



# Distribution Center MANAGEMENT

March 2010

Managing people, materials and costs in the warehouse or DC

## From the Golden Zone

### Breaking down those silos: To improve performance, increase communication – and check your ego at the door

By Susan Rider

For many years people thought communication silos existed only in very large corporations, but today these communication killers are rampant in companies with as few as three employees.

Silos breed a lack of collaboration and an epidemic of individualism. This seemingly unimportant word — “communication” — can derail your project, your budget, your goals, and your company.

Communication is vital to increase productivity and efficiency, and to keep those A players who are so rare.

Let's look at a few examples. ABC Company's operations manager is getting a new packaging machine that will increase capacity and throughput. Worrying only about throughput and his department's profit/loss statement, he moves forward with the approved project and plans a fourth-quarter installation.

The problem arose when he neglected to ask the engineering team until D-Day what was on their schedule. The engineering team had one person on sick leave, and the other two were scheduled for their yearly maintenance overview projects with no extra time.

The project was delayed. The machine eventually went in but upset the engineering team, caused the operations manager a few gray hairs, and hurt his credibility with associates. Once installed, the machine, as promised, increased

throughput. But the transportation team wasn't consulted, so they were unable to quickly accommodate this increased input, which caused a bottleneck.

Again, dissension in the ranks and bad blood on the management team!

Many times egos get in the way. Yes, I said it! EGO, check it at the door.

The manager of this department feels he doesn't need to communicate with others because they do their jobs well. Where do they teach this?

Recently, there was a project where IT was purchasing some new production software for a company. During the site visit, the IT manager asked that we not speak to the plant floor supervisor or discuss the project at all.

Curiously, we found out that the plant floor manager did not know about the project and had not been consulted. Looks like an accident ready to happen, right?

The fact remains that everyone in the company affects the bottom line. The IT person had not gone the next step to realize his bonus is paid on the profits of the company.

If he buys the wrong tools and they don't work efficiently, the bottom line and ultimately his bonus are affected. Because of his ego, he felt

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This article was reprinted from the March 2010 issue of *Distribution Center Management*.

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he knew what was best for the plant floor and what tools they needed.

Don't let your ego get in the way of collaborating with all departments and maximizing the efficiency of your company.

Also, don't forget the new people or the young intern. It is all too common for individuals to work in the same area for a length of time and develop tunnel vision.

People coming in fresh on the spot may not know all the processes, rules, or history, but that can prove an advantage by giving them a fresh and out-of-the-box perspective.

It's communication of this sort that you will find enlightening. Think of yourself as a "sifter" who sorts out good and bad information but always remains open to new ideas and concepts — and to sharing those ideas and concepts.

If a salesperson comes in with a new transportation module that will save the company major dollars, don't simply say, "Sorry, I just do warehousing. Good-bye."

Communicate with your transportation manager about the idea and broker the introduction. It may not help your individual responsibility, but it will add dollars to the bottom line, which eventually benefits all.

Even if your company doesn't have a profit/loss bonus plan, your company is more profitable, and therefore continues to prosper in this challenging economy.

All too often we hear of the IT departments driving a software selection. Many times the IT manager really doesn't care about functionality but more about platform and technology.

These selections are the disastrous implementations you hear about. Just recently I visited a distribution center where the manager commented that they had a good system but IT made them install another one two years ago.

As a result, they were forced to triple their workforce because the new system takes more steps to do every function. What's more, the associates complain, "Every time we install something new it seems we take a step backward to the dark ages instead of helping productivity."

Morale was seriously damaged by silos and a lack of communication.

Communication is a good measuring stick of the success of a company. Companies that communicate with their employees, executives who collaborate, and managers who communicate and support each other regularly are usually the most successful.

Communication in life is imperative, whether it's with your family, with your children, or on the job. If you're not talking to members of your family, you'd realize that something was amiss.

Yet on the job, a lack of communication is taken for granted. Manufacturing rarely talks to distribution. Warehousing rarely talks to transportation. Marketing rarely talks to sales. Engineering rarely talks to executives.

So, who's not talking in your company, and how can you improve your bottom line simply by getting everyone talking?

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*Distribution Center Management™* is published monthly by Alexander Communications Group, Inc., which provides news, data and information on key distribution and warehousing topics through newsletters, books and website.



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