

The Habits and Capabilities of Successful Business Partners

Copyright © February 3, 2021. Ian Foster, People Assured.
Contact: ianfoster@peopleassured.com

1. Context

Three years ago, in my research-based article “Teams — the new organization design?” <https://www.linkedin.com/pulse/teams-new-organization-design-ian-foster>, I discussed how teams and “networks of teams”¹ are increasingly how work gets done in organizations.

Many of us now work in multiple teams,² and as organizations strive to integrate digital technology into all areas of their business the use of cross-functional teams³ continues to rise.

Those used to a hierarchical structure can find this adjustment difficult. Team members representing different functions can feel conflicted between functional loyalty and team responsibility. “Different goals”⁴ can pull team members in different directions.

While clear direction from sponsors and effective governance are essential elements in helping teams succeed, team members also need strong **business partnering**⁵ capabilities in order to add value and affect business outcomes — building strong relationships, influencing strategy, resources and decisions.

For many organizations, this is a capability that needs to be developed.

2. Building Business Partner Capability

There is no one size fits all approach to business partnering.⁶

Each representative (partner) on a team needs to bring all aspects of their functional and technical expertise and leverage it to shape advice for that business.

Based on research and experience, I offer a capability framework for Business Partnering (Figure 1.) and details of the *behaviors, skills and knowledge*^{7 8} that I have seen effective business partners demonstrate.

¹ T. McDowell, et al., *Organizational design: The rise of teams*, 2016 Global Human Capital Trends, Deloitte University Press, February 29 2016, <https://dupress.deloitte.com/dup-us-en/focus/human-capital-trends/2016/organizational-models-network-of-teams.htm>.

² <https://www.gallup.com/workplace/238085/state-american-workplace-report-2017.aspx>

³ <https://enterpriseproject.com/what-is-digital-transformation>

⁴ <https://hbr.org/2015/06/75-of-cross-functional-teams-are-dysfunctional>

⁵ https://en.wikipedia.org/wiki/Business_partnering

⁶ <https://www.icaew.com/-/media/corporate/archive/files/technical/business-and-financial-management/finance-direction/business-partnering-case-study-electrocomponents.ashx>

⁷ <https://www.risual.com/2019/07/knowledge-skills-behaviours/>

⁸ <https://joshbersin.com/2019/10/the-capability-academy-where-corporate-training-is-going/>

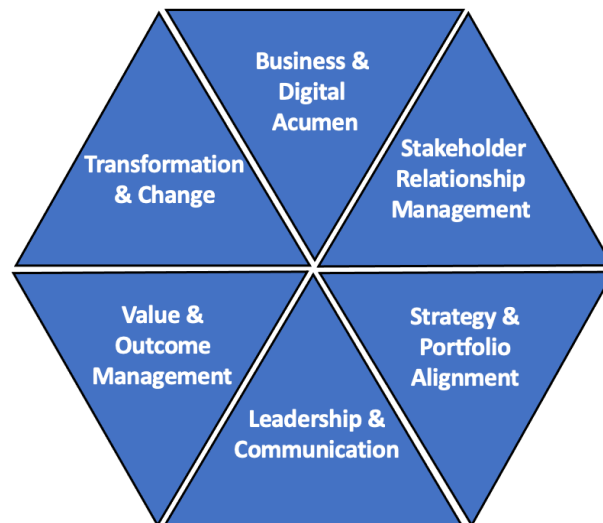


Figure 1. Business Partner Capability Framework

3. Behaviors

Key behaviors that can help professionals to succeed as business partners, include:

- **Intellectual curiosity:** an interest in learning and a genuine desire to know⁹ by digging deeper and coming up with new ideas
- **Agility:** being prepared to jump into new projects and roles and learn through new experiences
- **Courage & risk-taking:** speaking up and challenging the status quo, while being prepared to fail
- **Collaboration & cooperation:** working with other team members in a balanced way to achieve team goals, your individual goals and their goals.^{10 11}
- **Ownership:** taking accountability for outcomes
- **Positive disruption*:** creatively thinking about how to transform the area of the business with which you partner, offering disruptive ideas and solutions in order to deliver greater value

*Fortune 500 CIO contributor

However, these behaviors¹² and the mindset¹³ that helps to drive them are also dependent on the environment¹⁴ in which individuals work. If you work for a function and boss that encourages taking risks, and “provides air cover to allow for failure,”¹⁵ you are much more likely to be courageous.

⁹ <https://www.lucasgroup.com/your-career-intel/intellectual-curiosity-important-success-predictor/>

¹⁰ <https://blog.jostle.me/blog/collaboration-vs-cooperation>

¹¹ Collaborate or cooperate: <https://www.youtube.com/watch?v=IJArS2YbDmU>

¹² <https://www.theatlantic.com/education/archive/2016/12/how-praise-became-a-consolation-prize/510845/>

¹³ <https://www.linkedin.com/pulse/why-mindset-overrated-behavior-change-ashutosh-sharma>

¹⁴ <https://worldofwork.io/2019/07/lewins-behavior-equation/>

¹⁵ <https://www.fm-magazine.com/news/2015/oct/effective-business-partnering-201513120.html>

4. Knowledge and Skills

The knowledge and skills underpinning each of the 6 capability areas shown in Figure 1. are discussed below.

4.1 Business, Commercial & Digital Acumen

Commercial acumen, strategic thinking, and the ability to influence decisions are key business partnering skills.¹⁶

Partners will be expected to demonstrate expertise in their functional domain and know how it can add value. They will also serve as a bridge, connecting supported business units with relevant specialists.

However, to be fully effective, partners also need broader business understanding — learning and understanding the strategy, priorities and trends for the businesses and functions they support.

By developing insight into market and technology trends and the competitive landscape, partners are more able to contribute to strategic discussions¹⁷

In the digital era, leaders who can build knowledge and skills in digital topics and technologies (e.g. mobile, social, IoT, cloud, big data and analytics, AI)¹⁸ and how they can be leveraged, will be able to offer additional value.

Commercial acumen is the desired end goal — applying business, technical and market knowledge to make informed, value-based decisions and recommendations.

4.2 Strategy & Portfolio Alignment

Successful business partners serve as a catalyst and strategist.¹⁹

Investing in developing strategic thinking skills will help partners to drive more effective decision-making with their business units.²⁰ This means taking a big picture perspective — “a long-range approach that involves objective analysis, thinking ahead, and planning what has to happen now, in six months, in a year, in three years, and how to get there.”²¹ Thinking through the impact of decisions on the various segments of the organization will help partners identify the right approach and solutions.

Organizations can foster strategic thinking skills by including it as part of their management approach.

For example:

- “Encouraging managers to set a regular time aside for strategic planning

¹⁶ <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/finance-transformation/deloitte-uk-finance-business-partnering.pdf>

¹⁷ <https://www.roberthalf.com.au/blog/jobseekers/why-commercial-acumen-so-important-finance-career>

¹⁸ <https://hbr.org/2018/10/how-we-teach-digital-skills-at-pwc>

¹⁹ <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/finance-transformation/deloitte-uk-finance-business-partnering.pdf>

²⁰ <https://advisory.kpmg.us/content/dam/advisory/en/pdfs/the-future-of-work-series-strategic-business-partner.pdf>

²¹ <https://hbr.org/2014/02/develop-strategic-thinkers-throughout-your-organization>

- Providing information to leaders on the market, the industry, customers, competitors and new technologies that influence their business”²²
- Keeping staff informed on what is happening internally

Business partners should seek to collaborate with their business units on project ideas and business cases, assessing the relative value of each project to establish project priorities. Aligning proposed projects and initiatives to business strategy will help with prioritization and bring credibility to recommendations and decisions.²³

Priority projects can be grouped into a portfolio, for which a roadmap can be developed to show the steps and milestones to achieve the desired goals²⁴ Assessing project portfolio performance is a further goal of business partners, using metrics and KPIs to evaluate progress and outcomes.²⁵

4.3 Stakeholder Relationship Management (SRM)

ISO 26000 (social responsibility)²⁶ defines a stakeholder as an "individual or group that has an interest in any decision or activity of an organization." E.g. internal and external staff, suppliers, customers, regulators shareholders and communities. Stakeholders have something to gain or lose as a result of your activity, are likely to be affected by your decisions and *may place a claim on your resources*²⁷ (or vice versa).

While relationships with supported business units are important, peer and line function relationships also matter. COVID-19 has meant that many relationships are having to be developed virtually.^{28 29}

Stakeholder Relations(hip) Management (SRM) is about “influencing attitudes, decisions and actions for mutual benefit.”³⁰ To elicit cooperation, stakeholders also need to gain from the relationship.

There are 3 key steps in SRM:

- Identifying key stakeholders
- Prioritizing them
- Developing a plan of action

Key stakeholders are those who are most impacted by your decisions or activities and have influence.

Questions to **identify** them include:

- Who might be most affected (positively or negatively) by your strategy, decisions or activities?
- Who is likely to express concern?
- Who has access to the resources needed or places demands on our resources?

²² <https://hbr.org/2014/02/develop-strategic-thinkers-throughout-your-organization>

²³ <https://www.projectmanager.com/training/how-to-align-your-project-to-business-strategy>

²⁴ <https://www.productplan.com/roadmap-basics/>

²⁵ <https://www.pmi.org/learning/library/aligning-projects-corporate-strategy-performance-8074>

²⁶ https://lastradainternational.org/lisidocs/3078-ISO%2026000_2010.pdf

²⁷ <https://cuttingedgepr.com/stakeholder-relations-management-key-skill/>

²⁸ <https://www.alchemyformanagers.co.uk/topics/whKJy23z8nHLAFhf.html>

²⁹ <https://www.pwc.com/us/en/library/covid-19/us-remote-work-survey.html>

³⁰ <https://cuttingedgepr.com/stakeholder-relations-management-key-skill/>

- Who shares our values and purpose in this area?

A simple yet effective way to prioritize stakeholders is to create a 2-by-2 stakeholder analysis matrix (level of influence v level of interest).³¹

For each key stakeholder, list things that are important to them. It will be important to leverage stakeholders who are supportive of your decisions and activities, and closely manage those who have a negative view.

You can enhance your relationship with stakeholders by building your “emotional bank account “(EBA), through your commitment, meeting of expectations, and integrity.³² Building trust and credibility will make it easier to negotiate and influence when you have needs.

It is important to work closely with stakeholders to ensure the impact of proposed investments is clearly understood and manage expectations by being clear about what you can (and cannot) deliver.

Partners should try to anticipate activities or decisions that could cause disruption among stakeholders and create a mitigation plan. This may include the risks you are prepared to accept and the steps to reduce their impact³³

Ultimately, partners should be seeking to create value. “A business partner organization should be effective in shaping and channeling demand to the highest business value opportunities.”³⁴

4.4 Transformation & Change

Transformation is different to change. It revolves around “the need to generate **new** value, ”³⁵ unlocking new opportunities, driving new growth or delivering new efficiencies.

Getting it right requires an integrated approach linking strategy, ambition and execution.

Digital has been a game changer for transformation. The digital journey will look different for every company and may include digitizing operations, replacing older digital technology with newer digital technology, analyzing and solving complex problems, and visualizing things in different ways e.g. through artificial intelligence or augmented reality.³⁶

To successfully transform, organizations need to develop capabilities in the new processes and tools as well as in the knowledge and skills their teams will require to operate in the future state. This may

³¹ <https://www.pmi.org/learning/library/stakeholder-management-task-project-success-7736>

³² https://en.wikipedia.org/wiki/The_7_Habits_of_Highly_Effective_People

³³ <https://phillipsgroup.com.au/insight/5-strategies-for-effective-stakeholder-management/>

³⁴ <https://brm.institute/about-business-relationship-management/>

³⁵ <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/process-and-operations/us-sdt-think-big-business-transformation.pdf>

³⁶ https://en.wikipedia.org/wiki/Digital_transformation

include changing beliefs and behaviors and encouraging a culture where people “challenge the status quo, experiment often and get comfortable with failure.”³⁷

McKinsey’s 4-step influence model³⁸ identifies four key actions to change mind-sets and behaviors in support of transformation and change:

- Fostering understanding and conviction — answering the question “why” (are we doing this)?
- Role modeling — A visible change in behaviors from leaders and colleagues
- Developing talent and skills — building confidence and competence in the new ways
- Reinforcing with formal mechanisms — the structures, processes and systems that support the new ways

4.5 Leadership & Communication^{39 40}

4.5.1 Leadership

A number of leadership capabilities such as strategic perspective, managing change and relationship management were covered earlier. This section identifies additional capabilities that business partners should seek to master.

Self-Awareness and management: Developing an accurate picture of your strengths and weaknesses (supported by a willingness and desire to improve) as well as understanding your values and motivations. This demonstrates emotional intelligence⁴¹

Empathy: Showing genuine interest in others and their needs. Your ability to connect with other people’s feelings and thoughts can help you bond with your colleagues, boost morale, and inspire loyalty

Judgment: Getting the most important calls right. Leaders can improve their judgement by being “good listeners and readers”⁴²

Resilience.^{43 44} Resilience can be developed over time through a series of complementary activities: finding ways to connect with others, finding meaning, practicing gratitude and kindness, self-care, acceptance (e.g. what is in your control and what is not?), and trying to see mistakes and *failures* as learning opportunities.

³⁷ <https://enterpriseproject.com/what-is-digital-transformation>

³⁸ <https://www.mckinsey.com/business-functions/organization/our-insights/the-four-building-blocks-of-change#>

³⁹ <https://www.ccl.org/blog/5-important-competencies-function-leaders/>

⁴⁰ <https://www.ccl.org/articles/leading-effectively-articles/leadership-skills-accelerate-performance/>

⁴¹ <https://positivepsychology.com/emotional-intelligence-eq/>

⁴² <https://hbr.org/2020/01/the-elements-of-good-judgment>

⁴³ <https://www.psychologytoday.com/us/basics/resilience>

⁴⁴ <https://health.cornell.edu/resources/health-topics/building-resilience>

4.5.2 Communication

Effective communication is at the top of the list of capabilities for business partners to master. Key skills to work on include:

- Becoming a great listener – using active listening skills (paying attention, withholding judgement, reflecting and clarifying)⁴⁵ and making a conscious, visible effort to understand not only the words but the complete message being sent⁴⁶
- Articulating your value proposition. This can be aided by creating a business story that paints a clear picture of “how your product or service solves problems and what benefits customers can expect.”^{47 48} Effective storytelling involves creating an emotional connection with your audience and relating your solution to a business problem.^{49 50}
- (Practicing) translating ideas and objectives into practical solutions
- Developing and applying a clear, coherent structure to communicate your message e.g. problem, solution, benefit; what? so what? now what?⁵¹
- Developing an understanding of, and speaking knowledgeably about, internal factors and external trends that will impact your business unit(s) e.g. technology and service provider offerings

4.6 Value & Outcome Management

“The most successful transformation journeys start with a business outcome in mind.”⁵²

A business outcome-based approach to investment is one that shifts the conversation from *What do we need to deliver?* to *What do we want to achieve?*

It focuses on the business change and impact sought from a proposed investment. Key principles in a value and outcome-based approach are:

- Defining up-front with your customer/ business unit the value and outcomes sought from the investment
- Agreeing how that value will be measured, and how and when it will be achieved
- Managing the process throughout the lifecycle of the investment to ensure value creation

Microsoft created a helpful framework for defining business outcomes as part of a transformation journey⁵³ including defining the objectives and key results (OKRs)⁵⁴ that need to be measured and tracked to capture achievement of desired business goals.

⁴⁵ <https://www.ccl.org/articles/leading-effectively-articles/coaching-others-use-active-listening-skills/>

⁴⁶ <https://www.mindtools.com/CommSkill/ActiveListening.htm>

⁴⁷ <https://www.impactbnd.com/blog/value-propositio> <https://www.workzone.com/blog/how-to-make-a-business-case/n-examples>

⁴⁸ https://en.wikipedia.org/wiki/Value_proposition

⁴⁹ <https://www.iliyanastareva.com/blog/5-effective-business-storytelling-techniques>

⁵⁰ <https://www.aerogrammestudio.com/2013/06/05/back-to-the-story-spine/>

⁵¹ <https://www.entrepreneur.com/article/294398>

⁵² <https://docs.microsoft.com/en-us/azure/cloud-adoption-framework/strategy/business-outcomes/>

⁵³ <https://docs.microsoft.com/en-us/azure/cloud-adoption-framework/strategy/business-outcomes/>

⁵⁴ <https://en.wikipedia.org/wiki/OKR>

An example is provided below:

“Objective: Be the top US provider of learning platforms to schools.

Key results:

- 45 percent of K-12 schools using our platform
- A 95-percent satisfaction rate from quarterly parent surveys⁵⁵

In their Beginner’s Guide to Business Outcome Management, MetaCx suggests that to align around target outcomes start by asking “What will change (business impact)? By how much? By when ?”⁵⁶

Activities that support outcome management:

1. Preparing for conversations with different business departments e.g. finance, marketing, sales, HR — considering the business drivers and outcomes that are important to each function, such as profitability, customer acquisition and retention, increased sales, empowered employees
2. Agreeing and documenting the desired business outcomes with your business unit/stakeholders. Outcomes can have different categories e.g., fiscal, agility (time to market), customer engagement
3. Mapping the capabilities and solutions you will need to build and deliver to the desired outcomes
4. Agreeing measures (KPIs or OKRs) that you will track to ensure the desired value is/has been delivered
5. Tracking

Summary

Organizations increasingly use cross-functional teams to implement business and digital initiatives. The ability to partner effectively with other business functions and stakeholders is a driver and vital component of cross-functional team performance. By investing in the development of individual and organizational capability in business partnering behaviors, skills, and knowledge, companies can increase the likelihood of transformation success and added value, and create a more agile and engaged workforce.

Bibliography

https://www.cdfa.ca.gov/specialty_crop_competitiveness_grants/pdfs/developing_measure_outcomes.pdf

<https://hbr.org/2019/03/digital-transformation-is-not-about-technology>

<https://www.flashpointleadership.com/blog/the-advantages-and-disadvantages-of-flat-management>

<https://brm.institute>

<https://www.themuse.com/advice/tips-for-working-cross-functional-team>

<https://www.gallup.com/workplace/238085/state-american-workplace-report-2017.aspx>

<https://hrxecutive.com/8-skills-hr-business-partners-need-for-success/>

⁵⁵ <https://docs.microsoft.com/en-us/azure/cloud-adoption-framework/strategy/business-outcomes/okr>

⁵⁶ <https://metacx.com/assets/ebook-the-beginners-guide-to-business-outcome-management/>