Cross-Functional Systems

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Abstract

Many companies, including Xerox and Texas Instruments, are using cross-functional systems to deal with the increasingly complex and competitive business environment. However, few firms within the aerospace industry appear to be aware of the significant benefits that cross-functional systems can provide. This presentation will cover those benefits and will also discuss a flexible methodology companies can use to identify and develop cross-functional systems that will help improve organizational performance. In addition, it will address some of the managerial issues that cross-functional systems may raise and will use specific examples to explore networking's contributions to cross-functional systems.

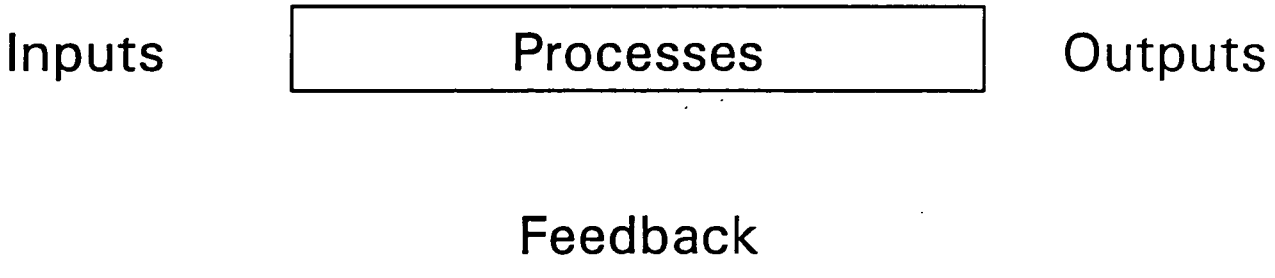
Objective

To Appreciate Cross-Functional Systems

- Definition & Benefits
- Methodology
- Key Requirements
- Question & Answer

Cross-Functional System

- Inter-Related Processes
- Unified Whole
- Common Purpose



Benefits

- Specific Accountability
- Improved Coordination between Units
- Greater Customer Satisfaction

Methodology
Senior Management Tasks

- Identify Key CF Systems
  Critical Success Factors

- Clarify Purposes
  "WHY" before "HOW"

- Identify System Managers
  Output Accountability

Methodology
System Manager Tasks

- Identify & Document
  High-level flowcharts

- Track Performance
  Value-Added to System

- Analyze & Redesign Processes
  IT Capabilities

- Review Constantly
  Continuous Improvement

Key Requirements

- Senior Management Participation
- Independent Cross-Functional Consultants
- Cross-Functional Systems Training
- Integrated Information Infrastructure

Networking's Contribution

- Enables Communication & Coordination

Texas Instruments

"WHY" before "HOW"

Accounts Payable

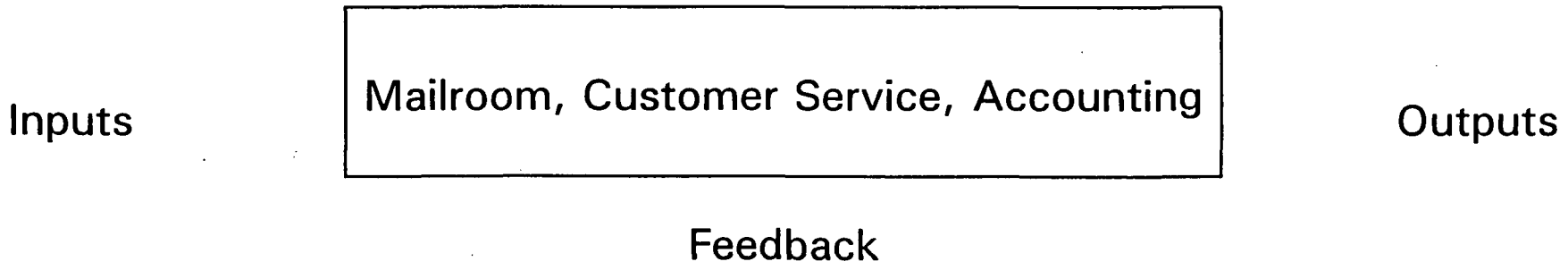
Mazda

Pay when
Receive
Goods

Ford

Pay when
Receive
Invoices

Withdrawal System



Supplemental Reading Materials

1. "Reengineering Work: Don't Automate, Obliterate," Michael Hammer, **Harvard Business Review**, pp. 104-112, July/August 1990.

2. "Process Management in Service and Administrative Operations," E.H. Melan, **Quality Progress**, pp. 52-59, June 1985.

3. "The New Industrial Engineering: Information Technology and Business Process Redesign," **Sloan Management Review**, pp. 11-27, Thomas H. Davenport & James E. Short, Summer 1990.