



information and resources to help you build and retain a high-performance company
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FROM JIM SIRBASKU'S DESK

...And the Silo Walls Come Tumbling Down

Every leader faces management challenges, but one of the toughest we discovered in our recent examination of the problems that put managers at risk is an inability to see beyond the four walls of the department, the unit or—as we call it—the manager's "functional silo."

That last word conjures up images of barriers that reach skyward, and sometimes the walls that managers erect around themselves and their teams seem almost insurmountable. One top leader says she feels like she has to climb the world's tallest ladder to get inside one manager's unit. Getting through is not an easy task, but discovering the prize inside—an able and skilled manager who needs clarity about his job—can make the climb worthwhile.

Haven't we all watched a strong manager who believes that his duty to his department holds more importance than his obligation to the organization? Such devotion to the team is admirable, but when carried to extremes, it's likely to keep the manager stuck in his silo while others who can see the big picture climb over him to get to the top.

As we note in our report, "Five Critical Management Derailers," silo-building managers risk their organizations' well being as well as their own. You can recognize the signs in your own organization if you have managers who:

- Refuse to deal with co-workers outside their immediate unit
- Habitually make decisions beneficial to their team but not beneficial to the organization
- Balk at making changes that affect them, even if the change helps the organization

CASE STUDY

PXT Helps Conquer Fear of Change in a Healthcare Organization

Although leaders often notice certain behaviors in managers who are resistant to change, leaders may not recognize these behaviors as symptoms of resistance. Here is what to look for:

- expressions of frustration at the mere suggestion of change
- skepticism when someone notes that change is necessary
- resistance even after concerns are addressed
- reminiscing about "the old way" instead of embracing what will come
- doing things the same way but expecting new results
- obvious discomfort with the ambiguity that change brings
- communicating a different message to team members than the one they heard from top leadership

ProfileXT® offers a plan to combat these symptoms, as the leaders of a healthcare organization with more than 600 employees discovered when they decided that changing the work culture was essential to more efficient operations.

Background

The organization had grown too large

- Keep beneficial information inside the "team tent"
- Appear not to grasp the organization's mission/vision

One organization deals with the problem of silo-managers by never letting the manager build the silo in the first place. How? One way is by establishing regular meetings in which different departmental leaders share information, discuss problems and plans, and generally see the organization from different perspectives.

The same organization also annually appoints a different manager to a committee made up of leaders outside the organization. This panel of appointees serves as the fundraising arm for a community nonprofit agency. The organizations participating raise their profiles in the community while performing good works. Each manager on the panel learns more about his organization and the role it plays in the community.

This appointment accomplishes several in-house goals as well:

First, it avoids continually drawing water from the same well. Every CEO can point to one or more departments that turn in exceptional performance year after year. The temptation of working with thoroughbreds, however, is that we go back to them—and only them—race after race. At the very least, this practice risks tiring high performers to the point of indifference.

Second, passing around the committee membership gives new performers a chance to develop and show off new skills. The thoroughbreds set the benchmark. Others can then strive to meet it, or even reach beyond.

Third, regularly working with people outside of a unit brings down the silo walls more quickly than any well-chosen words of a CEO. Why? People often learn best while *doing*. Envision reaching over a wall to grab a hand. Doing so is almost impossible when the walls are silo-high. For effective collaboration, committee members must emerge from their silos and meet in a brand new environment.

Leaders can also use a cross-functional in-house team. One example is a team that examines the impact of implementing a change in customer service or some other crucial operation. Such a committee could be composed of managers in each of an organization's departments.

Other remedies to bring down the silo walls include:

- **Explaining how each spoke is important to the wheel.** In other words, establishing in clear language how the manager's team fits into the organizational big picture. This is especially important for a new manager who may just be learning how to run his department. Direct supervisors should demonstrate early on that the wheel is only as strong as its individual spokes, and that one spoke alone isn't strong enough to support the wheel.
- **Establishing a cross-functional goal for the manager.** In this scenario, the manager reports to someone else who can monitor progress, facilitate discussion, offer advice, and drive accountability. This is ideally someone who has been in charge of a department and now holds more than departmental responsibility.
- **Three-point monitoring to hold the manager accountable.** The three points of access are the manager's manager or boss, his peers and his subordinates. Why **three** points instead of just **one**? Because it's next to impossible to monitor a person's performance all by yourself. You would have to be at the same place as this manager all the time, from the time he reports to work to the time he leaves the parking lot at the end of his workday. Most supervisors have more

for a centralized decision-making system. After the topmost leader envisioned the changes his organization needed, he talked to managers about their concerns. This was essential in helping him understand how change sometimes threatens managers.

One specific issue that needed to be addressed was continuous training and development of employees. The PXT revealed job candidates' learning abilities and job skills, as well as what motivated the candidates. The leader found that he could use ProfileXT in almost any stage of an employee's career, even when he was trying to fill an important job from the inside.

Summary

- Within the first two years of using assessments, the healthcare organization saw 170 people leave voluntarily out of an employee pool of 640—a turnover rate of 28 percent. The workers who left did not want to go through the change process.

- Leaders used assessments as they began replacing the workers who left. In two years, the turnover rate dropped to about 18 percent, the organization's lowest turnover rate in more than a decade.

- The departure of employees who did not fit the new culture gave leaders the freedom to bring in new individuals that did match, and leaders used a scientific approach in the hiring process.

With new hiring processes in place, top leaders found that the culture was changing in the way they envisioned. Although changes did not happen quickly, they discovered that when employees and positions match each other, the path to change was smoother.

"The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic." – Peter Drucker, management expert

"The problem with communication is the illusion that it has been accomplished." – George Bernard Shaw, playwright

than one person and one task to attend to in a day, so this helps establish a way for the manager to be accountable to his peers and subordinates too. Make it known that you will be asking each point of access to evaluate his performance. Do this for everyone and it becomes less threatening—and everyone is accountable to everyone!

If you are tired of looking at the silo walls from the outside, imagine the limited view from within. It's time to bring those walls down, permanently.



Jim Sirbasku, CEO
Profiles International

Correct answers to Pop Quiz

1. A: Ask the manager why he chose this method of imparting information, and ask him how he likes to receive upsetting news. After that, help him figure out how best to "retell" his team so that he can fix the damage as much as possible. This will impart an important lesson about communication. Determine the best way to give him regular feedback.
2. B: Understand that she might be put off by the information, and offer her time to think about it before meeting with you again to figure out the best way to proceed. Anytime you give someone upsetting personal news, give that person a chance to digest it before trying to determine a solution. Follow-up is a must.
3. C: Meet with the whole team and tell team members what they will need to accomplish, giving them specifications and firm deadlines. You set another meeting in a few days in which they will present their ideas for getting the job accomplished. After that, you meet with the team manager on a regular basis to get reports. This is how you set the example for your inexperienced manager. Scheduling regular meetings with him will help him to set deadlines.
4. C: Meet with all department leaders together to impart the news, then schedule individual meetings to determine how to best prepare for the changes in each department. Sweeping changes deserve focused attention from the top. Don't expect someone else to do your job.
5. A. Put him on a team that works in all departments at different times of the month and performs a variety of duties. This manager needs more education about other aspects of the organization. Someday he will be doing your job.

PRODUCT FOCUS

100 Percent Understanding with CP360, PTA

Today's economic reality calls for team players. Your team managers nod their heads each time you say that, indicating that they understand.

But right after your last meeting, three managers tell you that Dan, a capable worker recently promoted when his supervisor retired, is running his team like it's in another city. They complain that he:

- hoards information they need and won't give them crucial

POP QUIZ

How to Spot and "Fix" Manager Problems*

1. Ten percent of your organization's employees will be laid off within the week, and you convened a meeting of top managers to let them know. You then instructed them to tell their teams. You discovered that one manager put the bad news in an email addressed "To whom it may concern," with no explanation and no offer to discuss the bad news in person. How do you address this?

- A. Ask the manager why he chose this method of imparting information and ask him how he likes to receive upsetting news.
- B. Ignore what he did and inform his team members yourself.
- C. Tell him his performance is unsatisfactory and that he will lose his job if he does not fix it.

2. You told one of your managers that she often appears arrogant to others, offered her several examples of her behavior that led to this reputation, and told her that she is valuable to the organization. Next, you:

- A. Find yourself in shock as she glares at you and tells you that she does not know what you are talking about.
- B. Understand that she might be put off by the information and offer her time to think about it before meeting with you again to figure out the best way to proceed.
- C. Deliver the bad news as just news, adding, "I just thought you would want to know."

3. One of your organization's teams has the best skills for creating a new website for your organization. However, the team manager is new at the job and inexperienced at goal setting. You worry he will not get the project done on time. You:

- A. Decide to let the new manager wing it without your oversight. If he fails, he fails. This is a good learning experience for him.
- B. Assign the responsibility to another team, even though its members are bogged down with projects and do not have website expertise.

- won't change anything, even the times his employees come to work, even though every other department has made the necessary time adjustments required by new staffing reductions; and
- does not communicate well, even with those who report to him directly. He shuts his door, won't answer his phone and sends out email edicts to his workers.

You know that Dan is capable of doing better. So as you ponder the next step to take with him, consider the helpful information offered by CheckPoint 360™ and/or Profiles Team Analysis™.

CheckPoint 360™

You promoted Dan because you saw his ability and eagerness, and because you believed that he was ready for more responsibility. Now you need to look at his specific strengths and weaknesses. CheckPoint 360™ will help you answer these questions:

- What strengths of this manager can I capitalize on?
- In which areas does Dan need to develop?
- How can I provide guidance in this area?
- How do I effectively manage conflict within his team and with other team leaders?

CheckPoint 360°™ uses 70 interview questions about behaviors that will provide a clear picture of Dan's capability in areas such as communication, leadership, adaptability, relationship-building, managing tasks, productivity, development of others, and self-development.

Profiles Team Analysis™

This assessment will give you information about Dan and his team members to help improve the team's balance, effectiveness and performance. It provides a four-part report that includes:

- team leader and team member scores on each of 12 essential team-building factors;
- characteristics not represented well on the team;
- information that team leaders can use to capitalize on the natural characteristics of team members to accomplish team goals; and
- a summary of how to supervise to get the best contribution from every team member.

These two products are more efficient than heads nodding in agreement. Call Profiles International at (254) 751-1644.

C. Meet with the whole team and tell team members what they will need to accomplish, giving them specifications and firm deadlines. You set another meeting in a few days in which they will present their ideas for getting the job accomplished. After that, you meet with the team manager on a regular basis to get reports.

4. Changes are coming for your organization that will alter the way every department operates. Your next step is to:

A. Meet with all department leaders together and tell each one that they will need to figure out how to make the changes work for their departments.

B. Ask top leaders to explain to your managers what will happen so you will not have to be involved in imparting the message yourself.

C. Meet with all department leaders together to impart the news, then schedule individual meetings to determine how to best prepare for the changes in each department.

5. A new young manager who shows signs of excellence in almost all aspects of his job cannot seem to see beyond the confines of his department. You:

A. Put him on a team that works in each department at different times of the month and performs a variety of duties.

B. Punish him by leaving him out of the informational loop.

C. Ignore the behavior and hope that his blinders will disappear with time and experience.

*Quiz adapted from Profiles International's "Five Critical Management Derailers: Symptoms and Remedies."

STRATEGIES FOR WINNING

Dare to Be Different*

Differentiation is Key

Are you a "me too"? Do your prospective customers know why they should buy from you rather than from your competitors?

If your customers can't see any significant difference between you and your competition, the only reliable basis you will have for consistently winning business is price—and that road ultimately leads to disaster. Selling on price is selling to your competitors' strengths.

As a company, Profiles has never attempted to compete based on price. Our intention is to offer our customers the highest-quality products available at a fair price. We focus on value because people know quality and value when they see it. We think that if a business's primary competitive advantage is low price, then that business is only as smart as its dumbest competitor.

We have further differentiated Profiles from our competitors with our interesting and independent customer service philosophy. We believe that the best service in the world is no service at all. In other words, if your product always works well and is of the finest quality, no further service is required. Everything we do, everything we build and everything we work on is imbued with our intention that only a bare minimum of customer service will ever be required.

We also believe that business goes where it is wanted and stays where it is appreciated. For this reason, a large part of our customer service has to do with showing our customers how much we appreciate them and the fact that they do business with us. We also seek to gain their loyalty by continually demonstrating the excellent return on investment they receive as a result of using our products. The motto of our customer service department is T E A M: Together Everyone Achieves More.

We know that all of our customers assign a value to Profiles and to our products. We are also well aware of the value we intend to deliver to them, but all customers are not created equally. We also assign a value to our customers. Although we strive to provide a high level of service to all of our customers, we are aware that we have to generate a certain level of income from each customer in order to justify our expenditure on service. We view the service we provide to our customers as an investment in the future of Profiles.

You can differentiate your offerings using the following four steps.

1. Look at How You Stack Up to Your Competition

What can you do that they can't? What do you do distinctly better? What can they do that you can't? Look at your product or service using five main headings, seeking your particular strengths and your competitors' particular weaknesses.

Price

Are your products more or less expensive? Are you considered to be at the top, middle or low end of the spectrum in your market? Is your pricing policy something that sets you apart from your competitors?

Customer Service

Is your customer service unique? Do you provide more implementation assistance? Better ongoing backup? Friendlier staff? More attractive terms of service? Better delivery?

Customers

Who are your best customers? Who are the people for whom you can do the best job and still make a respectable margin? Are you best with large, medium or small customers? Do you fare better in long-term relationships or short-term flings? Are you local, national or international (or all three)? Who are your ideal customers?

Product/Service

Are your products or services superior to those of your competitors? Are they faster, more efficient, quieter, easier to understand, easier to use, or quicker to set up? Anything that is unique about your product or service is an advantage.

Reputation

What's your brand reputation like? How well-known is your brand? By whom? For what? Who is traditionally attracted to your offerings?

This exercise should ideally involve anyone in your organization who can offer insight into how you stack up against your competition. Resist the temptation to do it alone—the more minds, the merrier. As you work through the exercise, capture your outcome on paper. For each of the five categories above, put your analysis on a sheet with two columns—Strengths and Weaknesses.

The mistake most people make at this stage is differentiating their business according to the category in which they are most strongly positioned against their competitors. This is a mistake, for it fails to take into account the most important person of all—your customer.

2. Become Your Customer and Think "WIIFM?"

If you fail to consider your customer's perspective, you are doomed to failure from the start. Put yourself in your customer's shoes and ask yourself, "What is most important and valuable to me when I look for products and services?" In other words, take on the role of the customer and ask, "What's In It For Me (WIIFM)?" Be sure you have a good feeling for what your customers are really looking for. Find out what they value in order of importance. Don't assume that you know what your customers want—ask them, and then listen. If they say they need a good accountant, ask them what that means.

What makes the difference between a good accountant and a mediocre one? If they say they want good backup service, be sure that you understand what they mean by that.

3. Now Decide How to Differentiate Yourself

Analyze the five factors that you considered above. Which category is by far the strongest—the one with the most compelling list of strengths and fewest weaknesses? Which category ranks second, third and so on? Now, using the research you conducted in Step 2, determine which of the five factors will interest your customers the most. There is no point in presenting yourself as the lowest price if your customer thinks that price is immaterial and that quality and service are most important; or there's no point in stressing your excellent backup service if the customer can't afford your price.

You will know you've been successful when you have identified some categories that represent areas in which you are truly strong, with attributes that your customer truly values and that your competition cannot easily copy. Always try to identify more than one category and rank the value of those categories accordingly. Remember, not everyone will be impressed by the same message.

4. Focus Your Marketing through the Lens of Your Differentiators

You know what sort of messages you need to communicate about your products or services to ensure that you grab the attention of your target market. You know what messages will most effectively differentiate your business from your competition. Now ensure that these are the only messages communicated by your public relations, your advertising, your sales collateral, your sales force, and your support force. Don't confuse your target customers by sending conflicting messages. Continually position yourself as the number one—the expert in your particular sphere of differentiation.

Be sure to repeat Step 2 on a reasonably regular basis, however. Customer values evolve, and so must your basis for differentiation. Differentiation is an ongoing process. Follow these suggestions and your prospects will know what you do, why what you do is better than what your competitors do, why they should buy from you first, and what's in it for them if they do. This is your competitive advantage. Dare to be different and you can really start to win in business.

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"Winners must learn to relish change with the same enthusiasm and energy with which we have resisted it in the past." – Tom Peters, American businessman

"Those who are blessed with the most talent don't necessarily outperform everyone else. It's the people with follow-through who excel." – Mary Kay Ash, cosmetics company founder

"Change is the law of life, and those who look only to the past or present are certain to miss the future." – Former president John F. Kennedy

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