

Cross-Functional Collaboration Best Practices



For businesses of all types and sizes, competing effectively in today's complex global economy requires different departments and teams to work together efficiently.

And from developing new products to measuring and improving internal controls and processes, *Cross-functional collaboration* brings different groups of people within an organization together to achieve common goals.

In order to achieve optimal performance, however, cross-functional teams need to be trained, equipped, and managed properly.

By investing in the necessary tools and training while following essential cross functional collaboration best practices, organizations large and small can achieve effective cross-team collaboration and deliver exceptional results to both internal and external stakeholders.

What is a Cross-Functional Team?

Like a Swiss clock, modern enterprise is made up of many interlocking, interdependent parts that need to work in unison to get the job done.

Different departments and teams share responsibilities, work together on both modest and major projects, and interact on a daily basis to ensure their organizations' short- and long-term goals are supported.

Cross-functional teams are made up of groups of people from different areas of the business who apply a wide range of skill sets to reaching a shared goal.

One of the most common examples of different departments doing cross-functional work is the procure-to-pay process, where the procurement and finance teams work together to improve obtain and pay for goods and services while improving internal processes.

Other examples include new product development (bringing together research & development, legal, sales, engineering, etc.) or a major digital marketing campaign that connects information technology (IT) with marketing, customer service, and the social media team.

Cross-functional collaboration can involve assembling a dedicated team for a specific purpose (a la *The Avengers*) or bringing several complete teams together to achieve a larger goal through cross-team collaboration.

These teams may develop on their own during the course of doing business—particularly at startups, which often have single-person departments that must collaborate on a daily basis to keep the company rolling, but also at larger, more established companies that prioritize collaboration and communication.

They can also be purpose-built as part of a major project (e.g., a product launch) or as a response to a significant change in how a company does business (e.g., companies working rapidly to assemble and manage remote teams to preserve business continuity during the COVID-19 pandemic).

Regardless of how they form, it's important to understand that cross-functional work is:

- Critical to the short- and long-term success of your business.
- Requires a strategic set of tools, training, and best practices that are distinct from those required to manage a team made up of professionals from a single department.

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Why Cross-Functional Collaboration Matters

Effective collaboration allows you to leverage the diverse skill sets found within your organization to achieve much more than you could if your team members, and their skills, were to remain in their own little silos.

It builds trust and buy-in by breaking down misconceptions and promoting camaraderie. It promotes innovation, improves employee engagement, and provides an exceptional opportunity for knowledge sharing.

These aspects are especially important in a time when digital transformation is rapidly redefining the ways in which companies measure and streamline their business practices and workflows and knowledge transfer is a key component in everything from project management to strategic decision making.

In such an environment, companies that prioritize cross-functional collaboration, clear communication, and a sense of shared endeavor will boost employee engagement and work cohesively toward the company's overarching goals for business process management, competitive strength, innovation, and growth.

They'll also be much better positioned to take on unexpected business disruptions (such as the novel coronavirus) and maintain business continuity more effectively—even if workflows, policies, and controls are significantly modified—thanks to that same transparency, full engagement, and shared purpose.

Key Challenges Faced by Cross-Functional Teams

Despite the demonstrated value provided by cross-functional collaboration, many organizations struggle to utilize it effectively. In a 2015 study, the Harvard Business Review found three-quarters of all cross-functional teams are, in a word,

dysfunctional.

Why? There's no single answer to that question, but companies whose cross-functional work is anything but share a common set of challenges:

▪ **Lack of Commitment and Accountability**

Poor communication and a failure to invest in the necessary team-building can lead to a set of coworkers who see their fellow team members as rivals instead of partners in shared success. And if the team's goals aren't clearly spelled out or connected to business goals, leadership is lacking, or buy-in isn't secured, it's absolutely possible for team members to prioritize their usual tasks over a project that seems like a distraction at best and a burden at worst.

The end result is a group of people whose silos came along for the ride, accompanied by a performance-killing lack of engagement and accountability.

▪ **Lack of Trust**

Bringing together a diverse group of talented people means combining personalities as well as skill sets. Coworkers who don't know much about their new team members or their roles and capabilities may have a hard time forming the kind of connections required to knock a project out of the park—especially if the team leader doesn't provide opportunities to build trust through communication and team building.

▪ **Conflict Avoidance**

Healthy conflict drives innovation and promotes collaboration and compromise. Again, however, teams that aren't sufficiently engaged, informed, or transparent in their communication may find their members walking on eggshells to avoid both conflict and ownership of outcomes, hamstringing the project before it can truly begin.

• **Lack of Focus**

Even the most ambitious and skilled team will have trouble reaching a goal line they can't see. Without skilled leadership to provide guidance, these teams may focus on their respective areas of expertise without much thought for the big picture, hampering collaboration, increasing costs, and limiting productivity.

Essential Cross-Functional Collaboration Best Practices

Strong personalities and diverse viewpoints can drive incredible innovation and productivity, provided the team members involved have the tools, training, information, and guidance they need to succeed.

Following a few basic best practices can help ensure your organization's cross-functional collaboration is firing on all cylinders.

Build a Dream Team

The best team isn't always the one with the biggest brains or highest individual achievers.

The goal is to craft a team that collaborates effectively, so it's important to balance the big personalities (and, on occasion, egos) that come with big talent against the cohesion of the team itself.

Use needs analysis to identify the talents and skill sets required for the project to achieve its goals, and then work with management to identify potential team members who will best fit those needs.

The right mix of soft and hard skills will help you blend your best and brightest to create a winning combination.

Build Trust and Buy-In

Cross-functional projects can be an exciting opportunity for your staff to make new connections and combine their talents with those of their coworkers in

support of company goals.

Take advantage of this excitement by investing in team building before the project begins.

Host a social event where team members can get to know one another and learn about the project. For example, a casual lunch and presentation can take the pressure off and allow everyone to relax while getting comfortable with the team and the project itself.

For remote teams, a casual Zoom, GoToMeeting, or Skype meeting at a time that works well for all participants based on their time zones and schedules can do the trick.

It doesn't have to be fancy or elaborate, but it should offer everyone a chance to:

- Meet the folks they'll be working with.
- Learn the scope, timeline, and goals of the project.
- Learn essential protocols and practices that support the project. (This can be important for the success of any cross-functional team, but for those made of remote workers it's critical that everyone understands who is working when, their availability, and how deadlines, meetings, and other tasks will be managed across time zones.)
- Understand their own role within the project, their degree of accountability, and the team hierarchy.
- Understand the key performance indicators (KPIs) and other metrics that will be used to measure progress, manage challenges such as scope creep, and overall project success.
- Understand how the project supports the company's larger goals.

By "front-loading" your team-building, you can make sure everyone's ready to start on the same page, with a full understanding of their own obligations and how they support the team's work, from day one.

In addition, be sure to schedule "mixers" (ideally online—this remains, after all, the Age of Covid) over the course of the project to provide opportunities to "socialize" outside of work and remind team members they're working with other living, breathing humans who share their desire for a successful outcome.

Provide Communication and Collaboration Tools

Whether they're working in the same building or across continents, your team needs the right tools to share information, set and track metrics to monitor their individual and collective progress, and address problems and opportunities as they arise.

- Communication tools such as Slack, Asana, and Monday.com provide a virtual office space where teams can communicate as a group, in smaller break-away sessions, or one-on-one as required. These also allow for regular, scheduled meetings (an absolute essential) to allow the team leader or project manager to meet with the team collectively and one-on-one.
- Investing in a comprehensive software solution such as PLANERGY makes it easy to centralize data management and collaborate on both desktop and mobile devices. Process automation frees team members to focus on strategy rather than repetitive, low-value tasks and workflows; artificial intelligence powers advanced, real-time analytics for tracking KPIs, setting new benchmarks, and collecting, analyzing, and transforming data to create reports, forecasts, and budgets on demand. In addition, a centralized data management solution can connect the disparate software environments within a company, so that the team can communicate effectively not only with its own members, but the rest of the organization as well. This saves time and money, ensures project performance and budget data reaches key stakeholders, and helps prevent data from being siloed.

Note: Whichever tools you choose, make sure you're consistent in their implementation.

Provide the necessary training to use them, and formalize your practices to promote transparent and consistent communication without the fear of lost messages, misplaced files, or missed meetings.

Practice Proactive Project Management

Many of the same skills required for team leaders to effectively manage cross-functional teams, promote collaboration, and provide the expected deliverables

are those project managers already possess.

Put your project management skills to work! Regardless of specific purpose, every cross-functional collaboration benefits from:

- Clear hierarchies, roles, and expectations.
- Collaborative process development and decision-making.
- Regular updates to stakeholders in management and the C-Suite, along with seeking guidance where appropriate to promote engagement.
- Regular scheduled meetings in addition to daily collaboration to:
 - Track progress.
 - Identify potential disruptions and opportunities.
 - Improve accountability and minimize wasted time and effort.
 - Provide team members with a platform for concerns and questions.
 - Develop action plans and make adjustments as necessary to meet budgetary, operational, or strategic goals.

Help Your Teams Communicate and Collaborate for Optimal Performance

In a chaotic and complex business environment, protecting business continuity while encouraging growth and building competitive strength requires a proactive approach to collaboration and communication.

Bringing together different teams through cross-functional collaboration to pursue common goals is the secret to securing both quick wins and successfully supporting long-term business goals.

Take the time to engage with team members to build trust and promote effective collaboration through team building; invest in the technology that supports cross-functional work.

When you do, your staff will be able to leverage their own skill sets through cross-team collaboration to see the bigger picture—and brainstorm innovative solutions to your biggest business challenges.

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