

**Editor's note:** The existence of functional silos is the most serious challenge in planning and executing integrated marketing campaigns to drive growth, according to ANA research conducted earlier this year. Fifty-nine percent of respondents listed it as a major challenge. With that in mind, we're pleased to present this excerpt of a new book aimed at CMOs looking to solve the silo problem.



# From Silos to Synergy

Author and branding guru **David A. Aaker** on the new CMO imperative to drive growth

**HOW CAN SILO** barriers to the creation of great marketing and marketing organizations be reduced or eliminated? How can silo power be converted from an inhibitor to an enabler of effective and efficient marketing? A host of tools and options are available and used. How they are applied will very much depend on the context.

However, whatever the situation, the end goal driving change should be twofold:

- To advance the likelihood of great marketing, marketing that will impact the business and generate a high return on investment, marketing that is effective and efficient
- To develop stronger offerings and brands

In addition to these end objectives, the CMO and the central team should address the silo barriers to change and focus on six goals corresponding to the six silo structure-driven problems and missed opportunities (see diagram). Advancing the cause on any one of them can affect the impact of marketing in the marketplace. The CMO should create change in the organization such that it encourages more and better:

**Allocation of marketing resources.** Improve the allocation of marketing resources across products, countries, functions, brands, and marketing programs. Avoid the liability of putting money into low-potential or poorly performing silos or programs. Recognize that it is increasingly important to use accountability and measurement to drive the search for effective and efficient marketing.

**Clarity and linkage in silo-spanning brand strategy.** Develop processes and organizational units that will ensure that silo units have clear and effective brand strategies that are linked to other silo units and to the brand strategy of the organization. Brand strategies drive programs. They need to be good and they need to be connected.

**Silo-spanning marketing offerings and programs.** Create an organization in which silo-spanning offerings and programs that respond to market trends can flourish. And find ways to identify and pursue opportunities for scale (exploiting size) and scope (exploiting product, country, and functional scope of operations)

economies that are real and worthwhile. Scale and scope economies are the sure routes to high return.

**Marketing management competence.** Find ways to improve the talent and process that will make the marketing management more professional and effective. Make sure that there is coverage and critical mass in key functional areas, product units, and geographies.

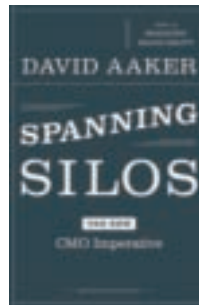
**Leveraging success.** The organization needs to foster idea sources that will generate great marketing strategies and programs and be nimble enough to identify and leverage them over silos quickly and effectively.

**Communication and cooperation.** Create devices processes, events, organizational structures, and an information system that will enable communication and cooperation and foster a culture that allows them to flourish.

This set of objectives differs sharply from the conventional wisdom. Too often the charge or goal of the CMO is focused on what or how to change rather than the objective of fostering better brands and marketing by addressing the silo-driven problems. The objective often is to maximize centralization, bringing much of marketing under the control of the CMO, and to standardize — one offering, one position, one theme, one look, and one package. Or the objective is simply to sharply reduce the power, vitality, and competence of the silo unit or even to simply reduce the number of silos. One brief for a new CMO of a major firm was to reduce the number of agencies from twenty-six to one, as if that would immediately eliminate silo barriers to synergistic marketing. Such simplistic goals often result in dysfunctional decisions rather than improved performance.

Directionally, reducing silo authority, making the organization more centralized, and making the offering and marketing more standardized are often warranted and useful. In fact, there is a strong trend in that direction for good reason. However, these changes should not be goals in themselves but, rather, one of the routes to the set of six goals. Progress among these goals will lead to stronger offerings and brands and effective synergistic marketing strategies and programs. The result can be an organization that retains much of the decentralized structure that has served it well but with silo units that work as team members. The era of isolated islands unto themselves should end. ■

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## SIX DEADLY SINS OF A SILO STRUCTURE

Without question, changing the silo's power and function is almost always going to be arduous, expensive, and very disruptive to the organization. It takes not only financial and talent resources but investments in culture and culture change, a most precious commodity. People in silos and in the executive suite have to buy in. The cost is so high and the task of getting cooperation from a diverse cast of characters so difficult, that the corresponding motivation needs to be visible and huge. The why question is thus at the heart of the matter, as described in the below diagram. What is the problem for which this is a solution? How does the CMO convince the C-suite and the silo teams that change is needed? What is the burning platform?

The why question leads to the identification of at least a half-dozen specific problems or missed opportunities that are created or worsened by the silo structure. Individually and collectively they provide a rationale for harnessing the silo energy so that both business and marketing strategies can emerge and succeed. It is important to understand these problems not only to motivate change but to provide a target for change.

### Why a CMO?

