How to Build A Core Competency

Practical Interactive Guide to Help You Stand Out By Building Your Core Competency

Volume 2.4- Nov 2017 Ira Gorelick
To all my students that I have taught this to. I hope it contributed to your success.
We can't help everyone, but everyone can help someone.

- Ronald Reagan

We are open for questions. Drop a comment below with your question and we will be happy to help.

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Or, visit our webpage at https://strategicmanagementoftechnology.com/skills-needed-to-thrive/core-competency/ and post a question or comment there.
Chapter 1

Introduction

Core Competencies are the foundations for “Success” because your Core Competencies separate you from your competitors.
There is an old joke about 2 campers in the woods.

A bear approaches.

One of the campers starts putting on his running shoes. The other camper asks, “Why are you putting on running shoes? You can’t outrun a bear!”

To which, the first camper replies, “I don’t have to outrun the bear. I just have to outrun you!”

Moral of the joke: If survival means out “Running” your competition, then you better develop a “Running” Core Competency!
Core Competency Defined

There are two ways to look at Core Competencies: 1) Unique Skills and 2) Sustainable Competitive Advantage.

The first way is to look at your core competencies as the unique set of skills that set you apart. For Einstein it was Math. For Jesse Owens it was Track. For Pavarotti it was singing.

You don’t have to be famous to have core competencies. Your core competency could be cooking, or sports, or parenting. It does not matter what it is as long as you, and others, would consider it the foundation of who you are.

The other way to look at core competencies is to see them as the thing(s) that gives you a “Sustainable Competitive Advantage.” For an example look at the joke about the campers in the woods.

In our very competitive 21st Century economy, gaining a “sustainable competitive advantage” is a critical success factor. When you apply for a job or seek out a mate you are selling your core competencies in a competitive market. In this case, core competencies are the skills you need to succeed in a career or business sense.

Your Core Competency is made of the 3 or 4 basic things you do that set the foundation for what you can accomplish.
The more you understand about your personal and professional core competencies the more you can reach and stretch towards new goals.

Everyone is unique. We all bring unique talents to the world. By understanding and building on “your” specific core competencies you are better able to maximize your strengths and minimize your weaknesses. Building your core competencies builds a better you.

By understanding your core competencies you can decide which skills require further development, which skills can be exploited, and, as importantly, which skills can be left to wither on their own.

By focusing on competencies, you can better manage your day to day activities and if necessary eliminate the activities that don’t contribute to your successes.
Three Tests of a Core Competency

There are three tests to identify your core competencies:

• Potential to wide variety of markets.

• Contribute significantly to your success.

• Difficult for competitors to imitate.

I’ll go over each one of these tests in detail.

But, first, Chapter 1, describes How to Find your Core Competencies

For those academically minded here is further reading:


How to Find Your Core Competencies

I offer a method to help you find and exploit your core competencies.
Section 1

Core Competencies As A Tree

One way to look at core competencies is to think of a Tree.

**Interactive 2.1** Understanding Core Competencies by understand how trees produce fruit.
When you think of comparing a tree to core competencies, think:

- The roots and leaves as learning your core competencies
- The Trunk as the actual core competencies
- The branches of the tree as the sub-core competencies
- The fruit as the output or product of the core competencies.

**Roots and Leaves**

When you think of the roots and leaves think about how they draw in the nutrients the tree needs to live.

The roots find minerals the leaves find sunshine. They both find water. The big difference between a tree and us is that we can move to find more sunshine or more nutrients. Trees are pretty much fixed. Where they start growing is where they are locked in.

Also, think about how there is a lot of diversity in roots and leaves of trees. Some trees have surface roots, some trees have thin leaves. The environment determines what root and leave structures thrive for each tree. Tropical environments yield different root and leave structure than desert or arctic environments.

So too, with core competencies. Where you live and what opportunities are available yields different potential core competency potentials.
The Trunk

When you think of the trunk, think how this is the key structure that supports the production of tree. When the tree is young the trunk is supple and dynamic. But, as the tree grows the trunk becomes more rigid.

(I just learned about “Cornerstone Content” in reference to Website Architecture. A core competency is the same as Cornerstone content in terms of Site Structure and SEO. There should only be a few pages labeled cornerstone content and only few core competencies. Hence the visual of a Tree Trunk.)

The Branches

When you think of the branches think about all the little skills you need to thrive. Your competency may be in computers, but you still need to know how to program to master the computer core competencies.

The Fruit

Finally, when you think of the fruit of the tree think about how the fruit is the output of all the effort the roots, leaves, trunk, and branches go through. Just as you are the product of your core competencies.
Tips to develop your Core Competencies

I present here a possible framework to stay true to one's core competency and at the same time grow and adapt to the ever changing environment.

Many of us have had career paths where we start in an entry level, then move on to team leaders, then to project managers, and then to higher managerial roles. Then, at some point, a day arrives when we realize we are far removed from our core competency, we find ourselves far removed from what we are good at and enjoy doing.

While there could be several reasons for this, the underlying cause may be attributed to our inability to affectively find and exploit our core competencies and/or our inability to change our core competencies as needed to adapt to a every changing environment.

The cause could be that we did not see managing and developing our core competencies as a lifelong learning opportunity.

Fortunately, there is a cure for this. We can start working on your core competencies today. Unless we’re are dead, or approaching death, there is no reason we cannot work on improving your core competencies.
Discover

The first few years of one’s career, typically 3-5 years, should be spent discovering the career and specialization options available and what core competencies are valued in that career.

The competencies we thought were appropriate when we started out, may not seem so after a few years working.

The goal is to find a career that excites you and benefits any employer as well.

Do not wait for someone to give you varied opportunities, create them yourself.

You will reach a point when you have gathered experiences and really enjoy what you are doing.

Specialize

When you have taken up an area of interest, at least the next 7 to 10 years should be spent carving your niche in that area.

It means diving into the minutest details, learning not just on the job but also from like-minded people outside the organization, and participating in technology or industry or academic forums.

This phase is not just about getting exposure to multiple areas or about the number of people one may manage or one’s revenue targets, but also about learning, becoming the best at something and creating a unique identity.
When you are recognized as a specialist, after having spent years in a field of work, you can choose to continue what you are doing or aspire to make a bigger impact.

Lead

It is important to retain our specialist skills while honing other skills that may lead to opportunities in leadership roles.

The specialization remains one’s core competency, adds credibility and forms the distinguishing character of one’s team and organization.

Specialization keeps us relevant, and provides more personal satisfaction and professional growth, than most of us would imagine.

You could think of your life as a small sapling which after nourishment develops into a strong tree with core competences as its trunk.

This core competency trunk helps in growing branches of different specializations and then these specializations grow opportunities as fruit.
To identify your core competences, use the following steps:

1. Step 1 - Think about what the marketplace wants.
   a. Think about the factors that influence people's hiring decisions.
   b. Think about the factors people use in assessing you for annual performance reviews or promotion, or for new roles you want.
   c. Then dig into these factors, and create a list of the competences that lie behind them.

2. Step 2 - Think about YOUR existing competences and the things you do well.
   a. Create a list of your own competences, screen them against the three tests I list, relevance, difficulty of imitation, and breadth of application, and see if any of the competences you've listed are core competences.
   b. For the list of factors that are important to employers or clients, screen them using the three tests to see if you could develop these as core competences.

3. Review the screened lists, and think about them:
   a. If you've identified core competences that you already have, then great! Work on them and make sure that you build them as far as sensibly possible. Spend most of your time focusing on your core competencies. Don’t waste time on things are not your core competencies. If you computers are not your core competency and you don’t have to be a computer expert to do your job (A dentist for example) then don’t spend time trying to master the computer.
b. If you have no core competences, then look at ones that you could develop, and work to build them.

c. If you have no core competences and it doesn't look as if you can build any that customers would value, then either there's something else that you can use to create uniqueness in the market or think about finding a new environment that suits your competences.

d. Think of the most time-consuming and costly things that you do. If any of these things do not contribute to a core competence, ask yourself if you can outsource them effectively, clearing down time so that you can focus on core competences.

For example, as an individual, are you still doing your own cleaning, ironing and decorating? As a small Business, are you doing your own accounts, HR and payroll? As a bigger business, are you manufacturing non-core product components, or performing non-core activities?

The one question I always ask in helping someone find their core competency is, “What do you do when no one is watching?”

If the answer is play video games, then I would look to core competencies in marketing or developing video games. If the answer is writing, then I would look to core competencies in writing, Public Relations, Journalism, Teaching, or managing.
Additional Tips to help you develop your competencies

Tip 1:

You'll get better results if you involve other (carefully-chosen) people.

Tip 2:

On a personal basis and in the short term, it might be difficult to come up with truly unique core competences. However, keep thinking about could be your competencies when you have down time, like driving or when traveling.

Tip 3:

If you are having trouble knowing how to start to find your core competencies, I suggest you start with your resume. List your core competencies on your resume as a first start. It should say, “My skills.” Or “My Experience” or even “My Core Competencies.” And it needs to be top or very near the top.
Chapter 3

How to Improve your Core Competencies

Once you find your Competencies you need to continually improve them.
I came across some interesting evidence. I read that studies have found that 40% to 80% of students drop out of online classes. And, those who give up miss out. In another survey of more than 50,000 learners who completed MOOCs on Coursera, 72% reported career benefits such as doing their current job more effectively, finding a new job, or receiving a raise.

Throughout my career, I’ve seen the effects of learning and development on career mobility — and what leads people to let it fall by the wayside.

Over time I’ve found that 4 fundamental skills can make a tremendous difference.

- **Focus on emerging skills.**
- **Get synchronous.**
- **Set a golden benchmark.**
- **Implement learning immediately.**
Focus on emerging skills

With so many learning options available these days, people are often tempted to simply go to Google, type in some general search terms, and start one of the first courses that pops up.

That's a waste of time.

Job requirements are quickly evolving. To ensure relevance, you need to focus on learning the latest emerging skills.

You can do this in a couple of ways:

First, track what skills the leaders in your industry are hiring for. Look at recent job postings from the top companies, and see which qualifications keep popping up.

Second, reach out to people in your network or on LinkedIn who have the job you want. If you want to know what sales skills and technologies are becoming most important, talk to some high-level salespeople. Ask them what they’re having to learn to keep succeeding at their work and what skills they think someone needs to acquire in order to become a viable candidate.

You may feel intimidated about reaching out. But I’ve found that most of the time, people are happy to share this information. They want to see more and more capable candidates filling jobs and staying on top of trends.

As you get a sense of the most important skills to learn, ask these experts whether they can recommend specific online courses with practical value.

Also take a close look at course descriptions to find content that will be useful on the job rather than provide mostly academic insight.

For instance, you might seek out instructors who are leading experts in your industry or content created in conjunction with companies that you admire.
Get synchronous.

In this era, micro-learning — engaging with online learning tools when and where it’s convenient — is becoming a much larger part of the training and development scene. This has its benefits, including freedom, convenience, and digestible content.

But there’s also a downside. These asynchronous experiences are often solitary. And without at least some real-time interaction, whether in person or online, many students lose motivation.

Researchers have found that “the sense of isolation” for some online learners “may make the difference between a successful and an unsuccessful online learning environment.” They call for more synchronous experiences. Others have also identified interaction and collaboration as critical factors in fruitful learning.

I’ve consistently seen that when online students sign up for a live course, in which they interact with a professor and one another at a set time at least once a week, they stick with it longer and learn more. Often, these kinds of programs offer materials you can work on individually. But the camaraderie can serve as a huge motivator, as can the desire not to fall behind the group.

When a live course isn’t available, I encourage learners to find a “synchronous cohort” — a friend or acquaintance with similar learning goals.

Make a pact to do online learning together weekly. You can learn a lot from hearing each other’s questions and explaining things to each other as you come to understand them, since the act of teaching can improve content understanding, recall, and application.
Implement learning immediately.

Research shows that performing the tasks you’ve learned is crucial, because “enactment enhances memory by serving as an elaborative encoding strategy.”

This is part of the problem many engineers face when looking for jobs straight out of college: They’ve been stuck in “theory land,” with little experience putting what they’ve learned into practice.

You can run into the same issue with online learning. For example, I could spend weeks watching videos on how to set up a distributed computing system. But if I don’t go to Amazon Web Services and deploy it — soon — I’ll forget much of what I learned.

So whatever field you’re studying, find opportunities to use your new skills. (In addition to increasing “stickiness,” this also gives you a chance to discover unforeseen challenges.) Depending on the skill, you might participate in a collaborative project at work, for instance, or set up your own project on a small scale at home. Or you could find an online simulation that is similar to the real experience.
Set a golden benchmark.

Just like runners in a marathon, online learners need to have a clear goal in order to stay focused. A return on investment (in terms of time and money spent) is hard to gauge in the near term. But those who persevere generally have their eye on a larger prize — a new job, a promotion, or the chance to lead a project. I encourage people to determine a specific career objective and keep it front of mind as they learn.

Of course, that benchmark will change as you develop. Learning is a career-long process. After you achieve one big goal, set your sights on the next one. That’s how you make learning a part of your normal routine. The more you do that, the less likely you are to stop.

Small improvements can yield huge results

When you design for your strengths
Applies to a Wide Variety of Situations

A good core competency can apply in a lot of situations. An Accountant can be an accountant for any type of business.
Can Be Applied In A Wide Variety Of Situations

A great core competency applies to a wide variety of situations.

If your core competency is teaching, you can teach in a lot of different situations. You don’t even have to be a teacher. You can be a manager that focuses on teaching. Or, you can be a mentor.

If your core competency is math, you can be an engineer or an accountant.

The point is that a great core competency is core because it applies in so many situations.

Business examples of core competencies?

Apple is one of the most valuable companies in the world. Why? Their core competency is outstanding design. Great design gives them the ability to access lots of markets in ways that no one thought possible. Design provides the essence of many Apple products.

The tablet computer has been around for years but it wasn’t until the iPad that the market exploded. There were plenty of MP3 players before the iPod, but it was design that made the iPod a wild success. Design is also extremely Difficult to Imitate (see Chapter four) well, as demonstrated by the sheer number of failed iPod, iPad, and MacBook knockoffs and
imitations that fail to capture any market share.

Consider the period when Steve Jobs wasn’t at Apple, from the late 1980s through 1997. Was Apple a paragon of outstanding design? No – and they nearly vanished because they lost sight of their core competency.

Google is another company with a deep core competency: the understanding and development of algorithms. Algorithms are the heart of the company, from search results to contextual advertising to in-home products like Google Assistant. Their ability to develop great algorithms provides them access to markets and allows for eventual dominance in those markets. Algorithms drive all their successful products and services. And their algorithms are so secret that entire communities of SEO experts spend most of their careers trying to stay ahead of and decode Google algorithms, often to no avail.

Google also stumbles frequently when they step outside their core competency, with tools like Google Glass, Google+, etc.

These are two examples of core competencies by companies that understand their core competencies and execute on them very well. Note that in both cases, these competencies aren’t products or features – they’re attributes of the companies themselves, characteristics of their culture and people.

**Personal Examples of Core Competencies**

The best example of this is me. My core competencies are communication theory, telecommunication networking, and education.
My undergraduate degree is in Communications, my graduate degree is in communications, I worked for GTE/Verizon for 35+ years where I gain my telecommunications core competencies, and I taught at various colleges for over 30 year. And I love these core competencies.

All the websites and books I am doing are the result of combining all these core competencies.

Here is another example. I happen to see this on a Wall at Johns Hopkins School of Public Health.

This student had an undergraduate degree in Economics. He then got his first job in Healthcare. So, combining the two he is developing a core competency in Healthcare Economics.

Now he is building on his core competency by getting an advanced degree in Healthcare Economics. Here is how he sells this.

Image 4.2 Example of Applying Your Competencies

Paul worked for Epic as a software implementer for five-and-a-half years in Madison, Wisconsin and helped a number of hospitals implement their new software systems—Epic is a software company that designs and sells electronic healthcare records software for large healthcare organizations. Paul specialized in the emergency department and laboratory systems and had a great deal of interaction with providers and patients in these areas. Paul wants to use his experience in healthcare as well as background in economics to help improve the complex system currently in place in the United States and work in the private sector as a consultant. With a degree in Health Economics from Johns Hopkins, Paul hopes to be a force for change and improvement in the future.
Difficult to Imitate

Ever Wonder why Sports Stars make so much money. Because what they do is difficult to imitate.
Difficult to Imitate

A good core competency is difficult for your competitors to imitate.

When you apply for a job, most likely there are many others applying for that job.

An advantage you can bring to an employer is a set of skills that most others cannot compete with.

What is not a core competency

Honesty, dependability, assertiveness or similar values shouldn’t be considered core competencies because they are not difficult to imitate. Anyone can, and everyone should, be honest, dependable, and assertive. Going into an interview and saying that the reason you should be hired is that you are honest is not going to be effective. If that is all you got. (Don’t get me wrong, I think traits like honesty, dependability, and respect for others are very important. But there are no classes to teach one how to be honest, dependable, and/or respectful. One just decides to be honest, dependable, and/or respectful. So, yes bring it up in an interview, but don’t consider them core competencies.)

Another example of not a core competency is something broad like marketing or finance. Many, if not most people could be experts in marketing and finance.
What is a core competency

A core competency is difficult to imitate.

Having a degree is important, but it is not difficult to get a degree. However a degree from a top university is difficult to imitate. That is the reason these top universities can be so selective. They understand the value of the degree in terms of being difficult to imitate. A degree from MIT or Cal Tech, or Georgia Tech is difficult to imitate and hence a great builder of competencies.

Another example is having 30 years of experience. Clearly not everyone can have 30 years of experience and as a result it is difficult to imitate.
Michael Phelps As An Example of a Difficult to Imitate Core Competency

Michael Phelps is one of the most decorated Olympians of all time. At the culmination of the Olympics in Rio 2016, he had won no less than 23 gold medals, which is more than twice as many as the second-highest record holder!

There is no question that Michael Phelps has a Swimming Core Competency.

But, it isn’t just hard work, willpower, or skills that set Michael, it is his genetics. And, no matter how hard someone trains they cannot change their genetics.

What Makes Phelps So Good?

What sets Michael Phelps apart from his competition is that he has a weirdly ergonomic (efficiency in the swimming pool) advantage over his competitors.

His extreme advantage all comes down to his freaky body structure. The following abnormal features of his body play a major role in his exceptional talent.

• Height - He stands tall at 6′4″, which is the ideal height for swimming.

• Reach - His arm span is 6′7″, 3 inches more than his height. Generally a person’s arm span is equal to his/her height, but Phelps is not an ordinary person. This anomalous characteristic provides him with an absurd amount of pulling power in the water. Basically, his arms work as powerful propulsive (boat) paddles in a more efficient way than his competitors.
• Torso - His torso is that of a 6’8” person, which is freakishly long. This enables him to have an amazing reach with every stroke, pulling him through the water ahead of the competition.

• Lower Body - Surprisingly, his lower body is only 5’10” long. This is actually advantageous, as it lowers the resistance against water.

• Palms and Feet - Phelps has huge palms, which helps his paddling capacity. Along with that, he has size 14 feet, which essentially act as flippers (the kind of fingerless arms that seals have). This humongous set of feet is attached to extremely flexible ankles, which work like fins (similar to a shark).

• Lactic Acid - When human bodies performs any physical activity, they produce lactic acid. This substance causes fatigue and slows down muscle contraction. In order to get ready for another round of physical activity, our bodies need to flush out this acid. In order to do that, it needs a certain amount of recovery time. Glucose is used up during workouts and after the energy is burned, it is converted to lactate. Athletes often envy Phelps because it has been scientifically proven
that his body produces only half the lactic acid that his rivals need to handle. This significantly reduces his recovery time.
Chapter 6

Directly Contributes to Success

The Core Competency should directly contribute to success. Sometimes this is often the case, but it is better if it is the case.
Directly Contributes to Success

Your core competency should contribute directly to your success.

If you have a singing core competency, but your working as an accountant, then that singing core competency does not help you in your career.

Or, if you’re a singer, than a math core competency will not help you achieve singing success.

Now, if let’s say you are an accountant, but you consider your core competency singing, then you should change careers to allow your core competency to contribute to your success.

The point I’m making here is; a core competency that does not contribute to your success is simply a hobby!
Chapter 7

Background

Some Background on Core Competencies
The idea of core competence was introduced into management literature in 1990 by C.K. Prahalad and Gary Hamel. The two business academics wrote:

Core competencies are the collective learning in the organization, especially how to co-ordinate diverse production skills and integrate multiple streams of technologies...core competence is communication, involvement and a deep commitment to working across organisational boundaries...core competence does not diminish with use. Unlike physical assets, which do deteriorate over time, competencies are enhanced as they are applied and shared.

Prahalad and Hamel went on to outline the three tests to be applied to determine whether something is a core competence:

- First, a core competence provides potential access to a wide variety of markets. (See Chapter 3)

- Second, a core competence is difficult for competitors to imitate because it is a complex harmonization of individual technologies and production skills. (See Chapter 4)

- Third, a core competence makes a significant contribution to the perceived customer benefits of the end product. (See Chapter 5)
Based on their work I’ve come to see Core Competencies as a tree.

Many of the examples on which they based their theories were large, successful Japanese companies. Before the end of the century, however, the performance of many of these companies had become distinctly less exemplary.
The core competence idea was useful to managers not only for focusing them on the essentials, but also for identifying those things that were not “at the core.”

Why, management might ask, were these non-essential things being allowed to consume valuable resources?

Prahalad and Hamel succeeded in persuading managers to look at strategy as something fluid and imprecise. Their writing is spattered with references to things like “strategic intent”, “strategy as stretch and leverage”, “competitive space” and “expeditionary markets.”

**Making Core Competencies Personal**

Since I did not run a company or have the ability to set the core competencies of my staff, I tended to look at core competencies as something personal.

I asked myself what are my personal core competencies? How can I gain strategic advantage in a competitive job market? Since I have limited time to learn stuff, core competencies helped me focus my learning to the things that would have the greatest impact on my ability to thrive.