

WHITEPAPER

## Using Collaborative Processes to Improve Business Performance (*and* Relationships)

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## Introduction

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How often have you seen a great IT or systems project get derailed once it leaves the nurturing confines of the IT department? Even innovative, exciting projects face hurdles. Effective implementation frequently requires redesigning the business processes that are affected by the new project—a fact that often may be overlooked. However, even good ideas to redesign and improve these business processes can be surprisingly difficult to implement. Why? Because the processes that likely produce the *most* value are often cross-functional in nature. In other words, while a process may start within a single business unit, at some point before completion it crosses functional barriers and is completed within a different business unit.

Systems initiatives (IT or otherwise) can't live in a vacuum, and the business processes that support them shouldn't either. Enhance collaboration between business units and you can improve business processes, which can advance project success. Many of the most innovative projects in an organization cross functional barriers. Consequently, the business processes that support these projects are likely to be cross-functional as well. The most vulnerable and therefore problematic point in a process is where a hand-off occurs from one business unit to the other. This is why a focus on collaboration is imperative.

In this paper we document the importance of business processes as a foundation for effective work. Next, we discuss the role that collaboration can play in both developing business processes that really work and improving the buy-in of new cross-functional business processes. Next, we present the 10-step process we use to develop collaborative business processes for our clients. The result is not only improved processes, but new cross-organizational relationships that can become the foundation for future process improvement projects.

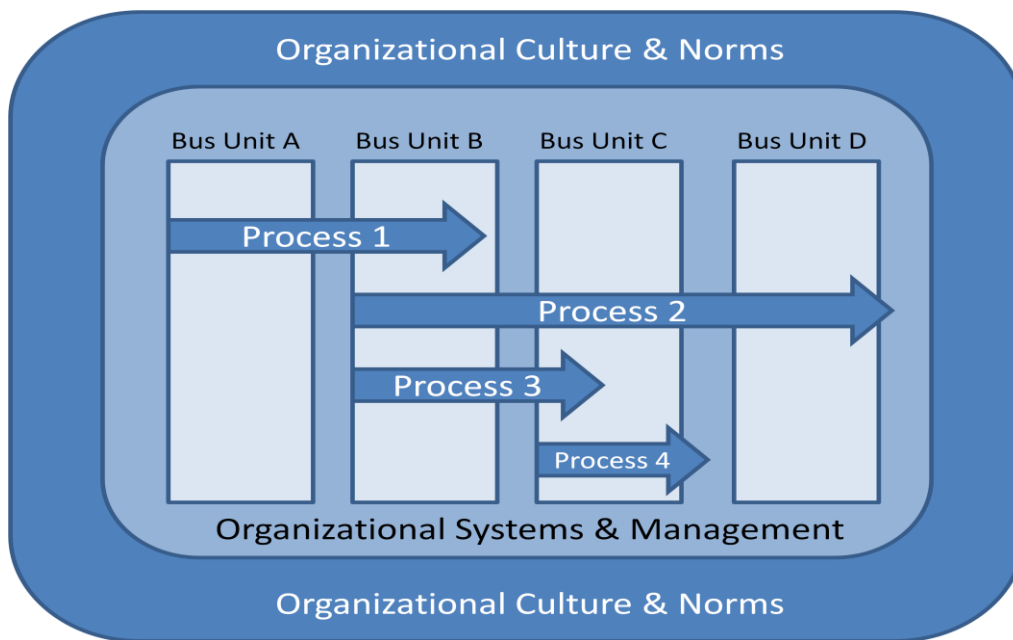
## Business Processes: Foundational Elements of Work

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An organization's business outputs are produced by its processes—the sales process, the order fulfillment process, and the invoicing process to name a few. Business processes may exist at a team level or within a single business unit, but the processes that are likely to produce the *most* value are often cross-functional in nature. That is, while the process may start within a single business unit, at some point before completion it crosses functional barriers and is completed within a different business unit.

Business processes don't exist in a vacuum. They are influenced by the organization's systems and its management. In addition, the operation of a business process may be affected by the organizational culture and norms, which dictate things like whether processes really need to be followed, when it is acceptable to go outside of the process, and the importance of the customer in the process. Figure 1 illustrates this structure.

*Business processes don't exist in a vacuum. They are influenced by the organization's systems and its management.*



**Figure 1. Organizational Processes and the Structure in Which They Operate**

When they are developed and used correctly, business processes are effective and efficient. In other words, they produce results that meet the stated process goals—for example, a satisfied customer, a usable product that is produced to specifications, or the timely collection of receivables.

Processes are the foundational elements that define “how work gets done” within an organization. Consequently, an organization is only as good as its processes (Rummler, 1995). An individual performer can meet the goals of his or her job only to the extent that the organizational processes or team processes he/she must use are efficient and effective. Put a great performer in a bad process and the process will win almost every time.

Ineffective processes may be hard to spot, especially if they are cross-functional in nature. Many times when a client turns to a consultant because they are not happy with performance, that client rarely recognizes that they have a process problem. More often, the client wants to fix a “training problem” or a “hiring problem” that upon further analysis is determined to be a cross organizational process problem.

Once it's identified that a process or set of processes is causing performance problems or hindering the ability to produce desired outcomes, you might assume it would be easy to reengineer them. However, business processes not only are important foundations for work, they are also often tightly ingrained with organizational systems and culture. The result? Even good ideas to improve a business process can be surprisingly difficult to implement.

*Ineffective processes may be hard to spot, especially if they are cross-functional in nature.*

## Enter the Collaborative Process

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Reengineering business processes within a single business unit can certainly improve the unit's results, but in today's complex and often global organization few processes are constrained to a single business unit. That is, there is typically some crossover of critical processes from one business unit to another. Getting cross-functional processes right is important because they are frequently the real drivers of important business results (e.g., sales, invoicing, order processing, and customer satisfaction). Research has previously indicated that cross-functional processes are often the source of performance failures and problems. The most vulnerable and therefore problematic point in a process is where a hand-off occurs from one business unit to the other (sometimes referred to as the "white space"). The white space between business units can hinder cross-organizational processes in the following ways:

- Poor communication between the business units that share the process.
- Failure by one of the business units to adhere to the process.
- Poor process monitoring—i.e., the process runs open loop, with no follow up or procedure to ensure it completes and meets the target goals.
- Inadequate training of the workers who touch the process in one of the business units or in one part of a business unit.
- Failure to measure the process results because it ends in a different business unit.

Effective process use and management involves interactions among different parts of an organization. In fact, a recent Gartner report states that "collaboration and the ability to manage relationships across political boundaries are essential" to process effectiveness and efficiency (Plummer and Hill, 2009).

*Collaboration is the "act of working jointly with one another, especially in an intellectual endeavor."*

Collaboration is defined as the "act of working jointly with one another, especially in an intellectual endeavor" (Miriam-Webster Dictionary). Often cited as the primary enabler of knowledge work, collaboration is also a key component of business process development, improvement, and management. As collaboration improves, the quality and effectiveness of business processes improve. It stands to reason that improved collaboration and processes should produce better business results.

Projects to develop, redefine, or improve organizational processes must *also* involve collaboration. Think about your own organization. Few important business processes are acted on by a single individual. More often than not, there are many touch points (in sales, invoicing, call center/customer service, inventory management, supplier management, or billing) throughout the process. Each touch point has the potential to either improve or hinder process results. A failure (the inability to perform to standard, or to meet standards such as completion time, quality, etc.) at any point in the process can result in a failure of the process.

For example, Cognitive Technologies was asked to analyze the performance of a job role in a warehouse for a firm which committed to shipping all orders within 24 hours, but which was not always meeting this goal. The suspicion was that the problem was in the order picking/packing process or the technology that supported this process. Our analysis revealed that most failures had nothing to do with technology—although it was dated, it functioned well. Nor was the failure a result of anything the individual did incorrectly in fulfillment of the order picking/packing process. In fact, the root cause of the problem was a process in another functional part of the organization. In this case, the right answer was improving collaboration among the business units in order to redesign a process that increased the firm's ability to meet stated goals.

## Putting Collaboration Center Stage

Refining and improving a business process cannot be accomplished without first understanding how performers in different parts of the organization collaborate—or how they should be collaborating to produce better results. Communications problems among the process performers, differing opinions of process stakeholders, and even a resistance to change can easily subvert process results and limit the ROI that an improved process should produce. To avoid these problems, Cognitive Technologies uses a collaborative methodology for all of our business process definition and improvement engagements. This entails the activities described below.

1. First, meet with the sponsor for the process work to understand and document the business goals that the new or refined process should meet. Capture the tangible, measureable business results that the new or improved process should be able to deliver. These goals should not be limited to a single organizational unit—instead, since business processes are often systemic in nature, clients should set goals that reflect this. While the initial request for assistance may have come from within a single business unit, it is critical that we help the client stretch and identify goals beyond their own business unit.
2. Identify and enlist an executive champion who is interested in the overall business results the process to be designed or refined should produce. This may be in addition to the original sponsor of the process development or improvement project. An executive champion can assist the project team in communicating the importance of the process project and getting buy-in from other executives and business units. Gather information to understand the results currently being produced and the gap between current state and the target state for the process. Using the information you have gathered, create a project charter that clearly defines the results the target process should produce and the goals of the project.
3. Identify the key stakeholders and performers involved in the process in the different business units it crosses. Set up a collaborative project site using technology such as Microsoft® SharePoint to provide a working site for engaging shareholders, facilitating collaboration through contact lists, project libraries, and document sharing.
4. Conduct observation and interview sessions with key process performers and stakeholders to understand the difficulty and complexity of any existing process, process goals, and points of failure. Also explore important tools, technology, information, approvals, and cross-organizational and/or political issues that affect process success.
5. Conduct a facilitated working session during which these performers collaborate to identify the best opportunities to improve an existing process or, in the case of process development, the activities, handoffs, and goals the new process must encompass. During this session we graph out the process, working in teams, and use various facilitation techniques to define each portion of the process and get feedback and input from individual team members to refine it.
6. Ask the internal process stakeholders to collaborate in the development of training and process guides or job aids to improve buy-in and ensure that these devices fit the organization's culture and standards.

7. Encourage collaboration from the process project team and shareholders throughout the project, including enlisting their support during the implementation and rollout of the new process.
8. Support the implementation of the new or refined process with change management activities that enlist internal process stakeholders in the role of introducing the process, helping others learn the process, and supporting the workforce as they learn and accept the process.
9. Measure the results of the new or refined process to enable those managing the process to suggest tweaks, refinements, and additional organizational support (change management, training, job aids, etc.) to improve process success.
10. Take time to recognize and celebrate the successful implementation of the process as you put mechanisms in place to help you manage it over time. In addition, observe and commemorate the new cross-functional relationships that have developed during this project. Encourage your stakeholders to use social media technologies such as LinkedIn, Facebook, and SharePoint to maintain these relationships.

The result of a comprehensive approach like this is a collaborative process that:

- Is readily supported by stakeholders.
- Can appropriately reflect the systemic nature of work across the boundaries of business units.
- Is more likely to produce the desired improvements or results.

An unanticipated result of this collaborative approach is the new cross-organizational relationships which will have developed during the process (Plummer and Hill, 2009). These new relationships can improve employee engagement (as evidenced by findings from the Buckingham and Coffman's Q12) and can be built upon for future process improvements initiatives.

### Collaborative Processes—Expected Issues

While collaborative processes definitely provide value to the organization, there are some issues that should be actively addressed during these process projects.

First, collaborative, cross-organizational processes will impact the project timeline. Working with numerous stakeholders across business units to develop processes that meet business goals for multiple business units is more time consuming than developing processes in silos. The value gained from collaboration and from the innovation that most often results must be worth the extra effort. After the implementation of the collaborative process, stakeholders from the individual business units must be able to continue to work together to refine the new process and adjust it to achieve process cycle time goals.

Second, working on collaborative processes may impact metrics associated with the work the individual departments (or people) do. For example, one project we worked on required support from both the call center and the delivery business units. When a call center agent was supporting the collaborative process work, he/she was not likely to meet stated goals for calls completed, call time, etc. for the day. Working with management to relax metrics for key stakeholders so they can participate in the project without hurting their job metrics is critical to the success of these projects. It may also be the case that upon rollout of the new cross-organizational process the team experiences some temporary increase in total process cycle time as team members are trained and try out the new process and associated tools. Some relaxation of process goals and metrics may be in order during and immediately after rollout to ensure that group goals (and team compensation incentives) are not negatively impacted by the new process.

*Working on collaborative processes may impact metrics associated with the work the individual departments or people do.*

Third, as anyone working with organizational stakeholders representing varying levels of power can attest, the culture itself can hinder true collaboration or limit the results of collaborative process projects. The organizational culture must actively support collaboration of individuals, regardless of their rank, position power, or prestige in the organization. The affect of rank and position power are well understood. However, in some organizations prestige based on other factors may need to be addressed. One organization with which we have worked uses a color-coded badge system to denote individuals with the most and least time with the organization. In this particular culture, it is common to defer decision making to individuals with longer tenure. The result can quickly squash innovation and collaboration. Another organization with which we worked had new leadership cycle in and out every 18 months. An unfortunate byproduct of this cycle was that employees knew that if they could stall process change, process improvement, or other innovation initiatives long enough, the current leader would cease to focus on it as he or she prepared to depart.

*The organizational culture must actively support collaboration.*

Fourth, because the effects of culture on the development and implementation of collaborative processes can be so pervasive, it is imperative to use internal communications, compensation, and incentives to drive home the importance of the new collaborative process. Anytime you are changing the way work gets done, change management becomes an issue. Three key tenets of change management apply to collaborative process work, as well:

*Key tenets of change management apply to collaborative process work, as well.*

1. Provide frequent and ongoing communications about the value of the project or the collaborative process from well-respected stakeholders and/or the executive sponsor.
2. Develop newsletter write-ups or quarterly management presentations that highlight how the teams worked across silos to achieve business results; communicating about this cross-collaboration in the newsletter that is distributed to your customers could provided even more value.
3. Align motivation and compensation incentives for the stakeholders who took on new roles and helped the organization develop and/or implement collaborative processes. The “what’s in it for me” question must be easily answerable for each employee who participates.

Finally, cross-organizational collaboration requires tools and technologies that can support this type of work and people who can use them effectively. Be willing to invest in providing the right tools and the training people need to use them. Stakeholders may represent different geographic locations in addition to the organizations in which they work. They will need technology to help enable their interaction and the completion of collaborative work regardless of location. Recent Web 2.0 developments have resulted in numerous tools that could be used in these initiatives, including those for online meeting, document management, chat, group editing, and collaboration portals. Once the work has been completed, continue to provide the tool support required to enable the new relationships developed during the process to thrive and be maintained.

## Summary

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Business process development and improvement are well-established mechanisms to model, document, and improve how work gets done—and, thus, how well the organization performs. Focusing on processes that reside within a single business unit can produce results, but cross-organizational business processes can provide more value to organizations because they are more likely to improve organizational performance.

Developing business processes that span multiple business units requires a collaborative approach. Collaborative business processes can improve implementation success because of the opportunity to achieve cross-organizational buy-in. Collaborative business processes are also more likely to result in innovation because stakeholders from multiple business units come together and use "systems thinking" to solve business problems rather than approaching problems with a silo mentality. Finally, the cross-organizational relationships that can develop during the development of collaborative processes can provide unexpected, additional, and long-lasting value to the organization.

Organizations that embrace collaborative process development and improvement should expect to address issues such as increased development time, how the culture enables or stifles collaboration among individuals of different rank, and how the culture rewards these efforts. The improved processes, collaboration, and new relationships that result from this process make it worth the effort and initial investment.

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**About Cognitive Technologies:**

Cognitive Technologies, Inc. is a WBE/DBE consulting firm specializing in project management, collaborative processes, and organizational effectiveness. We deliver the right solutions to improve the performance of business units through the application of our expertise in projects, people and technology. We are headquartered in Austin TX and have offices in Atlanta GA and the metro DC area.

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