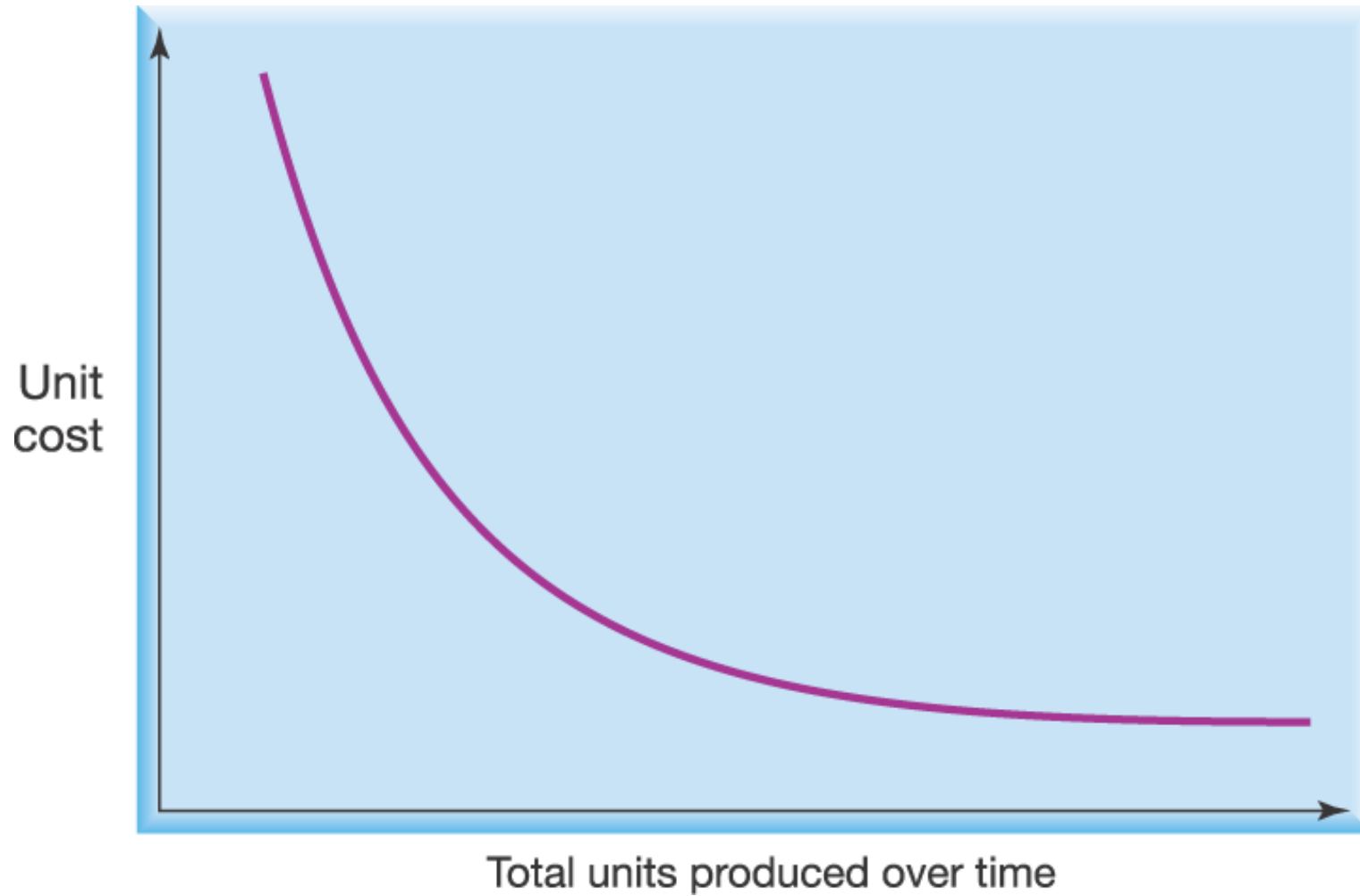
The Value Chain



© R Jones 2010, based on:-

Source: M.E. Porter, *Competitive Advantage: Creating and Sustaining Superior Performance*, Free Press, 1985. Used with permission of The Free Press, a division of Simon & Schuster, Inc. © 1985, 1988 by Michael E. Porter. All rights reserved.

The Experience Curve





iPad

A magical and revolutionary product at an unbelievable price. Starting at £429.



[Watch the new TV ad ▶](#)



[Watch the iPad video ▶](#)

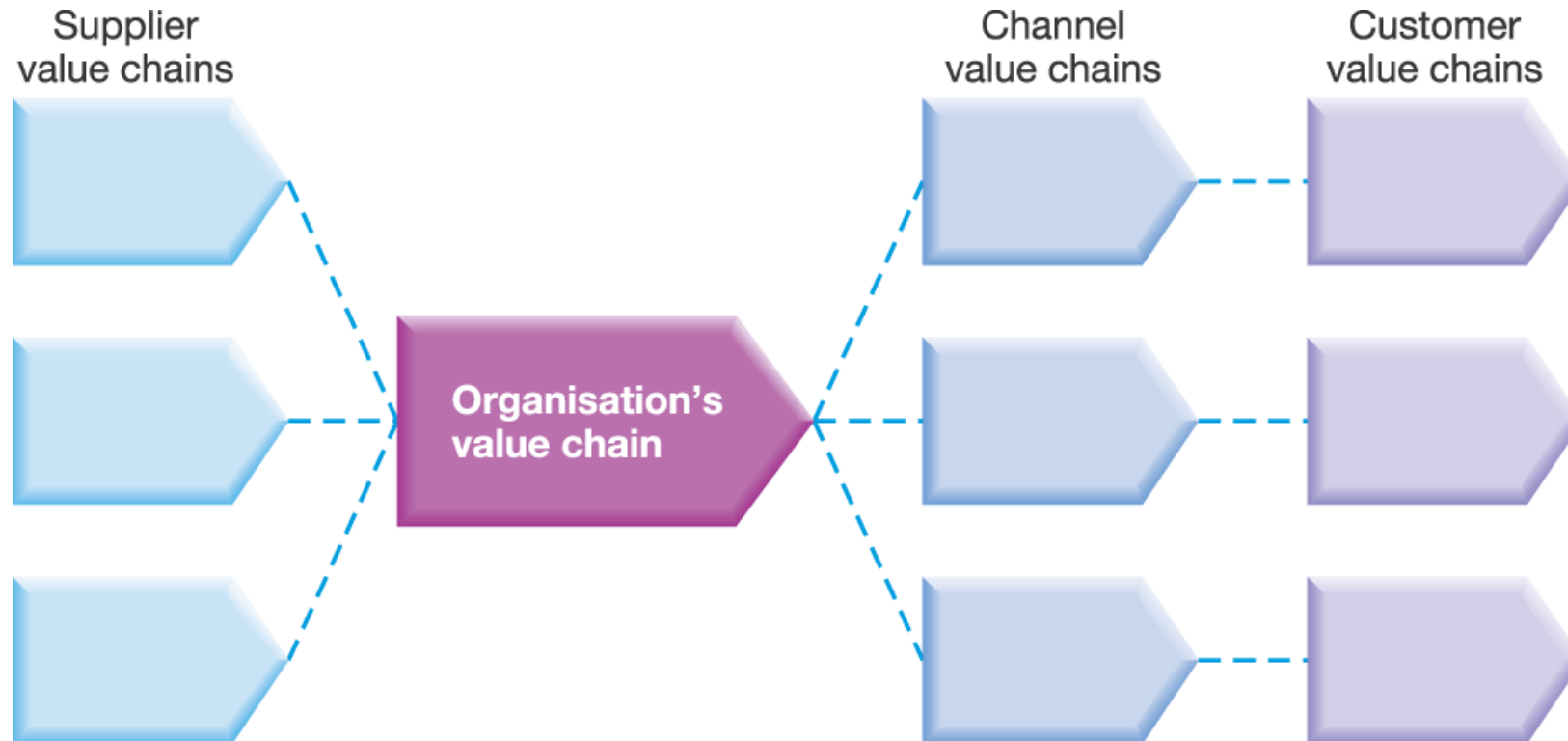
What is Apple's competence ?



ARM THE ARCHITECTURE FOR THE DIGITAL WORLD®



The Value Network

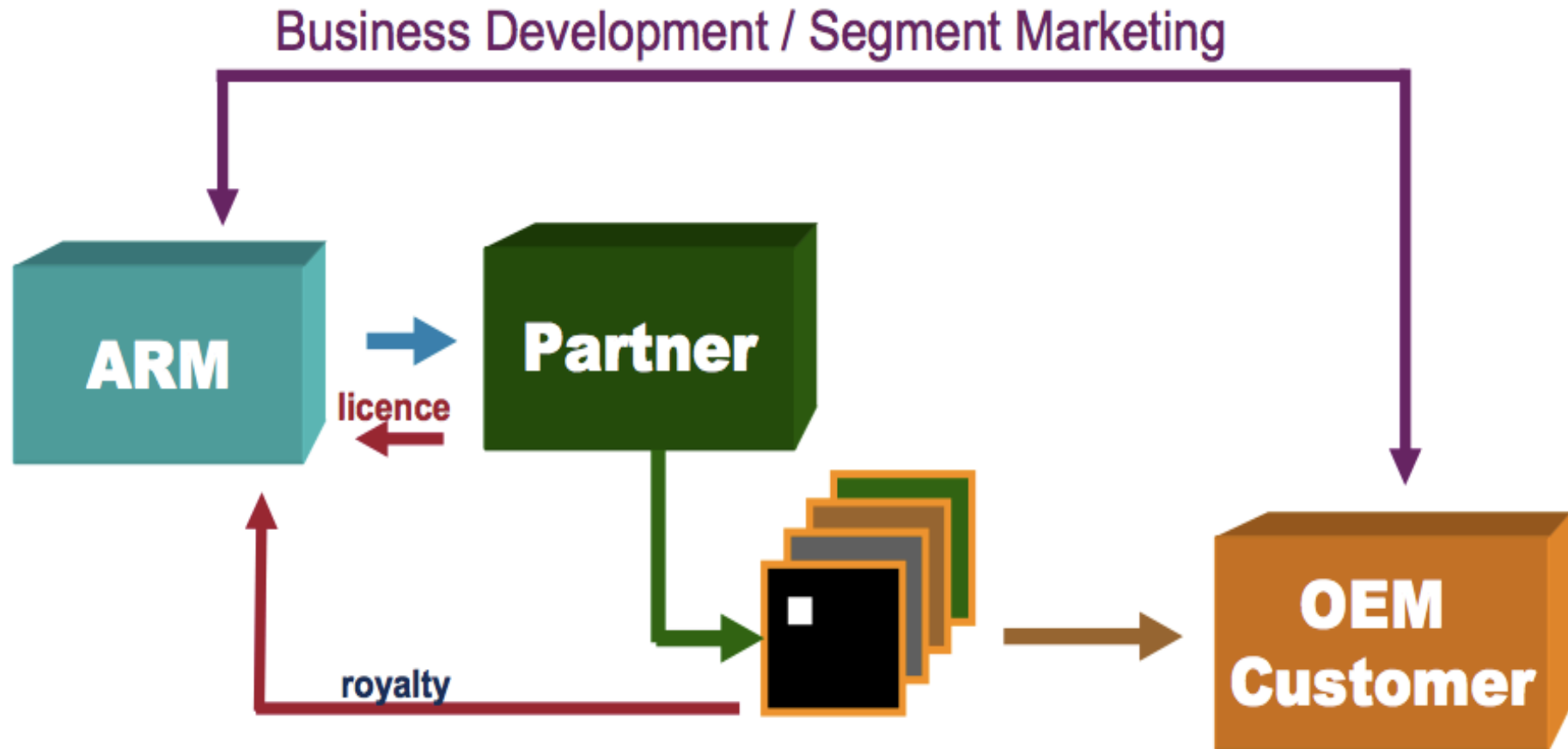


Source: M.E. Porter, *Competitive Advantage: Creating and Sustaining Superior Performance*, Free Press, 1985. Used with permission of The Free Press, a division of Simon & Schuster Inc. © 1985, 1988 by Michael E. Porter. All rights reserved.

**In 2007, ARM
was at the
heart of around
a quarter of
all electronic
devices sold
in the world**

ARM plc
Annual Report

Core Business Model



**ARM
licenses Partner**

**Partner
develops SoC**

Lee Smith, ARM Fellow Presentation to
Cambridge University Entrepreneurs,
9th February 2008

Licence fee covers proportion of development costs

Lee Smith, ARM Fellow Presentation to Cambridge University
Entrepreneurs,
9th February 2008



Thousands of Physical IP Users

Strategic Capabilities and Competitive Advantage

	Resources	Competences
Threshold capabilities	Threshold resources <ul style="list-style-type: none">● Tangible● Intangible	Threshold competences
Capabilities for competitive advantage	Unique resources <ul style="list-style-type: none">● Tangible● Intangible	Core competences

Capabilities for Sustainable Competitive Advantage

- Value
- Rarity
- Robustness
- Non-substitutability
- Dynamic capabilities

[Home](#)[About Us](#)[Capabilities & Services](#)[Media](#)[Careers](#)[Contact Us](#)

Trust Marshall Aerospace to deliver

So Much More...

Marshall Aerospace has the capabilities to provide you with complete solutions to modern military, civil and business aviation challenges – no matter where your operation is located. We offer world-class engineering capabilities for the design and build, equipping, conversion and modification, manufacture, maintenance, testing and integrated support of aircraft and aircraft components.

Our solution delivery is supported by our team of over 1,600 designers, engineers, technicians and specialists across a broad range of disciplines. Our resources include our exclusive private airport, Marshall Airport Cambridge. The secure 324 hectare site features a 1,965 metre runway, plus extensive engineering facilities housed in 117,000m² of hangar space.



Local To London



Careers With MA



Global Support

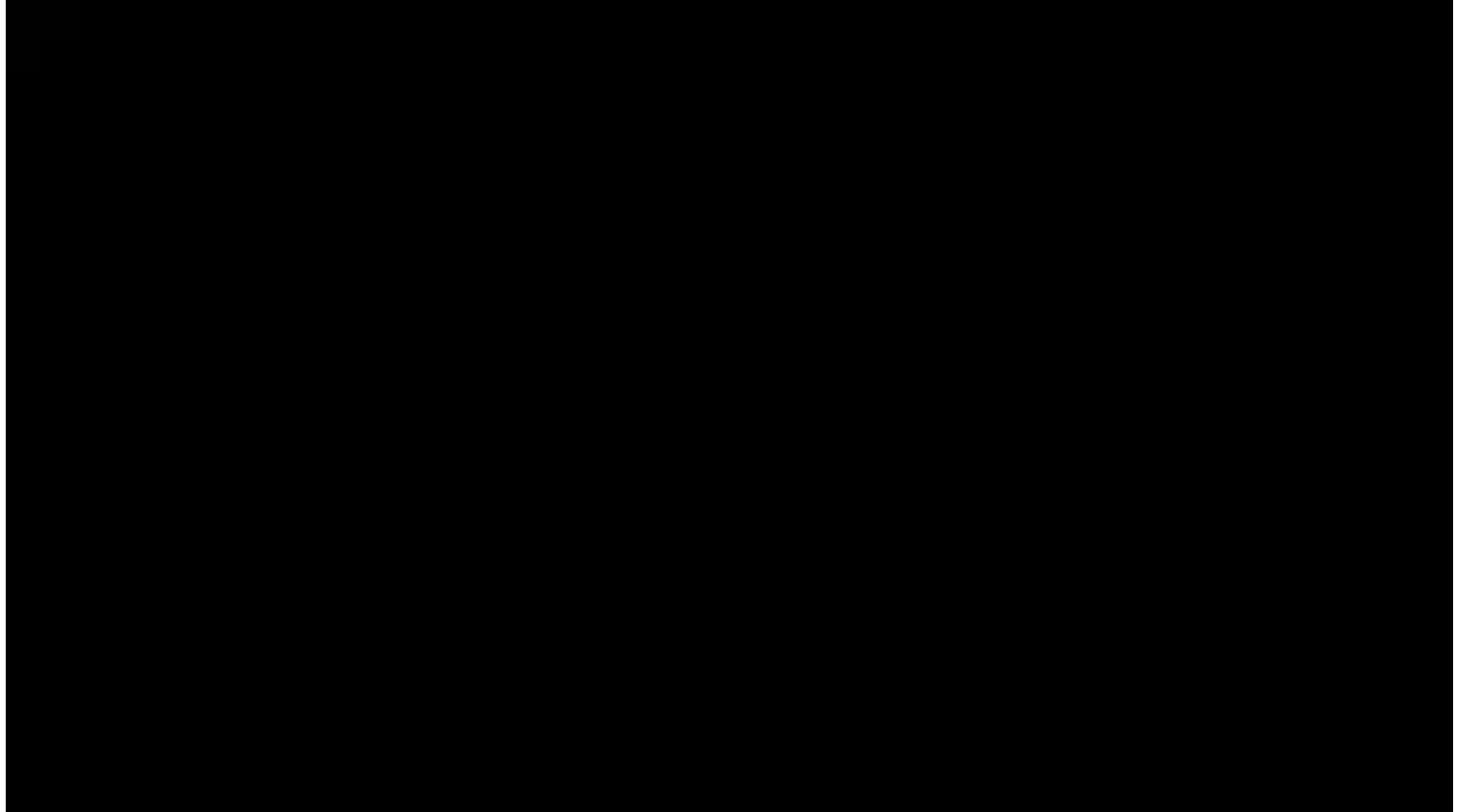


Events

Strategic Capability- the terminology

Term	Definition	Example (athletics)
Strategic capability	The ability to perform at the level required to survive and prosper. It is underpinned by the resources and competences of the organisation.	Athletic ability suited to a chosen event.
Threshold resources	The resources needed to meet customers' minimum requirements and therefore to continue to exist.	A healthy body (for individuals). Medical facilities and practitioners. Training venues and equipment. Food supplements.
Threshold competences	Activities and processes needed to meet customers' minimum requirements and therefore to continue to exist.	Individual training regimes. Physiotherapy/injury management. Diet planning.
Unique resources	Resources that underpin competitive advantage and are difficult for competitors to imitate or obtain.	Exceptional heart and lungs Height or weight World-class coach
Core competences	Activities that underpin competitive advantage and are difficult for competitors to imitate or obtain.	A combination of dedication, tenacity, time to train, demanding levels of competition and a will to win.

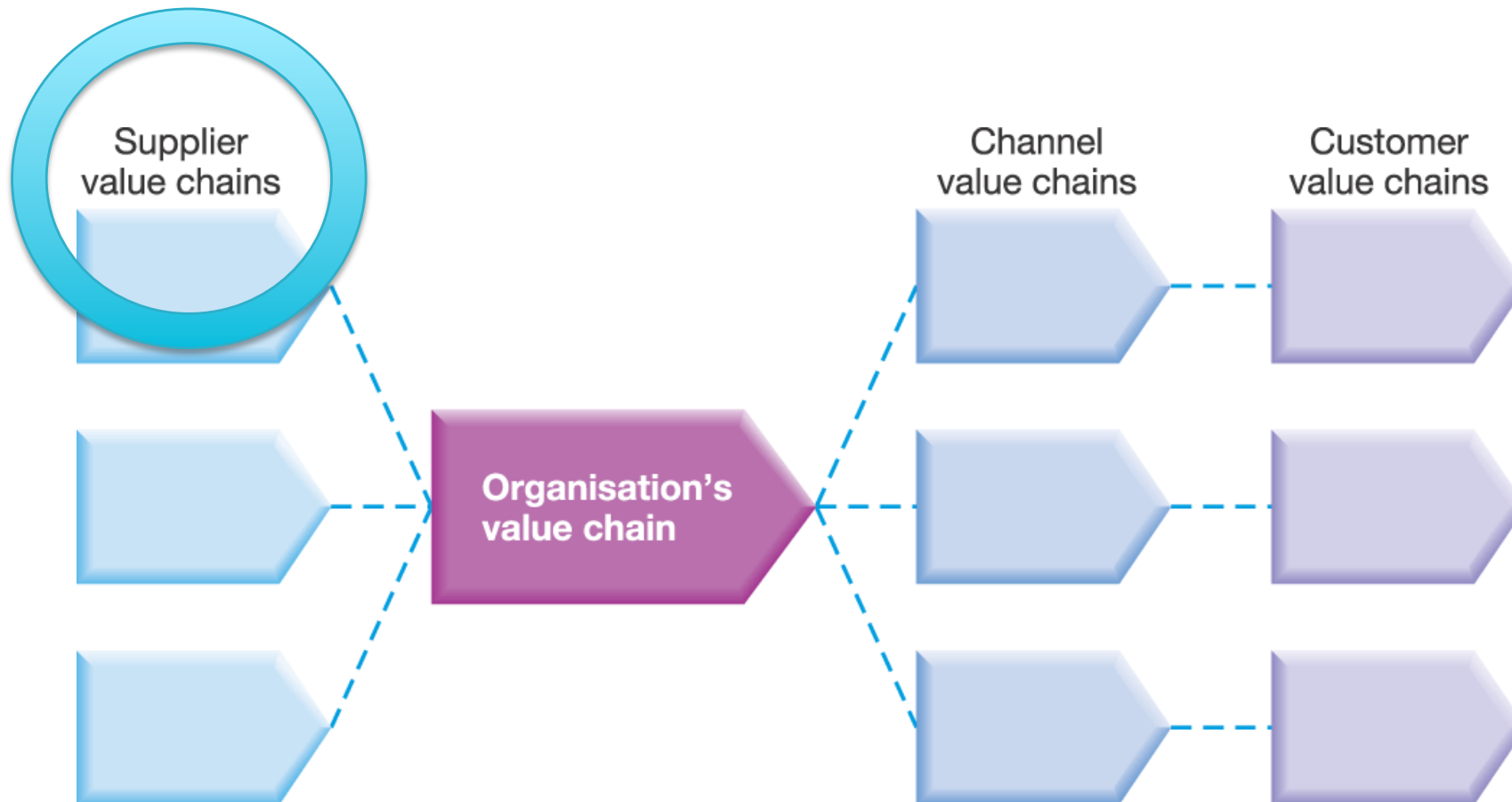
The Honda Channel



<http://www.youtube.com/user/honda?blend=1&ob=4>

What is Honda's competence ?

The Value Network



© R Jones 2010, based on:-

Source: M.E. Porter, *Competitive Advantage: Creating and Sustaining Superior Performance*, Free Press, 1985. Used with permission of The Free Press, a division of Simon & Schuster Inc. © 1985, 1988 by Michael E. Porter. All rights reserved.





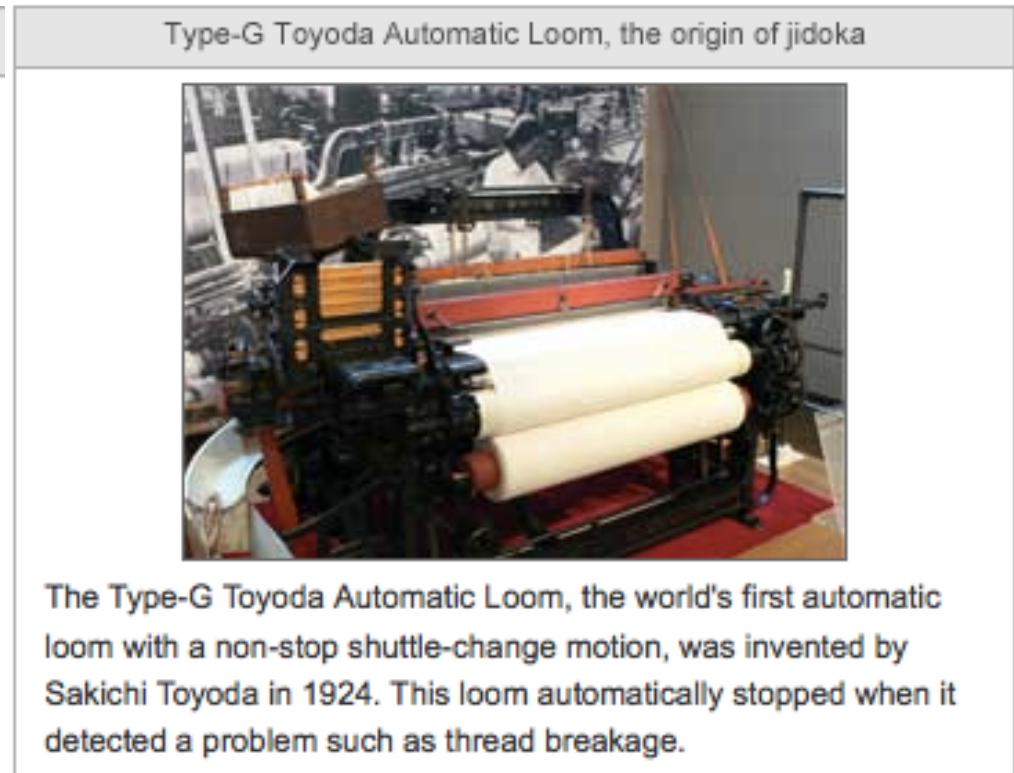
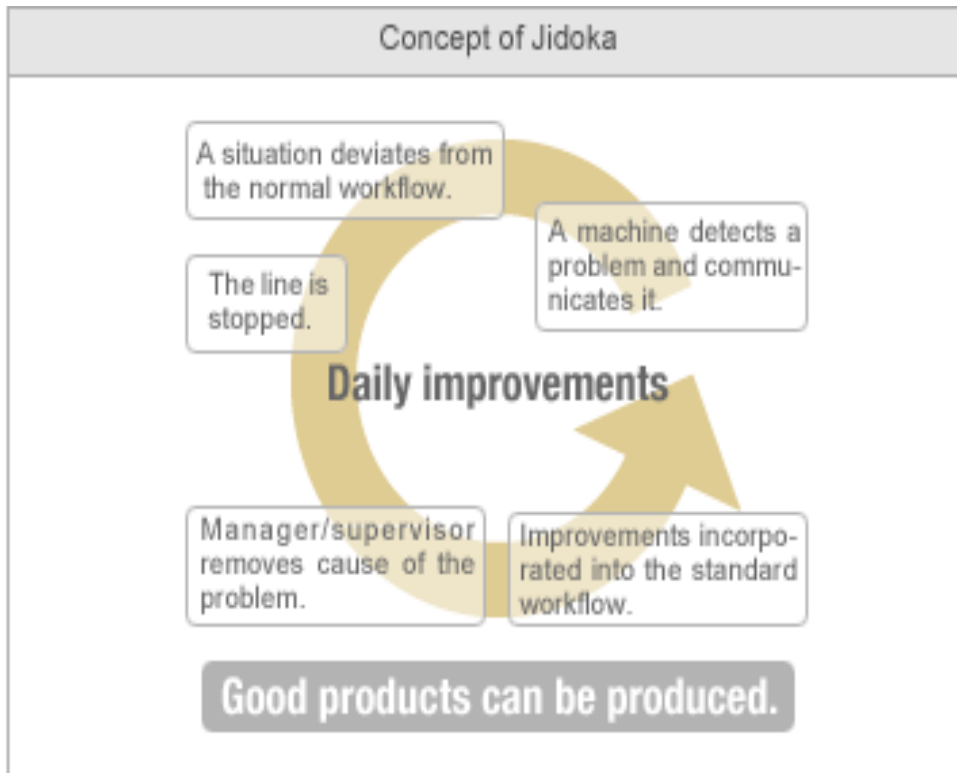
What is Toyota's competence?



Toyota Production System

Jidoka

Manufacturing high-quality products

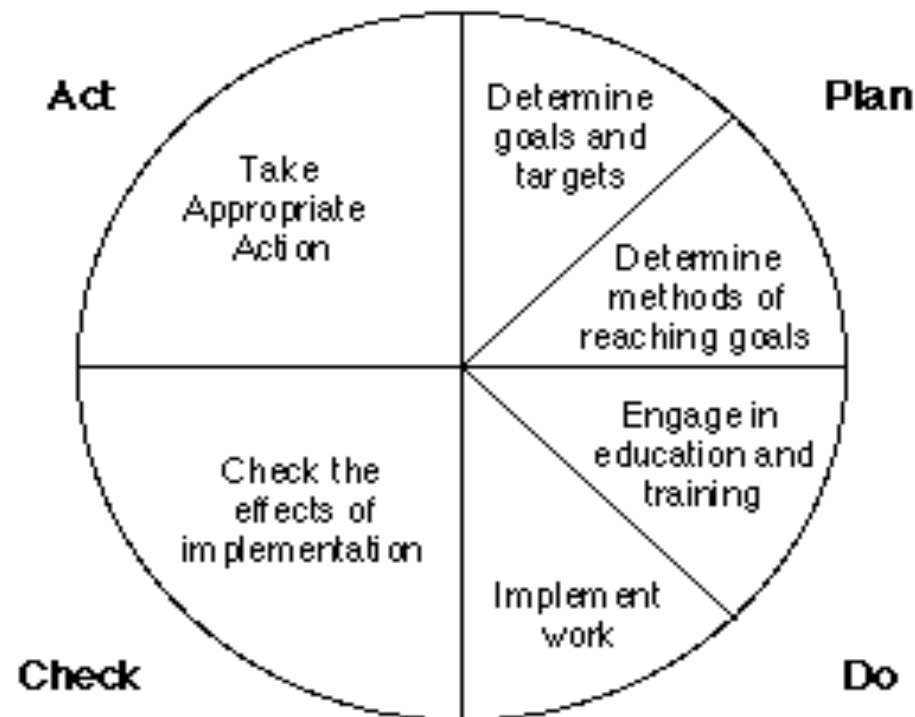


PDCA - The Deming Cycle

This cycle of "Plan - Do - Check - Act" is also known as the Control Circle, or PDCA.

Kaoru Ishikawa has expanded Deming's four steps into six:

1. Determine goals and targets.
2. Determine methods of reaching goals.
3. Engage in education and training.
4. Implement work.
5. Check the effects of implementation.
6. Take appropriate action.






Toyota Production System

Just-in-Time

Philosophy of complete elimination of waste

Evolution of the kanban through daily improvements



Through continuous improvements, the kanban has evolved into the "e-kanban," which is managed using IT and increases productivity even further.

Conclusion:

What is a “competence” ?