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## Creating Agile and Responsive Workgroups

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**T**he challenge with globalization, resource constraints, increased business complexity, and reduced project and product life-cycles, large organizations are struggling to improve their existing workforce's ability to become more agile and responsive to their business' challenges. The need for improvement is further exacerbated by hyper-competitive business conditions that place near impossible demands on an organization's limited resources.

The majority of organizations put an enormous amount of time and effort into improving Operational Processes, efficiency, and throughput through process redesign, tools, and training. While these approaches continue to deliver value, in some cases they have reached the point of diminishing returns. Another approach to organizational improvement is focusing on Management Processes. A key first step to improving the effectiveness of the management process is to understand the underlying dynamics of the organization's activities. These dynamics include: Governance – this involves setting and monitoring the organization's direction and driving change; Large Monolithic Projects – single unified projects with complex dependencies and dedicated resources; Portfolio Projects – small independent projects that are aligned to the overall corporate objectives; Workgroups – groups that support the various projects and ongoing activities. These dynamics are often unique to the organization depending on its role in the enterprise and the business strategy. They also change over time. In order to achieve structured improvement, the first step is to review the organization's dynamics to identify which of these are dominant. The organization then needs to develop a corresponding strategy. In organizations that are a shared resource, a cross-functional center of expertise, or transaction heavy, workgroup dynamics tend to be a dominant factor.

### Rethinking the Dynamics of Workgroups

Ineffectively managed workgroups can compromise the effectiveness of all the organization's projects. In the past, project management principles have been applied to manage workgroups with limited results. To increase workgroup effectiveness, a fundamental rethinking is required on the part of leadership as to how workgroups are managed. This rethinking should address changes to the following three key areas:

- Request Management - involves managing work requests coming from internal and external customers.
- Delivery Management - includes Project Management, time/work tracking, etc.
- Competency Management - includes managing skill sets, internal processes, and long term resource planning.

### The First Step to Improving Workgroups

Organizations need to focus on streamlining and effectively managing the Request Management and Prioritization piece of the puzzle. This is the primary customer interface layer and is victimized by the greatest amount of noise. This noise is typically in the form of ad-hoc requests for information (by phone, email, or in person) or complaints and issues from the customers. As these requests come into the

system, they create chaos. This noise creates confusion throughout the organization reducing its effectiveness and making the organization highly reactive.

Our experience with multiple clients has shown that this as an increasingly urgent issue facing many large companies. While it is somewhat counterintuitive, better management of requests, improved prioritization, and customer communication is a critical first step before Delivery or Competency issues in a workgroup can be effectively addressed. In the absence of a structured request management process, firefighting becomes a dominant symptom leading to inefficiencies and a loss of morale within the workgroup.

In fact, some of our country's leading research institutions<sup>1</sup> have begun to devote serious time and resources to study the issue of increased firefighting and its significant impact on the efficiency and effectiveness of workgroups.

The implementation of a few key tools and processes at the external request management and prioritization level provide a critical "lever" to improve the effectiveness of the other areas within the workgroup. The transparency brought about by the external Request Management Layer then drives the internal layers to be more optimized in their throughput. CGN recommends focusing on this interface level as the key first step, and then gradually driving improved workforce management through the rest of the organization.

## **Conclusion**

Workgroup productivity typically ranges from 45-70%. By implementing a structured approach to workgroup management, a workgroup's effectiveness can be increased by 15-20%, morale boosted, and productivity improved. Workgroup management is also crucial to improving any organization's overall operational effectiveness, since all other initiatives are founded upon the workgroup's support.

1. Reference: Firefighting in New Product Development, 2004, Nelson P. Repenning, MIT School of Management