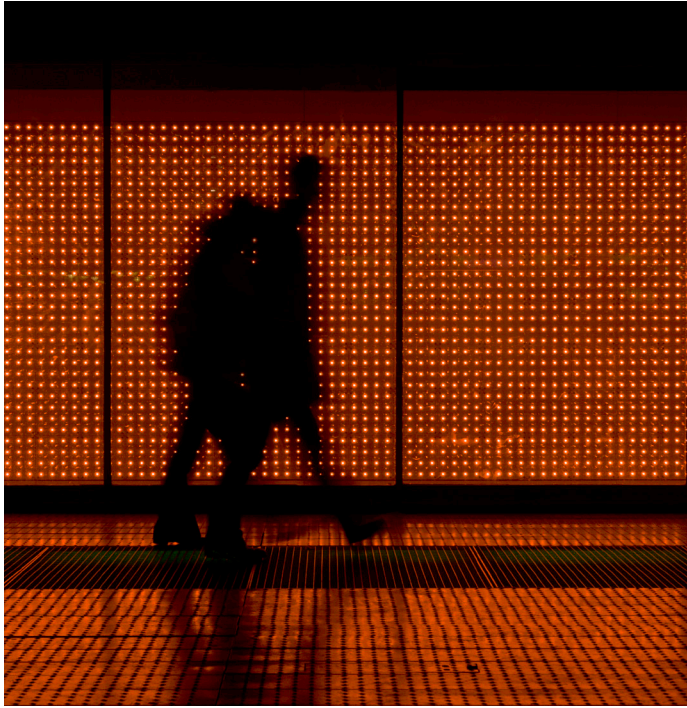


KANTAR

Lasting transformation with Kantar



Take a step back and breathe

In our rapidly evolving world, businesses need to constantly grow and adapt to stay ahead. Often, companies get caught up in the latest buzzwords and trends, leading to short-term projects that lack strategic depth.

What if the biggest risk to your company's future isn't falling behind on trends, but following them blindly?

This guide will help you move away from reactive responses to fleeting trends and towards a more proactive approach to building capabilities that drive long-term success.

Understanding capability building

Capability building means nurturing the skills, resources and processes that help a company reach its goals. This can include everything from employee training and development to investing in new technologies. The key is to ensure these efforts align with your company's long-term vision and strategy.

At Kantar, we know that 70% of successful companies continuously invest in capability building. And businesses that align their training programmes with strategic goals outperform others by 25%. This reinforces how critical investing in people is in order to maintain your competitive advantage.

We also know that 82% of companies that prioritise innovation see a significant increase in market share. So why do so many businesses focus on pursuing the latest trends?



The pitfalls of chasing trends

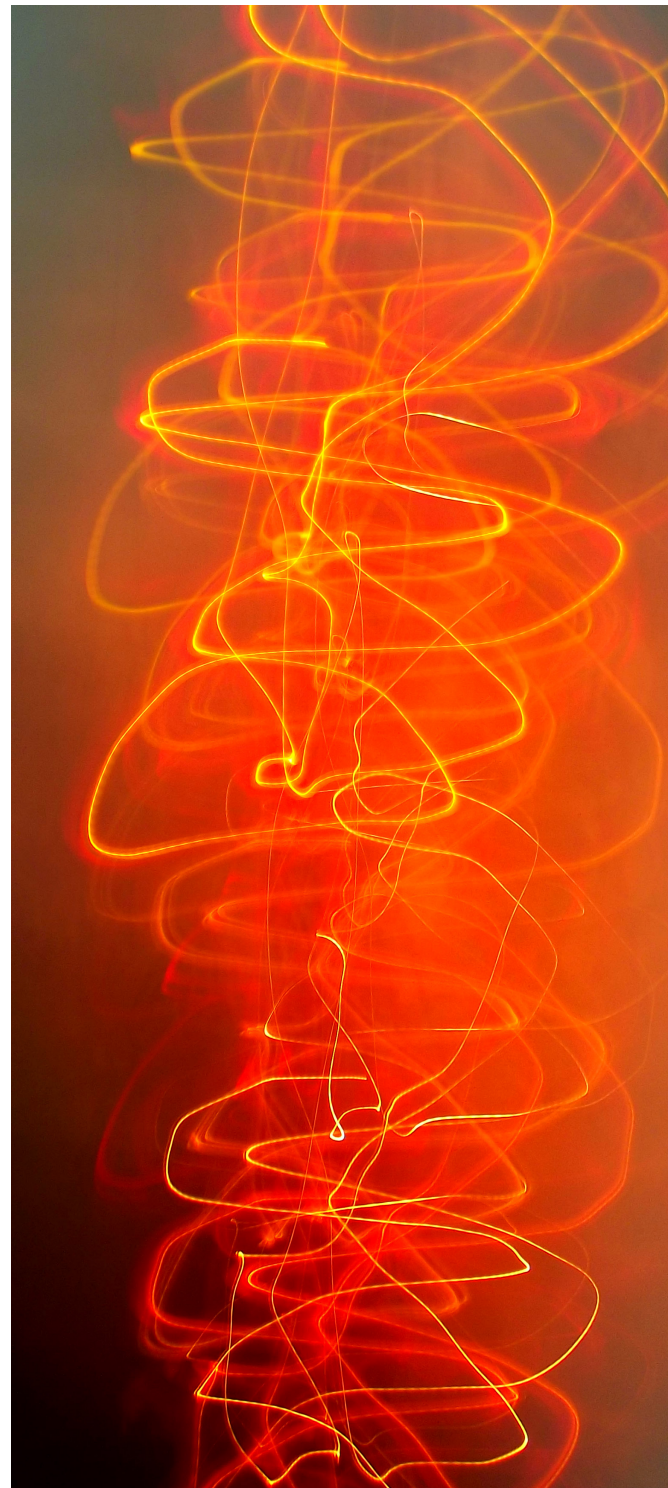
Many businesses fall into the trap of following the latest capability trends, leading to fragmented efforts that don't fit with the bigger picture.

Why Companies Fall Into This Trap

- 1 Pressure to Innovate:** Companies often feel the need to stay ahead by adopting the latest trends, but this often has the unintended consequence of making them into followers rather than leaders. A survey by Deloitte found that 63% of executives feel overwhelmed by the pressure to keep up with digital trends.
- 2 Influence of Industry Hype:** Media coverage and success stories create a bandwagon effect, encouraging companies to jump on board without fully understanding the implications. 55% of businesses admit to adopting trends based on competitor actions rather than strategic planning.
- 3 Short-Term Focus:** Many organisations focus on immediate results, adopting trends that promise quick wins rather than investing in long term growth. Harvard Business Review reported that 70% of short-term trend projects fail to deliver sustainable value.
- 4 Lack of Strategic Alignment:** Without clear long-term goals, companies may adopt trends that don't align with their mission and values, resulting in unsustainable initiatives and the development of the wrong type of talent.

What Are The Possible Outcomes

- 1 Wasted resources:** Companies pour millions into transformation initiatives that never take off because they weren't aligned with core business needs.
- 2 Frustrated employees:** Employees are forced to pivot constantly, leading to burnout and lack of engagement. A Gallup study found that employees experiencing change fatigue are 3x more likely to leave.
- 3 Missed opportunities for growth:** By focusing on short-term hype, businesses overlook deeper, more strategic moves. For example, companies that rushed into AI without a clear integration plan now struggle with inconsistent employee and customer experiences.



Developing a structured capability agenda

Building a robust capability agenda requires a thoughtful and disciplined approach. Here's how:

Assess Current Capabilities

Start by evaluating your existing capabilities in depth. Conduct a thorough analysis using tools like SWOT (Strengths, Weaknesses, Opportunities, Threats) to identify areas where your organisation excels and where it needs improvement. Assess both internal factors, such as employee skills and technological resources, and external factors, such as market trends and competitive pressures.

Consult with various departments to gather diverse perspectives and ensure a holistic understanding of your current state. Additionally, consider employing benchmarking techniques to compare your capabilities against industry standards and best practices.

Evaluate how these capabilities align with your strategic objectives and long-term vision. Look for gaps that need to be addressed to stay competitive and meet future demands. For instance, if digital transformation is a priority, assess your current technology infrastructure and digital skills. A study by PwC found that companies that regularly assess their capabilities are 40% more likely to outperform their competitors, illustrating the importance of ongoing evaluation.

Furthermore, consider your organisation's readiness for change. Assess organisational culture, employee adaptability, and leadership support, as these factors play a critical role in successfully building and enhancing capabilities. Make sure to involve key stakeholders in the evaluation process to ensure buy-in and facilitate smooth implementation of new initiatives.

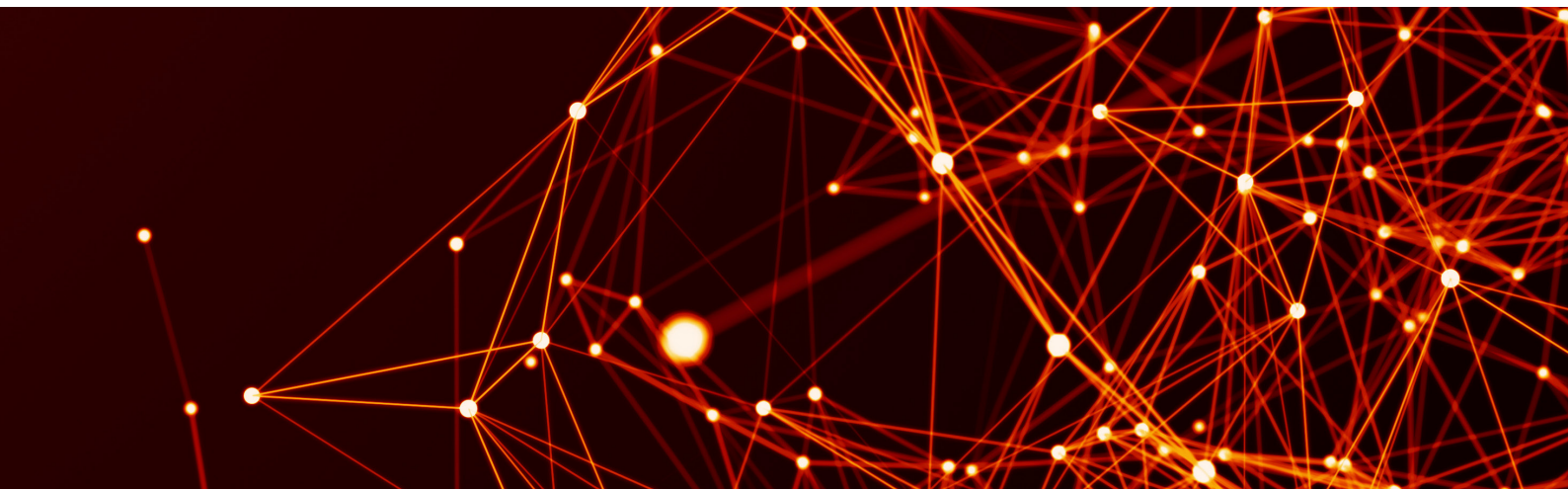
Define What Sets You Apart

You also need to identify the core competencies that set your organisation apart from competitors.

Consider conducting workshops and brainstorming sessions with employees at all levels to unearth unique strengths and areas of expertise that give your organisation a competitive edge. Engage with customers and partners to understand their perspectives on what makes your company unique. Collect and analyse feedback to highlight the distinctive qualities that resonate most with stakeholders.

Leverage data analytics to identify patterns and insights that can shed light on your company's distinct capabilities. For example, use customer data to pinpoint which aspects of your service or product are most valued by your clients. Examine performance metrics to uncover operational efficiencies or innovative practices that differentiate you from competitors.

Once you have a clear understanding of your core competencies, use these as a foundation for strategic planning and decision-making. Prioritise initiatives that build on and enhance these strengths and avoid pursuits that do not align with your distinctive capabilities. This focused approach will help you maintain a competitive advantage and drive sustainable growth.



Develop a Roadmap

Then create a roadmap detailing the steps needed to accelerate your distinctive capabilities. Include specific initiatives, timelines, and resource allocations. Ensure the roadmap is flexible to adapt to changes but focused enough to maintain momentum. Break it down into short-term goals for quick wins and long-term goals for significant growth.

In a world of constant turbulence and organisational change, think seriously about feasibility. Scenario planning is no longer optional—it's a necessity. A well-designed roadmap should incorporate best-case, expected, and worst-case scenarios to help organisations navigate uncertainty. Leading companies are even beginning to use AI-driven simulations to stress-test their development strategies against shifting market dynamics.

By mapping out multiple scenarios, businesses can proactively prepare for disruptions rather than react to them. This approach ensures that, no matter what happens, your roadmap remains resilient and actionable, without feeling the need to "jump on the bandwagon".



Invest in People and Technology

Then invest in training and development programmes for employees, hire new talent, and adopt new technologies. Make sure these investments align with your strategic priorities. Foster a culture of continuous learning and innovation and use technology to truly enhance efficiency. Creating a culture that prioritises continuous learning and innovation is key to sustaining capability growth. Research by Gartner shows that companies investing in employee development see a 25% increase in productivity. Kantar found that companies that invest in cutting-edge technology experience a 30% rise in operational efficiency.

Prioritise investments that are sustainable and offer clear advantages. This approach will help to maintain momentum and ensure that your roadmap remains resilient and actionable in the face of disruption.

Measure and Adjust

Regularly measure the progress of your efforts using key performance indicators (KPIs). KPIs are quantifiable metrics that reflect the success and efficiency of various aspects of your business operations. For instance, tracking customer satisfaction scores can provide insights into the efficacy of your customer service strategies, while monitoring sales growth can indicate the success of your marketing initiatives.

Be prepared to adjust your roadmap to stay aligned with your goals. Flexibility is crucial in the dynamic business environment; unexpected changes can arise from shifts in market demand, technological advancements, or economic fluctuations. By regularly reviewing and updating your roadmap, you ensure that your strategic plans remain relevant and practical.

Encourage feedback from stakeholders to ensure continuous improvement. Stakeholders including employees, customers, investors, and partners, can offer valuable perspectives that might not be visible from internal metrics alone. Incorporating their feedback helps refine strategies and fosters a sense of inclusion and collaboration, which can enhance organisational commitment and morale.

According to a report by Bain & Company, companies that use KPIs effectively are 30% more likely to achieve their strategic goals. This statistic underscores the importance of monitoring relevant metrics and responding proactively to the insights they provide.



CASE STUDIES

Amazon's focus on customer service showcases a structured capability agenda. It invests heavily in technology, logistics and workforce training to deliver exceptional customer experience and stay ahead of competitors. For instance, Amazon has implemented extensive training programs for its employees to enhance their skill sets, ensuring that they can handle the latest technologies and logistical challenges efficiently. The company's dedication to continuous employee development has resulted in a workforce that can adapt to new processes and innovations, directly contributing to the overall customer satisfaction and operational success.

Unilever's commitment to sustainability and social responsibility is another example. By embedding sustainability into its core strategy, Unilever has developed capabilities that drive profitability and create long-term value for society. Unilever's Sustainable Living Plan includes initiatives that focus on reducing environmental impact and improving health and well-being. To support these initiatives, Unilever invests in training its employees on sustainability practices, ensuring that all levels of the organisation understand and can contribute to these goals. This comprehensive approach to employee education and engagement has enabled Unilever to achieve significant milestones in sustainability, which in turn, enhances its brand reputation and profitability.

Google focuses on innovation and technology leadership. Its investment in AI, cloud computing, and data analytics drives its digital products and services. Google's success in these areas is largely due to its emphasis on fostering a culture of continuous learning and innovation among its employees. The company offers numerous professional development programs, including courses on cutting-edge technologies and processes, and encourages employees to pursue further education and research opportunities. This culture of innovation and learning has equipped Google's workforce with the capabilities to pioneer advancements in technology, maintaining its leadership position in the industry.

Nike emphasises innovation and sustainability. By prioritising product development, advanced manufacturing, and eco-friendly practices, Nike strengthens its brand and drives market growth. Nike's approach includes investing in the development of its employees' skills, particularly in the areas of design, manufacturing, and sustainability. The company offers specialised training programs that foster creativity and technical expertise, enabling employees to create innovative and sustainable products. This focus on enhancing people capabilities ensures that Nike remains at the forefront of market trends and continues to achieve growth through sustainable practices.

Conclusion

In conclusion, transforming your capability agenda means shifting from chasing fleeting trends to embracing a strategic, structured approach. By assessing current capabilities, identifying key priorities, crafting a clear roadmap, investing in technology and talent, and regularly measuring progress, your organisation will build the strong capabilities needed for lasting success.

Don't forget the basics; many brands focus on advanced strategies but ignore essential skills needed for future success, such as:

Sales: Persuasive Selling, Negotiation Skills, Customer Business Planning, Joint Business Planning, Omni-Channel, Range Review Essentials.

Insights: Research Design, Data Fundamentals, Everyday Analytics, Insights to Action, Commercial Storytelling

Marketing: Growth Planning & Strategy, People Centricity & Insights, Effective Innovation, Integrated Marketing Communication, Commercial Acumen

Want to learn more on how we can create enduring change for your brand?

Please reach out if you'd like to find out more:

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"Proactive partnership, strategic longer term point of view, business alignment and extended member of core internal teams. True partnership and connecting the dots between teams and various projects."

Cristina Marinucci, SVP Global Insights , Project Owner

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