THE SCIENCE OF DECONSTRUCTING SILOS

PROJECT TEAMS

ACCOUNTING

BUSINESS DEVELOPMENT

IT

250
230
210
190
170
150
130
110
90
70
50

MARKETING

FIRM MANAGEMENT

400
300
200

A Formula for AEC Success

ABOUT US

Cosential provides AEC firms with comprehensive Customer Relationship Management (CRM) and proposal automation that works the way you need it to work. Unlike any other solution, ours is built by AEC marketing professionals with a deep understanding of the industry's unique pain points and business processes. From key features to implementation and support, Cosential is tailored to AEC best practices in every way.
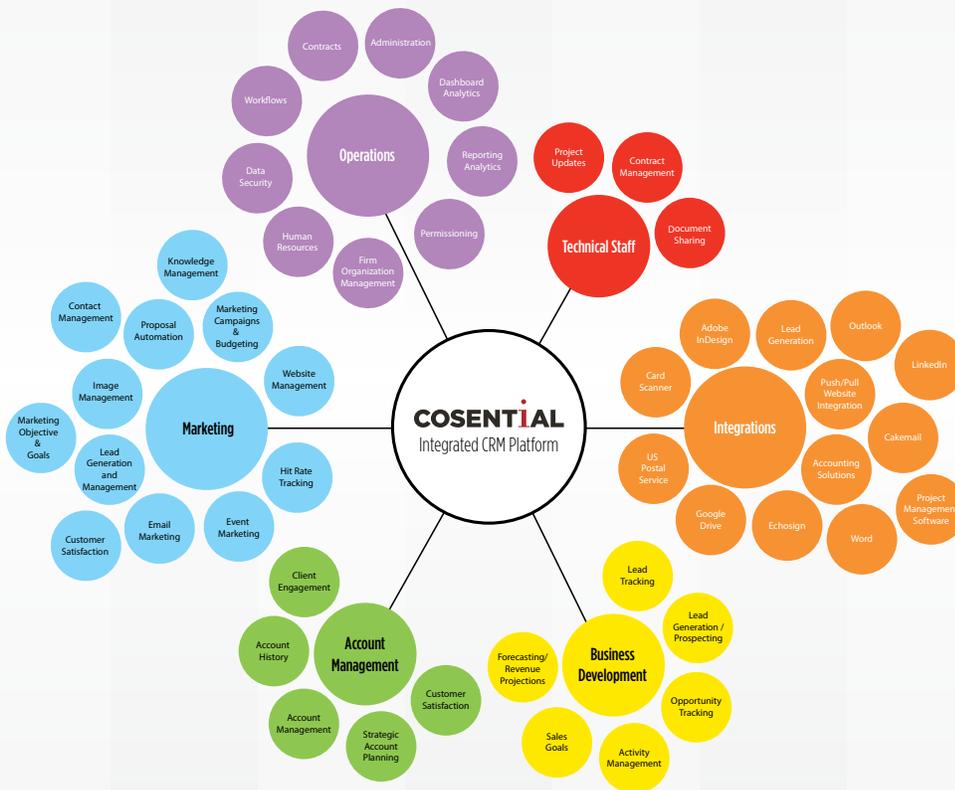

To learn more, visit us at www.cosential.com.

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❶ INTRODUCTION

All Architecture, Engineering, and Construction firms have silos. A silo is a division of information within a firm and the corresponding data and communications that are relevant to many, but only accessible to a select group. How can you remove them? Why should you? Eliminating silos can create new synergistic pathways for communication so you can focus on strategic goals.

Does your firm have an accounting system accessed by only one functional department? That's a silo. What about offices in different regions failing to communicate basic business intelligence? Those offices are operating within silos too. Every AEC firm has their own combination of silos. By analyzing them with a scientific eye, you can accelerate your firm's growth. This eBook will serve as an overview of how an organization can improve their processes to facilitate better communication, transparency, and messaging with the goal of winning more work.
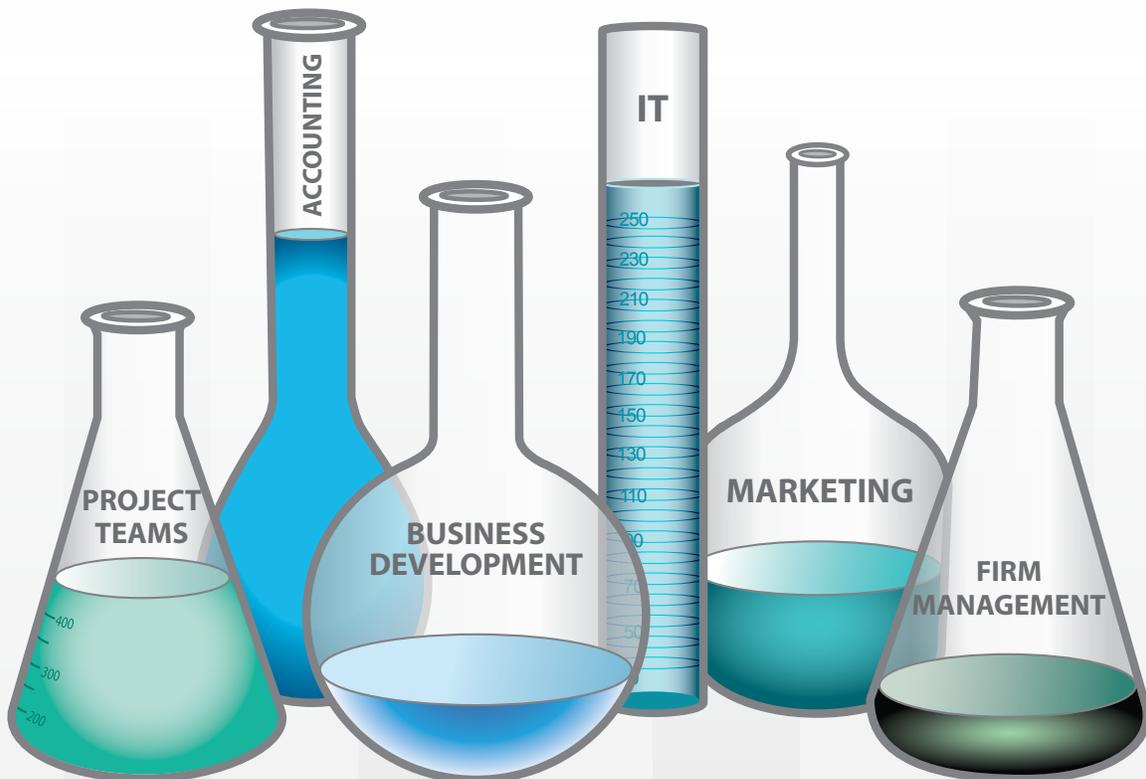
2 WHAT CAUSES SILOS?

Most silos develop naturally as firms grow. In smaller firms where everyone wears many hats, silos are less likely to form. As firms add employees, they begin to segment them into functional departments. This division often leads to segmented processes and distinct departmental goals that may not necessarily align with the firm's overall strategy.

Some silos may be a matter of perception. In most AEC firms, different departmental roles are filled by varying personality types. The attributes that make a marketer effective are different than those that bring an engineer or accountant success. Because people are more comfortable communicating with similar personality types, they often don't reach out to their colleagues in other departments to get the information they need. Some departments, like Marketing, require extensive amounts of data to do their jobs. Anne Kroger, Associate Vice President/Business Development Leader at Cannon Design, points out:

"Marketing and Business Development are famous for creating silos, both real and perceived. What we need to do is rise above that whole concept that I, because I'm in Marketing or Business Development, am different than the engineer doing the technical work. We do this by having enough respect for ourselves and what we contribute to realize that we are equal to everybody else in our company."

By removing these perceived differences, AEC firms can build stronger relationships and become more efficient. Another source of silos is when coworkers don't disseminate information because they don't realize other departments would benefit from their data. This lack of communication inadvertently causes double work and an unnecessary drain on resources. For example, Accounting may create a yearly liability report to renew their insurance, including a list of projects broken down by market sectors. It might be advantageous for Marketing to have access to this categorized list of projects, but because those two departments don't understand how their counterparts conduct their business, the information isn't shared.

③ WHY BREAK DOWN SILOS?

When the entire organization has access to all relevant data, superior analytics and optimization become possible. Even when silos function in the short-term, consider the long-term consequences. For example, the effects of poorly designed processes are often exacerbated when a firm scales rapidly. Silos lead to uninformed decision-making that can cost your firm projects and make it impossible to deliver consistent services.

Breaking down silos allows you to win opportunities you would have missed otherwise. One example we've seen is a lack of knowledge across divisions about the full span of services an individual firm can deliver. Division A wins a job that requires services it doesn't provide so they sub it out not realizing that their firm has a Division B that can provide those services. Therefore, greater firm-wide visibility can result in cross-selling opportunities and a more diverse project portfolio.

Increased hit rates are another common benefit of bridging silos. KCI Technologies, Inc. provides a great example. Because their business developers and marketers were communicating freely, they were able to track metrics that led to more efficient practices. Marketing Administration Manager, Deborah Boyd, explains,

"At the beginning of 2012, we decided to begin tracking hit rates on opportunities we knew about and gathered intel on (teaming, talking with the client) prior to the RFP being submitted. Our hit rate on those opportunities was double that of those we did not prepare for ahead of advertisement."

Armed with that information, Boyd was able to go to her senior management and demonstrate the ROI of involving their marketing department earlier in the sales process. She had long suspected that giving marketers a head start would improve their success rate, but now she could prove it. This recognition helped promote a shift in process that led KCI to improve their hit rate and win more work.

Christine Hollinden, CPSM, President of Hollinden Professional Services Marketing, cautions firms to consider the detrimental effects of silos beyond the obvious business development hurdles. Silos also negatively impact a firm's brand, which in turn can result in increased employee turnover and challenges in recruiting top talent. With the onslaught of baby boomers retiring and new jobs being added, the US Department of Labor has predicted a severe labor shortage of some 54 million jobs. Competition for top talent will be fierce. Strengthening a firm's internal communications improves morale, reduces turnover and, when everyone delivers a consistent message, recruiting new employees becomes much easier.

4 BUST THOSE SILOS

A. Win executive support

Before you begin breaking down silos, you must have the blessing of your firm's top-level management. You need their authority to put together the necessary resources to identify all of your firm's silos, conceptualize strategies, and tear them down. They must be convinced that improving communication is a necessary project that needs to be a priority. If you don't have a champion in upper management, we suggest you compile evidence that will educate them on the potential growth that could come from building bridges.

Examples of compelling events that lead our clients to tackle silos:

- Submitting two proposals for the same job
- Missing cross-selling opportunities because firms were unable to identify them
- Overlapping client communications; e.g., asking a client a question after they've already answered it
- Losing talented staff due to operational red tape

Without executive buy-in, it will be extremely difficult to change your business process and deconstruct your silos. If you're confronted with this situation, continue to compile a list of ineffective practices to make a more persuasive case at a later date. If the firm's founders set up silos intentionally, it will be nearly impossible to bring those down.

B. Assemble a task force

To get a broad view of your firm's silos, create a taskforce of stakeholders. Include one or two members of each siloed area - this can be a functional department, a regional office or any other siloed group. Find out what data and communications are required for better efficiency.

Ask each member of the taskforce:

- What information is most important for your day-to-day functions?
- What information are you currently capturing?
- How do you obtain the information?
- What are you using that data for?
- Does it need to be confidential or can it be shared? If so, with who?
- What reports are you currently generating?

Once your taskforce understands what information each stakeholder needs, they can discuss what systems are already in place to capture the data. If certain types of information are already being kept in multiple locations, then the taskforce should find one group or functional role who will own that data and be responsible for sharing it with everyone else. This decision should be based on a collaborative discussion
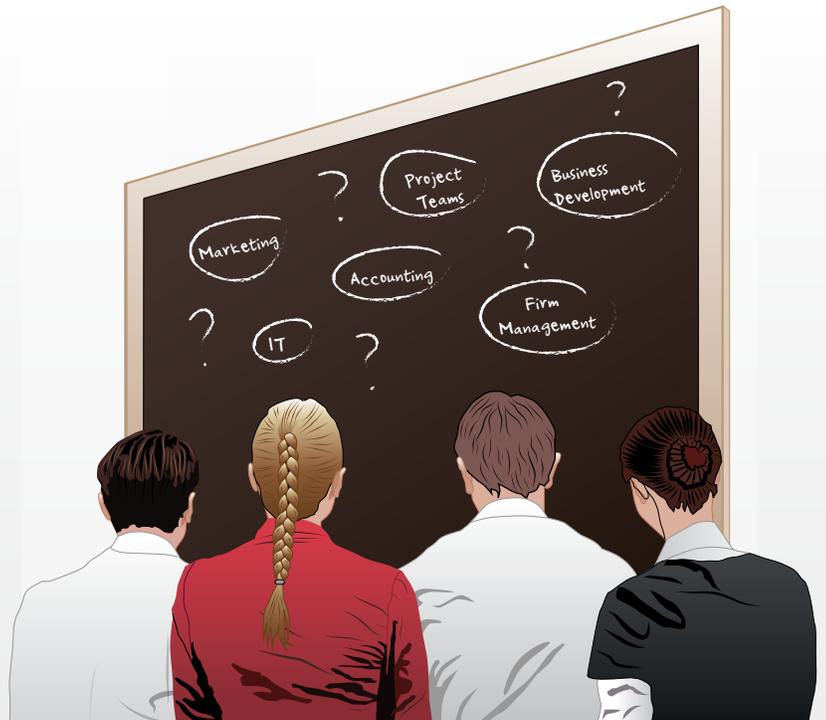
about who has the most current, accurate intelligence and who needs it the most. In many AEC firms, the marketing department takes the lead, because of the extensive amount of information necessary for submittals. Their success depends on keeping the channels of communication open with technical staff, Business Development and Accounting. In other instances, HR or Accounting becomes the obvious choice to take charge of particular data sets. Depending on the firm's culture and needs, data ownership will vary.

C. Map your business process

There are two techniques to mapping silos in your firm. The first method is to have your taskforce map out your firm's entire business process and information flow. The second strategy is to start with a specific silo to jumpstart the project. We recommend creating a flowchart that shows where information comes from and where it goes. Also include who maintains it, who needs it and how they use it. By mapping out all this information, bottlenecks will become apparent. This will highlight where to add new processes or workflows and reveal if more complicated solutions are required.
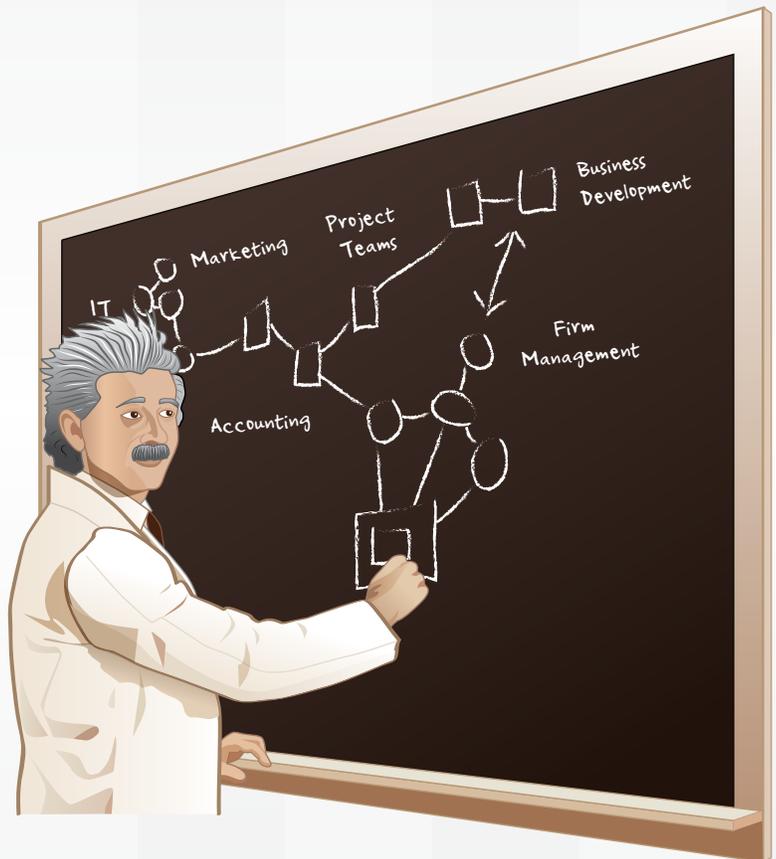
D. Evaluate your silos

Once you've uncovered the silos at your firm, identify the reasons those silos exist in the first place. Use your information flow diagram to determine which processes should be altered.

Questions to ask for each siloed data set:

- What was the reason for the creation of the silo?
- Does the silo still serve a purpose?
- Could the data be leveraged to gain business by someone who currently doesn't have access to it?
- Is there a solution that can remove the silo and still maintain the integrity and security of the data?

If any of the silos you've identified exist for a valid reason, like employee's personal information with HR, set those aside. Some firms don't want staff to have access to their profits, billing rates, sales reports, etc. While these are all fairly reasonable concerns, it's not uncommon for firms to be uncomfortable about sharing any of their financial information. The issue is that most marketers need financial information to do their jobs. Proposals often require dollar amounts like the construction cost, fees responsible, and sub-consultant fees. By creating silos, firms add barriers and slow down the process of accessing the necessary information. This then lessens the time their staff can spend on strategy for a stronger submittal. It's important to have open conversations in your firm, especially among your taskforce, to determine what information needs to be confidential, what needs to be shared, and to address any concerns that may arise about confidentiality.

E. Prioritize the elimination

Go after the easy wins first. Often, one department generates a report with information that could benefit another department, but there's little or no awareness around the value of cross-departmental sharing. In this scenario, a solution could be as simple as adding additional departments on the distribution list to ensure everyone is on the same page and has the most updated information.

Starting with manageable tasks and quick wins helps everyone get on board for the trickier silo busting projects. Company contacts are a common silo that can be removed to build momentum. By putting everyone's contacts into a firm-wide contact book, your firm can save countless hours on holiday cards alone. While beneficial by itself, this step also paves the way for implementing a more sophisticated database like a CRM. Ideally, you'll want a system with some kind of permissioning technology.

To prioritize the remaining silos, rank how disruptive they are and how difficult they may be to break down. Because top-level support is critical, it is important to take their priorities into account. Make the best tactical decisions about the order for removal based on these considerations.

F. Create a deconstruction plan

Before you actually start to break down silos, it's important to have a plan in place to handle the newly shared information. Identify the necessary process changes to replace the current silos and then determine the appropriate tools. For example, the process shift may be that Accounting shares certain financials with Marketing at a specific point in the sales cycle. The firm can then automate that shift with a workflow notification in their CRM. Consult your information flow diagram to associate each new process with a corresponding tool or tactic.

These changes don't need to be complicated. A simple process change could be to add marketers to the distribution of existing reports that include the information they need. While these types of changes can have a dramatic effect on process, the most effective resolution for consolidating complex data sets is a CRM system.

When building your deconstruction plan, it's essential that you understand and circumvent potential roadblocks. Without the right tools in place, bringing data together from multiple sources can be disastrous. If you consolidate information without a CRM that supports the intricacies of that data, you will likely encounter problems. Common complications include duplicate information, corrupted data, and security issues. This is a major problem for AEC firms because submittals require the most updated, accurate information. What you need is a system that will remove duplicate contacts, companies, and projects so that you aren't stuck with double entries. If someone accidentally corrupts your companies and contacts, a system with versioning control can easily roll it back. Permissioning controls are essential for an AEC firm to ensure that sensitive information is only accessible to the appropriate staff. Security is another key factor. Insist that your system follows the highest security standards.

Once you've established your deconstruction plan and identified the tools that best serve your goals, evaluate the resource commitment. With all this knowledge in hand, go back to senior management for approval. You're almost there!

G. Execute a communication strategy

Without buy-in from the end-users, your silo busting project will fail. You must communicate the significance of these process shifts to your whole firm. In addition, show them how it will benefit them as individuals – how it impacts their jobs. Track metrics that highlight progress along the way to help staff members appreciate the value of transparency. As in the case of KCI, it's clear that the sooner the opportunity details are shared with marketing, the better their chance of winning that project. Promote examples of the benefits of

shared information within your firm. Reward staff publicly for the wins attributed to the newly transparent processes and practices.

Make an effort to keep communication flowing throughout the firm on an ongoing basis to prevent new silos from forming:

- Reconvene the taskforce once or twice a year to discuss any new issues between departments and offices and new silos that may be created through growth
- Circulate a newsletter or publish articles on the company intranet about what each department or office is up to, including project wins and new initiatives
- Host fun events to celebrate projects and keep employees on the same page

Hillary Cadra, CPSM, Director of Marketing at SpawGlass, shares some strategies for keeping everyone in the loop:

"One of the methods we use to communicate project wins is mass emails. We have six offices across Texas, and our people are spread out between the offices and job sites. To help us stay on the same page, we'll send an email letting everyone know the project we won, the size, and any additional noteworthy details. We also have a quarterly acquisitions spotlight that shows opportunities we pursued for the quarter and what projects we won. We reinforce our success with fun events like root beer float and ice cream sundae celebrations. Getting everyone around the table gives our team members an enjoyable forum to discuss project wins and build camaraderie."

Ultimately, you want to create an environment where people are happy and unencumbered by inefficient processes. People who like each other like helping each other. The same is true for information exchange. When you build a

community where your staff wants their co-workers to succeed, they're motivated to freely share information. Friendly staff teams not only make the work environment more pleasant, but also increase efficiencies. Figure out what types of personal motivators encourage your staff. Everyone wants to feel considered and by addressing their needs and keeping them informed, you can promote a grassroots effort instead of having to enforce change from above.

5 Take away

Breaking down your firm's silos starts and ends with communication - first with your executive team, then among stakeholders in your taskforce, and finally across your entire organization. This communication can come in many forms and through a myriad of tools. Even though no two firms are the same, the universal truth is that opening the data channels can be a game-changer.

Elizabeth Lewis, National Marketing Systems Manager of GEI Consultants, Inc., shares the joy of connecting her financial and marketing data:
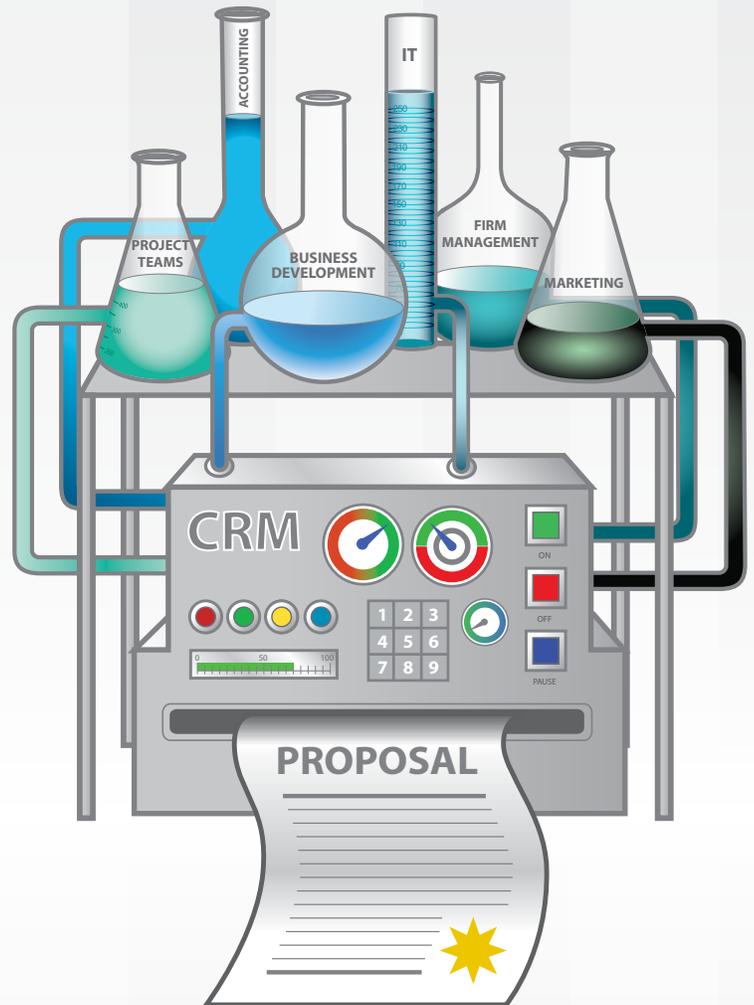
"The first week our financial data connector came online, the marketers in our company were doing a little dance all around the company, because we could see information that was previously hidden from us. We would typically have to dig and dig for financial information on projects. Within Cosential, we can see all the opportunities our company has. We can even see any company we're collaborating with, all the projects we're doing with them, and who's the involved staff team. It's really wonderful to see all that in one shot."

Now that GEI Consultants has connected their marketing and financial data, marketers can focus their time on crafting more strategic proposals.

It's important to understand that silo busting isn't an exact science. Remain sensitive to your firm's changing needs. Use the techniques and strategies in this eBook to optimize your processes and win more work.

Feel free to share this eBook with anyone who might find it useful. For more about breaking down silos and other topics in the AEC Industry, visit our blog. To learn more about Cosential, check out our website.