

Improving
organizational
performance through
the concept of cross
functional team...



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- Decision

“ Good is no longer good plenty. No individual or a company should be content to remain where they are, no affair how successful they now seem to be ” expressed Stephen R. Covey ‘ s “ seven wons of extremely effectual people ” . To last in today ‘ s competitory environment, you need to stand out. We live in a concern environment that keeps on going about at the visible radiation ‘ s velocity. The things that were impossible today will be disused tomorrow. Time has changed and out believing about the manner we manage our betterment activities besides has to alter. The scientific discipline fiction authors are holding a tough clip woolgathering up some thing that is out side the range of our abilities for accomplish. With the effects of planetary finance crisis, the alteration has been a higher than of all time. Further in order to driving organisations into an first-class degree the importance of best direction patterns was evolved. Change is a fact which happening every second in our lives and its common for an organisation every bit good. However there are organisations could turn this around to an chance and experience the pulsation of the excellence in the longer run. Thinking out of the box is non good plenty and necessitate to rupture down the walls of the box and construct a wall-less civilization. Merely by accomplishing several single departmental aims will non assist to be in a prima place in this extremely competitory environment. So to heighten the public presentation of the organisation and for the success of full concern procedure, all divisional activities and there parts are every bit of import. For this intent soon the organisations try to froth the squads with broader

thought of holding interconnectedness between several sections and these cross functional squads are so drive the organisation beyond the excellence.

Chapter 1

Introduction of the Organization

1. 1Background

Singer Sri Lanka started its operation in 1872 in Sri Lanka and is a Company that has grown over the old ages into a benchmark entity in Sri Lanka in footings of popularity, modernness and range. Singer today is synonymous with quality, broad range, and broad merchandise scope across diverse lines and broad entreaty to consumers across the full spectrum of purchasing power.

Beginning: Singer (Sri Lanka) PLC Annual study – 2007

1. 2 Operational Schemes

With its origin through the stitching machine, Singer ' s merchandise portfolio has diversified to embrace a extremely successful multi-brand scheme uniting merchandises of top universe trade names with the company ' s ain merchandises across a scope of family, industrial and fiscal classs.

Over the old ages Singer construction has strengthen vastly to integrate with the schemes formulated to confront the modifiers in the environment. Singer has 38 different trade names in its portfolio and has a crisp incursion degree covering the breadth and deepness of the consumer sections. Singer has joined custodies with universe ' s prima contraption industries such as Hitachi, Samsung, Galanz, TCL, Philips, etca^}and it allows them to convey down the universe ' s latest engineering into the state.

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Singer has moved to multi channel scheme to provide to the different market sections. It has identified and divided its client base into different classes based on their buying power, degree of instruction, criterion of life, trade name trueness, etc. different channels are at that place to provide for these different client groups, which have shown in the figure 1. 1.

As a transnational company it ' s non easy to pull off 38 different trade names through nine channels with more than 300 mercantile establishments, whereas really particular attending is needed to better the channel public presentation while keeping the trade name equity every bit good. So for that, company need the part of all directors, irrespective of whether they are working in Marketing, Gross saless, Production, Finance, Human Resources, etc.

Figure 1. 1: Multi Channel Strategy

Beginning: Singer (Sri Lanka) PLC Annual study - 2007

Chapter 2

Typical Ways of Pull offing an Organization

Here we are seeking to understand the conventional ways of pull offing an organisation by analysing the usual direction schemes vocalist had used in their yesteryear (without generalising the subject) with the possible drawbacks of that system.

Management construction of Singer (Sri Lanka) is reasonably bigger compared to an organisation in the same dimension. Besides as explained earlier it has evolved with the enlargement of the trade names and channels.

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From the surface level the construction looks functional. Functional construction in definition is a “ grouping of places into sections based on similar accomplishments, expertness, work activities and resources usage ” (Daft, 2009, p. 293)

However depends on the nature of operation different divisions have different constructions in footings of both divisional and functional. Definition of the divisional construction: “ sections are grouped together based on organisational end products ” (Daft, 2009, p. 293)

As a consequence of above combination (which is shown in the tabular array 2. 1) we could place that Singer Sri Lanka ‘ s has a “ HYBRID ” construction.

Table 2. 1

Department

Structure

Nature of Divisional Structure

Finance

Functional/Divisional

Geographic

Human Resources

Functional/Divisional

Geographic

Commercial

Functional

Selling

Divisional

Product/Geographical

Gross saless

Divisional

Geographic

Information technology

Functional

Service

Functional/Divisional

Geographic

Hybrid construction is accomplished by uniting the features of both functional and divisional constructions. It can take advantage of both signifiers of constructions and avoid some of their failings.

Though it ' s reasonably and successfully combined, there are many defects in the construction every bit good. Chiefly the construction has a

perpendicular attack and barely any horizontal connexion. Vertical constructions focus on functional aims than the corporate ends of the organisation that creates a major communicating spread between the maps and division. Singer (Sri Lanka) had used to pattern this perpendicular approaching system (pull offing is inline with the hierarchy and the formal construction of the organisation) in so many old ages until they had identified the critical failings in the system.

These failings were frequently apparent in Singer between several sections when they were seeking to travel behind the single departmental aims by merely burying the overall company aims. Following illustration will explicate the drawbacks of that system in general and how it impact to the overall company public presentation.

Eg: When Forming Marketing Promotion, the undermentioned instance was really frequently go oning in old system between selling and finance division. This was non merely because of the different between their departmental aims, but the failure of understanding the others maps.

When Brand trough demands to be after an attractive publicity in the Christmas season with a big disbursement, the finance direction focuses more on historical figures and if the gross revenues are really low in the last three months they tend to cut down the budget consequently. Then selling has to change their program and to lodge with the given resources. Ultimate consequence could be another unsuccessful run with an tremendous waste.

It would be a different scenario, if links were created and clear

communicating was seeable in the two sections. Marketing would pass on <https://assignbuster.com/improving-organizational-performance-through-the-concept-of-cross-functional-teams-business/>

with the finance division as to the current state of affairs of the company and at the same clip Finance would recognize the kinetics in the market. This communicating lacking has ever been at that place in old system and it was hard to extinguish those jobs every bit good.

Chapter 3

The Concept of Cross Functional Teams

3. 1 Background Issues:

As discussed Singer (Sri Lanka) had perpendicular Hybrid construction and inter-department communicating spreads frequently arise.

Besides to confront the disruptive environment, the construction needed to be “ more flexible ” , “ squad supported ” and “ empowered ” .

To obtain the optimal consequences in the variegation scheme with minimal resources and waste, Singer needed to develop horizontal squad construction.

3. 2 Horizontal Team Structure:

Fig 3. 1: Horizontal Team Structure

Functional Functional with interdepartmental Divisional Horizontal

Structure Task forces, Integrators Structure Teams

Strategic Goals:

Differentiation, Innovation, Flexibility Strategic Goals:

Cost Leadership, efficiency, stableness

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Strategic

Goals

Beginning: Daft “ The new epoch of direction ” 2006 (South-Western)

3. 3 Concept of Cross Functional Teams as a Solution

If we relate this construct in Figure 3. 1 to Singer, we can follow the “ Cross Functional Team Concept ” as a outstanding ingredient to bridge the spread between Strategy and construction. In fumbling we can see the class footing and have a well balanced cross functional squad to drive the class to long term consequences. Composition of a horizontal squad should be base on the part of the class to the overall success.

Chapter 4

How Cross Functional Teams Function in Organizations

New combination of scheme and construction will ensue in superior consequences long term.

Attract Strategic client

Building foundation for proper Cross Functional construction

Effective Strategy

For

Desired

Out put

Structure Link

To the Strategy

Long term Profitableness

Fig 4. 1: Long Term Profitability through Strategic Changes

4. 1 Role of Cross Functional Teams [CFT]

Cross Functional Teams are dwelling of appropriate figure of members harmonizing to the part of the class. Each member should authorise to manage his ain map harmonizing the CFT program.

It is the duty of all CFT members to pull off concern units for growing of the organisation as a serious committedness. This is one of the few countries of our work life, where cross functional subjects come into drama and all functional countries can excite growing jointly as “ Teams ” by their divisional part towards a common end and portion in the joy and inspiration that success will convey to the company.

Company needs all CFT members to be involved in doing the concern successful in each and every twelvemonth. Each Business Unit will choose a coordinator who should be responsible for puting up regular meetings, let go ofing proceedingss quickly and following up on plan direction.

4. 2 Common Features of CFT

CFT caputs must run into and discourse about the overall advancement often and describe to the cooperate direction.

Initial measure should be to place the right people to rectify CFT and have the best mixture with the leading of cooperate direction.

With effectual scheme and dedicated member of CFT ' s will drive the procedure toward the coveted consequences.

Most significantly it ' ll enable the inception to pull strategic clients and helps to construct up a local client base.

It besides allows CFT ' s to bury alter the client (chiefly corporate clients) and will ensue a sustainable market portion for all the CFT ' s.

Ultimately it enables to reap long term consequences for the full organisation

Internal Focus

Control of procedure

Customer focal point civilization

Continuous betterment

Communication

Competitive Scheme

Offer pick

High quality

Wide distribution

Committedness to betterment:

A· Key Management

Supervision

A· Cross-department squads

A· Work squads

A· Individual action

CFT Head

Alliance

Structure:

A· Flexibility

A· Adaptability

A· Authorization

A· Invention

A· Team support

Improved organisation long term consequences

Improved unit

Performance

Fig 4. 2: How Cross Functional Teams Functioning

4. 3 Cardinal Performance Indicators for CFT ‘ s

Gross

% Gross Margin

Absolute Gross Margin

Model / Product Line up Management (make fulling nothingness)

Management of Obsolescence

A & A ; P Productivity (Advertising and Promotion)

Technology Management

Supply Chain Management

4. 4 Key Concerns of CFT ‘ s Related to Business Entity

Here we are sing Singer (Sri Lanka) as a concern theoretical account to explicate cardinal concerns of CFT.

Competitor pricing is relevant to success. If monetary value of Singer is higher than the monetary value of rival, it will lose its gross and market portion.

CFT ‘ s who manage gross borders operate better than those who look merely for gross. Higher gross border classs besides earn higher gross.

Entry point pricing is really relevant as new entrants come into the market at low terminal of pricing and temporarily derive market portion and this is constant with trade name ' B ' replacing ' A ' and so on.

Obsolescence need to be sorted out quickly. CFT ' s who do non pull off obsolescence will stop up being hit by 2 charges. - Provision for obsolescence and Interest Cost.

Need to concentrate on ' above the line advertisement ' . When products/models are non advertised adequately for some period, such merchandises tend to travel off from the client ' s sight and acquire replaced by other merchandises without notice.

There seems to be a deficiency of market intelligence among CFT ' s to hold on the kineticss of market alterations, developments, consumer behaviour, and nest eggs, etc.

Eg. 1 - Need to have a H2O filter in rural & A ; suburban places due to taint of H2O was non picked up by market intelligence, but by accident.

Eg. 2 - Gradual replacing of the Paddy thrasher by the combined reaper has yet to strike place as a relevant alteration in consumer behaviour.

This leads to conclusion that the company should be more qui vive on the interactions traveling on in the market topographic point and the kineticss of alteration.

Chapter 5

Achieving Excellence Through Cross Functional Teams

Cross Functional Teams including Brand Managers should concentrate on working out a theoretical account as to ' How make we acquire at that place? ', ' When do we acquire at that place? '. By back uping company to accomplish its overall aims, there are some other chief duty countries which CFT ' s are concentrating on. Followings are sort of a of import ways to drive the company to accomplish its ends.

5. 1 Implement the Open Communication and Informal Culture:

It ' s better if there is a free flow of information among all degree of directors and the staff. Organizations can implement this civilization through CFT ' s, which is more flexible and besides easier to take quicker action to alterations needed to maintain up in the concern universe.

5. 2 Promote Doing Research on Business Matters:

Most successful companies in all over the universe are non scared to seek things or making researches. Again, the unfastened communicating and informal civilization is besides back uping to this in a bigger manner. CFT member are ever supportive to others to make or seek out something new and if anything goes wrong the full squad will acquire the duty for that.

5. 3 More and More Closer to the Customer:

Successful companies have a passion about the client, normally applicable to dependability, merchandise and service quality. Working as a CFT provide necessary installations and avidity to dainty clients good and the group so

works more toward the client orientation, which lead to success of the full concern.

5. 4 Promote to Make Inventions:

If all CFT members can be more flexible and supportive of the originative procedure, so it will be successful in the long tally. Coming up with new thoughts to optimise concern chances available or to salvage cost by making undertakings otherwise from the yesteryear. (Method alterations)

5. 5 Enhance Productivity through People Intervention:

Any organisation should develop a people basal civilization and see everyone ' s thought in the organisation for the overall success of the company. This will finally increase productiveness and CFT is a good topographic point to get down every bit good.

5. 6 Simple Form, Thin Staff:

To be more flexible when covering with fast altering conditions ; the failure may be non because of an issue with the best patterns but an issue with the executing. Company needs to be efficient in the basicss, more advanced in all facets and should be fast antiphonal to threats. This is besides a chief thought behind the formation of CFT ' s.

5. 7 Category Driven, Rather than Channel Driven:

Eg: Members of Television CFT have to look after the Television operation at Singer Mega as other channels. So their entire sale from that class is matter, non through which channel it comes from.

5. 8 Empower Employees:

Through CFT ' s organisation is supplying a greater authorization for company staff to do determinations even at the field degree. This will make the mentality of all employees that they are besides of import portion of doing company broad determinations.

5. 9 Development & A ; Succession of Staff:

In a broader manner it is a duty of CFT for puting a sequence program to develop the following degree in all direction classs by leting them to take part for the meetings clip to clip.

5. 10 Maximize Department Productivity:

CFT ' s can back up this in a legion ways by optimising available staff, utilizing Department bomber commissions to get the better of constrictions and jobs, by assisting other Departments and acquiring the aid from the other Departments to work out common jobs.

5. 11 Enhancing Internal Controls:

Companies are cognizant that some sections (In Singer – specially marketing) have lost to a great extent due to malpractices and misfeasance by preterming internal controls (despite holding a full graduated table internal audit) . So CFT ' s suggest and alter the methods/procedures/ regulations clip to clip to heighten the internal controls in the organisation.

5. 12 Cost Improvement:

It is inferred that every big company has a wastage component of 10 to 15 % of entire cost. CFT ' s can give their input by concentrating on eliminate this

wastage while non impacting operations by ad-hoc cost cuts which may be damaging to the concern.

5. 13 Adding new Goods & A ; Servicess:

Adding successful new merchandises to the portfolio, which will be compatible with the bing concern, is besides a corporate duty of CFT ' s.

Chapter 6

Way Forward – Beyond the Excellence

Andy Grove, the legendary former Chairman of Intel, has the undermentioned positions on cross functionality and it is deserving reading him in this context:

“ Always presume its your duty – By that he means to take on a occupation even if it was n’t yours ” – That ‘ s a general idea, but it creates specific action and works across about any state of affairs, from picking up refuse on the floor to a new merchandise thought – If you automatically presume its your duty and make something about it that makes the company better. Those who recognize that are the 1s who end up being most successful ” .

Organizational public presentation, schemes, regulations, entirely with patterns merely will non assist to develop that sort of higher inspiration among the people who are working in the organisation. It should necessitate some kind of professionalism and existent demand from the top direction get downing from the CEO of the company and penetrate to the most bottom bed through all degrees of the organisational construction. To accomplish superior public presentation through the construct of CFT is a sort of a

developing built-in quality of the employees instead than implementing another commanding mechanism by the organisation. So in a really broader manner this can take towards to accomplish a cultural alteration in an organisation by heightening the motive, bravery, enthusiasm of all the employees with positive attitudes.

Further to accomplish the outstanding public presentation by CFT ' s, apart from the duties highlighted in the old chapter, it is indispensable to make the frequent ' gap analysis ' where necessary to put the ' icing on the bar ' on ;

bettering gross borders

make fulling up theoretical account nothingness

bettering quality

cut down obsolete and non traveling stock list

So the uninterrupted focussing towards the company ' s operations and the existent involvement of the direction is the cardinal factors which determine whether the company can travel an excess stat mi or in other words whether the company is able to drive beyond the excellence.

Decision

As per our analysis carried out, it is apparent that the construction plays an of import function in part towards the long term public presentations and sustainability of the organisation. As explained in the forgoing treatment Singer (Sri Lanka) , more serious issues faced with the former construction resulted in a communicating spread between the different functional

sections. This is really common for the most of the industries in Sri Lanka and the bulk is running to accomplish their single departmental aims without believing the company objectives as a whole.

Changes in construction to a more matrix based construction (by implementing the CFT scheme) enable and promote clear communicating every bit good as duty. Therefore this alteration would ease to execute and enable better control system, finally reflecting the better bottom line profitableness of the organisation.