

Teams: Types, Roles and Performance, Corporate Entrepreneurship & Getting the Right Things Done

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Introduction

This document was originally an exclusive pre-reading material for workshop participants organized Nov 6, 2010 in Vienna, Austria¹.

The workshop was “more sweating and less talking”, where teams had to build and launch a working web business with investor pitches within a five hours. There were no time for academic sessions, and therefore we prepared this document in which matched the workshop theme. The participants were urged to reflect on their learnings of the workshop to their company’s operations. For this purpose, three themes were selected to narrow the focus of self-reflection: **i) Teams: Types, Roles and Performance**, **ii) Corporate Entrepreneurship**, and **iii) Get the Right Things Done**.

The following three chapters provide a quick overview into each of the themes. It takes maximum half an hour to read this document through. The selected information items act as seeds that will help readers grow new ideas on how to improve their company processes. At the end of each chapter, there are open questions. Read them and think about how those things are done inside your company or how you do them yourself.

We hope that this document provides you useful takeaways.

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Please note, that at the time when this document was written the footnote reference links were valid.

¹ Business Operations Forum Nov 6 at ICMA General Meeting, Vienna, Austria, Nov 3-6, 2010

Roles in a Team

What is a Team?

In a corporate environment almost any group of people is called a *team*. A team is “a small number of people with complementary skills who are committed to a common purpose, set of performance goals, and approach for which they hold themselves mutually accountable.”²

It is important to understand whether a group of people is meant to be a **team** or, for instance, a **working group**. They both have good practical uses but, in order to achieve high performance, they require different leadership styles, target settings and working methods. The table below presents differentiating characteristics of a working group and a team.

Working Group	Team
Strong, clearly focused leader	Shared leadership roles
Individual accountability	Individual and mutual accountability
The group's purpose is the same as the broader organizational mission	Specific team purpose that the team itself delivers
Individual work products	Collective work products
Runs efficient meetings	Encourages open-ended discussion and active problem-solving meetings
Measures effectiveness indirectly by its influence on others (such as financial performance of the business)	Measures performance directly by assessing collective work products
Discusses, decides and delegates	Discusses, decides, and does real work together

Source: Jon R. Katzenbach, Douglas K. Smith

You can see that a conflict arises if you try to combine individual work products with mutual accountability or strong, clearly focused leadership and open-ended discussions. Knowing the goal, the manager should identify the working style and select the best instrument for the task.

The aim of **intelligent leadership** is to “create an organization which is a network of efficient teams”³. An efficient team is not a matter of throwing together a bunch of A players, but a process that requires time and determined leadership. According to Finnish leadership expert Pentti Sydänmaanlakka, there are four phases of a team: Working group, Potential team, Real team and Top team. Among key characteristics of how to become a Top team, he claims that:

“Top team members are all professional team players. They have excellent communication and interaction skills. They are constantly able to receive and give feedback. They continuously question their personal and team performance. Top team members are committed to support the personal growth and success of the other team members. They accept the diversity of the team and turn it into an advantage. A Top team constantly achieves higher performance than other teams in the same market conditions”.

² Jon R. Katzenbach, Douglas K. Smith, The Discipline of Teams, Harvard Business Review, March-April 1993

³ Pentti Sydänmaanlakka, Älykäs Johtajuus (free transl. Intelligent Leadership), 3rd edition, Talentum Kustannus, 2009

Building Team Performance

Setting up a team for a certain task is normal in modern corporate environments. In fact team building has become a religion of sorts and it is commonly thought that “building a team” will provide a solution to almost anything! However, collecting a group of people and starting to call it a *team* is no recipe for success.

There is “no guaranteed how-to recipe” for success and high performance. As strategy and organization experts Katzenbach and Smith point in their 1993 breakthrough article², there are eight approaches that can be observed in high performing teams:

- 1) **“Establish urgency, demanding performance standards, and direction”** These steps build motivation when team members understand that their individual commitment is crucial to achieve results.
- 2) **“Select members for skill and skill potential, not personality”** As stated earlier, teams have specific purposes and to be successful the members’ skills have to be complementary.
- 3) **“Pay particular attention to first meetings and actions. Initial impressions always mean a great deal”** If you are in a management position, be sure that you give full attention from the starting meeting. Leaving too early or speaking on the phone will be interpreted as managements’ disregard.
- 4) **“Set some clear rules of behavior”** The team members have to be committed to give full focus to the team work, showing candor, building trust by keeping discussions confidential and being constructive.
- 5) **“Set and seize upon a few immediate performance-oriented tasks and goals”** If the teams’ goals are too far, there are no immediate shared feelings of success. It is important to set some challenging shared milestones in the early phases of the teams’ mission and keep a regular interval of these going throughout its duration.
- 6) **“Challenge the group regularly with fresh facts and information”** New information forces the team to re-evaluate its work. Clear facts help set more clear targets and revise the direction of the work.
- 7) **“Spend lots of time together”** Becoming a real team requires spending time together both at work and in external casual environments. Trust is built only through interaction and there are no short-cuts.
- 8) **“Exploit the power of positive feedback, recognition and reward”** The team is an entity and individual team members need rewards and constructive feedback to encourage them in their tasks.

Team Roles

Diversity of the team members is one of the success factors for high performance. A good team has both technical and functional skills, problem-solving and decision-making skills and interpersonal skills². Dr. Meredith Belbin⁴, who has studied team roles from a psychological point of view, found nine **behavioral roles** that effective teams should have to reach high performance.

Belbins’ well validated model carries one very tangible benefit for all members of an organization, regardless of their position in the corporate ladder: **understanding the team roles helps to identify the strengths of other team members and, thus, accept also the weaknesses which are part of their natural behavior.** This makes work life much easier.

⁴ http://en.wikipedia.org/wiki/Meredith_Belbin

Belbin's different team roles are described in the following table^{5 6}.

Role	Contribution	Allowable weaknesses
Plant	A creative, imaginative, unorthodox team-member who solves difficult problems.	Ignores incidentals. Too pre-occupied to communicate effectively. Sometimes situate themselves far from the other team members.
Resource Investigator	Extrovert, enthusiastic, communicative. Explores opportunities. The networker for the group. Whatever the team needs, she/he is likely to have someone in their address book who can either provide it or know someone else who can provide it. Their ability to call on their connections is highly useful to the team.	Being highly driven to make connections with people, she/he may appear to be flighty and inconstant. Over-optimistic. Loses interest once initial enthusiasm has passed.
Chairman/ Co-ordinator	Mature, confident. Clarifies goals, delegates well. Ensures that all members are able to contribute to the discussions and decisions of the team. Their concern is for fairness and equity among team members.	Those who want to make decisions quickly, or unilaterally, may feel frustrated by their insistence on consulting with all members. Can be seen as manipulative. Offloads personal work.
Shaper	A dynamic team-member who loves a challenge and thrives on pressure. This member possesses the drive and courage required to overcome obstacles.	Prone to provocation. Offends people's feelings.
Monitor-Evaluator	A sober, strategic and discerning member, who tries to see all options and judge accurately. This member contributes a measured and dispassionate analysis and, through objectivity, stops the team committing itself to a misguided task.	Lacks drive and ability to inspire others.
Team Worker	Co-operative, mild, preceptive and diplomatic. Listens, builds, averts friction. They are sensitive to atmospheres and may be the first to approach another team member who feels slighted, excluded or otherwise attacked but has not expressed their discomfort.	The Team Workers' concern with people factors can frustrate those who are keen to move quickly. Indecisive in crunch situations.
Implementer	Disciplined, reliable, conservative and efficient. The practical thinker who can create systems and processes that will produce what the team wants. Taking a problem and working out how it can be practically addressed is their strength.	Being strongly rooted in the real world, they may frustrate other team members by their perceived lack of enthusiasm for inspiring visions and radical thinking. Somewhat inflexible. Slow to respond to new possibilities.
Completer-Finisher	Painstaking, conscientious, anxious. The detail person within the team. A great eye for spotting flaws and gaps and for knowing exactly where the team is in relation to its schedule. Ensures the quality and timeliness of the output of the team.	Team members who have less preference for detail work may be frustrated by their analytical and meticulous approach. Inclined to worry unduly. Reluctant to delegate.
Specialist	Single-minded, self starting, dedicated. Provides knowledge and skills in rare supply.	Contributes only a narrow front. Dwells on technicalities.

⁵ http://en.wikipedia.org/wiki/Belbin_Team_Inventory

⁶ <http://www.belbin.com/content/page/4279/BELBIN-MRVSR-AComprehensiveReview-2009.pdf>

Questions to Consider

1. Do you find your own group of people you work with a *Team* or a *Working Group*?
2. Do you see that the group of people you work with at your home company fit Katzenbach's and Smith's definition of a team? Which criteria do matched and which don't?
3. Have you often participated in internal corporate meetings which don't have either a clear and focused leader *or* shared leadership roles? If so, what could you do about that?
4. Do you have a *top team* in your company? If not, what elements should be improved so the team would become a top team?
5. Think about your company: how many of the high performance elements can be recognized in your team? What is missing and how could that be improved?
6. What team role/s did you have at your home company team? You can pick more than one.
7. What different (Belbin's) role/s you identify at your home company team?
8. If you are a member of a team in your company, how well represented and diverse are the various roles within it? What's missing?

Corporate Entrepreneurship

What is Corporate Entrepreneurship?

Before jumping into corporate entrepreneurship, let's take a look at the term **entrepreneurship**, which means “shifting economic resources out of an area of lower and into an area of higher productivity and greater yield”⁷. Others add that “the essence of entrepreneurship is innovation⁸ leading to wealth creation⁹”. Recent Nobel Peace Prize winner, Muhammad Yunus, argues that entrepreneurship is deeper in our culture than we tend to think:

“All human beings are entrepreneurs. When we were in the caves, we were all self-employed. We were finding our food, we were feeding ourselves. That's where the human history began... As civilization came, we suppressed it and made it into labor. We are all labor. [...] We became labor, because you [they] stamped us, 'You are labor'. We forgot that we are entrepreneurs”¹⁰

All corporations pass their entrepreneurial phase at the start. However, “most organizations lose their entrepreneurial spirit once they cross the start up phase. The transition from an entrepreneurial growth company to a *well-managed* business is usually accompanied by a decreasing ability to identify and pursue opportunities. Structure and systems [take the place of] initiatives and excitement. Organizations become moronic in the process.”¹¹

Mature corporations start to talk about **corporate entrepreneurship**, when they try to get the entrepreneurial spirit of innovation and risk-taking back. Corporate entrepreneurship is “...the process by which teams within an established company conceive, foster, launch and manage a new business that is distinct from the parent company but leverages the parent's assets, market position, capabilities or other resources. It differs from corporate venture capital, which predominantly pursues financial investments in external companies”¹².

The Agnostic

Just as a curiosity, *The Economist*⁷ refers to corporate entrepreneurship as follows: “Some management writers have tried to take the idea of entrepreneurship into big organizations, encouraging full-time employees (on monthly salaries and the promise of a pension) to think like entrepreneurs. This idea has been dubbed “intra-preneurship”. Note the dose of sarcasm, but also ponder on the underlying issue.

7 Tim Hindle, Guide to Management Ideas, The Economist, 2003

8 Drucker, Peter F., Innovation and entrepreneurship: Practice and Principles, Harper & Row, 1985

9 Khandwalla, P. N., Generators of Pioneering-Innovative Management: Some Indian Evidence. Organization Studies, 1987

10 BPS NewsHour, Nov 22, 2006, http://www.pbs.org/newshour/bb/business/july-dec06/yunus_11-22.html

11 K. Ramachandran, T.P. Devarajan, Sougata Ray, Corporate Entrepreneurship: How?, Working Paper, Indian School of Business

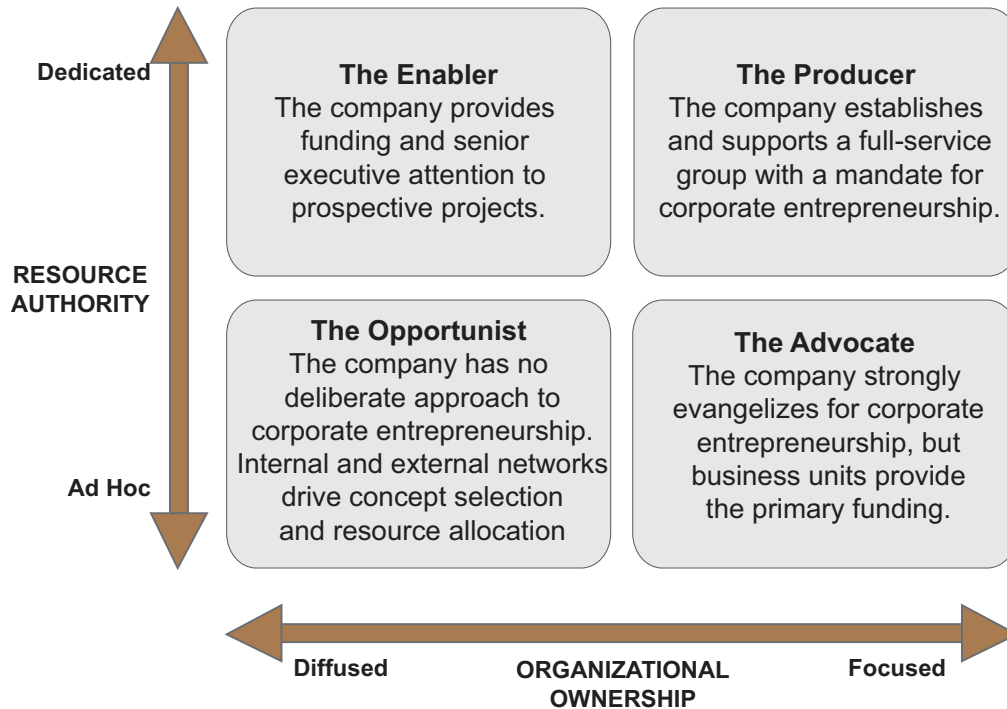
12 Robert C. Wolcott and Michael J. Lippitz, The Four Models of Corporate Entrepreneurship, MIT Sloan Management Review, 2007

Types of Corporate Entrepreneurship

There are four corporate entrepreneurship models¹². The model a company might use depends on two dimensions:

- 1) **Organizational ownership:** *who, if anyone, is responsible for new business development?* and
- 2) **Resource authority:** *is there a dedicated pot for new ventures or are initiatives funded ad hoc?*

The four models, *The Opportunist*, *The Enabler*, *The Advocate* and *The Producer* are mapped and described below:



Make no mistake, **The Opportunist** model performs well, but only in a trusting and open organizational culture that supports social interaction (behind the hierarchies) and relies on the creativity of every member. New ideas will turn to new businesses only if they are embraced by the management and analyzed in a transparent manner. In fact, most companies start from here, but they often set-up new processes and move along one or both dimensions displayed in the graph.

Companies following **The Enabler** model reserve financial resources and set-up processes, but don't dedicate the development task to any special entity of the organization. These companies have a deliberate strategy for business development and they try to nurture the entrepreneurial spirit throughout the organization. The procedures for getting funding, strategic guidelines for new business development and the acceptance process are clearly communicated to everyone.

In **The Advocate** model the corporation's new business innovation ownership is handed to one dedicated organization. However, the projects are expected to be funded by the operative business units. In this respect, the development unit has the role of an internal consultant who feeds the business units with new opportunities, coaches the operative managers to identify and nurture new innovations, and supports the managers in building and nurturing the business cases.

In **The Producer** model, both the resources and the ownership of the new business ventures are assigned to one unit. This model combines elements of the enabler and the advocate models. However, the producer organization may also take control over promising business ideas found in the operative business units. It assumes this role in order to provide sufficient resources for realizing the full market capital of an idea and, at the same time, protect the focus to the core business. The producer model may also create disruptive business models, which would not be launched under the ownership of a core unit.

Institutionalizing Entrepreneurship

All companies start from being opportunists: any innovation is fine if it adds value. However, as we all know, moving ahead requires some other steps. There are three key tasks for top management to emphasize innovation and entrepreneurship in a corporation¹³. They're a tough read, but they are worth it.

1. **“Design an organizational context conducive to the autonomous generation of entrepreneurial initiatives – this entails the creation of structures and a culture that facilitates entrepreneurial behavior”**. Above we have also discussed Wolcott's and Lippitz' models, which also include the autonomous generation of initiatives.
2. **“Provide a sense of overall direction for innovation initiatives through an entrepreneurial vision”**. Giving direction is crucial, whether nurturing innovation initiatives or setting a dedicated team to a task. Open internal communication guides latent innovators towards a common goal. This is beneficial for the company.
3. **“Ensure that promising ventures receive necessary resources as they move through the uncertain development process”**. Without sufficient resources, entrepreneurial initiatives will not grow inside an organization. We saw that the opportunist model may work, but only in rare cases or in start-ups. For established companies, a policy of new business development is a must and, thus, resources are required.

Six Actions to Get Corporate Entrepreneurship Rolling

Finally, let's look at six key actions¹⁴ to get started in institutionalizing corporate entrepreneurship.

1. “Articulate the strategic vision for growth with capabilities that corporate entrepreneurship can leverage”. This basically means, if you want to set up goals, do it, but make sure you assign the resources to make them happen.
2. “Delineate objectives”. What do you expect to get from corporate entrepreneurship, revolution or evolution? It's reasonable to start with a small team who clearly understands the objectives.
3. “Neutralize the naysayers”. Hardly any organizational change is possible without some sort of opposition. Shifting ownership over new business development or re-allocating resources are possible conflict causes among senior management, whose strong support is a critical success factor.
4. “Select and support a corporate entrepreneurship model (Enabler, Advocate, or Producer)”. Each model requires different types of resources as well as an organizational structure. Make sure you invest a lot of time on internal communication.
5. “Start with quick wins”. Analogical to team building, early success stories build trust and improve the credibility of the new business development program.
6. “Evolve”. Adjust your business development program to be aligned with your strategy and competitive landscape. The model that five years ago seemed to be best may not bring results anymore. Be prepared to change the plan.

¹³ Henry Mintzberg Structure in Fives: Designing Effective Organizations, Prentice Hall, 1983

¹⁴ Robert C. Wolcott and Michael J. Lippitz, The Four Models of Corporate Entrepreneurship, MIT Sloan Management Review, 2007

Questions to Consider

1. As *The Economist* article ironically thinks out loud: is corporate entrepreneurship possible if it is done by “full-time employees (on monthly salaries and the promise of a pension) to think like entrepreneurs”?
2. In a scale of 1 to 10, how much entrepreneurial spirit do you think you have? Note: there's no right or wrong answer!
3. In a scale of 1 to 10, how much entrepreneurial spirit is there in your company?
4. What disadvantages do you see in corporate entrepreneurship, if any?
5. Does your company follow any of the four models listed above? (Enabler, Producer, Opportunist, Advocate)
6. In your opinion, which of the four models would fit into your company's needs better? What kind of organizational changes would be needed to get there?
7. Does your company have a clearly communicated new business development policy? Do you know what kind of new business initiatives are expected?

Get the Right Things Done

The Road from Idea to Execution

Search for the term “*business planning*” and Google will find you more than 3 million results. Yes, it really did find 3.2 million results and many may be relevant! However, to save ourselves some time from reading all the results, let's assume that the business planning journey from idea to execution can be split into three phases: 1) evaluating the size of the business opportunity, 2) planning the operative phases and 3) executing them.

Below you can see a simplified illustration of the three steps approach¹⁵. Optimized for new market entry, this formula can be applied to any business operation in new or existing markets. The first phase is fact driven field-work, where a comprehensive and accurate picture of the competitive landscape and business environment will be built. The second phase provides a detailed and executable road-map based on the understanding created in the first phase. The last phase is where the strategy becomes real: execution. Here, the opportunity transforms from intangible intellectual property into a tangible business operation.



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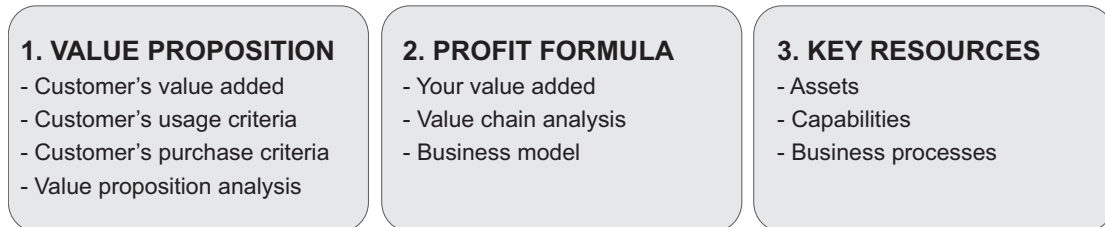
This illustration acts as a **check-list**: It is a tool to point to the things that should earn mindshare before executing. In the last part of this document we will take a closer look at the planning phase.

¹⁵ Vaibmu Ltd. See more: www.vaibmu.com

Secure the Critical Resources

In the original workshop¹⁶ both time and resources were scarce. Less than five hours and basically no financial resources. Nevertheless, the participants were expected to get things done before the end of the session. The question is “**how to select the right things?**”

Let's start by focusing on the three steps described in the picture below¹⁷:



First focus on the Customer: Value Proposition

The first step is to create customer value proposition. “*A successful company is one that has found a way to create value for customers—that is, a way to help customers get an important job done*”. In this step, it is very important to understand the underlying criteria why customers use and purchase of a certain product or service.

Companies use focus groups, interviews, ethnographical research, surveys and various other quantitative and qualitative tools to define the value proposition. Sometimes, good old entrepreneurial gut feeling is enough. The most important take away is that companies have to choose a value offering that builds value for both the customer and the company, which implies **differentiation**. There are lot of good publications on differentiation, but one to start with could be *Blue Ocean Strategy*¹⁸.

Second, define the Profit Formula

After defining the value proposition, the company is ready to build the profit formula: “*the blueprint that defines how the company creates value for itself while providing value to the customer*”¹⁷. Here, the company designs the monetization instruments and builds the cost structure.

Third, secure the Key Resources

The cost structure is related to the value chain of the company and the activities that are used to deliver the service or product to the customer. Michael Porter's value chain splits these activities into two groups:

- 1) *primary activities* (inbound logistics, operations, outbound logistics, marketing and sales, and service)
- 2) *support activities* (infrastructure, HR, technology and procurement)¹⁹.

Depending on the customer needs, some of the above mentioned primary activities are more important than others and they are often referred to as **critical success factors**. These are the core of the business: **they make everything happen**. Each critical success factor requires only three types of key resources. In order to get the right things done, you have to *acquire, control* and *optimize* them²⁰. The three key resources you should focus on are:

1. **Assets:** tangible assets like money, infrastructure, machinery or intangible assets like brands and domains.
2. **Capabilities:** people and their skills, knowledge and experience.
3. **Business processes:** operational and managerial processes, partnerships, internal agreements -like incentive models-, company norms and external agreements.

¹⁶ Business Operations Forum Nov 6 at ICMA General Meeting, Vienna, Austria, Nov 3-6, 2010

¹⁷ Mark W. Johnson, Clayton M. Christensen, and Henning Kagernann, Reinventing Your Business Model, Harvard Business Review, Dec 2008

¹⁸ W. Chan Kim, Renée Mauborgne, Blue Ocean Strategy, Harvard Business Press, 2005

¹⁹ http://en.wikipedia.org/wiki/Value_chain

²⁰ Lecture Notes, Prof. Ralf Boscheck, WAN Leaders Newspaper Executive Program, Scandinavian International Management Institute, 2005

The Car Dealer Example

Let's assume that you have identified that the top purchase criteria of your *car dealer* customer group is "a good professional relationship with your sales reps". At a focus group interview, one dealer said that "innovative ideas to increase sales are always welcome in these turbulent times". To deliver your key customer value added you obviously need at least:

- **Assets:** In this example, the assets are relatively trivial. However, one can say that having a CRM tool is required at least in a bigger company.
- **Capabilities:** Depending on the size of your operation, you need one or more sales reps with a substantial experience in field sales and a thorough understanding of the car dealer business cycle. These kind of persons are not rookies and might be difficult to find, so you need junior sales reps and, most probably, telesales support.
- **Business processes:** You will need sales planning and an incentive model for sales reps and telesales. To improve the skills of the junior sales reps, it might be reasonable to consider creating a knowledge sharing process, where the experienced sales reps educate the younger ones. If there is a CRM tool, then you need household rules on how to use it, that's a process too!

Summary

Getting the right things done requires acquiring, controlling and optimizing the three types of key resources. The process can be light and entrepreneurial. Nevertheless, however light, it still needs to plough through the critical issues. Value chain analysis is a practical and efficient way to define the *key success factors* and the *key resources* and it has two very clear advantages. 1) you focus on the core of your business and 2) you focus on the points that add value for all stakeholders in the value chain.

Questions to Consider

1. When doing business planning in your company, how much do you focus on making the plan executable?
2. Do you *really* and intimately know what is your customer's usage and purchase criteria in the product segment you and your competitors operate in? Is it clearly communicated to all members of your organization?
3. Do you have a clear picture of the *value proposition* and *profit formula* of the business you manage / work with in your company? Is the profit formula competitive into the future? Can it be diversified?
4. Do you know, with some level of objectivity, what are the critical success factors of your own business? Do you give more timeshare to these than to less strategic operative tasks?
5. Think about business, non profit or something that you manage, are you in control of the key resources of that operation?



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The Vaibmu team has direct operational experience in international business, with expertise in operations, organizational design and shifting print organizations to multi-platform operations. The word vaibmu means heart in the Northern Sami language.