How proper investment leads to successful organizations

There are seven capital investments available for organizations to build value and wealth. These capital investments are Human, Relationship, Spiritual, Customer, Organizational, Physical and Financial.

In the 1980 winter Olympics in Lake Placid, the U.S. Men's Ice Hockey team had to beat the Soviet Union team, which was ranked #1 in the world. Unexpectedly, they beat the Soviets on their way to winning the gold in a game that was called the “Miracle on Ice.”

How did this happen? One can assume that it was not because they skated better than the Soviets. The U.S. team was composed of college students and the Soviets were semi-professionals. Instead, it was some intangible force. The U.S. coach instilled the aspects of Human, Relationship and Spiritual capitals. The team took to heart what they heard, and they believed. The result of the infusion of these capitals was a powerful return on investment, which allowed the team to rise above expectations to beat the Soviet team. The effort by the U.S. team was considered the most incredible international ice hockey story in the last 100 years! There is power investing in intangibles.

BY BALDWIN TOM
INTANGIBLES

The New Super Heroes

Of the seven investments available to organizations, the five people-side investments are the most interesting. Three of these (Human, Relationship and Spiritual investments) can be considered the new super heroes powering success in organizations—*The Intangibles*. These three set up the other investments and the organization for success. They clear the way, set the stage and stay the course to provide significant multipliers for high ROI.

When deployed as investments, *The Intangibles* create energy and activate others toward positive action. Each of the three super heroes has unique powers in what they initiate in others. Each one will leverage existing opportunities to benefit the organization and to increase ROI from their efforts. *The Intangibles* interact with each other and with other investment combinations to create value and wealth for organizations.

A Closer Look

**Human capital investments:**
*Invest in the capabilities of people, their knowledge, skills and competencies.*

Human investments possess a uniqueness in its direct action on people to energize, encourage and support work. The actions may involve new education, advanced training and psychological support. Through activities of human capital investments, people are more able and prepared to take on new tasks and to be more creative and innovative. From this, people are more satisfied with their work and look forward to new challenges. Accordingly, the investment of human capital generates positive ROI.

When Human capital investments are teamed with Customer investments, it leads to creativity and innovation and new products and services. When this investment is teamed with Organizational investments, it leads to new intellectual property and corporate memory. When Human capital investments are teamed with Relationship investments, it creates high performance teams.

**Relationship capital investments:**
*Link people together for interactions that leverage power and influence.*

The strength of this investment is focused on people and in linking people together. Relationship capital investments help build meaningful interactive groups, encourage the bonding of personnel and foster can-do mindsets. Relationship investments effectively build strength through numbers. High performing teams result from the activities of Relationship capital investments. The results from Relationship investments include facilitated and accelerated actions throughout the organization and with customers, as well as a boost in ROI.

When Relationship capital investments are teamed with Customer investments, this leads to partnering with customers. When this investment is teamed with Spiritual capital investments, it leads to satisfied people willing to work hard for the organization.

**Spiritual capital investments:**
*Establish cultural norms that smooth work flow and facilitate people and customer relationships.*

This Super Hero is not demanding or pushy. Spiritual capital is subtle but significant when in place. The efforts of Spiritual capital investments are to support the personal side of peoples’ efforts that engender peace of mind and a sense of accomplishment. The result of this is that people feel valued, leading to higher personal motivation and willingness to contribute more.

When Spiritual investments are teamed with Organizational investments, the results lead to refining cultural norms and ethical decision-making. When Spiritual capital investments are paired with Relationship investments, it leads to an ethical workplace that fosters positive group chemistries and greater resiliency within an organization. When Spiritual capital is teamed with Human capital, it promotes caring and committed people who are willing to go the extra mile. When Spiritual investments are teamed with Customer investments, the result fosters value-based customer relations

Parting Thoughts

Character comes from the inside. Invest in people and their relationships to build strong teams. Invest in team-focused spiritual capital to build loyalty and bonding, resulting in strong character. When opportunities arise or challenges surface, the people will do whatever it takes to help move the ball forward. Focusing on *The Intangibles* strengthens an organization, giving it a solid core and foundation.

Baldwin Tom is a management consultant, professional speaker and author of *1+1=7: How Smart Leaders Make 7 Investments to Maximize Value*. Baldwin is a Certified Management Consultant and served as the National Board Chair of the Institute of Management Consultants USA. For more information on Baldwin Tom, please visit www.geoddgroup.com.