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Bridging the gap!

Siloed departments are stifling efficiency – Cross-functional collaboration will help.

A data-driven world

It's no secret that data reigns supreme in modern business. McKinsey has long reported a 2200% increase in new customer acquisitions for companies that are data driven, perhaps explaining why 63% of organisations are looking to expand their use of customer data in 2024.

It's all about using the details consumers have shared with you to craft personalised, value-added experiences that keep people coming back for more. Nevertheless, the process isn't always that simple. Whilst data could, in theory, be used to drive the decisions behind sustainable growth, there's often one major obstacle standing in the way: data silos.

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What are data silos?

Data silos refer to the separate collections of data stored throughout an organisation in standalone systems. This could be anything from private, paper-based spreadsheets all the way through to tried-and-tested departmental management platforms. Whatever the format, data is isolated from the rest of the company, unable to be accessed by other people, teams, or departments. The systems used by each individual department may furthermore prove incompatible with other data sets or systems.

The dangers of a siloed approach

Working only in departments can have significant negative impact on an organisation, not only in terms of limiting data use but also in terms of hitting goals, operating efficiently, and achieving customer satisfaction.

Unhappy customers

Departmental silos prevent organisations from making efficient use of their data, they limit the ability to provide a seamless, personalised experience. What's more, when data is trapped in different departments without the communication channels in place to let it travel, customers experience suffers, sometimes they can be passed around multiple times before reaching the right person or their required solution. This ultimately leads to significant frustration and potential customer churn, leaving your target audience feeling underserved and underappreciate – causing them to seek value elsewhere.

Siloed data can also lead to inconsistencies and discrepancies, as customer insights are incomplete at best, with blind spots potentially leading to incorrect assumptions. This can do more damage than good, with 47% of marketers admitting that data silos are their biggest challenge when it comes to making appropriate use of insights, according to Treasure Data's State of the Customer Journey report.

Misaligned priorities

Things are made even worse by the fact that departments operating independently create misaligned priorities, making it challenging to achieve overarching organisational goals. Messaging becomes patchy as each siloed unit follows its agenda, hampering collaboration. Indeed, Nielsen found that 70% of marketers will make major decisions alone, without consulting other departments. Similar oversights dominate all kinds of organisational operations.

Inefficiencies

Siloed ways of working prevent people from communicating with one another, information can easily get overlooked or lost. In fact, in a study commissioned by app-building platform Airtable, Forrester Consulting has calculated that large organisations use an average of 376 different software programs and apps to manage their workflows, meaning that critical data gets hidden with multiple sources of truth. This can lead to all kinds of major problems, including customers not being able to access the information they need and an increased risk of data security breaches, due to an organisation-wide lack of shared data governance and security practices.

Operations furthermore become inefficient, given that different teams will spend an inordinate amount of time chasing information. In fact, as many as 12 hours a week can be wasted just following things up with other departments, causing 68% of people to report reduced performance with their official work-based tasks as a result. Indeed, the more time people spend trying to access the information they need, the less time they have to spend on strategic or creative tasks, placing organisations yet another step behind the competition.

Vulnerabilities

To make matters worse, a recent survey of more than 1000 IT risk, compliance and security professionals has found significant correlation between data silos and data breaches. According to the survey, 51% of respondents struggled to identify where critical risks are located in order to determine how to protect organisational data in the first place, whilst 39% admitted they found it difficult to locate risk-related information when they need it.

The vicious cycle

The above challenges ultimately mean that organisations spend more time repairing issues through small-scale complaint management, engagement and marketing efforts than they do on addressing the root causes of problems. This causes both clients and staff to feel frustrated, reducing productivity while stunting organisational growth.

The obvious solution: collaborate or perish

There's a clear need to migrate to a more centralised system, where data can be easily shared, to overcome these challenges. Those in charge of data transformation could then leverage all the information available to the organisation to its advantage, guiding decisions in a customer-oriented way in almost real time. However, this, in itself, is not without its challenges.

Resistance to change

Many organisations continue to cling to outdated legacy systems, whether its because the executive board doesn't want to invest in centralised data management technologies when the systems they already have in place are 'just fine' or because the people, using said systems, don't want to invest more time and effort into learning new working processes when they already know how to get things done. Perhaps they prefer to use personal spreadsheets that they don't share with other people to manage their work, rendering any data they hold useless from an organisational perspective. They might even have an existing CRM (customer relationship management system), but don't know how to use it effectively or deem it too complex to navigate.

People don't want to add to an already busy workload, don't want to learn how to use new technologies and don't want their performance at work to be affected by any skill gaps that would come to the fore if systems were to change.

A worthwhile investment

Despite these limitations, transformation is still the key to success – with any costs invested in new technologies paying for themselves multiple times over when compared to the multiple systems and apps companies must purchase, subscribe to and maintain in their current non-centralised model.

Overcoming legacy constraints

Bridging the gap with change management

The key to overcoming any resistance standing in the way of change is to invest in change management strategies as well as in any CRMs or centralised technologies required for success.

According to Gartner, 73% of change-effected employees report experiencing moderate to high levels of stress as a result of the change. What's more, those suffering from change-related stress performed 5% more poorly than the average employee.

Most of this stress comes from factors such as fear of being displaced, not being sure how to operate new technologies, and feeling concerned that the shift will add to already busy workloads. This just goes to show that centralised data management requires more than just technology. It also demands a cultural shift.

When people are given the appropriate training and are kept in the loop as to why the change is happening, they are much more likely to embrace new processes and systems, preventing initiatives from falling flat.

Employee confidence in the system is equally as essential. People need to see that the systems being put in place are making their day-to-day tasks easier, rather than regarding them as an additional hindrance that needs to be dealt with. As such, if there are any inefficiencies within an existing system, it's important to iron them out, ensuring that the plans in place correspond to what team members actually need or are asking for.

Aligning priorities

Take the British Dietetic Association's collaboration with Equantiis, for example.

With over 11,000 members and 45 paid members of staff, the BDA wanted to increase both its visibility and its voice, in order to grow membership numbers and deliver higher quality services to the communities it serves. After implementing a new CRM in 2020, the BDA team still found itself struggling with user adoption. The organisation was spending money on fixing and operating a system that was not fit for purpose and the membership experience was suffering as a result.

Staff were losing confidence in the data system – especially after a lack of the appropriate skills and understanding led to over 1000 members being deleted from the BDA database by mistake. Equantiis therefore stepped in to work out where improvements needed to be made to make the system more appropriate to the organisation's processes and aims. A replacement CRM system was implemented, alongside a cloud version of their CMS and an upgraded member portal – all of which were fully integrated with one another and with the digital marketing platform for seamless workflows.

As a result of the changes, adoption of the BDA's new centralised approach increased significantly, with the fit-for-purpose solution allowing all core customer processes to be managed consistently. A 360° view of the customer journey and the high-quality data accessible throughout allowed for further added value and innovation, with staff gaining increased internal capacity to support continuous improvement. Not only did the customer and employee experience improve, but compliance was assured, too, making it much easier to achieve organisational aims at low risk.

Transforming together

If the benefits of a well-planned system can be communicated to executive boards in advance, it becomes clear that a centralised solution is a worthwhile investment, particularly if training, digital strategy and implementation are included in the transformation plan. This will show that the investment to be made can be implemented seamlessly, without additional workloads or disruptions, simply serving to improve data access and strategy.

Some of the tangible benefits to communicate with key decision makers include:

Numbers on the rise

Organisations that implement centralised ways of working will witness a significant uptick in both customer numbers and engagement, all thanks to the faster and more complete responses that departments are able to deliver. Rather than waiting for the appropriate team to get back to them with the relevant information, the person contacted can find this data themselves in little time, passing the client onto the relevant team member without delay.

In turn, this leads to improved customer satisfaction, contributing to sustained growth and preventing core people from fleeing to the competition.

Personalised experiences

Centralised access to organisational data furthermore facilitates a comprehensive overview of what customers need and want, allowing organisations to offer personalised experiences. This personalisation is the added value that distinguishes you from the competition. When every touchpoint in the customer journey becomes visible, it allows data-driven innovations and tailored services to come to the fore.

A happier, more productive team

Another advantage of easy access to data and information across the organisation is that staff will spend less time on manual processes like inputting or chasing information. What's more, organisations can reduce the risk of different departments duplicating tasks, unaware that another team has already carried something out. This leads to a more efficient organisation and a less stressful working environment, where staff members can shift their focus from handling complaints and feeling unsure to working on creative strategy and innovation. It's all about creating a culture of continuous improvement.

A new era of data transformation

Once a successful transformation has taken place, the possibilities for continued improvement are endless. For instance, companies might also consider adopting AI or other automated technologies to allow them to make use of big data. Put simply, this means they will be able to handle large, complex data sets rather than limiting themselves to simple data, allowing them to take insights and improvements one step further. PwC has reported that this move alone can increase profitability by 6% and productivity by 5%, with future figures likely to rise as technologies and related skills develop.

Breaking free from data silos once and for all

The journey from the challenge of data silos to winning centralised data management is not only possible, but highly rewarding. Once frustrated and concerned, those in charge of data transformation can feel confident in their ability to successfully guide their organisations through a cultural shift, particularly when their efforts are aligned with professional support from a leading Consulting and Delivery Services company, like Equantiis.

In a competitive climate where data is key to survival and growth, the adoption of these solutions is not only an investment but a strategic imperative. By addressing the root causes of problems – being data silos – organisations can position themselves for success, ensuring a future where data is a valuable asset rather than a hindrance.

Do you think data silos are killing your organisation? Contact a member of the Equantiis team to book an initial consultation today.

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