

Is Silo Mentality Hurting Your Customer Experience?



By TIM PICKARD



Silos may be a great way to store grain, but if you apply this idea to the organization of people, it can damage customer experience.

From departments to regional offices to different communication channels, silos are an unavoidable part of business structure. What is avoidable, however, is "silo mentality," in which departments are isolated, proprietary, and competitive, and which can have a negative impact on customer experience.

When a customer gets in touch, it should be a seamless experience—a business should reply in one voice, regardless of the channel or department. But if a silo mentality has taken over the way your employees think and act, the customer's experience can be disjointed, confusing, and frustrating.

Why Silos Exist—and How They *Should* Be

In theory, silos should foster expertise and make teams feel responsible and accountable for their role in the business. They give teams and individuals a focus—but they are also the single biggest hindrance to corporate growth. Why?

Well, silos should be transparent and permeable—with information flowing freely between teams and employees able to see and understand the workings of other teams.

But in reality, often the opposite is true. Silos encourage behavior that is beneficial to those within the silo but often not in the best interests of the organization as a whole—or of customers.

As a result, office politics develop, as the teams and departments compete more with each other than they do with competitors. Collaboration becomes a rarity, decision making becomes poor, and teams become inward-looking.

Silo Mentality: the Facts

The whitepaper “Why Silos Damage Customer Experience”, from Amy Scott, Director of Sedulous Consulting, looks at the impact silo mentality is having on customer experience. Here are some of the key statistics:

- according to customer experience professionals and executives, silo mentality is the biggest organizational hurdle to improving the customer experience;
- 70 percent of companies are a long way from having integrated channels and a complete customer picture—let alone being able to speak to customers in one voice across multiple channels and departments;
- 41 percent of customer experience professionals state that organizational structure is a significant barrier to providing a seamless customer experience—in other words, operational silos;
- another 38 percent state that one of the three biggest hurdles for delivering a great customer experience is the complexity of the modern customer—for instance, the growing number of touch points; and
- 34 percent state that difficulty unifying different sources of customer data is one of the main stumbling blocks for delivering a good customer experience—something that silos only exacerbate.

So, what does this mentality lead to in practical terms?

Common Problems

If your company doesn't work together as one, you will create a disjointed experience for your customers. Here are two ways this can happen:

Departments don't collaborate with each other. Imagine that marketers have been working tirelessly on an ad campaign for months. It goes live and is a huge success, leading to a huge increase in enquiries. However, if the call center hasn't been briefed, it will be understaffed, which will result in long queues and angry customers—potentially undoing all the hard work of the marketing department.

Or imagine a company makes a credit card offer to customers, only to have some customers turned down when they apply for the offer because the company didn't credit-score them prior to sending the offer out. As a result, customers are angry, as they feel they've been misled—but proper communication between marketing and finance would have prevented this.

Different channels of communication aren't joined up. If your customer service channels are siloed, it will lead to this common source of frustration for customers: having to explain the same issue over and over again to different people in your organization. Not only is this aggravating for customers, it gives the impression that your business is unorganized and apathetic. Businesses need to speak and act in one voice—giving a consistent message and customer experience, across multiple channels.

Unite Your Silos—and Provide a Unified Customer Experience

You can retain silos without holding on to the mentality that comes with them. The key is to ensure that teams and departments are more fluid and that information can flow freely between departments.

Managers need to incentivize this by rewarding collaboration between teams. It's important to have cross-functional teams and meetings, where departments can see how everything they do individually contributes to the overall customer experience. Such meetings also present opportunities for sharing customer feedback across the organization.

Next, your business hierarchy needs to be considered. If you create a flatter organizational structure, it allows employees to take charge of what they do individually—and collaborate more with people on the same level in different teams and departments.

The final step is to get senior management more connected to the reality of the business. One way for managers to see their strategies in action is to encourage them to spend one week per year on the shop floor. Or senior management can try contacting the company as a customer, to see for themselves what it's like to make a complaint, ask for support, or buy a product. Armed with this knowledge, managers can see which areas of the business don't quite link up.

Silos damage customer experience because they tacitly encourage those within the business to lose sight of the business's aims as a whole—and as a result, they also lose sight of customers. With allegiance to brand over function, departments can break down the barriers between them, to everyone's benefit—especially, and most importantly, the customer's.

Find out more by downloading our whitepaper 'Why silos damage customer experience' by Amy Scott, Director of Sedulous Consulting.

Please fill out the form and we will be in touch with you shortly.

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