Methodology for dynamic capabilities development and management at **Sector**-wide level

The capability management process is composed of two quite different sets of <u>management</u> activities:

▪ The **development management process** in four phases, further broken down into twelve "operational steps"
▪ A **threefold arrangement of supportive management activities and systems** to provide a highly professional and reliable continuity in quality and performance for the **Sector**ial initiative for capabilities development.

Each operational step and support activity must be critically adapted by each organisation that wishes to embark on a CD improvement process, and the designers of the CD programme must provide the MANAGEMENT specificities that enable the process to fit to the context. They must also provide the CONTENT specificities. The development management and supportive core management activities are illustrated in Figure 10.

<u>**Operational Steps**</u>

Phase 1- Ecosystem Intelligence and Performance Targeting:

- **T1 – Analysis of context Intelligence and Evaluation of the Business Ecosystem**
- **T2 - Systematic Assessment of Capabilities and Capacities**
- **T3 - Targeting Performances Requested and Identification of Political Engagements**

Phase 2- Development Strategy and Planning:

- **T4 - Identification and Evaluation of Capabilities Development Options**
- **T5 – Feasibility Studies of Options, Constraints, and Risks**
- **T6 - Capability Development Strategy Formulation**
- **T7 - Operational Planning and Budgeting**

Phase 3- Programme Implementation and Maintenance:

- **T8 - Programme Implementation and Monitoring**
- **T9 - Adaptation and Readjustment**
- **T10 - Evaluation of Performance and Impact**
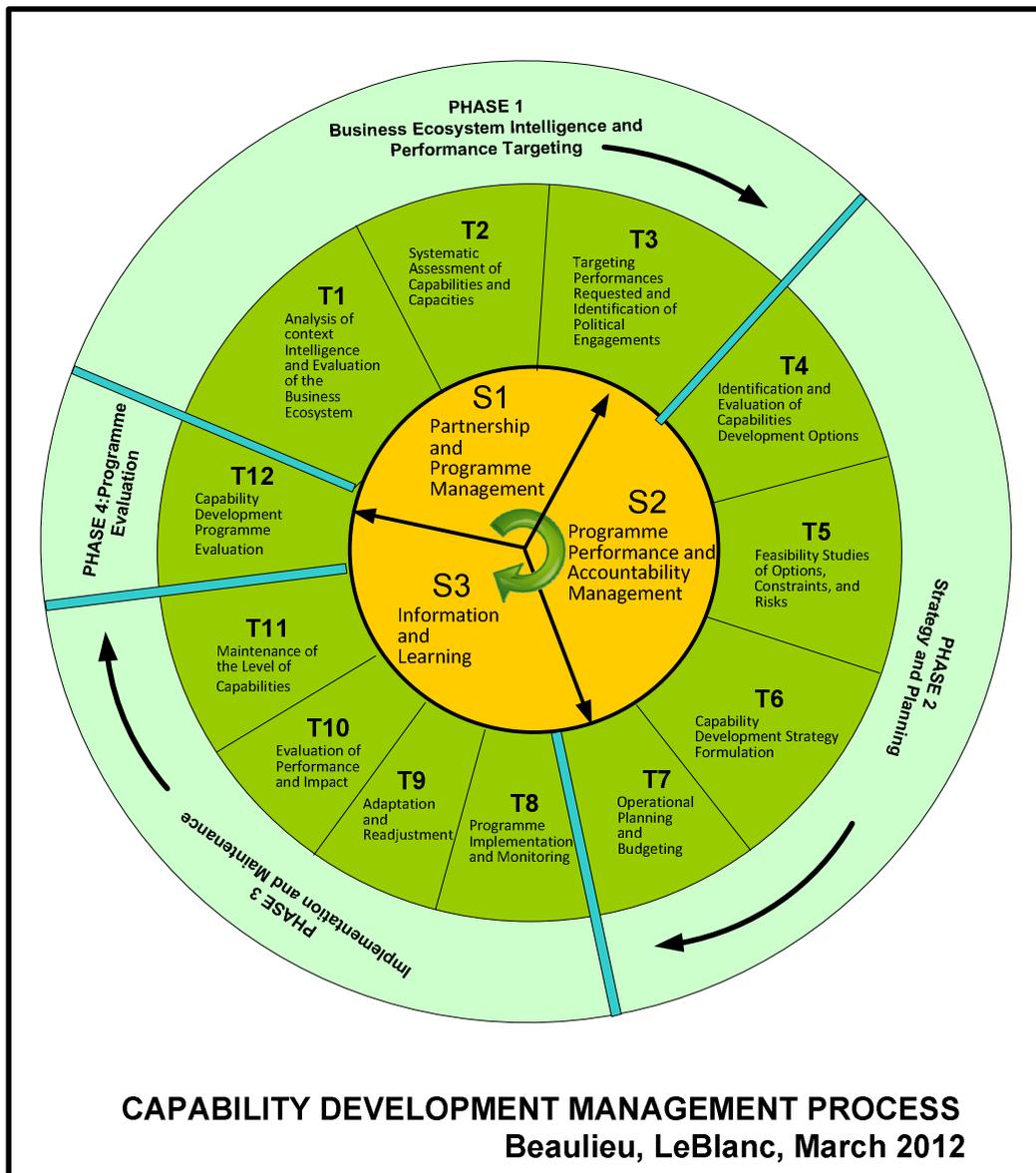- **T11 - Maintenance of the Level of Capabilities**

Phase 4- Programme Evaluation:

T12 - Capability Development Programme Evaluation

Supportive Management Processes:

- **S1 - Partnership and Programme Management**
- **S2 - Programme Performance and Accountability Management**
- **S3 - Information and Learning**

MANAGEMENT PROCESS FOR CAPABILITY DEVELOPMENT

PHASE 1
Business Ecosystem Intelligence and
Performance Targeting

T2
Systematic Assessment of Capabilities and Capacities

T3
Targeting Performances Requested and Identification of Political Engagements

T1
Analysis of context Intelligence and Evaluation of the Business Ecosystem

T4
Identification and Evaluation of Capabilities Development Options

S1
Partnership and Programme Management

T12
Capability Development Programme Evaluation

PHASE 4: Programme Evaluation

S2
Programme Performance and Accountability Management

S3
Information and Learning

T5
Feasibility Studies of Options, Constraints, and Risks

T11
Maintenance of the Level of Capabilities

T10
Evaluation of Performance and Impact

T9
Adaptation and Readjustment

T8
Programme Implementation and Monitoring

T7
Operational Planning and Budgeting

T6
Capability Development Strategy Formulation

PHASE 2
Strategy and Planning

PHASE 3
Implementation and Maintenance

CAPABILITY DEVELOPMENT MANAGEMENT PROCESS
Beaulieu, LeBlanc, March 2012

The use of a two-dimensional diagramme to illustrate the management process really does not do justice to the level of integration and managerial oversight that CD

requires. Nevertheless, there are a large number of countries and institutions that follow similar models. Theirs may be simplified somewhat, and some steps may be integrated with others, but the twelve parts to the cycle are there nevertheless.

At the core one finds a set of supportive management processes and systems that ensure that the operational steps of development are carried out with engagement and sustained within the **Sector** business ecosystem. This involves organising the various stakeholders of the ecosystems so that they synchronise their management processes. It also involves ensuring that the principles (critical factors) continue to be adhered to, including (but not only) ensuring that capabilities are defined so as to bring about the strategic plans and the performance levels desired. Like any knowledge-based process, learning is also managed and information gathered to enable the management process to monitor what it is doing.

The management process drives the twelve steps. It should be noted that although they appear to be sequential, they may overlap and the boundaries between them may not be as clear as illustrated. At the heart of the process is a constant gathering of intelligence concerning the Business Ecosystem and, as a result, the identification of new demands and the targeting of performance levels and standards. The next phase concerns the development of strategies to enable the institution(s) to develop the capability. Following that is the execution of that plan, followed by an evaluation step.

The following table expands on each phase and step. The individuals that generate a Capability Development Plan would normally expand the table much further and, to lead the way, key activities and deliverables are suggested. The specific context would define which activities (how) would be appropriate and which specific deliverables would satisfy the decision-making requirements and management approval protocols of each case.

Indicators, performance criteria and assumptions would then be inserted in line with the specificities of each case.

The table is of critical importance to donors as well, because they need to understand the extent to which the necessary capabilities are in place in order to prepare interventions, or decide what kind of interventions best fit the need. Drawing on their own conclusions they would be able to judge the extent to which their efforts and support will produce the impacts they feel need to be supported.

Furthermore, based on their analysis (which in turn is based on the development path) donors could decide the extent to which capacity development will effectively resolve the issues that are being put forth as priorities.

METHODOLOGICAL STEPS AND PROGRAMME MANAGEMENT PROCESS

PHASE: 1- Ecosystem Intelligence and Performance Targeting		STEP: T1 – Analysis of context Intelligence and Evaluation of the Business Ecosystem		
TASKS	**ACTIVITIES**	**DELIVERABLES**	**PERFORMANCE CRITERIA**	**ASSUMPTIONS**
Mapping of the network of inter-dependant actors/stakeholders of the **Sector**.	Document analysis Interviews Validation with involved organisations	Map of the network of inter-dependant actors and stakeholders of the **Sector**.	Exhaustively	
Identification/assessment of the structuring factors: the business ecosystem of **Sector**: • Key **Sector** issues: Political; Demographics and economic evolution-long term • Significant constraints • Significant risks • Country economic strategies	Document analysis Interviews Expert consultation Benchmarks factors identification	Structuring factors intelligence report of the **Sector** business ecosystem	Evidence-based evaluation Validity of relational effects and influences	Existence of a valid and sustainable capacities foresight unit in Country sectoral Ministry

PHASE: 1- Ecosystem Intelligence and Performance Targeting		STEP: T2 – Systematic Assessment of Capabilities and Capacities		
TASKS	**ACTIVITIES**	**DELIVERABLES**	**PERFORMANCE CRITERIA**	**ASSUMPTIONS**
Systemic and thorough assessment of actual state of the capabilities and capacities of	Performance and capabilities review based on work process analysis and performance : • Actual • Mid-term	Performance Review Assessment Report	Evidence-based evaluations and foresights	The engagement of the Gov. of the Country to clarify and specify the development objectives.

the organisation (and of stakeholder organisations with related capabilities closely linked to the organisation)	• Long-term			
Specification of the organisation capacities and capabilities required from the **Sector** to align on long term goals of performance and international standards	International standards of performance and capability intelligence gathering;	Performance and capabilities review and assessment report: • Triennial • Yearly		Performing international benchmarking
Identification and evaluation of capability and capacity gaps	Performance review with every organisational units responsible of specific capabilities	Capability Gap Report	Evidence-based evaluations	The Sectorial partnership of key actors (organisations)

PHASE: 1- Ecosystem Intelligence and Performance Targeting		STEP: T3 – Targeting Performances Requested and Identification of Political Engagements		
TASKS	**ACTIVITIES**	**DELIVERABLES**	**PERFORMANCE CRITERIA**	**ASSUMPTIONS**
Identification of the country political engagements for sector systems development on the long	• Document analysis • Interviews Validation with involved organisations	**Sector** Foresight Report	Accountable terms of reference	Gov. of the Country leadership in the process

TASKS	ACTIVITIES	DELIVERABLES	PERFORMANCE CRITERIA	ASSUMPTIONS
term				
Validation of the country's 10 and 20 year positioning targets for the **Sector**	• Working sessions with sectoral Ministry	**Sector** Foresight Report	Quality of consensus	
Identification and description of actual and future (10 years) international standards of performance for the **Sector**	• Document analysis • Interviews • Validation with comparable organisations	**Sector** Foresight Report	Quality of foresights and benchmark standards	
Validation of political engagements for the **Sector** development	• Working sessions with Sector Ministry and Min. of Finance	Capability Development Engagement of the organisation		
Validation of the **Sector** with stakeholders of the **Sector** and consensus building on required performance targets (10 years scope)	Consensus meetings and negotiations	Consensus; and Memorandum of Mutual Accountability Agreements	Quality of consensus	

PHASE: 2- Development Strategy and Planning		STEP:T4- Identification and Evaluation of Capabilities Development Options		
TASKS	**ACTIVITIES**	**DELIVERABLES**	**PERFORMANCE CRITERIA**	**ASSUMPTIONS**

For each of capability/capacity gap pre-identified: survey of development strategies adopted by high performing comparable organisations	Comparable systems and organisations strategies analysis	Options/Technology performance and cost-benefits Report	International scope of technological assessment of potentiality of solution options	Country is preoccupied to find the most performing and durable solutions
Evaluate available technological options related to each of capacity and capability gaps	Document the performance of each option on a multi-criteria base	Options/Technology performance and cost-benefits Report	Evidence-based	
Validate capacity and capability development options	International site missions	Mission Reports	Quality of consensus	

PHASE: 2- Development Strategy and Planning		STEP: T5- Feasibility Studies of Options, Constraints and Risks		
TASKS	**ACTIVITIES**	**DELIVERABLES**	**PERFORMANCE CRITERIA**	**ASSUMPTIONS**
Evaluation of feasibility of each of pre-identify solutions and technical systems (including their fit to capacity and capability gaps)	Documentation; Performance review of existing implementation of these solutions	Feasibility Report	Exhaustively	
Evaluate country constraints for	Intelligence gathering through interviews with	Risks and Constraints Report	Evidence-based evaluation	

each options	experts and decision makers (**Sector** and government members)		Validity of relational effects and influences	
Evaluate country risks for each options: political; economic; technological; and socio-cultural	Intelligence gathering through interviews with experts and decision makers (**Sector** and government members)	Risks and Constraints Report	Evidence-based evaluation Validity of relational effects and influences	
Select to most suitable options congruent for the **Sector**	Process selection based on performance criteria	Project selection Report		External validations
Validate options and solutions selected with stakeholders	Consensus meetings	Stakeholders Memorandum of Agreements		Active involvement of key actors

PHASE: 2- Development Strategy and Planning		STEP: T6- Capacity Development Strategy Formulation		
TASKS	**ACTIVITIES**	**DELIVERABLES**	**PERFORMANCE CRITERIA**	**ASSUMPTIONS**
Identify CD development objectives with clear targets of performance and measurable impacts on the organisation (and on the **Sector**). For a 3 years	Team meetings with each of the organisation units and stakeholders	Capability Development Plan		

term.				
Validate the capacity and capability development objectives with **Sector** stakeholders	Consensus meetings And negotiations	Consensus Report	Quality of consensus	Strong involvement of key partnership organisations/institutions
Validation of the CD strategy with key Government Ministries	Meetings and Memorandum proposals	Memorandum of Agreements		Gov. of the Country proactiveness

PHASE: 2- Development Strategy and Planning		STEP: T7 – Operational Planning and Budgeting		
TASKS	**ACTIVITIES**	**DELIVERABLES**	**PERFORMANCE CRITERIA**	**ASSUMPTIONS**
Identify the various activities that need to be done to implement the options chosen	Transform the options chosen into its major components. Create a Work Breakdown Structure (WBS) for the option chosen, based on its components. Ensure that the development activities that are required by network partners in the business ecosystem are included in the plan Do a first-level risk and	Work Breakdown Structure (WBS)	Quality of programming	High quality of project management capacities

PHASE: 2- Development Strategy and Planning		STEP: T7 – Operational Planning and Budgeting		
TASKS	ACTIVITIES	DELIVERABLES	PERFORMANCE CRITERIA	ASSUMPTIONS
	feasibility analysis to ensure that the WBS can be transformed into an action plan If the above-noted analysis shows that the risks are too high, look for alternate WBS Include risk mitigation activities in the WBS Superimpose a monitoring framework on the WBS and then Introduce on-going monitoring activities into the WBS			
Define the time frame for the execution of the capability development plan	Create a time-and-activity chart such as a GANTT chart, based on the activities of the WBS Integrate the time requirements of the implementation of network partner activities	GANTT Chart(s) and Critical Path	Realistic scheduling	High quality of project management capacities

PHASE: 2- Development Strategy and Planning		STEP: T7 – Operational Planning and Budgeting		
TASKS	**ACTIVITIES**	**DELIVERABLES**	**PERFORMANCE CRITERIA**	**ASSUMPTIONS**
	If the project appears to have conflicting programming issues, create a Critical Path diagramme and resolve conflicts			
	If the total time indicated by the diagrammes is not acceptable, re-design the project until it meets requirements (ex. Contract out, or increase resource loading).			
Determine the resource requirements for the project	For each activity identify types and quantities of resources required to complete	Project Resources Plan Resource loading analysis	Evidence-based estimations and specifications	
	Integrate network partner requirements but keep this accounting separate			
	Introduce management functions and resource			

PHASE: 2- Development Strategy and Planning		STEP: T7 – Operational Planning and Budgeting		
TASKS	**ACTIVITIES**	**DELIVERABLES**	**PERFORMANCE CRITERIA**	**ASSUMPTIONS**
	requirements at the component level and determine the resource requirements			
	Determine which activities can and should be done by internal resources.			
	Verify if internal resources can be made available when required.			
	For external resources or for the activities where internal resources cannot be made available, develop an acquisition strategy (contract, borrow from other organisations, strategic de-concentration, etc.)			
	Ensure that all resources will be available when needed and how			

PHASE: 2- Development Strategy and Planning		STEP: T7 – Operational Planning and Budgeting		
TASKS	ACTIVITIES	DELIVERABLES	PERFORMANCE CRITERIA	ASSUMPTIONS
	they will be managed.			
Identify the financial and budgetary consequences of the project plan	Roll-up the resource requirements and transform into a consolidated budget	Operational and Acquisition Budgets	Evidence-based estimations and specifications	
	Include internal resources in the budget			
	Specify the financial requirements of network partners in the business ecosystem. Keep this accounting separate			
	Group resource budgets into contract packages			
	Obtain financial authority to engage funds			
	Seek external financing if required.			

PHASE: 2- Development Strategy and Planning		STEP: T7 – Operational Planning and Budgeting		
TASKS	**ACTIVITIES**	**DELIVERABLES**	**PERFORMANCE CRITERIA**	**ASSUMPTIONS**
	Integrate long-term maintenance of capability activities into the long-term financing strategy of the organisation.			
Obtain necessary approvals and empowerment agreements	Present the implementation plans to appropriate authorities in the institution Ensure that network partners have the financial authority to engage in the project.	Formal Agreements from ministerial authorities	Accountability of engagements	Gov. of the Country political engagement

PHASE: 3- Programme Implementation and Maintenance		STEP: T8 – Programme Implementation and Monitoring		
TASKS	ACTIVITIES	DELIVERABLES	PERFORMANCE CRITERIA	ASSUMPTIONS
Establish the management and oversight functions	Generate management protocols for the key project managers and the oversight organisation. Decide who will fill what role and ensure that they have the authority to proceed.	Management Plan	Quality of specifications	
Create the project implementation team	Ensure that responsibilities, authorities and accountability frameworks are in place for each part of the project Begin to implement	Project Team mandate and responsibilities		
Ongoing monitoring	Before the implementation begins, generate a monitoring framework with indicators, targets, timeframes On a frequent basis, gather information to enable managers to monitor	Monitoring Plan	Quality of specifications Evidence-based evaluations and reporting	Highly competent Programme management team

	Performance monitoring needs to be based on actual (and tested) results and abilities.			
Communicate results of progress (monitoring) throughout the business ecosystem.	Publish, discuss and encourage the exchange of ideas to improve the efficiency of the process.	Communication Plan		Proactive partnership of key actors

PHASE: 3- Programme Implementation and Maintenance		STEP T9- Adaptation and Readjustment		
TASKS	**ACTIVITIES**	**DELIVERABLES**	**PERFORMANCE CRITERIA**	**ASSUMPTIONS**
Critically analyse progress with evidence-based measures	Very frequently, analyse the results of the monitoring reports and ADJUST the plans (time, resources, activities) in order to meet objectives expected If expected objectives are not likely to be reached, see if other options can be available to achieve the same objectives; if not, obtain approvals to change objectives, and then re-adjust	Adjustment Plan	Proactivity	Flexibility in budgets and plannings

PHASE: 3- Programme Implementation and Maintenance		STEP T9- Adaptation and Readjustment		
TASKS	**ACTIVITIES**	**DELIVERABLES**	**PERFORMANCE CRITERIA**	**ASSUMPTIONS**
Monitor the monitors	The oversight group creates a performance framework for the project's management and implementation. On a frequent basis (ex. monthly), independently analyse the data obtained from monitoring systems	Quality Control Plan	Validity of control methods	External validations
Establish means of monitoring the evolution of the business ecosystem and the political requirements of the mandate	Oversight groups must constantly analyse data provided to them concerning the institution's environment. This can be done by internal planning departments but the analysis must be ecosystem-wide On a regular basis, the oversight groups must re-adjust the strategic plans and re-define the capabilities and performance levels that are required			

PHASE: 3- Programme Implementation and Maintenance		STEP: T10 – Evaluation of Performance and Impact		
TASKS	**ACTIVITIES**	**DELIVERABLES**	**PERFORMANCE CRITERIA**	**ASSUMPTIONS**
Generate an evaluation framework	A comparison table and logic analysis is created that identifies the objectives and the results obtained A clear distinction is made in the evaluation framework between outputs, outcomes, effects and impacts.	Evaluation Plan	Evidence-based	
A monitoring system is put into place to generate the data required to assess outcomes, effects and impacts	Define the data requirements Determine what indicators will be used and how the data will be obtained Put into place the mechanisms to generate data			
Perform evaluations	Analyse the data to assess if the right options and objectives were pursued. Do not be concerned with compliance or audit analysis, but focus on appropriateness of the strategy. The oversight groups determine	Evaluation Report	Evidence-based Quality of methodologies and data gathering	

	if changes, adjustments or other action is required for a strategic response			

PHASE: 3- Programme Implementation and Maintenance		STEP: T11 – Maintenance of the Level of Capabilities		
TASKS	**ACTIVITIES**	**DELIVERABLES**	**PERFORMANCE CRITERIA**	**ASSUMPTIONS**
Yearly periodical state of capabilities and capacities review process.	Performances and capacities evaluation;	Annual Report on state of capabilities	Reliable methodology	
Gaps of capacities identification	Performances review	Annual Report on state of capabilities		
Elaboration of an Annual Capability Improvement Plan of activities for capacities actualisation	Review of capabilities and capacities indicators;	Capability Improvement Plan	Proactivity	
Validation of state of capabilities and performances with every organisational units and partners	Consensus meetings	Capability development agreements		Stakeholders cohesion
Validation with **Sector** stakeholders	Capability Programme review meetings	Yearly capabilities and capacities Maintenance Plan		Gov. of the Country engagement

PHASE: 4- Programme Evaluation		STEP: T12 – Capability Development Programme Evaluation		
TASKS	**ACTIVITIES**	**DELIVERABLES**	**PERFORMANCE CRITERIA**	**ASSUMPTIONS**
Conduct an extensive evaluation of the Capabilities Development Programme (at the end of each 5 years Period of the Programme)	Terms of reference design Harms lent contracting Evaluation project management	Evaluation Report	Close links with foresights of actualised demands and competitiveness imperatives for Country development	Sustainability of the Sectorial partnership and impacts of capacity and capability development efforts
Review of evaluation report by core actors and stakeholders				
Build consensus on CD Programme improvements	Discussions within Board members of the CD Initiative	Programme improvement Plan		
Political engagements on Programme improvement Plan		Statement and Memorandum of Engagements		Gov. of the Country maintains a strong leadership
Re-initiation of the 5-year cycle			Sustainability of Programme management capacities	