

Putting Together a World-Class TEAM

HERE'S HOW GLOBAL
TEAMS BECOME WORLD-
CLASS—BY HAVING
SMART GOALS.

Global teams, a powerful tool for unleashing an organization's creative and problem-solving capabilities, are one of the most complex forms of team-based organizational structures. When a team is cross-functional and cross-cultural, people must learn to work not only across units in their own companies, but also across international borders.

Team members may work from various countries and have to deal with different languages, time zones, and work methods. They may serve full time, reporting directly to a team leader, but more often they serve part-time while continuing to report to their unit bosses. Operating from those built-in challenges, global teams are responsible for projects that have significant, strategic impact on bottom-line results.

Such teams have been referred to as virtual teams, geographically dispersed teams, and remote teams. We use the term *world-class team* because it implies a commitment to high performance. In the quest for high performance, world-class teams should have some of the same elements as a professional sports team: clearly defined roles for team members, an explicit purpose uniting the team, an agreed-upon game plan, and a coach. Another key element is accountability for results. Yet, unlike sports teams, whose performance is measured every game, most business teams aren't subjected regularly to an observable and quantifiable means of evaluation. If they were, we'd likely see a lot more

By Lynda McDermott, Bill Waite, and Nolan Brawley

training, practice, coaching, and attention to performance.

A commitment to high performance is the foundation for a training and consulting initiative we developed over the past several years and call the Team Development System for World-Class Teams. It addresses the unique challenges of professionals and managers who work in global cross-functional or cross-cultural teams. A key aspect of the system is to establish the means to measure performance. That requires transcending team development for its own sake and trying to achieve the high performance and breakthrough results necessary for businesses to be competitive.

SMART Goals

In forming a world-class team, the measurement process should start early when the team sets specific goals that relate mostly to the outcomes or products the team will produce. The goals must be aligned with the team's charter (its reason for existence) and with organization-wide goals. The goals serve as benchmarks for which the team will be held accountable by its sponsor and each key stakeholder group—those parties that have a vested interest in the team's success.

All team members and key stakeholders should be part of the goal-setting process, if they are to be committed to team outcomes. Prior to setting goals, the team leader, with appropriate participation from team members, should meet with the sponsor and key stakeholders to develop a clear understanding of their needs and expectations. Around those, the team can shape its vision or strategic plan—the broad and inspirational description of the value-added contributions that the team intends to provide over its life span.

Once the vision or strategic plan is established, the team can use what we call a Team Goal Development and Alignment process to bring focus, discipline, and structure to its goal-setting procedures and to provide a mechanism for monitoring team performance. This process recognizes that teams exist in an organizational context and, accordingly, their performance goals should align with those of other organizational units.

Generally, these levels of performance goals should be aligned:

□ organizational—strategic measures for which the company is held accountable,

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such as ROI, profits, and market share

□ team—quantitative and qualitative goals that measure the work produced by either business-unit teams or global teams that support corporate strategy

□ individual—goals that measure the results of each team member and the team as a whole.

The aim of the Team Goal Development and Alignment process is to provide a common purpose and direction for the team. The active involvement of all team members encourages a sense of ownership and accountability, and thus motivates the team's full commitment. Not all team decisions require consensus, but a world-class team's decisions about its goals must be consensual. The team also needs to involve its sponsor and key stakeholders, if only to ensure their buy-in and support as the team works to achieve goals.

Here are the major steps in the Team Goal Development and Alignment process.

Step 1: Establish the team's driving goal. This means identifying the primary result towards which team resources should focus for the year. For example, a European product team we worked with set the driving goal "to ensure that the product and targeted countries were ready, from all aspects, for a successful launch."

It's important in the goal-setting process to stay focused on accomplishments and results, not the activities used to achieve them. It's essential to link the results directly to organizational goals. For example, if market share is a driving organizational goal and a team sees market share for a particular product slipping in Asia, its driving goal might be "improve product market share in Asia."

Step 2: Identify critical success factors. You need to pinpoint the major issues or areas that require the team's focus in the year ahead. The European product marketing team mentioned in step 1 selected as its critical factors product registration, commercialization, clin-

ical development, evergreening (extending the life cycle of the product), and team development.

For a reengineering team project, the critical success factors might be cycle time, costs, and customer service. Others might be revenue enhancement, market share gain, and employee satisfaction. For all world-class teams, we would include team performance as a critical success factor.

Step 3: Set no more than 10 priority goals. The rationale for no more than 10 main goals for the year reflects a common complaint among team members, particularly in new teams, that their initial work program is overly ambitious. We strongly suggest limiting goals to a top 10 to help avoid substandard team performance or burnout, and to leave room for strategic opportunities that emerge. If a team has part-time members, 10 goals may be too many.

When determining priorities, a team should specify a particular goal in an area it has identified as a critical success factor. For example, if cost is a critical success factor, the team could set "reduce production costs by 10 percent" as a specific goal. For the critical success factor employee satisfaction, the goal could be "improve 1999 employee survey results by 15 percent in all categories."

Step 4: Create a team accountability matrix. The matrix should show that each team member, including the team leader, takes the role of "goal leader" for a particular goal. The matrix identifies each goal, the team member assigned as goal leader, and the team members who will provide support. The result is a picture of accountability, showing how team responsibilities are allocated among team members. By scanning across the matrix, you can see whether the responsibilities are balanced equitably.

The goal leader ensures that his or her assigned goal has a specific set of objectives, a work program, and sufficient team resources for achieving the objectives. The goal leader also ensures that the goals, when translated into workable objectives, must be SMART—specific, measurable, action-oriented, realistic, and time-bound. They also must be possible to accomplish, must fulfill the team's charter and vision or strategic plan, must meet sponsor and stakeholder expectations, and must leap over obstacles and describe a positive future that is different.

One product team identified “meet or exceed sales expectations” as a team goal. That fit four of the criteria above, but didn’t pass the SMART test. After reviewing several factors affecting the achievement of the goal, the team included an actual sales dollar figure and a deadline: “Meet or exceed \$1.5 million in sales for this product by year’s end.” Now, the goal was SMART.

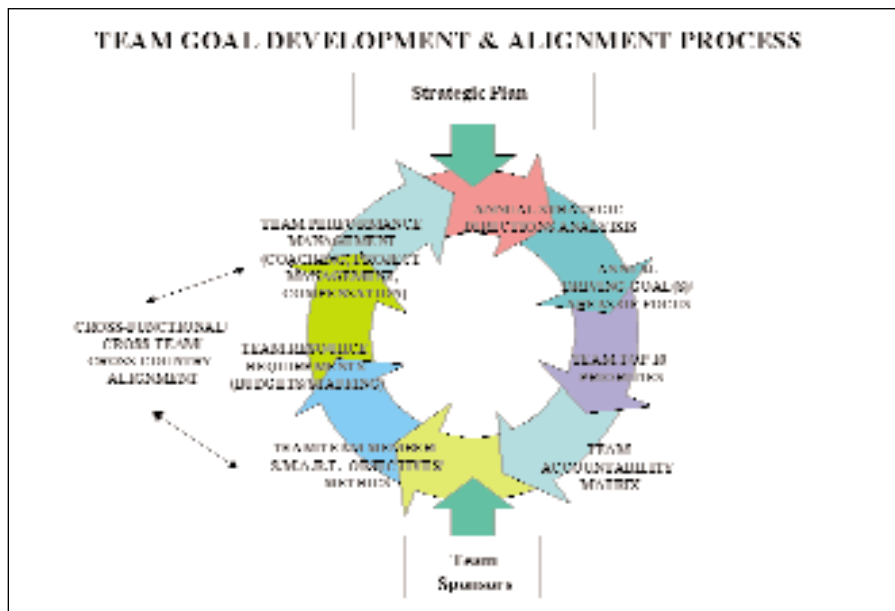
But what about a goal such as “ensure strong product image”? That’s hard to make SMART because it’s not totally objective. The team could focus on certain marketing or promotional efforts, such as publishing articles about the product. But, however tempting it might be to resort to the measurement approach “I’ll know it when I see it,” even the most subjective goals need a measurable standard.

Tangible goals are the first glue test for a global team. Without alignment of purpose and perceived need to work together to achieve goals, collaboration won’t happen, and the team won’t become world-class. In fact, a primary element that differentiates a world-class team from a work group is that the former is committed to and accountable for achieving a common set of goals. Generating that is the underlying purpose and chief benefit of the Team Goal Development and Alignment process.

For example, we worked with product teams that used the process to focus their goals around the need to reduce product registration time. They went from a global team to a regional team to a country team. In effect, they achieved a cascading alignment process that got total buy-in at each level, which ultimately resulted in registering the product two to three years earlier than usual.

The goal alignment process can also be a particularly effective communications and performance management tool with world-class teams, whose members are often connected to different business units. In such situations, it can alleviate the tension and “caught in the middle” syndrome that team members frequently experience when trying to please multiple bosses who keep shifting priorities and demands on their time.

For example, a product manager who works for two different product teams while reporting directly to the project management department: If all three teams to which she reports participate in the Team Goal Development and Alignment



ment process, she ends up with a clear work plan for the year and a realistic allocation of her time commitment to each boss. Any changes that become necessary can be negotiated against her established work plan and time allocation. In addition, those represent objectives by which her manager can evaluate her performance.

Though we have emphasized the benefits of this management tool with cross-functional/cross-cultural teams, it also can be useful for aligning executive teams, staff support departments, and human resources. Ruth Diem, director and vice president of HR for Hearst Magazines, points out some added advantages of the process: “We expected the team process to help bring focus to our team’s work and get every team member on board and accountable for results that would add to the bottom line. What we didn’t expect was the real team building aspect.”

Measuring success

In the excitement of team formation, getting the members to spend time and energy on developing their goals and work program isn’t usually a problem. World-class team members are achievement-oriented, and the goal alignment process provides them with their agenda. The challenge is to also develop (and enforce) a process by which the team will review and evaluate its progress and results beyond goal achievement. For that, the team must establish and use other measures of success. We suggest measures that indicate whether a team has

truly added value to the organization, as perceived by key stakeholders.

For example, with an organization that had formed cross-functional/cross-cultural teams to launch several new products over an 18-month period, we asked the three sponsor groups to define how they would measure the success of these teams after one year. Here are some of their responses:

- “products launched ahead of schedule”
- “reduced cost of launches”
- “creative, nontraditional ways to reach target markets”
- “realized or exceeded sales and product and launch objectives”
- “improved market share”
- “enhance company image”
- “more international awareness among managers.”

In measuring the success of a team, these questions are critical:

- Are the team’s work products (goals) meeting key stakeholders’ needs and expectations? (team performance)
- Is the team becoming more competent at doing its work—making decisions, creating outputs, effecting change? (team process)
- Are individual team members learning and benefiting from their personal and professional growth by serving on the team? (team members)

To determine the specific measures of

success for a particular team beyond its stated goals, we recommend bringing the team together with a sponsor and other key stakeholders early in the team's formation. At this meeting, brainstorm ideas for appropriate measures. To paraphrase, you can't please all of the people all of the time, only some of the people some of the time. That's adequate when selecting measures of success, though it is important to elicit everyone's perspective. You also need to develop some criteria as another set of benchmarks. The final selection of key measures should

reflect the combined or collective interests of all stakeholders (including the team and its members), along with any significant criteria that address the unique interests of each stakeholder group.

In our work with world-class teams, we categorize and convert the criteria into a customized assessment questionnaire and rank each item. This Measures of Success Survey assigns priority to the different criteria, which are then used as a basis for evaluating team performance at various progress points. (See the box.)

Keep in mind that the work of white-collar knowledge workers, who typically make up world-class teams, is often difficult to measure. Measures of success should enable you to gauge the impact of an extensive team-based structure. For example, as with Kirkpatrick's four-level evaluation model, you want to measure the following:

- reaction (the perceived level of satisfaction and acceptance regarding the team)
- learning (increased knowledge or skill development)
- behavioral changes (organizational or individual, brought about by the team's existence)
- results (produced by the team, in which any change is linked to some form of objective organizational results).

Kirkpatrick's premise is that a measure should be as close as possible to bottom-line results, but he also recommends not limiting measures to purely financial results. As the number crunchers in your organization can tell you, ROI and other economic measures don't necessarily cap-

Measures of Success: Sample Survey Items

Category: Team Processes

- Provide timely responses to internal and external information requests.
- Actively use technology to link major markets.

Category: Commercialization

- Obtain market research and industry information to gain insight into the competition.
- Develop strategies that shorten peak commercial potential.

Category: Worldwide Strategy

- Effectively translate country and customer needs into business strategies and objectives.
- Understand and communicate the impact of diverse cultures, competition, economics, market strategies, and practices.

ture all of a company's strategic objectives and are mostly lagging indicators, which aren't a good diagnostic tool. So, those hard-nosed business indicators such as ROI (as opposed to mushy, humanistic measures of success) don't necessarily suffice as definitive measures of results.

Why measures matter

The ultimate reason for any team assessment is to improve performance. Yet, even when a team willingly devotes itself to identifying its measures of success, it may encounter resistance when it's time to do the actual measuring. Team members, sponsors, and stakeholders may try to postpone, dodge, or impede the evaluation—mainly due to the all-too-human concern about culpability. If it's found that the team didn't succeed, people may wonder: "What happens to me (or my department, my business unit, and so forth)?"

The best way to overcome any resistance is first to view the issue as a matter of organizational learning and performance management. Focus squarely on learning, involve all relevant parties, and manage the process.

We recommend that a team convene, at least at mid-year, for what we call a Team Learning Stop. That includes assessing goals, celebrating significant accomplishments, and taking a hard look at any critical performance gaps. Effective handling of this type of review requires that you minimize people's defensiveness and maximize team dialogue around problem solving and learning. You may find that the original goals were unrealistic, given

the resources, or that external forces made the goals less desirable. Or you may find that some element of a team member's performance or the team process is causing a performance gap, which the team can address and resolve.

The input of sponsors and stakeholders into the evaluation is also important. When the focus is learning, the process must be an exchange, not a one-way pronouncement from people in positions of authority outside the team. If the sponsors and stakeholders have the opportunity to provide feedback

about how well the team is meeting their expectations, the team should be allowed to respond to that feedback. Equally, sponsors and stakeholders need to take responsibility for their role in the team's success. In our work with world-class teams, we've developed a stakeholder scorecard that lets team members assess sponsor-stakeholder performance.

An excellent example of a formal learning exchange can be found in a group of world-class teams at Pfizer Pharmaceuticals. In December 1996, we worked with Pfizer management to launch a series of Global Development Teams, including the team that introduced the drug Viagra. The teams were made up of cross-functional and cross-cultural members from Europe, Asia, Latin America, Canada, and the United States. In June 1998, representative team members and key stakeholders convened for a one-day conference. Though the primary purpose was to share best practices, another core objective was to gauge how well the teams had been performing with respect to stakeholders' expectations and to elicit action proposals (based on specific performance feedback) to keep the teams moving forward.

Some stakeholders cited a need to improve cross-communication and the coordination of efforts and resources as a key expectation. In turn, action proposals ranged from technology-based solutions (such as developing a shared computer database) to specific ways to increase personal interaction for education and information transfer (such as setting meeting guidelines).

From informal conversations with par-

ticipants and a review of the conference evaluations, it's evident that there's a tangible business-building value to convening cross-team forums to interact and learn from fellow team members and stakeholders. Says Joe Bonito, director of Pfizer's organizational effectiveness consulting services, "This type of conference also offers the opportunity to identify which best practices should be evaluated and institutionalized within organizations."

Enhancing organizational learning and honing the competitive edge are among the primary reasons that so many companies are turning to team-based structures to meet their business and performance challenges. Still, as those on the team bandwagon already know, teamwork is hard and teams are complex and expensive to maintain. That's especially true with global teams, which often require a significant investment of organizational resources.

Any organization that invests in world-class teams must be able to answer this

question: Are they worth it? Likewise, any team that wants to be world-class agrees, by definition, to be judged against the highest standards of performance. Although the specific criteria and means of evaluation can vary from team to team, in all cases we believe that measuring success is essential for high performance and value-added results. □

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