

The Benefits and Pitfalls of “Silo Marketing”

If you never mingle your storehouses of expertise, the business may starve though the silos are full.

You are elated that your new product is ready to be introduced to the market, and you anticipate the boost to profits which this product will produce.

However, the launch doesn't go as smoothly as you expected, and now you are concerned about—no, you dread—the bottom line impact.

What went wrong? Your advertising was there. Your salespeople knew about the product. Your research was done beforehand. The press releases went out on time. The new product brochure had no typos for a change and was delivered on time. Although all of the individual elements of the new product launch were in place, the desired impact in sales never occurred.

Does this sound familiar? Every year numerous companies experience the downside of “silo marketing.” The approach has many benefits for a company, but the pitfalls need to be addressed before your marketing efforts are launched.

What Is Silo Marketing?

As you drive through the countryside, there in front of you is a tranquil scene of rolling hills, grazing cattle, farmhouses dotting the valleys and silos.

Silos filled with valuable golden grain, storehouses of wealth and hope for a promising future. Each repository contains one of the farmer's harvests—corn, wheat, soybeans, whatever—and they're never mixed, since each unit has its own purpose and value.

So it is with the business you run. For large companies and small companies alike, the various marketing disciplines are silos of expertise. These silos supply arsenals of value to the business as their marketing contents are delivered, at the right time, to generate the most profits from the marketplace for the products the business produces.

Advertising, trade shows, research, direct sales, public relations, sales promotion programs, each is a separate area of expertise that is used in every business development program, albeit in larger amounts as a company gets bigger and bigger. This is the strength of the silos approach—areas of proven expertise that can generate business when called upon. But don't follow the analogy too far.

Leverage the Strength of Your Silos

Independently standing storehouses of information are never as strong as a cluster of units together. As the silos in the farmers' field are at risk of being blown over by strong gales, so it is with the force of competitive winds as they batter against your sales numbers and try to wreak havoc with your marketing programs. To maximize the vigor of your programs, therefore, bring your expertise silos together—join them and leverage the strength of each valuable repository.

- Make sure that your research findings are shared not just with senior managers, but also with the sales force and the advertising group.
- The product development team needs to get their ideas out into the plant to be sure the product can be realistically produced within the right cost range to make a profit.
- The advertising for a new product cannot be sheltered from the entire team. Let the sales force see what is being developed and how it will be communicated to their prospects. Tell them what new tools

they will have to support the new product.

- And let the shipping and billing departments know what volume is planned so they can anticipate the best way to ensure smooth processing of new product invoices.

By bringing these silos of expertise together, you form a much stronger unit, one that can anticipate potential shortcomings and maximize the potential success of the new product launch.

Joining resources and sharing information with your sales force far in advance about the next product introduction will reward you with the benefit of your sales staff's frontline insights. Similarly, by ensuring ongoing communications between research people and advertising group members, your sales program will become much stronger.

Review your storehouses of knowledge and make sure your business silos are strong. Move to the next performance plateau and bring the storehouses together. Link them so that your competition information flows into new products that feed your sales team and are synchronized with your public relations and sales promotion. You will see your success "harvest" grow accordingly.

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