



Improving Operational Effectiveness

By Wayne McKinnon

If you can't tear down old silos, you should at least be able to see over their walls. Here is how...

Are the silos of your organization serving a purpose, or is it time they came crashing down? Here are five points that indicate why there is a need to examine your environment now.

1. The walls of the silo are invisible from above.

If you remove the roof from a silo it is easy to see what is going on inside when viewed from above. The problem is that the people working inside do not have the same vantage point.

From above, management can see that work is being performed, but what they cannot see is the higher value results that would more easily occur if the barriers were removed.

2. When you are working in a silo, you cannot see over the walls.

The walls keep the teams in isolation, which creates “us vs. them” attitudes, and forms barriers to working together.

When cross-functional working groups are formed in an attempt to bring everyone up over the walls, it does exactly that. It allows the members of the working groups to see the tops of all of the silos, but without letting them see what goes on inside. These groups often continue to lack a good understanding of how their neighbors work and what their inter-silo workflow dependencies are. The cross functional team is a good start, but it is not enough.

3. There is no early warning system to let you know something is about to be flung over the wall at you.

One wall that is typically very high in many organizations is the one between the teams of development and operations.

The development team typically complains that the operations team is putting up roadblocks to new initiatives.

The operations team complains that the development team is tossing ticking time bombs and live hand grenades over the wall.

Together the teams cannot understand why this happens so frequently, and often come to the conclusion that it must be specific people that are at the root of the problem. If management is listening, then the knee jerk reaction is to dismiss the offending people and replace them with someone more suitable. This approach is short sighted. You should never begin by firing Bob, or buying a tool.

4. “We” have become “them!”

On more than one occasion, I have seen someone from the other side parachuted in to set things straight. This rarely works by itself.

At best this approach cross-pollinates the thinking between the two groups, but more often than not it causes a new conflict and an internal revolt, rather

than a correction of the situation.

I concede that moving someone through each silo in order to expose them to the different environments is a useful career development strategy. However, that person has to be able to rise above the segmented thinking and learn to see things in a different way. If they simply convert to seeing things the way their new team views the situation, this new person will become “one of them” and eventually they will have to be dismissed as well.

5. Silos are everywhere in the landscape.

Individual silos often exist between separate branches of an organization that support a particular line of business or particular technology or service.

In 2009, when planning to lay a pipeline in the Canadian Yukon, a multi-year study was completed which identified how to maximize the value and minimize impact to northern communities.

The study focused heavily on employing workers from those communities, and minimizing the environmental impact. Nobody thought about including a telecommunications cable in the pipeline corridor when they planned to link the North to the South, because this project focused solely on oil. Where is Sir Sandford Fleming when you need him?

This same situation occurs between H.R. and Finance; between corporate security and IT security; between the people supporting the email system and the people supporting the file-sharing servers. No one group is immune.

A business unit wants to produce a business result.

- Human resources or procurement services slow things down in an attempt to protect the organization.
- The security team is often seen as a barrier to change.
- The technology teams do not collaborate on solutions.
- The client must become an expert on the service processes of each group.

In each case you have a customer – a particular business unit – trying to produce results quickly, and a corporate services unit that is trying to minimize risk. Often the conflict occurs because each group is working primarily in isolation within the walls of their own silo, and they fail to engage each other early enough in the process.

6. A silo lying on its side is still a silo.

In an effort to achieve operational efficiency, silos are often combined.

IT security and corporate security may be merged in an effort to bring down the walls between them, but new walls are erected dividing the security

enforcers and the security advisors.

Similarly, two technology teams may be merged in an effort to streamline the work and encourage collaboration, but a wall is erected between those who do the design work and those who maintain the systems.

Each silo serves a unique purpose with different goals and incentives to support the work they do.

In the case of the development team, while they are told that quality work is important, the primary driver is time, and often the metrics are simply: “on time, on budget.”

Much of what the development team does is viewed through that lens. Development teams are rewarded for producing results quickly.

The operations team has a different incentive. They are rewarded for operational stability. Any time that stability is affected, the operations team suffers for failing to maintain service delivery.

Given the push and pull between operations trying to maintain stability, and development trying to make change happen quickly, it’s no wonder this wall is so high. One side functions to change things quickly, and the other side has been taught that change is bad and must be avoided.

Current status

Many organizations have developed policies and procedures to ensure that the work done in one silo conforms to the agreed practices only of that single functional area.

The work in one silo should recognize the interface with other functional areas, particularly at the handoff stage, but more importantly cooperatively throughout.

Missed opportunities should be minimized. A single functional area with a narrow focus should not view a service request alone.

Better results

When improving upon existing silos, training can be an important tactic in the overall strategy, but learning together is of higher value than external seminars and further isolating the groups. Someone internally has to bring the teams together to apply the learning.

Senior management has to be an active participant and cannot delegate the efforts solely to the line managers.

The service just wants to be delivered. The line managers are more concerned with their team's performance than with the cross functional services.

Do not measure strategic initiatives in binary. Include additional key performance indicators that identify the progress and results.

Organizationally, identify and communicate your appetite for risk. Employees may be making too much up as they go, or conversely may be trying to control each and every risk on your behalf. Be clear as to who is accountable and responsible for accepting that risk.

The Change Management process is only typically focused on the last part of change – scheduling and operational approval – which is where the conflict often erupts. This is a good indication that earlier steps in the process have been missed.

Are your policies and procedures open to continual improvement, or are they rigidly holding you back? As you move forward, adjustments may be necessary.

In 1984, I worked in the electronics branch of a mechanical engineering company. When the company planned a new project, they carefully assessed the tasks and level of effort for the mechanical work. They then tacked on a small percentage of time for the electronics shop to use to bolt on our electronics gear that would control the device (never mind the fact that the electronics team had to design and build that gear).

We often commented that since the mechanical engineers bidding on the projects did not understand what we did on the electronics side, they treated our work as a coat of paint applied at the end of the project, and never left enough time in the project schedule.

Virtually every functional area of any organization that has allowed the walls of the silo to stand, is guilty of what I call the "coat of paint mentality." Let's stop maintaining those walls and lower them instead.

Is your physical and virtual work environment segmented, or can people see and hear over the walls both literally and figuratively?

If the senior manager came from one of the silos, is he or she knowledgeable and sensitive to the type of work that goes on in the other silos? Is he or she aware of the internal measures that direct the work of each?

Is there an opportunity to learn how the other side thinks?

Do those who have a self-interest in preserving those boundaries prevent employees from improving results across organizational boundaries?

Approach:

1. Improve the environment, the culture, and the supporting players, and measure their performance against goals.
2. Empower and leverage the talent of the organization
3. Focus on business results
4. Arrange the system to maximize outcomes.

5. Manage results, not tasks. Look for opportunities to focus the metrics on cross-boundary outcomes (a project versus the development team; a service versus a service asset).

Bringing down silos is not about a functional reorganization, although that might be part of the solution. Nor is it about replacing people, although there may be some people who are just not willing to change.

It is not about buying some fancy tool or technology, although that might also be a part of the solution.

In fact, bringing down silos themselves is not the ultimate goal. The goal is to reduce roadblocks to service delivery, and to align resources, capabilities, and processes with the delivery of value to the customer.

You do that strategically, not through an individual tactic.

Wayne McKinnon helps

- Organizations improve service delivery.
- Executives make strategic decisions.
- Teams become more efficient and effective with less conflict.

*Consulting ▪ Sounding-board for strategic decisions ▪ Facilitating strategy retreats
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