Creating High Performance Virtual Teams

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by

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Building State-of-the-Art Teamwork
In Problem-Solving Organizations

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Core message

- High performance teams are **rare**
- High performance **virtual** teams are even rarer
- To create high performance virtual teams:
  - Start with whatever it takes to make a high performance co-located team
  - Address the special needs of virtual teams
  - **Investment is required**
- The critical success factors:
  - Understanding the concept of **relative total expense**
  - Realizing that additional expense is **often justifiable**

A note on format

- Underlined items are live links to articles on my Web site or elsewhere
- To get a copy with working links, download: http://c4i.co/1cl
- To get a copy of the handout, download http://c4i.co/1ck
- To get both as a zip archive, download: http://c4i.co/1cm

Please let me know as we go along if you want to ask a question

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The issue

- Virtual teams are increasingly common
- Expectations for expenses are unrealistic
  - We tend to compare virtual team expenses to expenses for co-located teams
  - Travel budgets, for example, are much too small
- High performance is out of reach for under-resourced teams
- High performance requires higher investment
  - We must change expectations
  - We must learn how to justify increased investment

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Consider relative total expense (RTE)

- Usual definition of total expense:

> The expense of an effort is the total cost of getting it done

- But when we compare two different approaches:
  - We must account for the timing of the arrival of benefits
  - **Relative total expense** compares the total of conventional expenses less the values of the respective benefits, taking timing into account
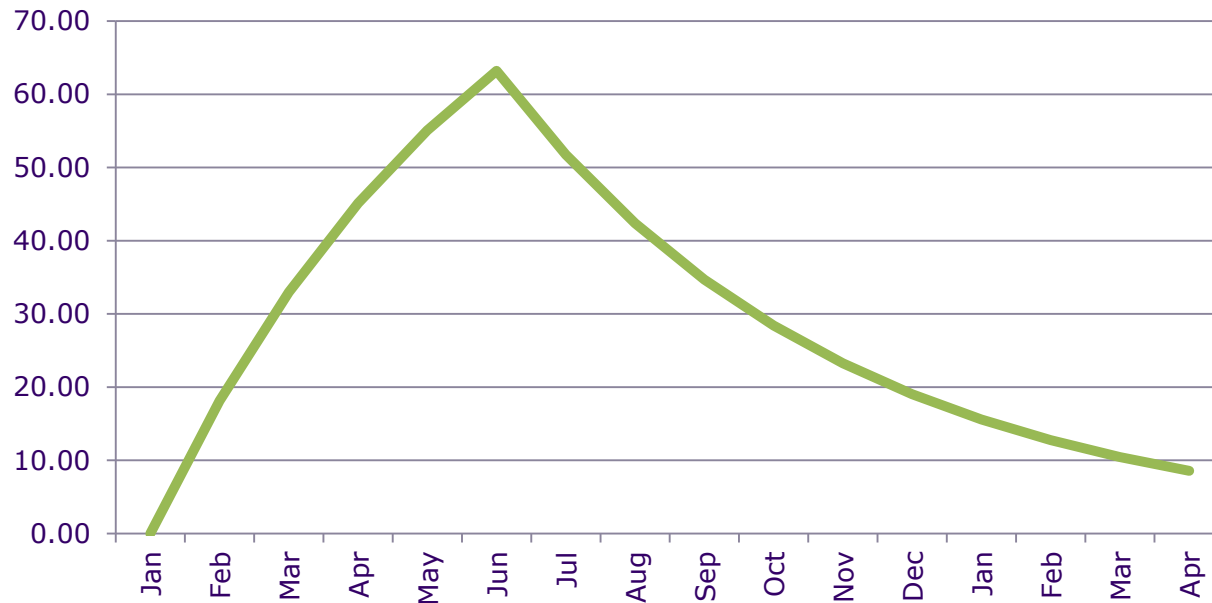
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Example of use of relative total expense

- Consider two efforts:
  - Identical objectives
  - Effort A is completed earlier than Effort B

Value Delivered by Two Efforts
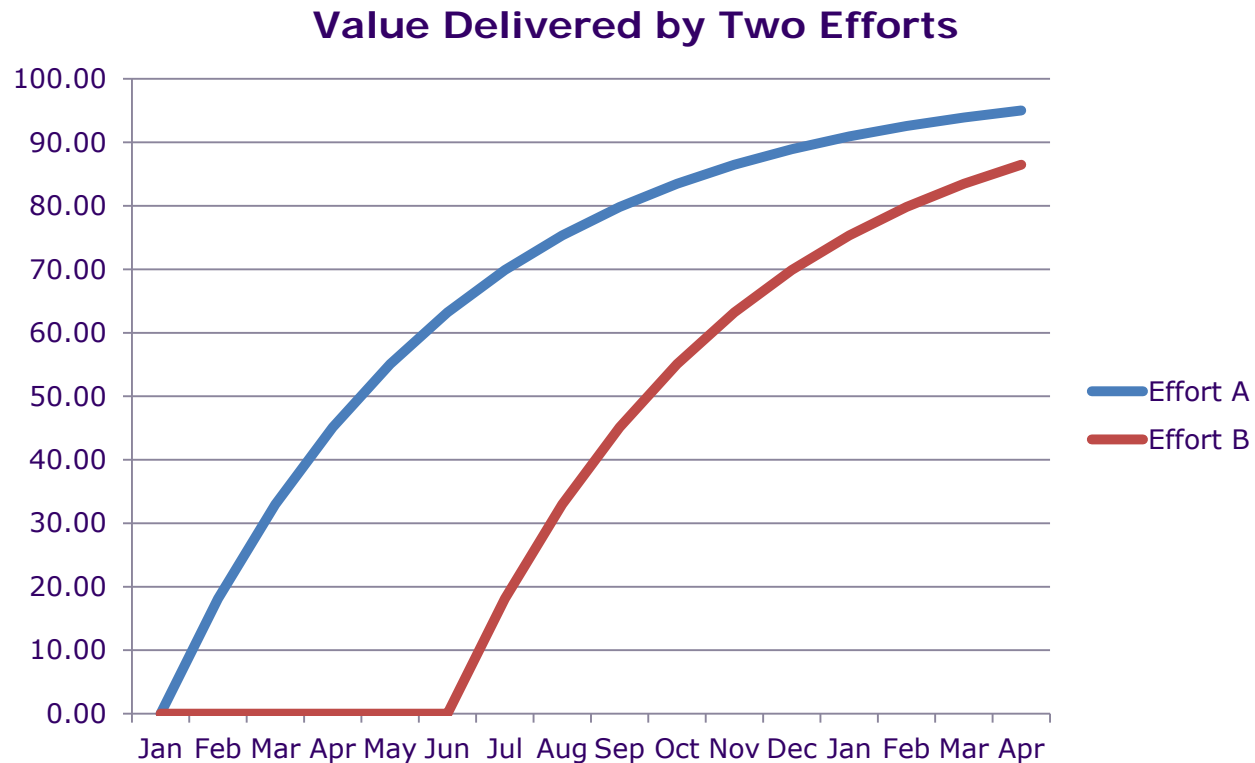
Difference in delivered value

Value A minus Value B

Value delivered = Revenue or other benefits

The difference in value is the present value
of the difference in the two value streams

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Apply the principle of relative total expense

- Fair comparisons include:
  - The present values of the two expense streams
  - The present values of the two value streams
- When considering how to invest in team performance:
  - Consider the expenses
  - Consider the present value of anticipated revenue or other benefits

Investing in high performance makes financial sense more often than most people realize

When value delivered is much greater than expenses...

- Expense savings are a benefit
- But if those savings delay value delivery
  - The cost of delaying the value delivery can exceed the savings
  - Saving on expenses of the effort can actually reduce net income

When benefits far exceed expenses, rational decisions must be based on relative total expenses

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RTE suggests 14 ways to increase net income

1. Re-evaluate running lean and mean
2. Adopt Zulu time
3. Provide generous travel budgets
4. Conduct kickoff meetings face-to-face
5. Provide too much videoconference capability
6. Treat the communications substrate as a project
7. Test communications platforms professionally

RTE suggests 14 ways to increase net income (continued)

8. Provide professional remote facilitators
9. Provide professional translators and interpreters
10. Provide as-needed communications tech support
11. Accept that virtual leadership requires unique skills
12. Broaden the skills of the contract negotiation team
13. Contractually constrain staff and resource availability
14. Contractually require retrospectives

1. Re-evaluate running lean and mean

- Focus of "Lean and Mean": meet the needs of **right now**
- Little or no "slack" in the organization
- Causes staff sharing across teams
  - Elevates incidence of split assignments
  - Reduces ability to adapt to unexpected changes in project schedules
- Exposes the organization to unmitigated risks
  - What if someone leaves or becomes seriously ill?
  - What if a new opportunity comes along?
  - What if a substrate technology is updated?

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Performance effects of lean-and-mean

- Burnout causes some of the most capable people to leave
- Those who stay are burned out
- Minimal resources available for long term planning
- People are exhausted, depleted
  - No reserves for relationship repair or maintenance
  - Increased incidence of toxic conflict
  - Collaborative outlook suffers

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2. Adopt Zulu time

- Most virtual teams span multiple time zones
- Confusion about times can cause delays and rescheduling
- Especially risky when changing to and from summer time
  - Date of changeover varies by country
  - Some locales don't have summer time
- Even worse for teams with sites in both hemispheres
- If everyone uses Zulu, incidence of confusion drops

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3. Provide generous travel budgets

- Relationships are the foundation of high performance
- Front-end relationship building is more effective than back-end repair
- Evaluate travel strategy relative to delivery, not other projects
- To compute cost of delayed delivery
  - Present value of delayed revenue stream
  - Present value of undelayed revenue stream
  - Subtract

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4. Conduct kickoff meetings face-to-face

- [Online disinhibition effect](#) (ODE):
    - Suppresses inhibitions that limit bad behavior
    - Explains high incidence of toxic conflict in the virtual environment
- Strong personal relationships mitigate ODE
- Face-to-face (F2F) kickoff meetings enable relationship formation
- Periodic F2F meetings:
    - Facilitate relationship renewal and repair
    - Introduce new team members to the team and each other

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5. Provide too much videoconference capability

- Video limits the risk of the online disinhibition effect

- People are more likely to use video if it is:
    - High quality
    - Highly available—on demand

- The need to make reservations is a deterrent to use

6. Treat the communications substrate as a project

- The communications substrate for virtual teams is complex
- Team members often lack skills needed for its maintenance
- Service units have an operational orientation
  - They serve multiple teams and experience load bursts
  - Their priorities might differ from team priorities
- A project orientation is needed: sponsor, PM, plan

7. Test communications platforms professionally

- A meeting that halts because of technical glitches is expensive
- Issues: firewalls, spam protection, security, …
- Rarely do we test technology substrates adequately
- To ensure reliable communications, provide professional testing services

> Specify acceptance criteria for communications substrate in project plans

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8. Provide professional remote facilitators

- Facilitation: the art of managing information exchange within groups
  - Usually face-to-face
  - Effectiveness depends on neutrality with respect to content
- Remote facilitation is required for virtual meetings
  - It's a different beast
  - Effectiveness depends on maintaining neutrality with respect to content **and location**

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9. Provide professional translators and interpreters

- Multi-lingual teams require:
  - Document translators
  - Real-time conversation interpreters
- Avoid: content experts with language familiarity
- Prefer: language experts with content familiarity
- For critical documents, perform closed-loop translations

10. Provide as-needed communications tech support

- Multiple-time-zone virtual teams need support whenever a team meets
  - If time zone span is wide, 24/7 at all sites
  - On stand-by basis (at least)
- Write it into the contract
- Rotate times to spread the inconvenience across all sites

11. Accept that virtual leadership requires unique skills

- Effective leadership is distributed and adaptive
  - Doesn't reside in specific roles
  - Many people must provide leadership
- Leaders must be:
  - Willing to circulate (read: travel)
  - Able to adapt their styles to the needs of people of varying cultures

> Empathetic and creative intervention by leaders is often essential to high performance

12. Broaden the skills of the contract negotiation team

- Inter-enterprise virtual teams work under terms of a contract
- Contract terms often are too vague
- Add people to the negotiation team who understand:
  - Project management
  - Risk management
  - Substrate technologies (software, communications, cyber-security, …)
- Incorporate penalties for non-performance

13. Contractually constrain staff and resource availability

- Risk: sudden loss of resources essential to the team
- Virtual team usually lacks the political power to defend resources
- "Replacements" are often inadequate
  - The learning curve takes time
  - They are often less capable than the person they replace
- Impose penalties on organizations that "replace" team members
- Contract constraints and penalties provide the power needed for resource stability

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14. Contractually require retrospectives

- Retrospectives are essential to organizational learning
- Organizations differ in how they value retrospectives
  - Some view them as unimportant to the current deliverables
  - They are less likely to participate fully (or at all)
- In these cases: only contract provisions (and penalties) can secure participation

Last words

- Some of these actions require the authority of senior management
- But often, senior management doesn't apply RTE
- We need to make the case more effectively
- Make the case when you propose budgets
  - Excel has a PV function (present value)
  - Use it to calculate RTE with and without the resources you're asking for

Make Relative Total Expense a standard concept for decision makers to use as they consider budgets

Relevant publications

- "The Psychology and Politics of Technical Debt"
  - *Cutter IT Journal*, March 2016
  - How to get control of technical debt
  - Download a free copy at: http://c4i.co/159
- "Leading in the Time of Data Breaches"
  - Cutter IT Journal, August, 2014
  - Deals with decision-making in cyber security
  - Download a free copy at: http://c4i.co/wf
- "Creating High-Performance Virtual Teams"
  - Cutter IT Journal, May 2013
  - Fourteen recommendations for enhancing performance of virtual teams
  - Download a free copy at: http://c4i.co/wg

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Resources

- Politics, meetings, communication, and conflict
  - Articles at http://ChacoCanyon.com/pointlookout/politics.shtml
  - Tips ebook *303 Secrets of Workplace Politics:*
    Acrobat: http://c4i.co/5d
    iTunes iBook: http://c4i.co/we
  - Articles at http://ChacoCanyon.com/pointlookout/communication.shtml
  - Tips ebook *101 Tips for Communication in Emergencies* at http://ChacoCanyon.com/products/techdivide.shtml
  - Tips ebook *101 Tips for Effective Meetings* at http://ChacoCanyon.com/products/101tipsmeetings.shtml
  - Tips ebook *101 Tips for Managing Conflict* at http://ChacoCanyon.com/products/101tipsconflict.shtml
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