



SILO BUSTERS: CURING A COMMON ENTERPRISE DISEASE

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No business is immune from silo syndrome — a potentially terminal condition in which interdepartmental barriers prevent growth. The cure is to adopt a top-down change program that reshapes your fragmented organisation into a collaborative, cooperative, and innovative whole to help you regain your competitive edge.

Breaking down barriers between people, functions, channels, and business units is a common discussion point for leadership teams. Recognised 30 years ago, silo syndrome is still going strong and every business is vulnerable.

The problem is that humans are wired to create silos. Protecting our patch from outsiders is part of our survival mechanism. Subconsciously, it feels wrong to share information that may assist others.

The traditional business structure plays to these tribal tendencies by being based on teams, each with a manager who is accountable for its performance. When team leaders are highly competitive and want to guard their turf, they inevitably develop an us-versus-them mentality or a silo. The larger the company, the more silos there can be.

Silos do have an upside. The traditional team-based company structure fosters collegial pride, encourages information-sharing between members, and provides clarity around responsibilities and accountabilities. As a means to improve performance at a group level, it works.

However, for a company to grow, all groups must work harmoniously together. Silos are an obstacle to achieving that. They discourage collaboration, cooperation, communication, and innovation between different teams, and are a barrier to optimising the customer experience.

It's impossible to go against human nature and prevent silos from occurring, but organisations can get rid of the problems they cause by making departments more transparent, collaborative and outward-looking.

6 TIPS FOR SILO BUSTING

To break down silos in your organisation, follow these six tips:

- 1. Start with your leadership team.** The silo mentality can be modelled and copied. If the leadership team is fragmented because some executives protect their teams' interests at the expense of the greater good, the attitude will permeate down to their direct reports and the teams they manage. It's up to the CEO to support initiatives to change these behaviours. Possible approaches include mandatory training in collaborative skills, direct counselling, performance management, and tying incentives and career advancement to behaviour.
- 2. Create a single vision.** Each silo has its own priorities, which may not be aligned to the whole organisation. A common vision that's widely understood and drives every business decision will help to unify disparate teams. The leadership team should agree on the company's vision, the business strategies that underpin it, and the departmental objectives that cascade from the vision. To make it meaningful and attainable, the vision should be based on quantifiable goals and supported by relevant tools, training, and communications.
- 3. Communicate the reasons for change.** Silo-breaking means widespread organisational change. It's the job of the leadership team to clearly

communicate the new vision, objectives, and strategies to their teams, both personally and by appointing key team members as change champions. The goal is to ensure each staff member understands why changes are occurring, the role they will play in achieving the vision, and the benefits to them. To embed the new way of working into business as usual, communications should be ongoing, extended to third parties (such as contract works and suppliers), and included in induction training.

- 4. Incentivise new behaviours.** People are motivated to change by different things. Identifying the best motivators for teams and individuals is a key goal for leaders wishing to make staff think beyond their own and their team's performance. Building the desired behaviours (e.g., cross-functional cooperation) into KPIs and career progression is an effective approach. So is tying bonuses and other reward programs into company, rather than team, performance. Public recognition for staff who work across traditional boundaries is another reinforcement tool. People — particularly managers — who don't change are likely to become blockers and slow down the process; they may have to be managed out and replaced by leaders who are more open to change.
- 5. Create a collaborative culture.** Cross-functional collaboration is essential for inter-departmental transparency and encourages the synergies and innovation that lead to long-term growth. Identify and remove any collaborative barriers and work to create a culture that supports cooperation by, for example, initiating projects that benefit from cross-functional teams. Breaking down stereotypical perceptions can be addressed by strategies such as rotating staff across different functions or inviting managers from one function to attend the team meetings of another.

The goal is for everyone to gain a better understanding of how other silos in their organisation process information and make decisions. For example, LEGO involves the customer service department in new product development. This approach may even involve rethinking the physical layout of your building. At Dyson HQ, the design and engineering teams work in a single open plan area so they can easily share ideas.

- 6. Think outside-in.** Today's complex fulfilment experience can appear dysfunctional to customers when departments think about what suits them and not the customer. Outside-in thinking changes this attitude. Share a flow chart of the end-to-end customer experience so everyone can see the roles they play as a department and as individuals. Explain to each department the impact of delays, miscommunication, and poor performance on other departments and on customers. And put measures in place to standardise how your organisation interacts with customers at every touch point so the experience is consistent.

Back this up with integrated information systems that present a whole-of-customer view to every customer-facing team member. Finally, share customer feedback across the whole organisation, not just the relevant department, to reinforce the holistic nature of the customer experience and share any learning.

Culture change is hard and few companies do it without the pressure of external forces. However, the key to successful business transformation is to do it before a crisis forces it. In the corporate world, the organisation that waits for acute pressure before changing is unlikely to make it. It's better to act now and focus the energy that currently goes into silo protection and internal politics on a common goal: beating your competitor.

ABOUT THE AUTHOR

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