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## The Organizational Disease You Should Be Fighting



Most workers trust their own teams, but not other departments within their companies. How to cure silo fever

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TOPICS

Strategy Execution, Communication, Corporate Culture

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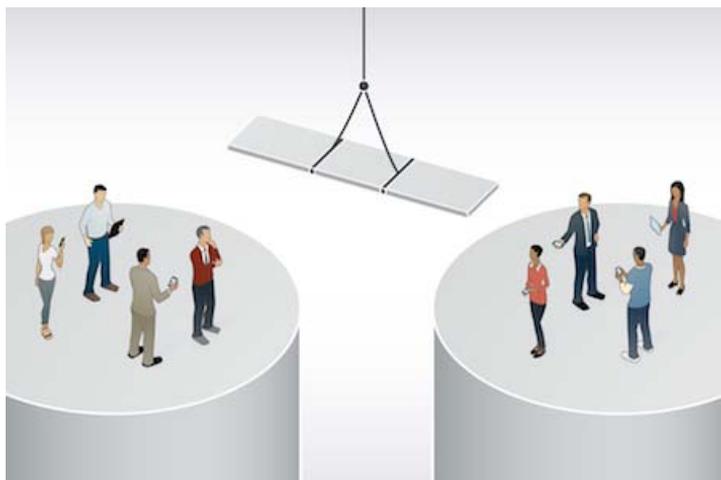


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**A**n interesting phenomenon occurs when organizations fail to align strategic priorities across their various functionalities and teams. Individual departments become increasingly inward looking, so hyper-focused on achieving their own objectives that they resist meaningful information sharing with other people or departments within the organization.

I call it silo fever, and it runs rampant in many organizations. Left unchecked, it can fester and grow, resulting in duplicated efforts, delayed deliverables, and increased conflict between functions and units.

Earlier this year, *Harvard Business Review* published results of a large-scale study of 8,000 managers from 250 organizations around the globe. When asked to rate their confidence in others to deliver on promises, almost 90 per cent said they could rely on their boss and direct reports either "all or most of the time." But less than 60 per cent placed the same confidence in colleagues in other departments. Indeed, commitments by colleagues in other functional areas were seen as no more reliable than promises made by external suppliers and distributors.

What this tells us is that most organizations are very good at aligning teams vertically; they are much

less adept at cross-function or horizontal alignment.

It's an assessment that one of my clients, a well-known grocery retailer, would wholeheartedly agree with. When I first met with this company, silo fever was spreading unchecked within the organization. Merchandising did not play well with Store Operations, which had no time for Marketing, which in turn felt that Finance was slowing it down because of IT's antiquated systems. Tensions were high and business results were trending downwards.

My experience with silo fever is that the problem is often fixable, by resetting what I call the operational culture of the organization. For my grocery client, it meant five key steps.

## **PLANNING TOGETHER**

Establishment of a new approach to strategic planning, where objectives are set in a team meeting with all functions, versus individual one-on-one meetings with the team leader. In a group setting, each participant—usually the leader of his/her own team—can ensure that what is required as outputs from their peers or other departments is clear, with measurable standards of performance.

## **KEEPING IN CONTACT**

Initiation of regular facilitated inter-team meetings to clear the air. At these meetings three key questions are routinely asked: How do we see ourselves? How do we see the other teams in the room? How do we think they see us? These meetings allow department leaders to focus on developing solutions, and communicating the right level of information to their peers.

## **WRITING IT DOWN**

Documentation of the specific deliverables required from peers with respect to dependencies. For example, what specifically does Operations need from Financing, Marketing, and IT to be successful? What are the outputs, the metrics of success and the objectives to be met? These are captured and recorded at the facilitated meetings.

## **FORMALIZING TERMS**

'Contracting' of the deliverables. Once documented, the agreed-upon deliverables are given the very same consideration as a Service Level Agreement (SLA), a contract between a service provider and the end user that defines the level of service expected from the provider. SLAs are often used when an outside vendor/service supplier is involved, however these days I recommend that leaders establish SLAs with internal departments too.

## **CHECK BACK IN**

Committing to a 60-day 're-meet' to monitor how well the action plans have been implemented and what might need to be changed based on real time implantation.

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For my grocery retailer client, this five-step approach helped achieve a balance between vertical and horizontal alignment, and improved the company's strategy execution. Tensions subsided and business results improved. It also quelled the outbreak of silo fever, giving the company a healthy outlook for the future.

*Fred Pidsadny is the founder and president of FOCUS Management, a consulting firm that has helped hundreds of clients of all sizes to improve performance and value by aligning teams and focusing on strategy execution excellence. He has enjoyed a 30-year career as a sought-after speaker, facilitator and advisor to business leaders across Canada and the United States.*

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