

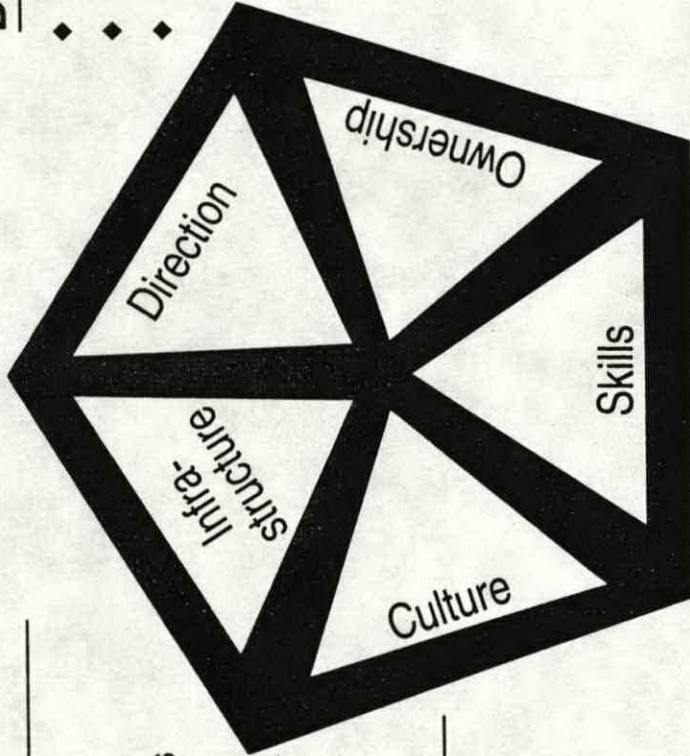
# The RealTeams Framework guides both analysis and design during a RealTeams engagement

## Infrastructure

- ◆ Group Structure and Composition
- ◆ Management Systems

## Culture

- ◆ Organization Norms
- ◆ Group Climate
- ◆ Group Communication
- ◆ Customer and Supplier Orientation



## Direction

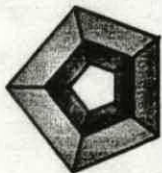
- ◆ Mission
- ◆ Goals
- ◆ Performance Measures

## Ownership

- ◆ Decision Making
- ◆ Process Ownership
- ◆ Budget Ownership
- ◆ Resource Ownership
- ◆ HR Ownership

## Skills

- ◆ Technical and Business Skills
- ◆ Management Skills
- ◆ Team Skills



## The RealTeams approach will drive important choices around outputs

### More Specifically- the Deliverables and Outputs of each Dimension

**A clear Statement of Direction**  
for the organization and the team

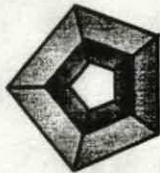
**Performance Management System**  
provides an equitable framework for  
team members to measure performance

**Decision Making System**  
eliminates questions of decision  
making authority

**Cross Training, Skills Transfer  
and Development**

### *Options to Consider*

- ◆ The team direction can be cascaded from the top to the bottom of the organization
- ◆ The direction can be communicated in a more decentralized fashion, and yet based on local needs and tasks
- ◆ Criteria type: trait based, behavior based, outcome based
- ◆ Feedback via: single manager, 360 degree, 180 degree
- ◆ Delivery medium for feedback: one-on-one with manager, objective coach, etc.
- ◆ Evaluation timeframe
- ◆ Approval and accountability levels broken down by specific decision or group of decisions
- ◆ Levels of input solicited from subordinates of decision maker
- ◆ Accountability around decisions
- ◆ Formal, compulsory training curriculum (may include self-study courses)
- ◆ A development process with a defined training curriculum
- ◆ A mentoring program
- ◆ A job rotation program



# The RealTeams Framework tracks to tangible outputs

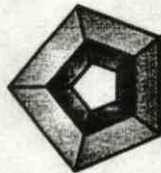
The 5 dimensions of the Framework	Topics addressed along each dimension	Deliverables and outputs of each dimension
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>◆ Reporting levels at the unit and work group level</li> <li>◆ Operating principles and mechanisms</li> <li>◆ Defined infrastructure and management systems</li> </ul>	<ul style="list-style-type: none"> <li>◆ A team-based work group structure</li> <li>◆ A reward and compensation structure</li> <li>◆ Linking and communication vehicles</li> <li>◆ A performance management system</li> </ul>
<b>Ownership</b>	<ul style="list-style-type: none"> <li>◆ The division of group activities</li> <li>◆ Specific roles and responsibilities</li> <li>◆ Ownership of tasks/ decisions/ resources</li> </ul>	<ul style="list-style-type: none"> <li>◆ A defined decision-making process</li> <li>◆ Reporting structure</li> </ul>
<b>Direction</b>	<ul style="list-style-type: none"> <li>◆ Defined mission and goals</li> <li>◆ Defined performance measures</li> <li>◆ Ongoing customer metrics</li> </ul>	<ul style="list-style-type: none"> <li>◆ A clear statement of direction at the organizational and team level</li> </ul>
<b>Culture</b>	<ul style="list-style-type: none"> <li>◆ Climate</li> <li>◆ Customer focus</li> <li>◆ Communication channels</li> </ul>	<ul style="list-style-type: none"> <li>◆ Clear communication mechanisms in place</li> <li>◆ Group norms and ground rules</li> </ul>
<b>Skills</b>	<ul style="list-style-type: none"> <li>◆ Technical skills</li> <li>◆ Cross-functional skills</li> <li>◆ Team operating skills</li> </ul>	<ul style="list-style-type: none"> <li>◆ Cross training, skills transfer and development</li> </ul>

## Team results

*Successful teams have achieved results in terms of revenue, cost, quality and speed*

Revenue	Cost	Quality	Speed
<ul style="list-style-type: none"> <li>• <b>Rubbermaid:</b> Interdisciplinary teams develop 365 new product concepts per year</li> <li>• <b>Ford:</b> Special "skunkworks" team revamped the Mustang development effort which appeared too expensive by traditional production means</li> <li>• <b>Maxus Energy:</b> Cross-functional teams prevented typical 15% production drop associated with new oil wells, and added reserves to oil stockpiles</li> <li>• <b>Texas Instruments:</b> Revenue per employee increased 50% with use of teams</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Allied Signal:</b> Teams at Phoenix factory boosted productivity by 60% and labor productivity by 123% in 15 months</li> <li>• <b>Texas Instruments:</b> Teams reduced cost of hazardous waste disposal by 70% of total yearly cost</li> <li>• <b>Miller Brewing:</b> Teams reduced labor costs by 30%</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Sara Lee:</b> Knit products factory teams posted 70% increase in product quality with 50% increase in production</li> <li>• <b>Federal Express:</b> Clerical teams of 5-10 people reduced service "glitches" (lost packages, incorrect bills) by 18% in one year, saving the company \$2.1 million</li> <li>• <b>Knight-Ridder:</b> Customer service teams at newspapers have maintained 99% accuracy rate for advertising, recouped lost ad revenues, and restored advertiser satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• <b>General Motors:</b> Design and manufacturing teamwork cut assembly time of new vehicles by 33%</li> <li>• <b>Johnsonville Foods:</b> Teams achieve 50% productivity improvement with products delivered to market in less time</li> <li>• <b>K Shoes:</b> Teams increase on-time delivery from 80% to 97%</li> </ul>





## The RealTeams approach will drive important choices around outputs (continued)

### Deliverables and Outputs

A Team Based Work Group Structure

Linking and Communication Vehicles  
formalized across groups

Reward and Compensation Structure  
enables teams to work towards  
tangible incentives

### Options to Consider

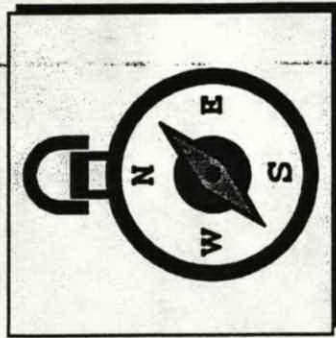
- ◆ Hierarchical, with empowered individual decision making
- ◆ Supervised work teams
- ◆ Self-directed work teams
- ◆ Matrix structure
  
- ◆ The points of contact or inter-group liaisons
- ◆ Cross-group management links
- ◆ Scheduled communications - e-mails, newsletters, meetings, etc.
  
- ◆ Performance criteria for determining variable components (they will probably be different for the organizational, group, and individual)
- ◆ How it links to the Performance Management System
- ◆ Discretionary bonuses

- ◆ Note that the detailed design and development of some Deliverables/outputs listed may be out of scope in some contexts, but may also represent significant sell-on opportunities

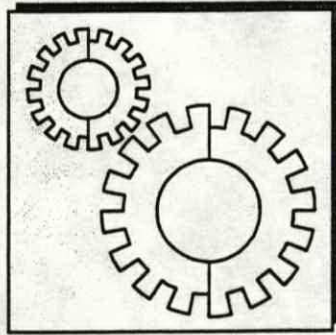
# Types of teams

*Different types of teams address different business issues*

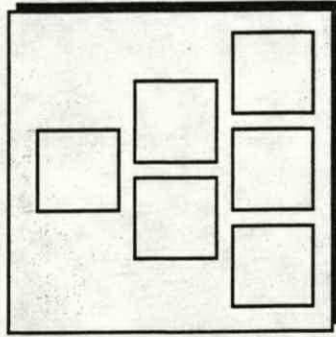
**Direction or Steering**



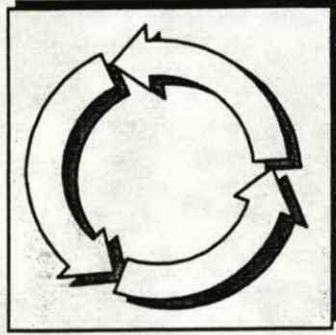
**Production or Service**



**Project or Development**



**Problem Solving or Continuous Improvement**



**Examples:**

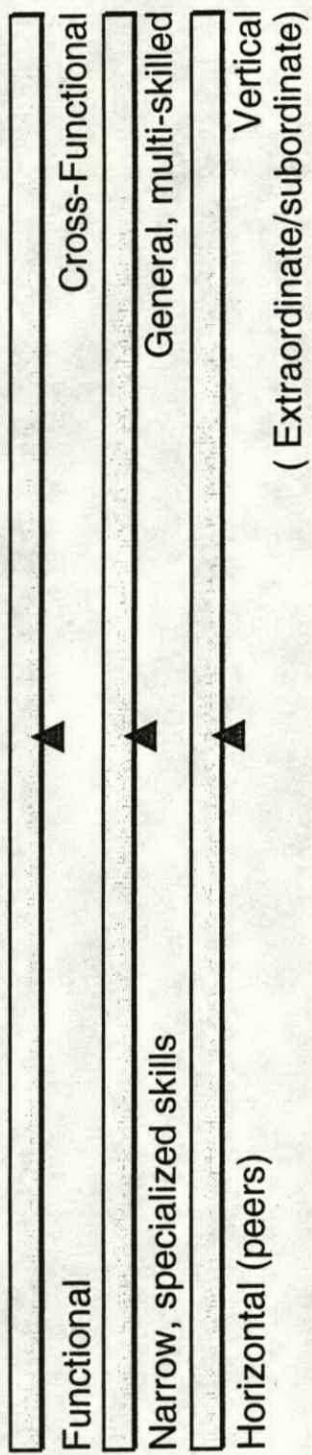
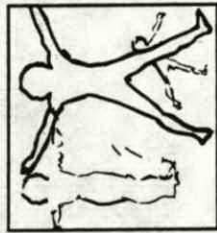
- Executive Leadership Team
- Production Selection Team
- Steering Team
- Shop Floor Production Team
- Cellular Manufacturing Team
- Customer Service Team
- Loan or Claim Processing Team
- Product Development Team
- Service Design Team
- New Facility Team
- New System Team
- TQM Teams
- Quality Circles
- New Ideas Team
- Problem Solving Team



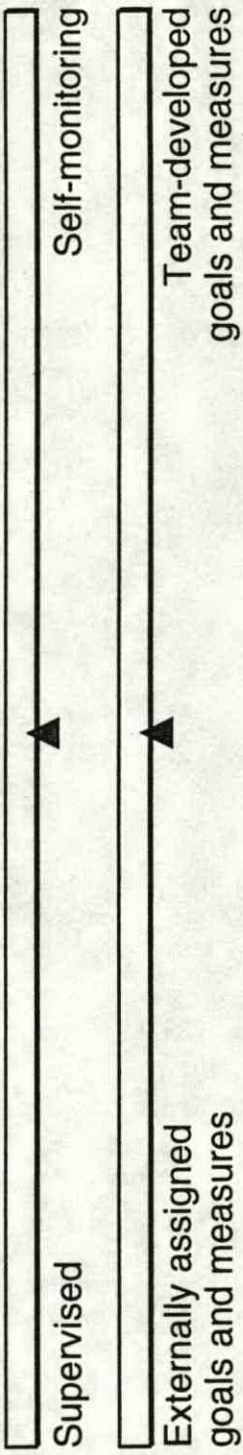
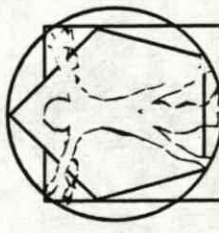
# Variations in teams

Teams may also vary based on membership, empowerment and leadership

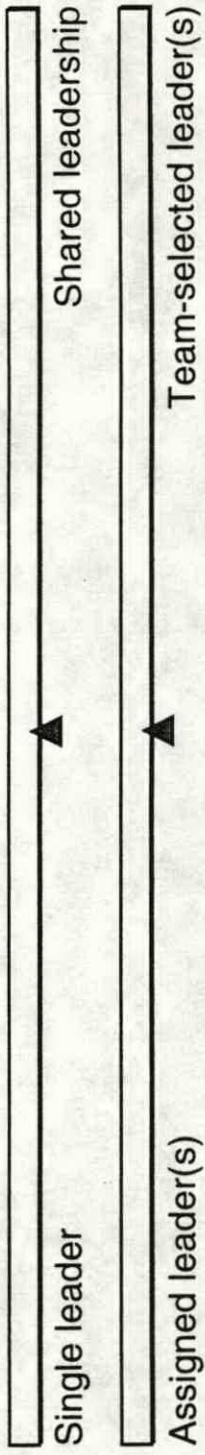
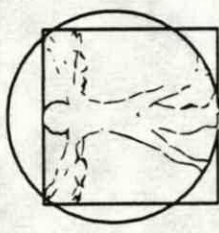
## Team Membership



## Team Empowerment



## Team Leadership



## Team failures

Despite their growing popularity, many teams still fail to meet the performance expectations set for them

*"My job hasn't changed. I just spend time going to a lot more meetings."*  
Anonymous, Any Corporation, USA

*"Teams that function well do so only for a short period before they need well forever."*  
HR Focus Magazine

*"It's not enough for management to announce, 'we're moving to teams.' They must also lead the effort.."*  
HR Focus Magazine

*"People are naive about how easy it is to create a team. They're the Ferraris of work design—high performance, but high maintenance and expensive."*  
Edward Lawler

*"Teams... will not solve every problem, enhance every group's results, nor help top management address every performance challenge. Moreover, when misapplied, they can be both wasteful and disruptive."*  
Katzenbach and Smith, The Wisdom of Teams

*"The most common trouble with teams is that many companies rush out and form the wrong kind for the job."*  
Fortune Magazine



## Reasons teams fail

*Teams may fail to positively impact business performance for several reasons*

Our experience in helping clients use teams to improve business performance has led us to identify five (5) reasons that teams fail:

- Lack of alignment and clarity of direction
- Unclear ownership of critical management systems and resources
- Insufficient skills to work in teams or solve the problem at hand
- Conflict between team processes and organizational culture - "how we do things around here"
- Inability of surrounding organizational infrastructure to support teams

*There must be a way to create "real" teams...*

## Why use teams

*The continued popularity of teams is a product of their ability to deliver on critical business needs*

### Business Driver

#### Revenue Enhancement

- ◆ Teams can be extremely successful in a sales force environment, or in linking sales and delivery staff
- ◆ Teams are an effective means of organizing for new product development, as well as the marketing of existing products

#### Cost Reduction

- ◆ Teams can allow an organization to maximize resources and minimize management layers
- ◆ The implementation of teams usually implies broader spans of control and a flatter organization
- ◆ Teams show exceptional results by lowering the costs of delivering products and services or boosting productivity

#### Quality Enhancement

- ◆ Teams can provide a more seamless interface with the customer, or enable a single point of contact
- ◆ Teams increase ownership and accountability, and thus enhance the quality of the outputs and increased production

#### Speed of Delivery or Process

- ◆ Organizing in teams can facilitate more efficient workflows
- ◆ Teams can help to eliminate process or delivery hand offs and steps
- ◆ Teams can get new products and services up and running quickly

#### Culture Change

- ◆ Teams increase an organization's ability to be adaptable and flexible
- ◆ Team oriented behaviors often lead to better collaboration and fewer obstacles to information flow

## A definition



Let's start with,  
what exactly is a team?

### A team is:

- "...small number of people with complementary skills who are committed to a common purpose, performance goal, and approach for which they hold themselves mutually accountable."<sup>1</sup>
- A deliberate means of organizing work to perform
- Capable of delivering a group result that is greater than the sum of individual member contributions
- Usually comprised of five to nine people for maximum effectiveness

### A team is not:

- Just a group, task force or committee
- Just a training and communication exercise
- Easy to implement effectively
- The answer to every business problem

<sup>1</sup> Katzenbach and Smith, *The Wisdom of Teams*



## When to use teams

*Teams are an appropriate solution to business issues under certain circumstances*

### Use teams when:

- The work required is **complex** and requires multiple inputs from different people
  - Solving the problem requires **creativity and innovation**; many perspectives offer greater opportunity for innovative ideas
  - The best solution will come with high levels of **uncertainty**, and may create uneasiness among customers, employees, stakeholders and shareholders
  - **Real commitment** is needed
  - **Knowledge sharing** and transfer is essential
  - Team achievement can serve as a **unifying force** to sustain meaningful change over the long term
- The work depends on a set of **interdependent tasks** to be performed in concert, rather than as sequential handoffs
  - The work would benefit from **multiple, complementary skills** and diversity of opinion
  - Performance improvements can be used to **benefit customers, shareholders and employees**
  - **Time and resources** are available for an appropriate team startup and sustained team development



## Teams in disguise



Many so-called "teams" may or may not be real, effective, productive work teams that achieve such visible successes

### Autonomous Work Groups

Problem -Solving Teams

### Design Teams

*Virtual Teams*

Continuous Improvement Teams

### Quality Circles

National Work Groups

Cross-Functional Teams

### Project Teams

*Interlocking Teams*

High-Performance Teams

Integration Teams

**Management/Executive Teams**

TQM Teams

