



Does the organization play together?

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The Concept (Part 1)

I sometimes feel like George Costanza on Seinfeld when he talks about Worlds Colliding! For most organizations, no single area can work in isolation. Everything affects everything. But, some organizations become so large or so silo-ed that they either don't know or don't care what other parts of the organization are doing and how that affects them or how what they are doing affects others. Whenever a change in process or technology affects parts of the whole organization we tend to hear about why that change will not work in a specific department or division of the organization.

A couple of us at PMP Specialists have just gone through the arduous (but beneficial) process to obtain our OPM3 certifications. This is the certification for Organizational Project Management Maturity Model from PMI (Project Management Institute) to assist organizations with OPM (Organizational Project Management). OPM3 is designed to help organizations evaluate their correlation between organizational capabilities in Projects, Programs and Portfolio (PPP) management and its effectiveness in implementing strategy. Or, a bit more succinctly, it is the systematic management of PPP in alignment with achievement of strategic goals.

OPM and OPM3 deal with Projects, Programs and Portfolio and if you are getting involved with these then you have the strong potential of touching "everything" in an organization. A Portfolio is the work being done that helps an organization meet their objectives - and, that means that many departments/divisions/units of an organization are affected by a Portfolio decision.

Let's make a silly example. Let's say your organization has three separate buildings spread out over the metro area of a city. Then, your organization decides to build a new building to consolidate the three locations into one. The Building and Maintenance department gets together plans for construction and starts building the new building. BUT, we would all laugh at them if they didn't take the time to determine what the departments need in the new building. The Building and Maintenance department can NOT act alone in the construction of the new building – they HAVE TO talk to various departments about what they have now, what they would like to have in the future and what they can affordably get in the new building. They also need to talk to some departments that provide services to the other departments – like the Information Technology Department and what they need for space requirements for themselves AND what they need to be able to set up the other department's computers. And on and on this goes – but we **EXPECT** the Building and Maintenance department to think about the other entities in the organization and not to act alone in their construction project!



To think about for part two:

Why is it so often that one department of an organization thinks that what they are doing doesn't affect other departments? Why don't we EXPECT each department to NOT act alone?



Setting Expectations (Part 2)

In part one, we explained how OPM (Organizational Project Management) and OPM3 (Organizational Project Management Maturity from Project Management Institute) helps the entire organization and increases an organization's ability to understand and better use their abilities to achieve success in their Portfolio, Program and Project management. We also had the example of an organization constructing a new building and how we **EXPECT** them to get input from all departments affected.

That left us with a couple questions:

1. Why is it so often that one department of an organization thinks that what they are doing doesn't affect other departments?
2. Why don't we EXPECT each department to NOT act alone?

There are a large number of potential answers to this and some of them can be very subtle in regards to a specific organization's internal culture or the individual personalities of the people involved. However, we seem to have run into a few reasons that seem to occur often as to why some departments in an organization act alone.

One reason seems to be a lack of awareness that what one department does affects another. This might be due to an organization's size or the silo affect or just a feeling that what one department does will not affect others. Another reason that comes up is that the department simply doesn't care about other departments. They might give lip service to working together, but, in reality, they feel that they can do what they want when they want and if it affects others that is the other department's problem, not theirs.

Another reason is that high-level management doesn't hold itself accountable to each other, or doesn't have a board or other structure to "keep everybody on the same page". Depending on an organization's size and structure the ability to "do things on our own" can become quite easy and then it feeds itself and the concept of an organizational strategy becomes less and less a reality. Yes, the entire company might be producing a service through cooperation with many departments, but not as well as they could.

Unfortunately, a common reason is also that the departments just don't know the expectations of them – they haven't ever had an explanation about how they fit into the bigger picture and/or what the organization's strategies really are. Yes, they may know that they create a widget and that they are responsible for Marketing of the widget. But, they may not understand that an organizational objective is to increase customer satisfaction by having more color options. If they don't know that, they may make decisions that don't help the overall organization achieve that goal.



Finally, there is often the feeling that people have in a department of an organization that they are the only ones that understand what they do and how they do it and that they are the experts and so they need to do whatever it is that is right for them in that moment. While it is true that they are the experts in their department (and may have the education or years of experience or certifications to prove it) that is the precise reason they shouldn't act that way – they should understand that they need to coordinate with the experts from other departments. For example, Human Resources may be the experts in how payroll works, but if they just randomly change the payroll from Friday to Tuesday one week and then from Tuesday to Thursday a few weeks later and they change the way people report their time as well they will be dramatically affecting the organization (and individual's personal budgets).

To think about for part three:

1. How do the experts potentially cause more issues for an organization?



The Disciplines (Part 3)

In part two we ended with an example of how departments of an organization can become myopic and think that their level of expertise for how they do their specific functions is greater than the whole organization. We talked about how dramatic it would be if the Human Resources department were to randomly change payroll dates. Just reading that type of example is laughable, however, most organizations allow departments to change processes or systems to meet their specific needs with no organizational input.

If each department is going about their own way then efficiencies, cooperation, profitability and many other areas suffer for the organization as a whole. Note – we are not advocating a centralized, oppressive system that doesn't allow any autonomy or freedom. If an organization works together, more freedom can be obtained when there is a centralized framework to work within for each department.

One of the reasons that was stated in part two for why organizations sometimes do NOT work together is the feeling that some people have within their own area that they are the experts and only they can possibly provide a solution for their needs. While they are the experts they may need to see the larger picture and that is not always easy.

This goes along with how some disciplines within an organization seem to compete. Each discipline has its own educational process, certifications and best practices. It can become very easy for a group of people in one discipline to think that they are vastly different than other disciplines. For example, there are accounting and related certifications, there are Information Technology methods (ITIL,etc), there are Human Resources methods and certifications and so on and so on.

Each of the major disciplines of an organization may have their own technology that is customized to their needs. For example, in the Manufacturing discipline, one of the largest associations that helps with industry standards and best practices is the APICS organization. They have a few common certification as well as listed here:

- APICS** – The Association for Operations Management (Supply chain Body of Knowledge)
- CPIM** – Certified in Production and Inventory Management (APICS certification)
- CSCP** – Certified Supply Chain Professional (APICS certification)
- CIRM** – Certified Integrated Resource Management (APICS certification – retired)



In the Project Management discipline, one of the largest organizations for standard setting is the PMI. Here are a few common certification that they provide:

- PMI** – Project Management Institute (Project Management Body of Knowledge)
- OPM3** – Organizational Project Management Maturity Model (PMI certification)
- PMP** - Project Management Professional (PMI certification)
- PMI-SP** – PMI Scheduling Professional (PMI certification)
- CAPM** – Certified Associate in Project Management (PMI certification)

What can happen is that people become experts in their discipline and they become certified and experienced and then can become biased towards their specific discipline. And, this is a good thing for an organization and for a department when that knowledge is used to make a department better internally AND better at working for the organization’s best interest. Unfortunately, it often results in a department thinking that what other departments are doing, which could benefit many departments, doesn’t count because it wasn’t originated in “my” department.

While APICS and PMI are totally separate entities with different goals and different client bases there is a lot overlap between them. Look at the main concepts that they deal with:

- EPM** – Enterprise Project Management *OR* Enterprise Portfolio Management
- ERP** - Enterprise Resource Planning
- MRP** – Manufacturing Resource Planning *OR* Materials Requirements Planning

So, in this context there are two disciplines, each with their own body of knowledge. Each with their own set of certifications. Each with their own perspective of the world. The methodology is different in some areas because the APICS view concentrates on manufacturing and “making stuff” and so there are all sorts of methods and best practices on how to do that within a manufacturing environment and the PMI view is about the “how to run projects” and that may or may not include a manufacturing element.

There is quite a bit of overlap in these two areas and doing one part well should allow for an organization to do the other ones better. We should EXPECT that the various departments working in these areas work together. Just as we should EXPECT that the Human Resources department is assisting all other departments in finding the right people to fill job openings.

Also, we should EXPECT each department to know about the organization’s objectives and strategies and to understand how their piece affects the whole. Upper Management should have a Portfolio that is well communicated and departmental management should be able to communicate priorities to their entire department.



To continue our example from part one: If the Building and Maintenance department does all of their due diligence and starts to construct the perfect building for the organization, BUT, they never find out (for whatever reason) that the building has to be completed by a certain date because one of the old three buildings will have its occupants evicted by that date. They may be on schedule and building a great place but if they don't know about the deadline then they can't meet it! That is one example of a lack of communication about the organizational objectives.

Now, let's modify that example a bit. Let's say that the Building and Maintenance has done everything right and is constructing a great building and is aware of the deadline and will meet it on time. However, one of the departments (that knows of the new building) goes out and signs a new 10 year lease on their existing property. They may have done it for any of a number of reasons but they put the entire organization into a bind.

Again, this example is laughable, but yet we see it every day. A department will set up a process or system for themselves that is contradictory to another department's needs. Or, one department will be implementing something and another department doesn't like the way they do it or who they have doing it and they implement something else or even the exact same thing but in their own way.

To think about for part four:

How does technology promote or subdue myopic thinking?



The Technology (Part 4)

In part three we talked about how disciplines that certain departments may concentrate upon can actually deter the organization as a whole.

Of course, the discipline that you work in and are certified in is probably the one that you will lean towards as “the most important” since you have probably spent so much time and sweat in that area! (And, there is nothing wrong with feeling that way since you have invested in it.) It is equally important to remember though that the disciplines have to work together to better the entire organization.

In fact, many organizations have put in place individuals and/or departments that are dedicated to the disciplines outlined here. For the PMI disciplines, you typically would have a PMO (Project Management Office) which encourages the organization in the best uses of Project Management. And, in the manufacturing side, you would have something like an Operations Management Team that helps define and maintain the ongoing processes and procedures for the manufacturing folks.

While each of these departments have their own goals and methodologies there is potential for significant overlap of information sharing. And, that is where the technology comes into play. And, the more technology that departments use and the more overlap there is in the usage of that technology the more another department comes into play – the Information Technology (IT) group. (Some organizations allow departments to go outside their formal IT systems and that creates a whole other set of issues but for now let’s just say all IT services are provided within an organization.)

While it is common and expected that larger departments within an organization have their “own system”. That is a definite business need. For example, a manufacturing department often needs to have an ERP or MRP system (see definitions here) just to maintain all of the work centers, materials, inventory, work flow, planning and scheduling. The Human Resources department has some sort of technological system that allows them to enter data about people including their pay, hire date and other information. And, a Project Management Office should have some sort of system to allow them to maintain scheduling and Resource Management.

When an organization allows for various departments to purchase, implement or otherwise obtain their own technological systems without speaking to other departments and determining if their systems have points of integration then that organization is allowing for a myopic mindset and potentially increasing their costs. Yes, some organizations have terrible internal processes or have an IT group that they rely on but which is overwhelmed and can’t provide for their needs. Even if the department can go out and get their own solution if they don’t determine first how that technology interacts or doesn’t



interact with the rest of the company then they are setting themselves (and/or other departments) up for failure. Or, best case scenario, you end up with a lot of “administrative” people whose job is to take data from one system and put it into another system. And that can be very expensive.

Don’t misunderstand, we aren’t recommending one single piece of software for everybody. Customization is a good thing and is particularly helpful in technology. But, each department should be required to prove that the technology they are purchasing works with and not against other established systems.

To think about for part five:

How do we work toward solutions to this issue?



Potential Solutions (Part 5)

In part four we talked about some of the technology constraints, or freedoms, that can be realized that either hinder, or help, an organization present a unified approach between various departments. An organization doesn't become divided by disciplines from day one. In the early days of a small organization there is usually a lot of interaction and "everybody knows what everybody is doing". As organizations grow they can easily become more divided by their disciplines due to a number of normal reasons that make perfect business sense. Is that wrong? No, it is not wrong, that is the way that organizations become specialized and hopefully more efficient and effective.

The key is in finding the balance between specialization of each department in their methods and in allowing the organization as a whole to work together. And, to clarify, this isn't just about technology and making that work together. There is a strong technological component but this is also about processes. The business must have processes that work together.

Pragmatically, how does that work? Well, it starts with upper management. A common goal or portfolio perspective needs to be known by all departments. Then, each department needs to understand how their part of the puzzle makes for the completion of that goal. And, each department needs to have the mindset that they are contributing to that goal and that they need to work together. From that mindset comes the ability to work together in the two main areas – technology and processes.

The technology piece:

We understand how some companies get to the point where they don't have the internal support for technology that they need (it takes too long to get things implemented or there are too many bureaucratic steps to get something done). In those cases, it is very understandable that a department or division of an organization goes out and gets their own solution. They need something done quickly and they don't have the time or manpower to go through all of the steps required to get it done through their organization's IT department. To help resolve this issue though there should be some sort of framework within which each department must adhere.

For example, if an organization is a Microsoft-centric technology organization then one of the requirements for every department should be that if they don't use the IT department they only use/purchase/implement technology products that can easily interface with Microsoft-centric technology. And, perhaps if the IT department can't meet every other department's needs then they also allow for some integration to things that they didn't implement (not necessarily at a deep level but at a high level – perhaps allowing one set of Active Directory so that users don't have to sign into each individual product with a unique id).



What about organizations that are deeply ingrained in the myopic mindset already? There needs to be a starting point. Find the one or two points where departments have to go through manual processes or other painful processes to move data between each other and determine how that can be better done. Part of the pain is created because departments just hand off data in the way that their system hands it off and the receiving department just has to figure out how to get it into their system. Automation between departments reduces overhead and the potential for errors caused by manual intervention.

The business process piece:

As we discussed in previous parts of this series, departments often become organized around disciplines and often have many experts within that discipline. The issues that habitually occur when this happens is that departments begin to develop their own processes and procedures – sometimes at the expense of the organization as a whole. This is why organizations often try to create even more departments that oversee the organization and that help with the interactions between departments. This can be a good solution as well but sometimes just ends up creating yet another department with their own objectives.

Just as there should be a technology framework to ensure that pieces of technology can interact there should be a framework for how the business operates. Departments should not be allowed to go off and create a solution when ANY PART of that solution affects the way work flow or data flow inputs or outputs affect another department. We should **EXPECT** that departments are looking not just internally to themselves but also towards other departments.

For example, if a department has the requirement to move a folder around with physical pieces of paper on it that are used for their work they can devise any system they want. They can identify the folder in any way and they can have it physically move around any way they want – perhaps a designated person at a designated time or perhaps each person moves the folder when they are done with their work. However, if the department has to hand off that folder at the end of their work process to another department which has to know the contents of the folder (what pieces of paper are in it) then we have new requirements that both departments should work together upon deciding.

Unfortunately, this is one of the areas where we see a breakdown. Often, both departments do not communicate to each other and so we end up with the first department doing it their way and the second department creating a system to record what folder they get, what is in it and so on and then they somehow disseminate that information to their own department. Then, this becomes the ingrained part of “how we do it” and over time it becomes accepted process. And, it leads to errors, duplicative effort and a lack of tracking for the organization. To find out the status of a folder requires finding out which department has it and then understanding how that department tracks it.

One of the easiest solutions for this is for increased communication. It does require cooperation though as well which sometimes requires upper management to step in when two departments won't play



together. If department two were to explain to department one their needs and department one were to explain how they track and move the folder now then perhaps a compromise could be reached. The compromise might be as simple as only affecting the touch point – the point of the hand off. But, it might involve department one adding some tracking information that they share with department two. So far, this example has been about paperwork, but the same applies for the data if it were in a computer system.

Technology and Process:

In the end, individual departments must be looking out for the organization's best interests as well as their own and that isn't always easy. And, upper management must not allow departments to become their own myopic entities. Along with that, upper management must not set up incentives that make departments work against each other. And, departmental management must know how they fit into the organizational picture and why it matters.

One last example:

I worked with a company one time that talked the talk about everybody working together but they gave incentives to each department to act alone. And, upper management didn't worry about how each department worked together or if they worked together – just as long as sales numbers were high. This resulted in massive waste. Because the Sales department was incentivized by sales dollars (not profit and not about “what the organization is selling now”) they did whatever they could to make a sale. This meant on more than one occasion that a sale was made for product that had been discontinued with no stock in inventory. So, manufacturing had to make something that they weren't prepared to make and the purchasing department had to buy too many materials (because they had to buy in bulk) for this product. And on it went throughout all the departments with each of them being at the mercy of each other due to their own incentives and processes.

If there had been a common framework, a common portfolio, a common method of communication and a common message from upper management then these sorts of things wouldn't have happened. Working together isn't always easy and sometimes the experts in one discipline or department do know what they need better than anybody else – but taking just a moment to look at the entire organization can save money, time and effort!

