

Cross-organization Improvements — Hazards and Help

December 2010 Partners In Improvement Meeting (abridged)

In any organization, the game-changing opportunities — the breakthrough process innovations that achieve order of magnitude improvements in throughput, resources required, or defects — all require cross-organizational collaboration. Force multiplier improvements — taking an innovation from one plant, branch, or district and implementing it across the entire organization to multiply the benefits many fold — also require cross-organizational collaboration. But while cross-organizational improvement projects present substantial opportunities, they also pose some formidable obstacles.

So it is little wonder that the *Partners In Improvement*, a team of business leaders from across the globe with deep experience in guiding improvement efforts, selected this topic at our most recent series of focus group discussions: **Cross-organizational Improvements — Hazards and Help**.

The group discussed the special challenges that cross-organizational improvement teams face and ways in which they have surmounted them. Some of these special challenges include larger size, differences in location, language, relationships, and time zones, and most challenging of all, different and sometimes conflicting organizational priorities. Here is a brief summary of their discussion:

I. Bigger is not better

One of the basic facts of accomplishing cross-organizational work is that we must involve more people. This size factor alone can make the project more difficult to execute. The teams become large because the leader needs input from and buy-in from multiple organizations. And sometimes even when subject matter experts are needed for only a subset of meetings, they will want to attend all of them to have more input into the results.

The larger the group, the more effort is required to ensure that good working relationships develop among the team members. Scheduling meetings becomes more difficult, and individuals may take less responsibility because with a large group, it is easier to assume someone else will pick up the slack. There is often a limited window in which people are available, and the more people who must participate, the more constraints the project leader must schedule within.

Recommendations: Team leaders can minimize the difficulties that arise with larger teams by giving extra attention to organization tools and methods:

- Make sure each participant has a clearly defined role and that everyone is clear about why each participant is needed.
- Develop (and continue to refer back to) a clear charter and mandate from senior management.
- Develop ground rules about how to handle absences in a way that ensures the project continues forward.



- Set up firm meeting times and locations at the start of the project.
- Publish minutes so that everyone is clear about what was decided and who has what action item.
- Publish agendas so that everyone knows what is expected to happen at each meeting.
- Involve a facilitator to make sure that everyone provides input and that discussions stay on topic. Projects without a good facilitator will lose focus.
- Develop concrete time lines and scope, and “chunk the work.” Breaking the work into specific deliverables helps to manage the size and complexity of cross-organizational improvements.

The larger the group the more “moving parts” and the more opportunities there are for mistakes and misunderstandings that delay progress toward your important goal.

II. Participant Differences

Every team is made up of individuals with different experiences, perspectives, and values. Cross-organizational teams are often made up of people with even greater differences — several of which pose special challenges to the project manager.

Different Locations and Time Zones

Frequently, cross-organizational improvement projects involve multiple locations, making it more difficult to develop the relationships among the team members. Informal communication and relationship building, that may happen easily at a lunch table or in a common area among co-located team members, is much less available to many cross-organizational teams. Relationships and trust are slower to develop.

Furthermore, the team may not get ‘the full story’ when trying to understand the facts and perspectives from distant organizations. Misunderstandings and incorrect assumptions are much more likely to arise when information gathering is limited to email and phone communication.

Different Languages

Global enterprises encompass people using a number of different languages. If you are leading a multi-national group, chances are that whatever language you choose to use, some of the participants will be non-native speakers. Language barriers can slow communication and increase the likelihood of misunderstanding unless special care is taken to prevent this.

Different Networking Relationships

People from different parts of an organization will have different networks and these affect how well the communication works. If you were to go into an organization and map the relationships (who talks to whom on a regular basis) you would have a good idea of where information flows readily and where it does not. Informal communication compensates for gaps in the formal system.

Cross organizational improvement initiatives often involve people from organizations between which there are few, if any, informal networks. Consequently, unless a robust *formal* communication system is implemented, including ‘active listening’ mechanisms and the like, miscommunications and erroneous assumptions can easily ensue.

Recommendations: To overcome the difficulties posed by differences among the participants, several approaches were suggested.

- Schedule the initial meeting in person and invest in intensive team-building up front. Team members are more likely to communicate effectively from a distance if they have gotten to know something about one another first.
- Invest in the relationships. Several of the participants in the discussion shared cross-organizational success stories that depended heavily on having worked *first* to build good relationships.
- For remote meetings add interactive visual communication to the traditional conference calls, using on-line communication tools. Adding written and visual communication is especially helpful whenever there are language barriers.
- When scheduling calls across time-zones, take care to minimize and rotate the inconvenience.
- Communicate early and often. Without a backup system of informal networks, you must be especially vigilant with formal communication.

III. Gaining and Maintaining Alignment

The biggest impediment to accomplishing cross-organizational improvements is the power of competing priorities. Shifting priorities are a hazard to any team, as the “urgent” can take priority over the “important” — which is one reason why ‘speed is of the essence’ in process improvement. The danger of shifting priorities is many times larger with cross-organizational projects! Not only do they tend to take longer, it is more likely that new urgent demands will arise before the project is complete, and resources will become overloaded and start missing meetings and skipping action items. In addition, cross-organizational improvements usually require the focus and support of several senior people simultaneously! That level of alignment is not easy to gain and even more difficult to maintain.

Lack of Consistent Vision Among the Senior Team

Team members report to different managers who are not always in agreement about the importance of the change effort — or they may drift out of alignment. “Goals don’t necessarily *conflict*, but they *diverge*”, said a CEO who participated in the discussion. Different line managers may be fully supportive of a cross-organizational team’s goals, but to differing degrees at different times. Even a supportive manager will often prefer that a team member with limited time available work on their own department’s top priorities rather than a cross-organizational project with a more diffused benefit.



Conflicting or Ambiguous Metrics

Sometimes managers do have goals that are actually at cross-purposes. One participant described a cross-organizational improvement project that was aiming to reduce total cost but was likely to worsen the performance measures of one of the senior managers involved. As it happened, when the project team dove into the work, they were able to improve both cost and performance. But without the explicit support of the senior leader whose metrics were jeopardized, this cross-organizational improvement effort could not have been launched and would never have succeeded so well.

Resistance to Outsiders

By its very nature, a cross-organizational improvement project has people from one organizational group trying to understand (and quite probably to influence!) the process as it flows through another organizational group. A natural response is for people to be suspicious that the project team members are trying to meddle or tell them how to do their jobs. Resistance to outside influence is a common obstacle for cross-organizational teams.

Given all these additional difficulties, it is a wonder that cross-functional improvements are accomplished at all! But despite the unique hurdles of cross-organizational improvement, the Partners In Improvement participants had a number of specific recommendations they found effective at increasing the alignment and reducing the risk of discord or neglect.

Recommendations: To overcome difficulties in gaining cross-organizational support, several approaches were suggested.

- Sponsor engagement is essential to the success of most change efforts, but for a cross-organizational improvement project the sponsor's support and level of engagement becomes even more critical. Some tips are:
 - The sponsor must be at a higher level of the organization — high enough to have an influence on all aspects of the cross-organizational change.
 - A kick-off meeting led by the sponsor can help to get everyone engaged and on the same page.
 - The sponsor's voice is transparent; actions are visible. When sponsoring a project, make sure that your actions reinforce your words of support.
 - Establish very clear scope of authority.
 - Frequent communication between the sponsor, the team leader, and the facilitator can surface issues quickly before they turn into problems that jeopardize the project's success. One CEO has monthly one-on-one meetings with the leaders of the cross-organizational improvement teams and makes clear he is ready to move obstacles and improve alignment if necessary.
 - Quarterly senior management reviews of projects and progress can identify if the alignment or focus has begun to drift.



- Gain organizational alignment. Organizational alignment supporting cross-organizational improvements increases their likelihood of success.
- Do a thorough analysis! Often teams are tempted to rely on opinions about the best solution rather than conduct a rigorous analysis of the facts and data and root causes. Within an organization with shared priorities, metrics, and often the same ‘conventional wisdom’, opinion-driven improvement comes easily (too easily, since it often leads to sub-optimal conclusions). But in a cross-organizational improvement team, dueling opinions will stymie all progress.

However, when the team has done a thorough analysis, unbiased by presumptions and opinions, the case for change is much more convincing.

- Respect differences. When approaching a different organizational group, make it clear that you are not coming in to tell people how to do their job. Use the tools and measures and the facts and data to identify gaps. Focus on the process not the people. Listen carefully and learn what is important to the people you are collaborating with. Make it clear if and how the improvements you are seeking support the other organization’s goals or objectives in some way. If the answer to WIIFT (“What’s in it for them”) is nothing, your progress may be very slow indeed.
- Anticipating problems and opportunities up front is always helpful. Many of us have been involved in projects where critical issues didn’t surface for 6 days, 6 weeks or 6 months. But when they did, those issues were “show-stoppers”. One Partner described using the **Project Success Predictor**, a tool in the Conway Charting Solutions Plus+ Software, to help teams to evaluate a project's likelihood of success *before beginning the project*. Users rate the project on a dozen characteristics on a scale of 1 to 10. The tool then:
 - Predicts the project’s likelihood of success
 - Identifies areas of weakness or potential barriers to success, and
 - Recommends specific actions to increase the potential for success
- Nothing succeeds like success! Successfully addressing chronic problems is especially great for keeping people engaged and ready to do more. Facilitators are also sales people — for the facts, data, methods, and for getting buy-in for the team’s recommendations. But be sure to leverage and publicize every success to encourage more participation.