

# BREAKING DOWN THE SILOS

## Getting People to Work Together & Share Best Practices

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One of the biggest issues facing leaders today is finding ways to get people in different areas of the company to work together and share best practices. Whether the people are in different departments or locations, a lack of teamwork is a frequent problem and is difficult to resolve.

Whenever I am asked to help with this type of problem, I ask a series of questions to the leaders to probe into the organization's culture and leadership practices.

- How do you evaluate the performance of people and regions?
- What do you do if a particular location or person does not seem to be meeting objectives?
- When meeting with people or visiting different locations, what do you generally talk about?
- What is the company's purpose? Is it clearly understood throughout the company – i.e., in different locations? How do you know?

In many cases, the answers to these questions point to the company's leadership practices as the main cause of the problem of a lack of teamwork and sharing. The company's system for evaluating performance, in addition to the actions and behaviors of management inadvertently creates barriers that interfere with the desire and ability of people to share information and/or accept ideas from others.

### Evaluating Performance

It is important to exercise care when using measures to drive behavior because it just might work – although not necessarily in the way you intended. Holding a sales manager accountable for sales in his region tends to drive him to focus on sales in his region – even if it hurts sales in another region.

The following are actual examples of failed attempts to improve performance by holding people accountable to goals based on individual or localized measures.

- In a mid-sized global manufacturing and service company, the CEO measured the revenues generated in each region and made it clear to the sales managers that they were responsible for increasing sales in their assigned territories. Bonuses were based on exceeding forecasts and whenever he visited the different regions, he would meet with the team and review their YTD results and plans for growth.

The sales manager in Slovakia was an expert in a particular application of one of the company's products. Although there were similar opportunities in other regions, the other sales managers needed the support of this person to capitalize on them. Because of pressure from the CEO, however, the Slovakian sales manager could not

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- afford to take time away from his region to help others. He was aware (and frustrated) that this type of behavior did not benefit the company as a whole, but he felt he was doing what was necessary to meet his targets and keep his job. As a result, he met his targets (as did the other regional sales managers), but the company missed out on an opportunity to grow revenues.

Other companies I have worked with experienced similar results. Salespeople fighting over credit for cross-regional accounts and different regions of the same company competing with each other for business are common results from the pressure to meet targets set by leaders.

- A purchasing agent in a manufacturing company was evaluated on containing costs for the products she purchased. Her main responsibility was to purchase pipe used by the production department to produce one of the company's main products. She met her goal by procuring pipe from a variety of sources which saved on material costs, but resulted in a great deal of variation in the quality of pipe and late deliveries. As a result, the production department experienced late shipments, increased cycle times, and additional labor costs to process the pipe. The situation hampered the ability of the production people to meet their targets (resulting in a deterioration of teamwork between procurement and production).

Organizations are far too complex to assume that evaluating performance of people or regions based on simple measures will result in optimizing the results of the whole. The issue has psychological and sociological ramifications which results in complications that have to be dealt with carefully.

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*If you take a cat apart to see how it works, the first thing you have in your hands is a non-working cat.* – **Douglas Adams**

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It is not possible to effectively lead an organization by breaking it into pieces and setting goals for each piece. What matters is the performance of the organization . . . not the individual people or departments. In the sales manager example above, the CEO needed to stop worrying about the individual salespeople and focus instead on the sales of the entire organization. And the objective of the regional sales managers should be to increase revenues for the entire organization – which by the way also involves procurement, production, engineering, and finance, as well as all sales managers. If the CEO made it clear to the team that their objective was to increase sales *for the entire organization*, the sales manager in Slovakia would feel empowered to help sales managers in other regions increase business. He would also feel better about his job knowing that he is helping other salespeople improve overall company's results.

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## **It's About the Team**

Getting people to work as a team requires treating them as a team. On the other hand, whenever people are measured and held accountable as individuals, they will act as individuals.

Although it seems simple, this premise tends to be difficult for leaders because we are taught in business schools about the importance of performance reviews and increasing accountability as ways to improve performance. Getting people to work together, however, requires holding the team – and ultimately the team's leader – accountable for achieving results.

## **What About the Stars?**

When you begin to manage and reward the team instead of individuals, there is a chance that you will lose the “superstars” who like to work alone and be rewarded for individual effort. In every instance where I have seen this happen, however, the company actually improved performance after a superstar left. In the right environment, teams are much more effective than individuals – even if those individuals are superstars. Ridding the organization of those who put their own needs ahead of the company as a whole tends to unleash the talents of the team and allow amazing things to occur. The value of a superstar tends to show up in dysfunctional organizations where people do not work well together. Once teamwork starts to improve, the superstar starts to hamper, more than help performance.

## **Try It . . .**

When I work with organizations on the issues related to cross-regional and cross-functional teamwork, I suggest initially implementing changes in a pilot area to help reduce the apprehension of the leaders to change the way the organization is managed. In the sales example, the CEO agreed to change the high-level measures for the European business unit and focus on revenues and EBIT for all of Europe instead of country-by-country. Regional measures remained, but were only used by sales managers and their teams to determine what was happening at the local level and determine if action needed to be taken to improve results.

As a result, teamwork between sales managers improved, and by year-end, revenues exceeded forecast by 27%. Sales actually declined in some regions because the team decided to focus on the areas where the biggest growth opportunities and higher margins existed – contributing to EBIT surpassing budget by 57%. Customer satisfaction also increased because people in different regions were now working together to serve needs and resolve problems.