

Managing Silos Leading to Smart Collaboration

An expert panel at the Strategic Management Forum in London discussed how to bridge silos inherent within many large organisations.

Many leaders are looking for ways to grow through innovation. But, the old ways of working in a linear, compartmentalized manner are no longer enough to propel ideas forward. It's now critical that people across an organization are working together and in frequent communication.

Recently, the Strategic Management Forum in London brought together Financial Times journalist and author Gillian Tett with representatives from Steelcase and the Harvard Business Review for an event titled "Managing Silos: Making the Knowledge Economy Work." These industry experts gathered to discuss how to manage silos inherent within many large companies and encourage smart collaboration.

THE SILO EFFECT

Tett's book "[The Silo Effect](#)" delves into an issue many organizations struggle with whether they are big or small, public or private, or in one sector or another. When one group of people doesn't know what another group is doing a number of things can go wrong. Both could be working on the same problem. One team may have a piece of the solution another team needs that goes undiscovered. Perhaps one group may even "hide" its favorite toys to keep their project afloat creating internal competition instead of collaboration.

Time can be wasted and opportunities missed. In today's hyper-competitive business environment, where start-ups are waiting to nip at the heels of slower moving corporations, it's more important than ever to break down barriers. But, does that mean silos are all bad?

Tett, an anthropologist in addition to an author, explains silos exist because of human nature. We like to sort the world into boxes. It helps us put things in order. She says silos aren't necessarily bad, they can make things easier and get things done. The hidden potential, she explains, is when we need to step back to understand a problem from a different perspective.

While researching her new book, Tett explored examples such as Facebook. At first Facebook had to build silos to move quickly. They engaged specialists empowered to make decisions. At the same time, they developed strategies to encourage connections.

Employee strategies to encourage connections

- Have more than one affiliation within the organization
- Create social ties
- Boot camps create links between departments based on employee interests
- People are asked to call people by name — instead of saying "engineering did that," they should say "Jim from engineering did that."

SMART COLLABORATION

Facebook put systems in place to encourage collaboration. But, is it working? Heidi Gardner, former McKinsey consultant and Harvard Business School professor and now a fellow at Harvard Law School, researched how to measure successful collaboration in her book "[Smart Collaboration](#)."

She said she sees two trends emerging right now. The first is specialization because today's economy needs expertise around narrow domains. The second is something called "VUCA," a military term to describe the current environment which is volatile, uncertain, complex and ambiguous. Who thought Google would become the next innovators in the automobile sector, for example?

Organizations need experts to tackle these new challenges and they need to be sure those experts are collaborating successfully. Her research for "Smart Collaboration" revealed revenue and profit go up when you bring more experts together to work for a customer. She found by bringing people together, the customer you are serving has access to more knowledge, diversity and is, therefore, more likely to trust the expertise offered.

Collaboration benefits increase exponentially because of the following:

- Increased knowledge of the customer
- Increased trust by the customer
- Efficiency gains
- Joint responsibility and accountability
- Ability to challenge customer bias'
- Co-creativity

Roger Martin, Director of the Martin Prosperity Institute and author of "Getting Beyond Better" and nine other books, says we need to build empathy through transparency. Martin says the fundamental solution lies within education. We can teach people to collaborate, but if they only study within their domains, they'll never see the value in bridging sectors.

"We need integrated thinking," says Martin. Specialization never happens without gaps. The best leaders are integrators.

Melanie Redman, senior researcher for Steelcase WorkSpace Futures, wrapped up the event by sharing information about a new effort by Steelcase in Munich to bring people together. This summer, Steelcase will officially open its new Learning + Innovation Centre which will include designers, marketers, researchers, and others from more than a dozen different countries. Many of these teams have previously worked separately in France and Germany. Now, they will be co-located in Munich because space was cited as an important factor for continuous learning and integrative thinking.

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