

Meyer's Management Models

82. Resource Base Dial

What are the strategic resources available to my organization?

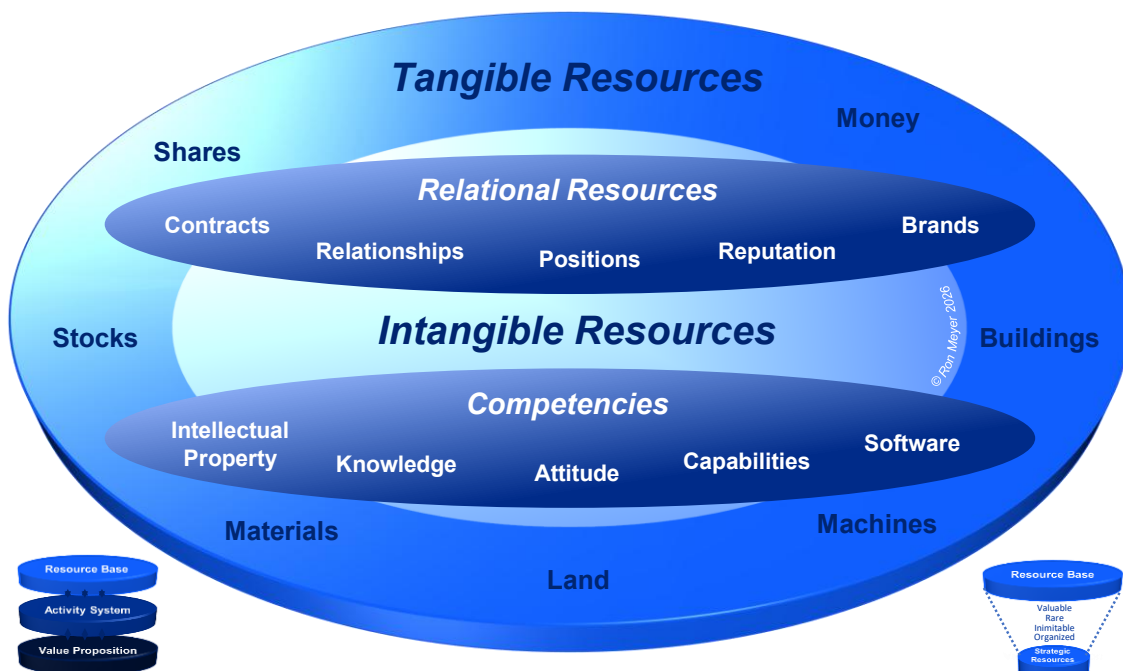
Key Definitions

An organization's *resources* are all the means at its disposal that can be used to carry out value-adding activities and create value propositions. Note that people are not resources, but the carriers of resources, such as knowledge, skills and relationships (just as a CD is not music, but a music carrier). Unfortunately, the term *human resources* is an enduring misnomer.

Following Barney (1991), we define *strategic resources* as those that meet the VRIO criteria: they are *valuable* (important for running the business), *rare* (not widely available to rivals), *inimitable* (difficult to copy or substitute) and *organized* (readily available to the business).

Conceptual Model

The *Resource Base Dial* is a framework for mapping all the resources available to (or needed by) an organization to run its business system (see model #32, Strategic Alignment Model). Importantly, this framework looks beyond the tangible resources on an organization's balance sheet, to identify additional intangible resources – their competencies and relational resources. Once an inventory of all resources has taken place, this can be checked against the resources needed to run the business system, so deficiencies can be spotted (see insert at bottom left) and an analysis can be made of which resources qualify as strategic, so further resource-based strategy development can build on these (see insert at bottom right).



Key Elements

The two main categories of resources are the following:

1. **Tangible Resources.** This is all the stuff that organizations need to function, varying from office buildings to coffee machines, to the money to buy new coffee. Tangible resources

tend to be things “you can drop on your foot”, but cryptocurrencies and data are also tangible, as they can be isolated, counted and traded. Sometimes tangible resources are strategic, such as a custom-made production robot or the building housing a hotel, but most tangible resources can be easily acquired or copied, making them non-strategic. As rule of thumb, bookkeepers count what strategically doesn’t count.

2. **Intangible Resources.** These are all the resources that can’t be seen, can’t be bought or sold but need to be gradually developed. They are embedded in the people and the organization in which they have grown, making them difficult to copy and almost impossible to transfer. There are two distinct categories of intangible resources:
 - a. **Relational Resources.** These are all means that are based on connections between individuals or organizations. Once *relationships* have been built up, they have the potential to be used to influence others to behave in a particular way. Even where people don’t know each other, but know *of* each other, that *reputation* can be leveraged to get things done. In the same way, *positions* in associations, boards and informal groups can be used to exert influence. Note that these intangibles can sometimes gradually become more tangible, such as relationships being formalized into *contracts* and reputations being linked to tangible *brands*. In this way, some football players’ contracts and the team’s brand can even make it onto the balance sheet.
 - b. **Competencies.** While relational resources are about *influence*, competencies are about *ability* – the potential to get things done. It is often said that to act effectively, people and/or organizations need to combine the right *knowledge* (insight/intelligence) with the right *attitude* (mindset/philosophy), so they can develop practical *capabilities* (skills/knowhow). These competencies are learnt and embedded over time, sometimes by separate individuals, but often by cooperating teams of people, often establishing systems and processes to ensure the learning sticks. Note that here too intangibles can gradually become more tangible, as ways-of-working are hardwired into procedures and *software*, while knowledge is captured in wikis or even as *intellectual property*.

Key Insights

- **The resource base is a key part of the business system.** Every business system is a simple input-output function, with *resources* going in to run various *activities*, resulting in a *value proposition* coming out. To optimize this economic value creation system, an overview is needed of the required and available resources (see model at bottom left).
- **The resource base consists of tangible and intangible resources.** Organizations need hordes of resources to function. These can be *tangible* (means that can be separated, counted and traded) or *intangible* (embedded in the organization and developed over time).
- **The resource base includes relational resources and competencies.** Intangible resources can be divided into two subcategories: *relational resources* that give individuals or the organization influence, and *competencies* that give them the potential to perform.
- **The resource base can be the basis of strategy.** The resource-based view of the firm suggests that sustainable competitive advantage can be derived from leveraging resources that are *strategic* - that are valuable, rare, inimitable and organized (VRIO). Therefore, identifying, improving and protecting these strategic resources is a crucial strategic action.
- **The resource base is a strategic stepchild.** In practice, few organizations put emphasis on understanding their resource base and most fail to uncover their strategic resources. The Resource Base Dial offers a simple starting point to identify all existing resources and then to zero in on the strategic resources that could be leveraged (see model bottom right).

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Insightful Tools to Kickstart Your Thinking

Publication Schedule

<i>July 2019</i>	<i>Mind the Gap Model</i>	<i>Change Management</i>
<i>August 2019</i>	<i>Digital Platform Map</i>	<i>Digital Strategy</i>
<i>September 2019</i>	<i>Interaction Pressure Gauge</i>	<i>Interpersonal Interaction</i>
<i>October 2019</i>	<i>Revenue Model Framework</i>	<i>Revenue Model Typology</i>
<i>November 2019</i>	<i>House of Engagement</i>	<i>Organizational Engagement</i>
<i>December 2019</i>	<i>Confidence Quotient</i>	<i>Trust Building</i>
<i>January 2020</i>	<i>Competition Tornado</i>	<i>Competitive Strategy</i>
<i>February 2020</i>	<i>11C Synergy Model</i>	<i>Corporate Synergy Management</i>
<i>March 2020</i>	<i>Leadership Fairness Model</i>	<i>Leader-Follower Interaction</i>
<i>April 2020</i>	<i>Strategic Agility Model</i>	<i>Strategy Process Approach</i>
<i>May 2020</i>	<i>Control Panel</i>	<i>Corporate Control Dimensions</i>
<i>June 2020</i>	<i>Rising Star Framework</i>	<i>Talent Management</i>
<i>July 2020</i>	<i>Strategy Development Cycle</i>	<i>Strategy Process Steps</i>
<i>August 2020</i>	<i>7I Corporate Center Model</i>	<i>Corporate Organization</i>
<i>September 2020</i>	<i>Storytelling Scripts</i>	<i>Leadership Communication</i>
<i>October 2020</i>	<i>Strategic Bets Framework</i>	<i>Strategic Decision-Making</i>
<i>November 2020</i>	<i>Rebound Model of Resilience</i>	<i>Organizational Resilience</i>
<i>December 2020</i>	<i>4C Leadership Capabilities</i>	<i>Leadership Competences</i>
<i>January 2021</i>	<i>Digital Product Model Dial</i>	<i>Digital Strategy</i>
<i>February 2021</i>	<i>Digital Distribution Model Dial</i>	<i>Digital Strategy</i>
<i>March 2021</i>	<i>Empowerment Cycle</i>	<i>Employee Empowerment</i>
<i>April 2021</i>	<i>Innovation Box</i>	<i>Innovation Approaches</i>
<i>May 2021</i>	<i>Knowledge Sharing Bridges</i>	<i>Best Practice Sharing</i>
<i>June 2021</i>	<i>Followership Cycle</i>	<i>Leader-Follower Interaction</i>
<i>July 2021</i>	<i>Everest Model of Change</i>	<i>Change Management</i>
<i>August 2021</i>	<i>Fruits & Nuts Matrix</i>	<i>Priority-Setting</i>
<i>September 2021</i>	<i>Powerhouse Framework</i>	<i>People & Organization Strategy</i>
<i>October 2021</i>	<i>Strategy Hourglass</i>	<i>Strategy-Making Steps</i>
<i>November 2021</i>	<i>Disciplined Dialogue Model</i>	<i>Interpersonal Communication</i>
<i>December 2021</i>	<i>Team Building Cycle</i>	<i>Team Building Process</i>
<i>January 2022</i>	<i>Market System Map</i>	<i>External Analysis Framework</i>
<i>February 2022</i>	<i>Strategic Alignment Model</i>	<i>Business Level Strategy</i>
<i>March 2022</i>	<i>Creativity X-Factor</i>	<i>Creativity Enhancement</i>
<i>April 2022</i>	<i>Organizational System Map</i>	<i>Organizational Analysis</i>
<i>May 2022</i>	<i>Corporate Value Creation Model</i>	<i>Corporate Level Strategy</i>
<i>June 2022</i>	<i>Change Manager's Toolbox</i>	<i>Change Methodologies</i>

<i>July 2022</i>	<i>Sustainable You Model</i>	<i>Personal Sustainability</i>
<i>August 2022</i>	<i>Value Proposition Dial</i>	<i>Business Level Strategy</i>
<i>September 2022</i>	<i>The Tree of Power</i>	<i>Organizational Power</i>
<i>October 2022</i>	<i>Psychological Safety Compass</i>	<i>Team Dynamics</i>
<i>November 2022</i>	<i>Strategic Action Modes</i>	<i>Strategy Process</i>
<i>December 2022</i>	<i>Corporate Management Styles</i>	<i>HQ Management</i>
<i>January 2023</i>	<i>Thinking Directions Framework</i>	<i>Reasoning Skills</i>
<i>February 2023</i>	<i>5I Innovation Pipeline</i>	<i>Innovation Process</i>
<i>March 2023</i>	<i>Resistance to Change Typology</i>	<i>Change Management</i>
<i>April 2023</i>	<i>Ambition Radar Screen</i>	<i>Motivation Analysis</i>
<i>May 2023</i>	<i>Corporate Strategy Framework</i>	<i>Corporate Strategy</i>
<i>June 2023</i>	<i>Cultural Fabric Model</i>	<i>Organizational Culture</i>
<i>July 2023</i>	<i>New Pyramid Principle</i>	<i>Presentation Approaches</i>
<i>August 2023</i>	<i>Activity System Dial</i>	<i>Value Creation Analysis</i>
<i>September 2023</i>	<i>Customer-Centricity Circle</i>	<i>Organizational Design</i>
<i>October 2023</i>	<i>Status Snakes & Ladders</i>	<i>Leadership Branding</i>
<i>November 2023</i>	<i>Stakeholder Stance Map</i>	<i>Stakeholder Management</i>
<i>December 2023</i>	<i>Best Practice Sharing Modes</i>	<i>Sharing Methods</i>
<i>January 2024</i>	<i>Duty of Care Feedback Model</i>	<i>Feedback Method</i>
<i>February 2024</i>	<i>BOLD Vision Framework</i>	<i>Organizational Vision</i>
<i>March 2024</i>	<i>MOVING Mission Framework</i>	<i>Organizational Mission</i>
<i>April 2024</i>	<i>Leadership Circle Map</i>	<i>Leadership Skills</i>
<i>May 2024</i>	<i>Digitalization Staircase</i>	<i>Digital Strategy</i>
<i>June 2024</i>	<i>Time Management Funnel</i>	<i>Personal Time Management</i>
<i>July 2024</i>	<i>Wicked Problem Scorecard</i>	<i>Organizational Decision-Making</i>
<i>August 2024</i>	<i>Hunting & Farming Typology</i>	<i>Sales Management</i>
<i>September 2024</i>	<i>Guiding STAR Matrix</i>	<i>Objective Setting Approach</i>
<i>October 2024</i>	<i>Corporate Synergy Typology</i>	<i>Corporate Level Strategy</i>
<i>November 2024</i>	<i>Self-Centered Thinking Traps</i>	<i>Thinking Styles</i>
<i>December 2024</i>	<i>Sustainability Maturity Ladder</i>	<i>Sustainability Management</i>
<i>January 2025</i>	<i>Top Line Growth Pie</i>	<i>Growth Strategy</i>
<i>February 2025</i>	<i>Innovation Sins & Virtues</i>	<i>Innovation Management</i>
<i>March 2025</i>	<i>Interaction Drivers</i>	<i>Communication Determinants</i>
<i>April 2025</i>	<i>Frictionless Flow Framework</i>	<i>Customer Journey</i>
<i>May 2025</i>	<i>Five Phases of Change</i>	<i>Change Management</i>
<i>June 2025</i>	<i>Courageous Core Model</i>	<i>Leadership Behaviors</i>
<i>July 2025</i>	<i>Integration Zippers</i>	<i>Corporate Strategy</i>
<i>August 2025</i>	<i>Innovation Arena</i>	<i>Innovation Management</i>
<i>September 2025</i>	<i>Conversation Elevator</i>	<i>Communication Approaches</i>
<i>October 2025</i>	<i>5T SMART Plan</i>	<i>Strategic Planning</i>

November 2025	Organizational Diamond	Organizational Design
December 2025	New Learning Curve	Personal Learning
January 2026	Strategic Assignment Matrix	Corporate Strategy
February 2026	Five Company-Centric Forces	Organizational Dynamics
March 2026	Personal System Map	Personal Development
April 2026	Resource Base Dial	Business Level Strategy
May 2026	New Organizational Paradigm	Organizational Thinking
June 2026	Feedback Flavors Framework	Interpersonal Feedback
July 2026	Partnership Distance Model	Interorganizational Relations
August 2026	Triple Diamond Model	Organizational Decision-Making
September 2026	Personal Quick Guide	Personal Effectiveness
October 2026	Synergy Value Matrix	Corporate Level Strategy
November 2026	Low Performance Team Slide	Team Building
December 2026	Leadership Journey	Leadership Development