

Shift Happens: How Business Partners can profit from change. A blueprint for distributors, solution providers, system integrators and other Business Partners seeking to survive and thrive in the current economic environment.

Chapter 3: Resource Management for Business Partners

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Chapter 3:

Resource Management for Business Partners

As the economy continues its recovery following the economic downturn and as Business Partners and their clients seek to capitalise on the emergence of the Cloud and Business Analytics, it is their ability to handle these unprecedented opportunities that will set the winners of the future apart from their competitors. In one of the world's largest studies of its kind, the IBM Global Chief Human Resource Officer Study 2010 identified a number of critical capabilities for companies to focus on:

- **Cultivating creative leaders** – Developing energised leaders at all levels within the organisation with a flair for thinking about opportunities and challenges in completely different ways will be critical. These corporate or team leaders must be able to provide direction to, as well as motivate, reward and drive results from an increasingly dispersed and diverse employee base.
- **Mobilising for speed and flexibility** – Being able to simplify processes and provide fast, adaptive workforce solutions to make the transition and to meet the requirements of a quickly changing marketplace. The ability to be responsive and fluidly allocate resources is essential for competitive differentiation in today's tumultuous environment.
- **Capitalising on collective intelligence** – Tapping into a broad base of institutional knowledge is critical to developing and maintaining an innovative culture. Enterprises must adapt innovations, apply them across their organisations and find new ways to connect people to each other and to information, both internally and externally.

Enhanced capabilities

For Business Partners smart resource management will also require a focus on deeper and newer capabilities. As they seek differentiation and increased profit, many Business Partners will reprioritise, and in some cases reduce, the number of capabilities or market segments that they focus on, in order to gain greater focus and expertise in areas where their value can be increased and their margins maximised. These will include:

- **Technical vitality** – the tools and training that Business Partners need to differentiate themselves technically and that help them successfully engage and compete on the basis of certified technical expertise.
- **Industry specialties** – further differentiation leveraging industry expertise and knowledge (along with its industry frameworks and their underlying data models, forms and process maps) to accelerate the development of greater value industry solutions and capabilities. These include analytics, Cloud, services, etc.
- **Company Disciplines and Processes** – In order to provide fit-for-purpose solutions that meet the clients expectations, it is critical to have more than just Product, Solution and Industry skills, a key differentiator are certified skills around architecture, design and project management, along with defined and measured critical processes to maintain the quality of service and delivery to clients, such as technical planning, solution assurance reviews and customer satisfaction surveys.
- **Partner ecosystems** – the development of partnering skills to harness the experience and expertise of an array of partners to collaboratively differentiate themselves and combine to offer a complete set of required capabilities. This is particularly important for pursuing growth in emerging markets.

A workforce designed to seize opportunity

In order to promote creative and innovative development, an integrated pipeline management and succession planning process for business, sales and technical professionals is critical. It helps build a pipeline of candidates, to ensure the company has the right business, sales and technical talent available for appropriate positions including key leadership positions.

Significant challenges and opportunities lie ahead for Business Partners. The arrival of the Cloud era, for example, will require many Business Partners to integrate annuity revenue streams and consultative relationships sales into their traditional business models that are driven by transactional revenue streams and point sales. This transition not only requires a whole new set of skills and capabilities, but also a great deal more flexibility.

The agility to match critical talent with such strategic opportunities is critical to outperforming in today's dynamic, highly competitive and interconnected global marketplace. Unleashing this potential will require organisations to overcome the restricting boundaries that limit workforce dexterity and infuse their operations with creativity, flexibility and speed.

Embedding creativity, agility and speed, however, won't be easy. A number of boundaries – functional, cultural, geographical, generational and informational – constrain workforce productivity and hinder the ability of Business Partners and their clients to adapt to the new environment and prevent them from realising their full potential. They must overcome these boundaries in order to address emerging opportunities, whenever, wherever and however they arise.

The new target: growth

For many companies in Europe and the US the last few years have required a keen focus on stability and managing costs. However, emerging from varying degrees of economic shock, we are now seeing organisations turn their attention toward expansion, not only by seeking to enter new markets, but also by offering new products and services.

This shift toward growth-driven strategies, and indeed the need to adapt to the Cloud era, has profound implications for the workforce. Companies will need to redirect their workforce investments to areas that provide the greatest opportunities, not just the lowest costs. They will have to tap into new sources of talent and expertise.

In an earlier paper in this series¹ we discussed the need for Business Partners to 1) gain a better understanding of what clients are willing to pay a premium for now and what they will pay a premium for in the future, and 2) focus on fewer capabilities or market segments in order to gain greater expertise in these focus areas. Rather than focusing only on the low hanging fruit where competition will be greatest, Business Partners are advised to also pursue opportunities where they can add most value. Enhanced skills, talent and expertise will be required to create such added value capabilities.

Certain skills may exist or can be developed within organisations, but others may be beyond their reach, so they will need to identify new partnerships and relationships that will allow them to gain access to these new capabilities. Effective exploitation of such new partnerships and relationships will require greater collaboration to gather information and share insights from across a diverse partner network or ecosystem.



Figure 1: Exposing the gaps. Based on respondents' relative ranking of importance and effectiveness, their organisations fall short in three key capabilities.

Three workforce shortfalls

Based on insights from more than 700 senior HR leaders², we believe three essential capabilities will enable organisations to move beyond the remaining borders that constrain workforce effectiveness: cultivating creative leaders, mobilising for speed and flexibility, and capitalising on collective intelligence.

As we examined the capabilities Chief Human Resources Officers (CHROs) said are most important to their organisations' future success and how effectively they are implementing them, three key workforce gaps emerged.

CHROs say they are adept enough at certain aspects of assembling, managing and deploying the workforce, such as sourcing and recruiting outside the organisation, managing labour costs and evaluating workforce performance. They also rate themselves as relatively effective in the strategically important areas of enhancing workforce productivity and retaining valued talent.

However, CHROs are less confident in their ability to efficiently allocate the workforce. While HR leaders don't consider this to be an essential element of future growth (only 18 percent see this as particularly important in the next three years), our data suggests otherwise. Examining our sample of financial outperformers, we found that they were 47 percent more likely than underperformers to rate themselves as effective in workforce allocation³.

Most problematic are those capabilities CHROs deem highly important but currently beyond their ability to achieve. These three gaps—developing future leaders, rapidly developing workforce skills and capabilities, and fostering knowledge sharing and collaboration—are critical areas that CHROs must address if they are to move beyond borders and unlock the potential of the workforce.

A shortage of creative leaders

The ability to identify, develop and empower effective, agile leaders is a critical imperative for CHROs over the next three years. “We have strong managers, not leaders—and we need strong leaders to achieve our strategic objectives,” said a U.K. HR director. To instil the dexterity and flexibility necessary to seize elusive opportunity, companies must move beyond traditional leadership development methods and find ways to inject within their leadership candidates not only the empirical skills necessary for effective management, but also the cognitive skills to drive creative solutions. The learning initiatives that enable this objective must be at least as creative as the leaders they seek to foster.

Inability to rapidly develop workforce skills and capabilities

CHROs told us developing workforce skills and capabilities is highly important, but that they do not do a particularly good job of it. As one U.K. CHRO said, “We've previously taken a ‘sink or swim’ approach to putting talented people in new roles. We haven't done a good job of front-end assessment.” Closely related to skill development is how people with the necessary knowledge and skill sets are deployed. Despite garnering relatively little attention from CHROs as a critical capability, we believe this directly aligns with the creation of new growth opportunities.

Ineffective collaboration and knowledge sharing

Application of collective organisational knowledge and experience is essential to building an agile and responsive workforce. Yet many organisations lack the structure and resources to facilitate institutional knowledge sharing and collaboration.

Cultural and organisational silos often compromise the ability of companies to share information across functional boundaries. As one North American senior vice president of HR said: “We need to know our stuff and be self-reliant, to solve problems cross-functionally and to fully leverage our talent and our ideas.”

Attacking the gaps

The location, structure, makeup, skill set—and, critically, the agility—of the workforce and its leadership fuel efficient operations, energise entry into new markets and spur development of innovative products and services. But the gaps between organisational need and effectiveness can block the path to growth.

Unleashing creativity, flexibility and speed

Overcoming these gaps and unleashing the creativity, flexibility and speed to seize elusive opportunities will require organisations to focus on three major issues: cultivating creative leaders, mobilising their workforces for speed and flexibility, and capitalising on collective intelligence – things they admittedly have not done well in the past.

Cultivating creative leaders

Referring back to the first paper in this series³, Business Partners are facing a set of significant challenges. To do this they must have the leadership to build an organisation with flexibility and dexterity as well as with the creativity to adapt to a constantly changing environment. Creative leadership, in fact, was identified in IBM's most recent Global CEO Study as the top organisational need over the next five years.

These leaders must be able to negotiate through a maze of differing cultures, complex inter-generational dynamics and varied communication styles. Yet, companies struggle to both find and nurture effective future leaders. Less than one in three executives we interviewed rated their companies as adept at leadership development – a surprisingly low number given its relative importance.

CHROs need to focus on facilitating the development of energised leaders with a flair for thinking about opportunities and challenges in completely different ways. These leaders must be able to provide direction to, as well as motivate, reward and drive results from an increasingly dispersed and diverse employee base. The ability to influence a wider ecosystem of partner organisations may also be required.

Mobilising for speed and flexibility

The ability to mobilise the workforce for speed and flexibility, the second essential capability revealed by analysis of our CHRO interviews, is as vital as effective leadership in generating growth in today's competitive global marketplace. In fact, HR executives rank rapidly developing workforce capabilities as one of their most important imperatives.

Leadership challenges

Mapping resource management requirements to the market management challenges identified in “Shift Happens Chapter 1: Market Management for Business Partners”

1 Understand business situation and trends

Seek to gain a better understanding of what your clients are willing to pay a premium for now and what they will pay a premium for in the future.

Understand the skills and capabilities that your clients will be willing to pay a premium for and how you can acquire them.

2 Rationalise value propositions and capabilities

Be willing to focus on fewer capabilities or market segments in order to gain greater expertise in your focus areas.

Concentrate investment in skills and capabilities within strategic target segments where you aim to build significant expertise.

3 Identify gaps, opportunities and threats

Rather than going for low hanging fruit where competition will be greatest, focus on opportunities where you can add most value.

Mobilise for speed and flexibility so as to apply resources to capture new opportunities within your sphere of capability as they arise.

4 Characterise focus and improvement strategies

Develop a clear strategy to get you from where you are to where you want to be.

Have a clear resource management plan to ensure that you have the talent, skills and capabilities to support your business goals.

5 Align and enable the organisation for growth

Exploit the support services available (e.g. via IBM PartnerWorld) and where necessary develop the skills and relationships to grow a network of partners.

Exploit the training and skills programmes available (e.g. via IBM PartnerWorld) to expand your key capabilities and look to partner to add extra capabilities.

However, along with efficiently allocating the workforce, they rate their effectiveness in this area among the lowest of all critical capabilities. Even with today's technology, which often allows anyone to work from almost anywhere at any time, it is still a huge challenge getting the right personnel in the right roles and places. Finding people with the skills to compete in an increasingly borderless marketplace and sustain innovation is difficult enough. Managing people from different cultures, across different locations and time zones, is, arguably, even harder.

Companies must be willing to simplify processes and provide fast, adaptive workforce solutions to meet the requirements of a quickly changing marketplace. A responsive human capital supply chain and the ability to fluidly allocate resources are essential for competitive differentiation in today's tumultuous environment.

Capitalising on collective intelligence

Across the workforce capabilities CHROs evaluated as part of our study, they rated their organisations as least effective in fostering collaboration and knowledge sharing. Yet, the sum of an enterprise's resources, experiences and institutional knowledge is a critical element in driving efficiency and matching capabilities with opportunities.

Collective intelligence allows companies to gain efficiency by sharing and applying relevant practices across the organisation. It enables companies to build on experience and avoid reinventing processes and procedures. Intelligence creates the ability to adapt and apply innovations across new markets and opportunities. And it facilitates the discovery of new avenues of improvement through communicating with customers and other external sources, evaluating feedback and leveraging what they learn.

For smaller Business Partners workshops can help facilitate this, but for organisations with multiple locations or country operations IBM has Jamming technology that can help facilitate collaboration and focused topical knowledge sharing and discussion. IBM's Jamming services have been used for large scale public collaboration such as the 2006 InnovationJam, a dialogue of more than 150,000 IBMers, family members, clients, universities and Business Partners, representing 104 countries and 67 companies. The services are also available on a hosted basis to individual clients or Business Partners.

Tapping into a broad base of institutional knowledge is critical to developing and maintaining an innovative culture. Enterprises must adapt innovations, apply them across their organisations and find new ways to connect people to each other and to information, both internally and externally.

Seeking to capitalise on its own broad base of institutional knowledge, IBM has invested heavily in the development of services assets, such as its industry frameworks. IBM's Business Partners can not only leverage these IBM assets in order to accelerate their own solutions development, but can also develop their own services assets that can be integrated with IBM's industry frameworks in order to offer further added value for clients (see section on services assets).

Enhancing industry-oriented skills and capabilities

One of the market management recommendations identified in "Shift Happens Chapter 1: Market Management for Business Partners" was the need to focus on a smaller number of target capabilities or market segments where greater focus can be made on gaining more in-depth expertise in order to help drive high-margin sales.

Allan Behrens, founder of analyst firm Taxal and author of two other papers in this series on marketing management and Cloud, added: "Business Partners need a clear strategy for the development of higher value, higher margin capabilities, especially for the Cloud, and critical HR elements of this will not only be change management to adapt processes and cultural behaviour, but also an investment strategy for the development of the underlying high calibre skills and capabilities."

IBM has a broad industry-specific program to help its Business Partners by providing training and sales, marketing and technical resources to help them to grow their business in specific industries from financial services, telecommunications and healthcare, to retail, energy and utilities.

Industry by industry, Business Partners find that their customers apply technology differently to meet different sets of business goals. For example, customers in the financial services sector are focused on meeting compliance regulations, managing risk, and growing profits in a challenging economy.

In a recent IBM developerWorks survey of more than 2,000 IT professionals in 87 countries, 90 percent said they believe that it is important to possess vertical industry-specific skills for their jobs, yet 63 percent admitted they are lacking the industry knowledge needed to remain competitive.

IBM Business Partners also point to industry expertise as a way to drive more business. According to IDC's Partner Profitability 2010 study, selling IBM Software positively impacts Business Partner profitability, with IBM rated as the highest vendor for profitability and complementary business over any other vendor's brand. Nearly 90 percent of IBM Business Partners report that IBM software either made them more profitable or led to complementary business. More IBM Business Partners report margins are higher than the competition and IBM Business Partners outnumbered those who sell/influence Oracle software, both as a primary and secondary brand.

Example initiatives in IBM's broad industry-specific program for Business Partners:

IBM Industry Solutions Specialty

The IBM Industry Solutions Specialty is a partner program for independent software vendors (ISVs) focused on key industries including telecommunications, banking, insurance, retail, healthcare, government, energy and utilities, automotive, aerospace, electronics, and chemicals and petroleum. Under this program, qualifying partners receive:

- Access to new technology resources and IBM Innovation Centres including Cloud and mobile application development
- Dedicated IBM experts and technical advocates to speed application development and delivery to joint customers
- Business development and demand generation funding for industry-specific marketing campaigns
- Opportunities for co-selling and industry event participation

The new IBM Industry Solutions Specialty will help partners leverage IBM Industry Frameworks, which have been expanded to include hardware. These frameworks bridge the gap between general purpose middleware and industry specific business applications to help organisations apply technology more easily to their industry. Since their introduction in 2008, more than 150 ISVs have brought to market applications based on the IBM frameworks. And over 1,000 customers have taken advantage of new business opportunities by becoming smarter and more interconnected using the frameworks. IBM is sharing this rich expertise based on customer experience with partners through the IBM Industry Specialty.

Industry Cloud skills are critical, recognised Certifications, such as the 'IBM Certified Solution Advisor – Cloud Computing Architecture', this allows a professional to clearly explain the benefits and underlying concepts of cloud computing. They can also demonstrate how the IBM Cloud Computing offering helps customers realise these benefits.

Partner programs for resellers have also been greatly expanded.

IBM Software Value Plus Industry Authorization

IBM has also introduced a pioneering IBM Industry Authorization initiative designed for resellers and system integrators with deep industry skills and solutions built with IBM software. This new initiative is an extension of the IBM Software Value Plus program, announced earlier this year, that helps software partners build sales, technical and marketing skills on IBM's software portfolio.

IBM Business Partners that meet the program requirements, such as passing two IBM Industry Mastery tests, demonstrating their solution aligns with IBM Industry Frameworks or strategy, and demonstrating successful client implementations, are provided with several benefits to grow their industry sales.

New elements include:

- Additional financial incentives for industry sales within the IBM Software Value Incentive program
- Additional funding for industry specific co-marketing activities
- Priority access to industry-focused technical enablement and industry assets
- A dedicated executive advocate to represent partners across IBM and with customers
- Ability to use the 'Authorized Software Value Plus - Industry' designation.

IBM Software Value Plus Security Authorization

IBM has also launched its IBM Security Authorization for Business Partners participating in the Software Value Plus program. The new authorisation helps partners develop industry-specific skills to help customers take a comprehensive approach to IT security via a mix of sound policy, best practices and end-to-end technologies based on IBM software.

Benefits include:

- Authorisation to sell a broad range of security solutions based on IBM software including InfoSphere, IBM Internet Security Solutions, Optim, Rational, Tivoli and WebSphere
- Additional financial incentives on security software sales
- Ability to use "Authorized Software Value Plus - Security" designation.

Further initiatives are regularly announced as IBM continually enhances and improves these programs, for more information visit: ibm.com/partnerworld

Case Study: Investing in skills and capabilities makes sense for Business Partners of all sizes

Barrachd is a relatively new IBM Business Partner. It was formed in 2007 and has grown from 3 to 26 employees in three years, doubling its turnover year on year.

Barrachd was quick to achieve IBM Premier Business Partner status, and while originally an IBM Infrastructure Partner, it has focused more recently on developing its skills and capabilities in Business Analytics, delivering industry specific solutions based on Cognos. From a standing start it grew its business analytics business in just one year to become one of IBM's top Cognos Support Providers and Business Analytics Partners in the UK and Ireland.

Barrachd has also focused on the value of the whole IBM portfolio, and is not only accredited to sell the full range of IBM Server and Storage products (excluding z Series), but was also the first IBM Business Partner in Northern Europe to become an IBM Dynamic Infrastructure/Smarter Systems Partner. Harnessing the full portfolio has enabled Barrachd to maximise the value it provides to its clients not only by providing IBM Infrastructure solutions, but also developing replicable industry focused, Cloud ready, Business Analytics Solutions based on Cognos, SPSS and IBM Smarter Analytics Systems (ISAS).

Barrachd has also successfully teamed with other IBM Business Partners where complementary skills and capabilities have enabled them to go to market with an enhanced joint proposition.

Barrachd's investment in skills and capabilities has meant that it can now provide a portfolio of business solutions for midmarket clients in Scotland, allowing its consultants to build relationships at board level as well as the IT department. This has underpinned its ability to successfully and consistently deliver the Smarter Planet, Dynamic Infrastructure/Smarter Systems, Business Analytics and Cloud consulting directly to the decision makers in the business.

Barrachd's success, its ability to develop solutions that capitalise on the value of the whole IBM portfolio and its commitment to investing in skills and capabilities were recognised at the PartnerWorld Leadership Conference 2011 with a special IBM Beacon Award – the North East Europe IBM Choice Award for Totality of IBM.

Commenting on the importance of investing in skills to enable the development of higher value, higher margin capabilities, Grant Smith, Director of Barrachd said:

“Only by investing in high calibre individuals can we take the IBM portfolio of products and design, implement and support a solution that makes a real difference to our clients’ businesses.”

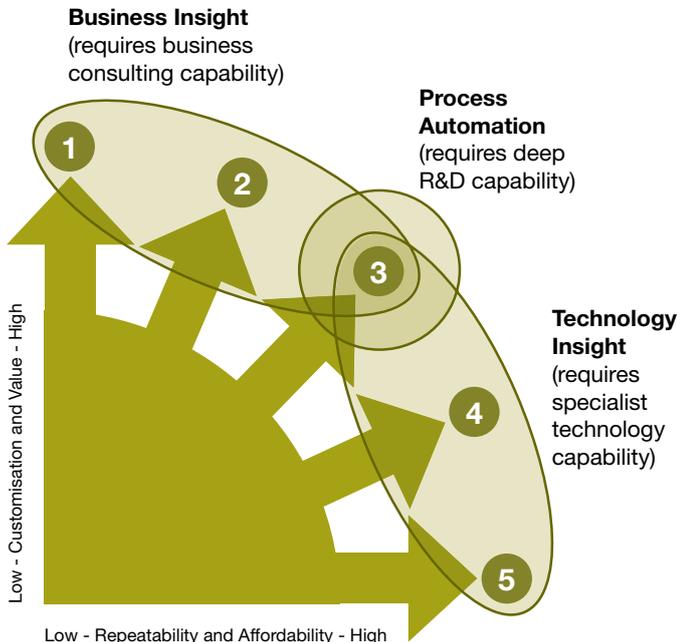
The Future of Services: The emergence of 'Services Assets'

Business Partners that are expanding their services capabilities need to understand how the services industry is changing and maturing. Where once each services engagement might have employed an army of IT and business consultants to create a unique solution for each client, the continual need to increase efficiency and productivity is driving a move towards the creation of service assets. These service assets embody the essence of service functionality and can be used across engagements. This move towards reusable service assets reduces some of the cost of service solution design, is less labour-intensive, and reduces the need for particular service professionals.

Service assets also help IBM and its Business Partners to maximise client value in services engagements, by harnessing applied knowledge to improve efficiency, improve integration, accelerate speed of application and maximise business process improvement. Re-use of proven assets also reduces project risk.

IBM is leading the move to automate and assetise services and in doing so is blurring of the lines between software and services. Software is inherently technology-based, whereas services are historically people-based, with people, interactions, and relationships at the core of the discipline. These distinctions, however, are gently being blurred as a spectrum of different options emerges.

Blurring the line between software and services



- 1 **Customised Implementation**
Addresses a unique requirement for a unique problem
- 2 **Industry Solution**
Capitalises on industry data models and deep consulting knowledge
- 3 **Services Asset**
Re-usable requirement-specific data models, forms, processes etc.
- 4 **Modular Application**
Modules provide application support for specific requirements
- 5 **Standard Application**
Standard applications provide core functionality at low cost

While technology plays a pivotal role in services, it is essential in the development of services assets to strike the right balance between on one hand people and skills, which implies customisation, business value and differentiation, and on the other hand service asset reuse, which implies standardisation, commoditisation, repeatability and affordability.

The services end of the spectrum

For its larger clients IBM offers the full range of services including fully customised implementations which address the unique requirement for a unique problem. IBM has also invested vast amounts of Intellectual Property (IP) in the development of sets of industry data models, and industry frameworks which embed the deep business and industry expertise that is critical in ensuring that services engagements are successful. Much of the IP inherent in IBM's industry frameworks are being developed into specialties and re-licencing packages to help IBM Business Partners capitalise on this expertise.

The software end of the spectrum

In addition IBM works with ISVs and other application providers to offer a full range of software solutions that are integrated using IBM's middleware. IBM and its Business Partners have the skills and expertise to implement IBM middleware and ISV applications to meet the needs of clients. The interoperability of IBM's middleware and ISV applications is critical in ensuring that these software engagements are successful.

The middle ground – services assets

The development of services assets requires deep understanding not only of technology, but also of the particular business processes inherent in a particular business area. Encapsulating them in services assets such as data models, forms and process maps requires a unique combination of technology and business skills as well as in-depth R&D capability. IBM has leveraged its leadership in high-value consulting and world-class research to underpin the automation of such labour-based processes and is using this IP to create repeatable software-like assets.

If vendors and their Business Partners are to use process automation to help them break the historical linear relationship in services between headcount and revenue then the ability to automate business processes and develop services assets is essential. Developing such assets, however, is a far from trivial challenge and it requires a complex combination of capabilities:

- **Specialist technology capability** – process automation requires terrific software expertise. Forward-looking services businesses will ensure that they have a strong, complimentary software business as effective automation is impossible without it.
- **Business consulting capability** – process automation requires in-depth industry expertise and deep business consulting capability is essential for the development of industry-specific frameworks, along with requirement-specific data models, forms and process maps.
- **Research and development capability** – using process automation and services assets to solve some of the most complex problems facing business and government will require the application of advanced analytical methods and optimisation techniques (such as behavioural modelling). These will require deep R&D capabilities, especially in the detailed refinement of requirement-specific optimisation.

Not only is IBM alone in possessing all of these capabilities, but it is also the only company to have invested in the development of industry frameworks that have been tested and refined, and are now in widespread use in some of the world's largest companies – for example IBM's Insurance Industry Framework is used by over 150 of the world's largest insurers, and its Banking Industry Framework is used over 150 of the world's largest banks. Indeed many ISVs in insurance and banking have already made their applications interoperable with IBM's Industry Frameworks and its middleware in order to help reduce risk, cost, and time to market as well as increase revenue.

Business Partners stand to gain from IBM's investment in services assets in a number of ways:

- **Specialties** – much of the IP inherent in IBM's industry frameworks are being developed into industry specialties and re-licencing packages to help IBM Business Partners capitalise on IBM's service assets.
- **Accelerated solutions development** – Business Partners are already facing the need to focus on industry niches where they can add more value by offering greater expertise. IBM's industry frameworks can provide them with an accelerated means of developing solutions for these niches.
- **Complementary services assets** – Business Partners can also develop their own applications or services assets that integrate with IBM's industry frameworks and offer further added value for clients. Each Industry Framework has specific technical validation criteria, providing clients with an assurance that Business Partner solutions integrate with key IBM middleware components.
- **Easier application integration** – IBM's industry frameworks are pre-configured to include the data models, forms and process maps required not only to meet specific industry requirements, but also to allow easy integration with many ISV applications.
- **Cloud migration** – many Business Partners are facing the need to migrate their applications and solutions onto Cloud platforms. IBM's industry frameworks can provide a standardised platform on which to host Cloud based applications and solutions.

	Improve operational efficiency	Expand into new markets/geographies	Develop new product/service offerings
Cultivating creative leaders	Be comfortable with distributed and virtual leadership approaches; create leaders who leverage informal power	Accelerate the development of truly borderless leaders; be creative in combining global and local talent	Design leadership development programs to generate innovative emerging business opportunities
Mobilizing for speed and flexibility	Develop online marketplaces to efficiently match global talent supply with demand	Adapt a global approach to sourcing talent; eliminate the policy and process barriers to cross-border movement	Leverage flexible work structures to rapidly align talent with critical jobs in new business areas
Capitalising on collective intelligence	Improve productivity through best practices sharing and reducing duplicative efforts	Improve cross-functional effectiveness by providing an online platform for virtual team collaboration	Establish a culture of creativity and innovation where new product ideas get visibility and executive support

Figure 2: Key imperatives

Tearing down the borders

Addressing efficiency and promoting growth, the two primary challenges CHROs indicated they will be facing in the years ahead, will require overcoming numerous internal and external borders that affect workforce productivity. Physical and functional boundaries will need to be addressed to make the most of an increasingly dispersed and diverse workforce that will stretch across traditional institutional lines.

The ability to surmount these borders, however, frequently hinges upon the information available to make evidence-based decisions regarding the workforce. Only 7 percent of CHROs we interviewed say they are very effective at using analytics to make workforce decisions. Without the ability to forecast future needs and develop rigorous, defensible business cases, companies place their ability to grow effectively at risk.

Imperatives for working beyond borders

Instilling creativity, flexibility and speed within both the organisation and the workforce will require creative leaders with the capabilities to solve old problems and capitalise on new possibilities. Rapid skill acquisition, on-target deployment of top talent and the ability to quickly scale up or down will become critical to mobilising the workforce for speed and flexibility. Collective intelligence, the sharing of an organisation's sum of knowledge and experience, will be necessary to take advantage of cumulative organisational capabilities.

Next steps

1. Cultivate creative leaders for the future

- Be comfortable with distributed and virtual leadership approaches; create leaders who leverage informal power
- Accelerate the development of truly borderless leaders; be creative in combining global and local talent
- Design leadership development programs to generate innovative emerging business opportunities.

2. Mobilise skills, talent and capabilities to maximise speed and flexibility

- Develop online marketplaces to efficiently match global talent supply with demand
- Adapt a global approach to sourcing talent; eliminate the policy and process barriers to cross-border movement
- Leverage flexible work structures to rapidly align talent with critical jobs in new business areas.

3. Capitalise on collective intelligence both within the firm and across the partner ecosystem

- Improve productivity through best practices sharing and reducing duplicative efforts
- Improve cross-functional effectiveness by providing an online platform for virtual team collaboration
- Establish a culture of creativity and innovation where new product ideas get visibility and executive support.

4. Maximise the development of higher value, higher margin capabilities

- Use technical specialties to help differentiate yourself, increase margin, improve customer value and visibility, and gain greater recognition for your expertise
- Use industry specialties and IBM Industry Frameworks to develop industry-specific capabilities and solutions for further differentiation and margin maximisation.

5. Focus on the development of talent throughout the firm with a targeted training programme

- Leverage the training and technical resources available through IBM PartnerWorld
- Increase and maintain technical vitality.



IBM PartnerWorld

IBM PartnerWorld is the organising framework for delivering valuable benefits to help IBM Business Partners succeed in the marketplace and strengthen their relationship with IBM. Participation levels include Member, Advanced and Premier. Through PartnerWorld Business Partners can develop deeper consultative selling and solution skills – a must in today's market. This path not only leads to higher margins and greater competitive advantages, but also opens the door to new and more complex opportunities associated with a Smarter Planet.

Business Partners can move up the PartnerWorld levels by demonstrating success and earning points through:

- Demonstrating skills through certifications and/or validated solutions
- Generating revenue
- Submitting reference stories
- Achieving high customer satisfaction scores.

IBM provides a host of Business Partner support services through PartnerWorld for training and technical resources (as outlined in the section that follows) as well as for sales, marketing and collaboration. The level of support available increases as Business Partners move up the PartnerWorld levels from Member, to Advanced and then to Premier.

Training resources for Business Partners vary by region and over time and the level of resource typically increases with each PartnerWorld level.

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- ¹ Shift Happens – Chapter One: Market Management for Business Partners
- ² Working beyond Borders Insights from the IBM Global Chief Human Resource Officer Study 2010 - a study based on conversations with more than 700 Chief Human Resource Officers worldwide. <http://www-935.ibm.com/services/c-suite/chro/study.html>
- ³ We analysed the performance of those companies with publicly available financial information in our sample, using the compound annual growth rate in earnings before interest, taxes, depreciation and amortisation (EBITDA) between 2003 and 2008. We also compared the results with the average for the industry each company represented to identify the organisations that delivered more than the median level of growth.
- ⁴ Shift Happens Chapter One: Market Management for Business Partners.