

ADMINISTRATION



By Troy Lovins

Breaking down **silos** in your organization

Silos exist in every organization but they seem especially prominent in the textile service industry. Many of my clients struggle as the various departments within their businesses seem to draw a line in the sand and resist working together. These territorial turf wars challenge our leadership teams every day. Not only are these conflicts devastating to an organization's morale, they can also constrain a company's growth and worsen its financial health.

Silos exist for a number of reasons: different goals, misaligned incentives, and conflicting personality types, just to name a few. In the rental laundry industry, these divisions typically take place between production, service, and sales.

A plant manager I once worked for had an office-door sign that said, "Sales hates service, service hates sales, and we here in the plant hate all of you." (That's the version *minus* the offensive language!) Changing the mindset of employees in an environment that has long fostered the division of these departments is tough but possible if you have the right tools.

Tool 1

Find common ground

Nothing seems to encourage teamwork more than a common goal or common enemy. As a team, take a look at what is holding your organization back from being its best. Sure, everyone has different views on what the biggest challenges are, but there's likely some common ground. Have each department submit 10 ideas for what they would recommend as a goal for the overall organization and see where there's crossover. Then, as a team, concentrate on one goal at a time.

An example of a common goal: enhance revenue growth by 5 percent this quarter with no product investments or production costs. Achieving this milestone would benefit the service team by increasing commissionable route pay without the addition of time to the service team or weight to the delivery truck. This new revenue also effectively reduces plant labor, delivery costs, and fixed and variable costs percentages because we have added no cost, just revenue to the

profit and loss statement.

A common enemy might be declining customer retention. Service, sales, and production could share in a common goal such as reducing customer and product attrition rates by 2 percent over the next quarter. Service can often benefit from the skill set the sales team brings to the table to retain a troubled customer. Breaking down the silos can benefit all departments in this example because the team preserves the revenue.

I'm a big fan of the SMART system: each goal should be specific, measurable, attainable, realistic, and timely. Have a target date to complete your goal and plan milestones along the way. This not only keeps the team on track but also gives you reasons to celebrate as you make progress.

Provide some sort of incentive to the teams for reaching the goal. The incentive's size should match the scope of the goal. While each department may contribute to the end goal in different ways, make sure that there is at least one interdepartmental team award.

Rewards don't have to be traditional. Be creative and if you have difficulty doing so, delegate this job to the teams. Imagine the benefits of creating unusual but fun incentives. For example, if certain objectives are missed, a sales manager might agree to "run" a route, a service manager would "manage the stockroom," or a production manager would spend the day with a sales representative.

Or you would celebrate your success by rewarding all department leadership with a team-building exercise like paintball for achieving a specific goal. In the end, your company not only benefits from meeting your objectives, but also from the camaraderie built by working together.

Tool 2

Introduce the "roundtable" concept

Another important step in breaking down silos is to increase interdepartmental communication. I can't stress enough the importance of each department having a voice in the organization. One way to do this: introduce the roundtable concept at weekly or biweekly meetings of

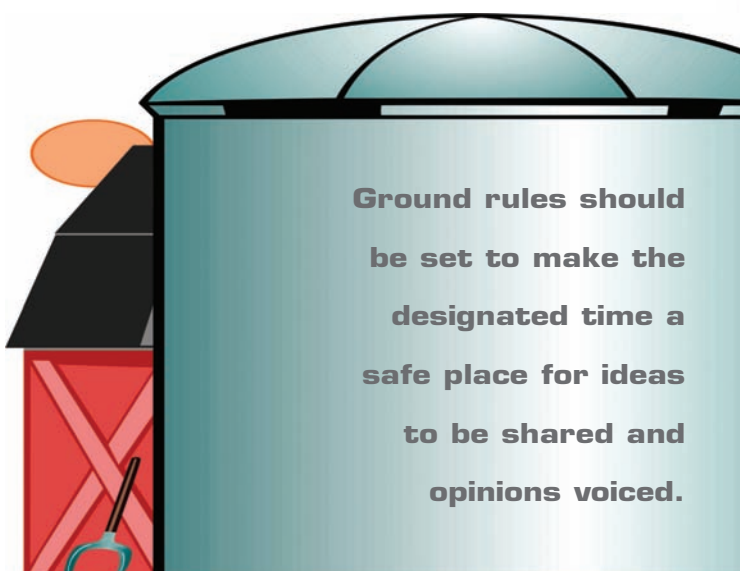
department leaders. There should be an equal number of staff members represented in each department.

Have a moderator (or “traffic officer”) guide the discussions. Preferably this is a leader from outside of production, service, or sales, although you could set it up as a rotating position between departments.

The concept is based on the legend of King Arthur, in which no single knight was in a privileged position. All opinions were considered equal because their table had no “head.” No matter the shape of the table in your meeting space, the same general idea can be implemented. At your initial meeting, ground rules should be set to make the designated time a safe place for ideas to be shared and opinions voiced.

The agenda should be set at least three days in advance of every meeting and include an estimated length of time for each topic. If a new topic arises during the course of the conversation or an agenda item extends beyond its allocated time, the moderator should suggest that the topic be moved to “the parking lot.” This waiting area for ideas can be readdressed at the end of the meeting if time allows, added to the next week’s agenda or, for pressing topics, a new meeting can be scheduled for discussion.

This is not an easy concept to implement but can be done successfully. You should expect to see some ruffled feathers and power plays, especially in the beginning. But if the ground rules are laid down upfront and the meeting schedule is strictly enforced, you’ll start to see a real difference in how departments begin to communicate.



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Tool 3

Create a system of accountability

I use a “playbook” with my clients to institute accountability. Once the team has decided upon a goal, it should be broken down step-by-step and put into a spreadsheet that all departments can access. For every step in the process, this form should record who is responsible, key ways they plan to accomplish the step, and when the step will be completed.

We also set up our playbooks with a section for notes that everyone is responsible for updating by a certain time once a week. This means that anyone who checks the document will

Why you know barriers require breaking

Think your organization doesn’t have a problem with silos? Need a quick reality check? If you’ve never heard the following said in your company, feel free to skip this article:

From Service:

1. “Why did you sell that account outside of our service territory?”
2. “When will our plant stop shorting or substituting products on our routes?” or “Will we ever be able to create a complete load?”
3. “If the office would get their act together, we wouldn’t have to be the collection agency.”

From Production:

1. “Why did we allow them to sell that item, color, or style of product?”
2. “Why does a lack of planning on your part constitute an emergency on mine?”

From Sales:

1. “How are we supposed to sell/grow if “they” won’t do what our customers demand or our competition offer?”
- If you’ve seen the effects of conflict between these departments, you are not alone. An American Management Association study found that 83 percent of executives think that silos exist in their businesses and 97 percent believe they have a negative effect.

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Advice on building unity

“People seem compelled to build layers and walls between themselves and others.... These walls cramp people, inhibit creativity, waste time, restrict vision, smother dreams, and above all, slow things down.... The challenge is to chip away at and eventually break down these walls and barriers, both among ourselves and between ourselves and the outside world.”

—Jack Welch, former GE CEO,
in a letter to shareholders

know the status of each item and how current the changes are.

I’ve found that having each step documented on paper and knowing that their peers are expecting them to complete their portions by a certain date really helps drive home the idea of accountability. In addition, the playbook helps to reinforce the idea that you are all working together to achieve a common goal or to beat a common enemy in order to make the organization successful.

The silos in your organization weren’t built in a day and they take a long time to dismantle. But if you know where to start, and what tools to use, you can begin to tear down the barriers. As Henry Ford said, “Coming together is a beginning. Keeping together is progress. Working together is success.” **IL**



Troy Lovins owns Performance Matters, Fort Mill, S.C., a strategic consulting company dedicated to the rental laundry industry. He is a former executive of a national uniform service company. For more details, go to www.performance-matters.com.



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