

How the transition from a department- to a process-based structure significantly contributes to the overall performance of organizations

International vegetable seed company HM.Clause has dedicated itself to developing vegetable seeds in a sustainable and innovative way. Quality is of great value for this company. To achieve the highest quality, HM.Clause has made the transition from a department-based company structure to a process-based one. HM.Clause works with Icologiq Elements, an all-in-one software platform that bundles all technical, functional and operational processes in the field of quality, compliance and operational excellence in one solution.

Erik Postma, Global Head of Quality Management at HM.Clause, explains how the company is organised. "When we started with quality management, we had divided our company according to a classic departmental structure. This means that we worked with four operational departments and seven support departments. All these departments worked together and the company could not function without one of these departments."

The risk when working according to a department-based structure, is that the top management has little insight into the processes, especially those between the different departments. "If, for example, the transfer from the breeding department to the production department is not properly arranged, you quickly end up with a double amount of work, where both departments use their own process design," Erik explains. "This not only takes a lot of time, but it is also often at the expense of quality."

ISO 9001 (2015), which is used as a standard for quality management within the company, describes the following approach to processes: Understanding and managing interrelated processes as a system contributes to the effectiveness and efficiency of the organisation in achieving its intended results. This approach allows the organisation to control the relationships and interdependencies between the processes of the system, so that the overall performance of the organization can be improved.

The importance of a structured approach

With the strong worldwide growth of the company's workforce over the past few years, it was discovered that the classic departmental structure was not optimal for HM.Clause, because this division not only led to an increase in problems related to product quality, but also slowed down the efficiency of the innovation process. "A company that works according to a departmental structure is actually divided into silos," Erik says. "However, since we work with processes, we had to structure our company at a process level instead of a department level. Research has shown that companies that work according to this new ISO method can save as much as 5-10% in operational costs. Moreover, it leads to a better reputation: a company that delivers fewer flawed products will receive

fewer complaints. This in turn leads to lower costs and more satisfied customers, which increases the market share.”

In order to optimise this entire process and achieve harmonisation between departments, a clearer division of roles and functions is necessary. This starts with the uniform definition of the various functions and authorities in a process. “The problem is that positions in different countries not only have different titles, but sometimes they also involve different tasks. This leads to a lack of clarity about who is responsible for which task. In addition, the world around us is changing rapidly and functions change with it. Our goal was to standardise this entire system, so that, for example, we can also automatically create job descriptions based on the processes and procedures described in the company. This can replace the classic way of job description that requires constant interaction between human resources and managers. By automating job descriptions, a manager can instantly see who is responsible for which task. When there are disagreements between departments about who should perform a certain task, simply refer to the quality structure validated by the management in the ICOLOGIQ Elements platform, which is translated into a job description. This saves a lot of discussions.”

To ensure a smooth transition to a process structure, HM.Clause uses the all-in-one software platform Icologiq Elements. Elements aims to help companies facilitate a process-oriented working method.

The same language

HM.Clause operates in more than 20 countries around the world, where several languages are spoken. “A well-known problem at a company that operates internationally is that not all employees speak and write English equally well,” Erik says. “When the Dutch translate a text into English, sometimes the outcome is completely different from how the same text would be written by an Englishman. This is because words in different languages can mean something completely different. Not only does this create confusion between employees in different countries, but you also risk serious mistakes.”

Elements provides the solution in the form of a dictionary, which defines a standardised language in the company, so that every word in every language has the correct and unique meaning. Erik shows how to enter a certain word in the system, where the meaning is then displayed in different languages. “As a result, you know for sure that you understand each other correctly. This is the great advantage of process management: it is the only way to ensure that everyone involved sees the product in the same way – with a targeted standardization of language and skills – so you can work together efficiently all over the world. ”

Standardisation

Another advantage the quality management system offers, is the clear overview of the company, as a result of standardizing business processes. This is useful for a company that strives to execute operations smoothly and prevent mistakes. “In the past, it often happened that for example, the breeding department took over some work from the production department when it was more convenient,” Erik explains. “In the first place, this improves the flexibility. However, the consequence is that it was no longer clear where the responsibility of one person passes into that of the other and as a result, everyone points to each other when something goes wrong. By separating tasks and authorities and realizing a formal transfer of performed tasks, product quality can be continuously monitored. The additional clarity also ensures that errors are prevented in the first place, by labeling the transfer points as Critical Control Points (CCP) and measuring them. Errors are quickly identified and corrected.

By using the CCPs as Key Performance Indicators (KPI's) within the company, you can also show how efficiently a department works within the business process they operate in. The process can therefore be optimised as a whole, rather than just the activities within an individual department. It is important to assign a person ultimately responsible for each process. This manager is usually also the manager of a department, but is assigned to optimise the business process in which different departments interact.”

About HM.Clause

HM.Clause is specialised in the breeding, production and sales of vegetable seeds. The company works closely with its customers to provide successful solutions for today's agricultural challenges and to produce the highest quality seeds for the future. The global team of experts and modern research facilities enable HM.Clause to work side by side with growers to provide the most regionally relevant and reliable vegetable seeds available.

HM.Clause is a business unit of Limagrain, an international cooperative agricultural group specialised in field seeds, vegetable seeds and grain products. With a team of 2,800 professionals in more than 20 countries, the company is committed to the sustainable solutions for the country, successful products for its customers and intensive research and innovations for the future.

This case study is offered to you by Icologiq BV, The Netherlands

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Call us at [+31 \(0\) 53 4809090 \(GMT+1\)](tel:+3120534809090)

Send an e-mail to info@icologiq.com

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