

# Thought transfer

with  
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## So long, silos

**T**here are three main types of innovation in financial services. The first is product-driven innovation, which as we have all seen in recent years can have a dramatic impact upon price and risk. The second relates to the type of game-changing technological innovation that we are proud to say is typified by the kind of widespread adoption of OSMO software by the commercial finance industry. The third way recognises that it is often the ability to combine and recombine capabilities across disciplines, organisations, and sectors that ignites the spark of innovation that financial services businesses are striving for.

We have all seen silo syndrome at some stage of our business lives – those heavily guarded departmental fortresses, where information and innovation become trapped, impenetrable and unavailable to decision-makers outside those business units.

Silo syndrome can wreak havoc with customers. In a typical scenario, separate sales organisations for each business unit fail to coordinate. When they call on the same people, customers may conclude that the organisation either has no regard for his or her time or that there are serious left hand/right hand issues. Unless this particular player is also the only game in town, the customer is most likely to look elsewhere.

Silos also commonly extend to data and business information. As data becomes departmentally entrenched in tightly-knit vines of bureaucracy, people are less likely to interact. When people are culturally inhibited from interacting across departments and functions, they avoid sharing data and information outside of their silos. It's a vicious cycle, one that can cost an organisation in agility, productivity, and responsiveness. Get it right, however, and innovation can flourish. But simply smashing silos down is not the answer.

Ranjay Gulati, a Harvard Business School expert on how organisations work, or don't, puts it this way: "You need to find ways to connect all the silos in your organisation. This would involve task forces and working groups. Companies need to bridge all the silos through their employees. You cannot mandate it"

Connect all the silos is the key here. There are three ways to build these vital bridges:

**Empowering.** "Businesses must ensure that their people in various units have access to knowledge about the customers they are catering to and have opportunities to use that knowledge to better serve the marketplace."

**Hiring.** "As you hire, look for people who value collaboration over turf building, who enjoy team work over solo endeavours. Organisational behaviour changes one hire at a time."

**Rewarding.** "Your employees must be encouraged to bust through silos when necessary and should be rewarded for collaborations that produce successful customer solutions."

Expert contributors to the professionals network, LinkedIn, foster a number of alternative views to encourage collaboration. These include increased exposure through working within other departments, creating seamless cross-functional teams and sharing one-click access to information and data resources across common platforms and systems.

Smashing silos was the common plea from the management gurus of the 1980s. Today, as we look for smashing innovations in a positive sense, it seems that cultural osmosis is the answer. Funny how often OSMO comes up when a solution is sought!

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