



Leading Virtual Teams: Managing When People Are At A Distance

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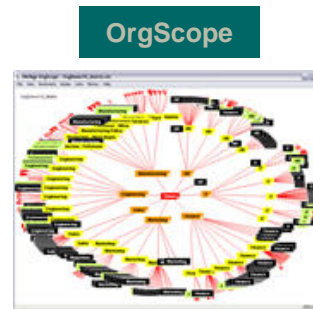
Terry Seamon
Portfolio Manager
American Management Association

NetAge Background

Publications



Software



Website



Blog



Clients



Incorporated 1998 to develop software, methodology, and tools for distributed organizations, NetAge is privately held and generates revenue from consulting, licensing, and royalties. Its founders and principals are Jessica Lipnack and Jeffrey Stamps, PhD.

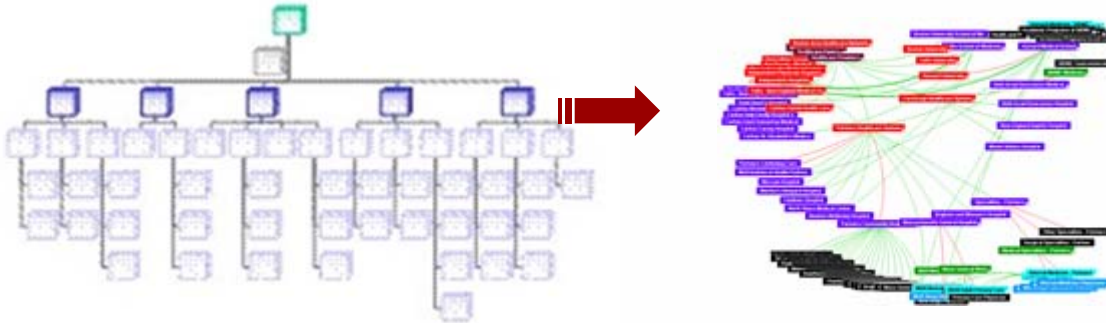
Website: www.netage.com
 Blog: www.endlessknots.com



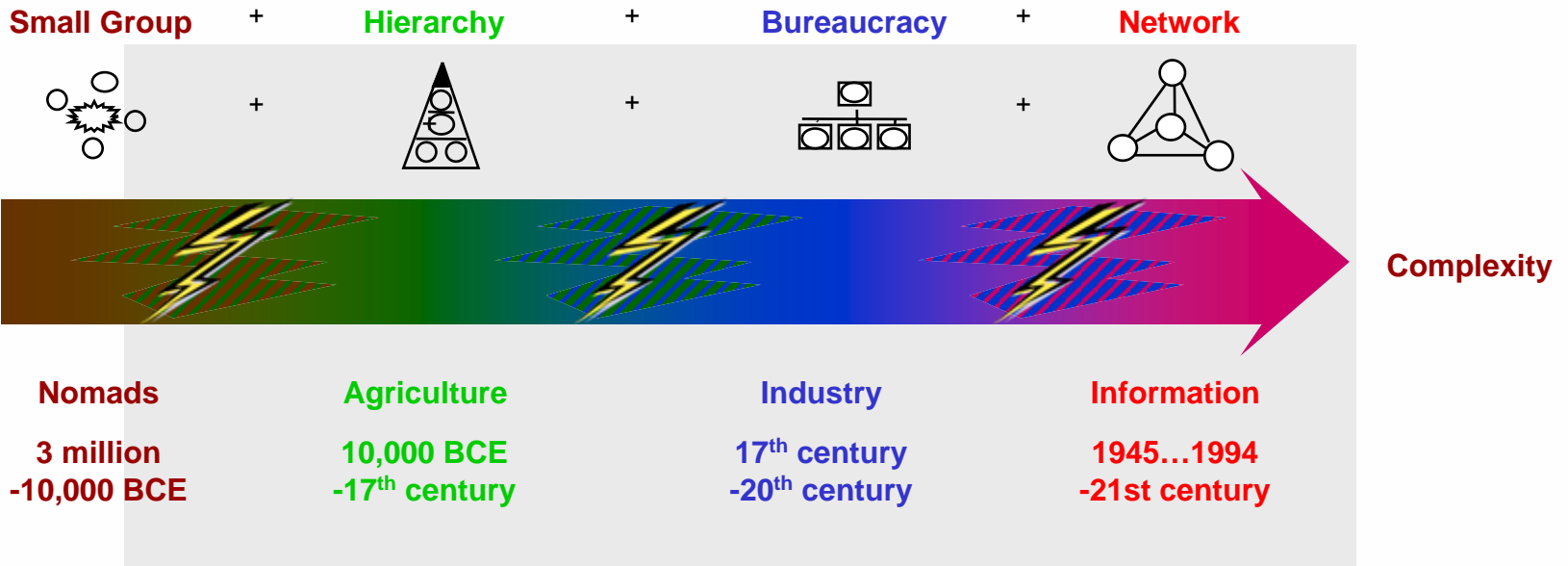
What We'll Cover Today

- Managing in today's virtual workplace: multi-site, multi-country, multi-time-zone
- What does it mean to "lead at a distance?"
- What are the benefits of virtual teams?
- What are the problems/challenges of working in virtual teams?
- What lessons can we glean from global organizations such as Volvo, Shell, and the US Army?
- What can managers do today to improve how they lead their virtual teams?

A Very Brief History of Organizations



“We can’t solve 21st-century problems with 19th-century organizations”



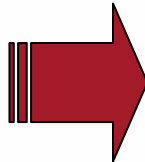
Profound Shift in Way We Work in Just 10 Years

"I didn't grow up like these kids today with cell phones and Instant Messenger and texting."

--ELS, age 24

1998

- Face-to-face
- Go to a meeting
- Snail mail
- Attachments
- Filing cabinets
- Libraries
- Water cooler
- War rooms
- Memos and newsletters
- "I'm out"
- "I'm in"
- Wired
- 9-5



2008

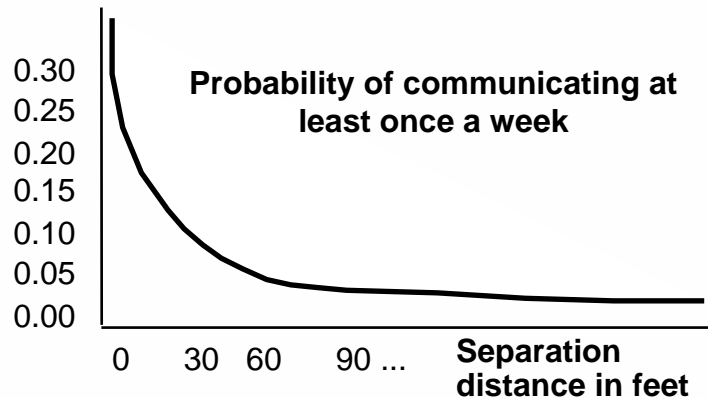
- Conference calls (and Facebook)
- gotomeeting.com
- Voicemail to email to "no mail!"
- Links
- Files
- Wikipedia, search
- Online communities
- Virtual rooms
- Wikis, blogs, chat, podcasts, vlogs
- "I'm online" to "I'm outside online"
- IM
- Wireless
- 24/7 (Follow the Sun)

The 15-Meter/50-Foot Rule

Based on physical proximity, collaboration is difficult if people are farther than 15m/50 ft apart

Do you work with such people?

Proximity and Communication



Tom Allen, MIT, 1977

Proximity and Collaboration

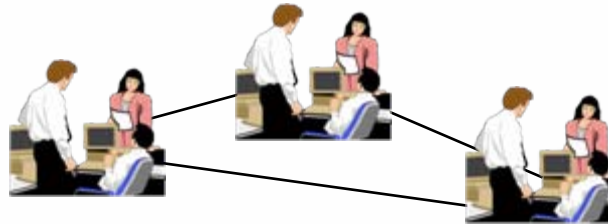
Office Location	Probability of Research Collaboration
Same corridor	10.3%
Same floor	1.9%
Different floor	0.3%
Different buildings	0.4%

Bell Communications Research & Univ of Arizona, 1988

The Technical Definition of a Virtual Team

A team

Small group with common purpose
interacting interdependently on agreed tasks



Organizations

A virtual team



across boundaries of space,
time, and organization
supported by technology

Locations



Even [Wikipedia](#) has a definition now:

A **Virtual Team** — also known as a geographically dispersed team (GDT) — is a group of individuals who work across time, space, and organizational boundaries with links strengthened by webs of communication technology. They have complementary skills and are committed to a common purpose, have interdependent performance goals, and share an approach to work for which they hold themselves mutually accountable. Geographically dispersed teams allow organizations to hire and retain the best people regardless of location. From [Wikipedia](#)

Virtual Teams Have all Normal Team Challenges

1. Leading and participating effectively up, across, down, out
2. Building and deepening trust
3. Speaking same language
 - *Shared terminology, meaning*
 - *Similar experiences*
 - *Common standards & tools*
4. Behaving according to agreed norms
 - *Operating agreements, guidelines*
5. Making decisions that benefit both team and its members
6. Managing conflict, responding to crises
7. Evaluating team, member performance
8. Providing performance incentives for team, member

+ Plus Purely Virtual Challenges

9. Lack of daily face-to-face, people losing touch
10. Cultural differences “virtually” guaranteed
11. Time-shifts, extra long “days”
12. Misunderstanding frequent without established communication norms
13. Trust delicate to maintain without informal socializing
14. New tools carry overhead of having to learning them
15. No blueprint exists for how to do it
16. New field of leadership being invented on the fly

+ + Plus They Cross Many Boundaries

Do you regularly work with people in different **internal** organizations?

Internal Units

- **Businesses**
- **Functions**
- **Regions**
- **Sites**

Management

- **Hierarchy levels**
- **Bureaucracy**

Do you regularly work with people in different **external** organizations?

Value Chain

- **Partners**
- **Suppliers**
- **Customers**
- **Competitors**

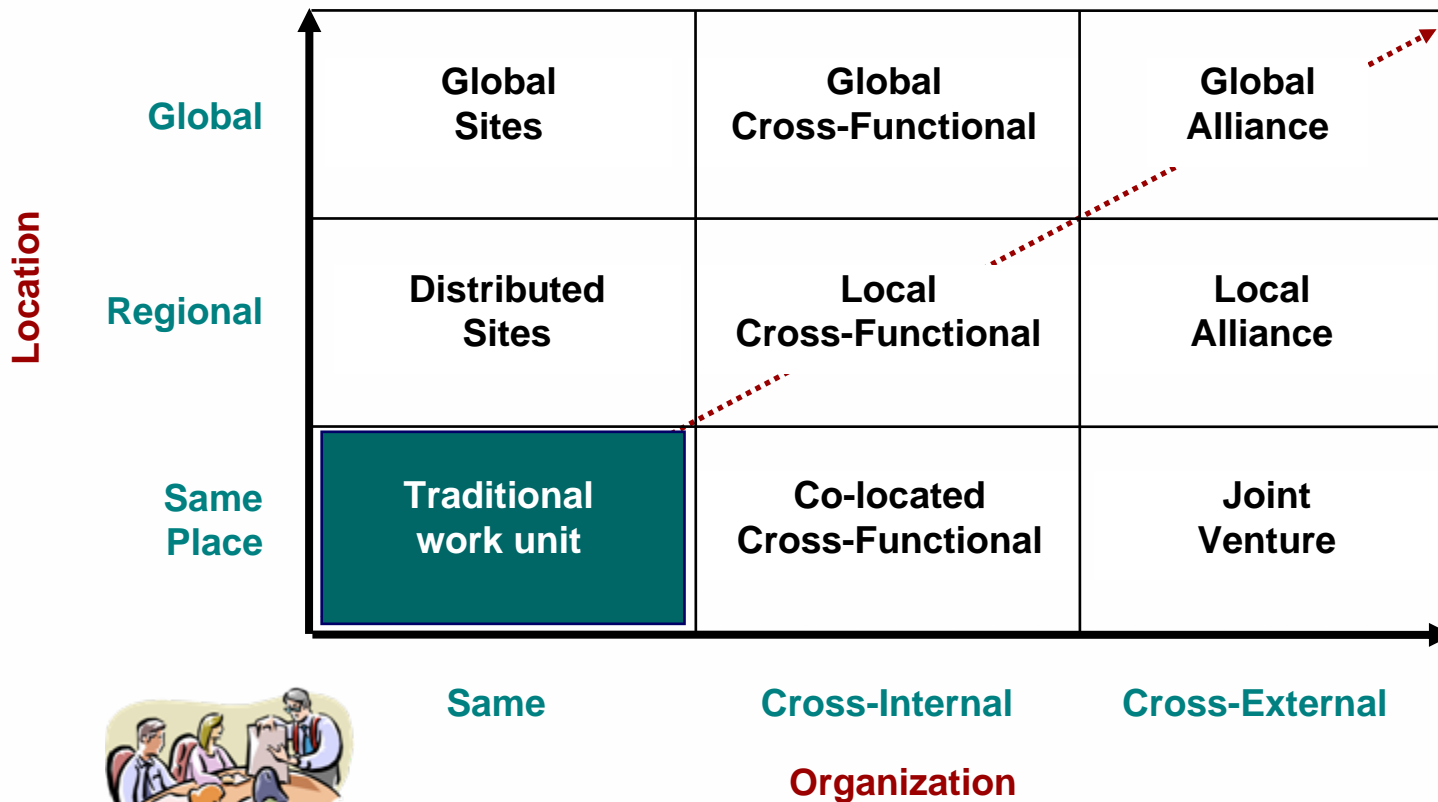
Professional

- **Disciplines**
- **Expertise**

How Virtual Are You?



Increasingly virtual



Tom Botts, EVP, Royal Dutch Shell, Writes: In the “Old Shell World”

- People used to **seeing** boss frequently, feeling as if hard work **noticed** by boss
- Great pride and affiliation with old in-country Operating Unit. People still complained about how their business was run, but it was “**theirs**”
- Relatively few people used virtual tools because “**face-to-face is better**”
- Comfort in rigid, well-defined hierarchy. Insistence on **single-point accountability** (rarely carried out in practice)
- People at same layer in organization regarded as roughly **interchangeable** with same burden of responsibility
- Relatively **little external focus**--more focus on maximizing my OU’s scorecard and doing better than other OUs
- **Managers** manage their line, and **defend** it to others

--Used with permission of Tom Botts

In the “New Shell World,” Tom writes:

- People **comfortable with working across boundaries**. Working for boss in different country OK because I know I can get support I need from my ‘virtual’ boss as well as local and extended network I work within.
- I am proud of my extended network, even though I can’t touch it and it isn’t represented by single building, plant or platform. I feel I am important **part of something much bigger and what I do matters**. Even though I work in large organisation, I don’t feel lost or unimportant.
- Virtual working and virtual tools are “the way we do it around here.” Most importantly, everyone knows **right behaviors to make virtual working work**. We don’t feel hampered by notion that face-to-face is necessary to form effective relationships.
- We have much sharper and aligned view of accountability and are comfortable with matrix organisations. We know that simple boxes and lines on an org chart don’t reflect the way work must get done---we are **more comfortable with networking to solve complex problems**.
- We are much **more aware of where the critical hubs** are in the organization and recognize they may appear at any level. Critical hub jobs are well thought out, properly supported, and resourced with special care.
- Everyone is externally focused aiming to beat competition. **I own the success or failure of the whole**, not just my bit.
- Leaders intervene in ordinary to help others produce extraordinary. **Leaders are systems thinkers** and are good at shaping and enabling networks.

“Can Absence Make A Team Grow Stronger?”



Benchmarking “Far-flung” Teams

- Comprehensive, best-practice study of “far-flung” teams
 - Core work not done face-to-face
 - Membership changes over time
 - Cross-function, -discipline, -organization
- Researchers posed two kinds of questions:
 - People: Management practices?
 - Tools: Technology features?
- Collaboration of university researchers Majchrzak (USC) & Malhotra (UNC), Society for Information Management (SIM), and NetAge
- 54 teams from 26 primarily global companies across 15 industries
- [“Can Absence Make a Team Grow Stronger?”](#) - Harvard Business Review, May, 2004, Majchrzak, Malhotra, Stamps, and Lipnack

HBR Article: The Three Rules of Far-Flung Teams

Rule no. 1: Exploit diversity

Rule no. 2: Use technology to simulate reality

Rule no. 3: Hold the team together

Companies

Agilent • Air Products • AMP • Childrens Health • Digitas
• Dupont Dow • Emery • EDS • Freelances • Fullcircle •
Gartner • GSK • HP • Heidelberg • IDS Scheer • IBM •
Intel • International Truck & Engine • Kraft • LDS Church
• Lucent • Marinos • Medtronic • MSC • Motorola • NGIS
• RFG • RealWorldSystems • Shell Chemicals •
Tektronix • Unilever Latin America • Verizon

Industries

- High-Tech
- Industrial manufacturing
- Telecommunications
- Consumer products
- Chemical
- Automotive
- Engineering design
- Medical device manufacturing
- Consulting
- Printing
- Financial services
- IT research analysis
- Health care
- Non-profit
- Logistics

It /s Rocket Science

- Boeing-Rocketdyne project to build new rocket engine
- *Recruited two experts from outside Rocketdyne location*
- Came up with breakthrough design for thrust chamber and turbo pumps that reduced:
 - *Number of parts from 100s to a few*
 - *Design time to 10% of schedule*
 - *Number of hours to 1% of normal*
 - *Manufacturing cost by millions*
- Q: How did they do it?
 - *Weekly face-to-face meetings*
 - *Working at a distance*

1. Exploit Diversity

- Make the most of people's differences
- “Storm to form,” not “form to storm”
- Engage detailed conversations, allowing them to wander
- Use team assessments; share results among members
- Rotate pairs who don't know each other on subtasks
- Also pair people with differing perspectives
 - Greater differences in pairs working together produced breakthrough solutions

2. Use Technology to Simulate Reality

- Combine teleconferencing (86%) with virtual workspace (83%)
- Instant Messaging used by 50% even when prohibited
- Videoconferencing used by only one-third
- Online threaded discussions used between meetings
- E-mail poorly regarded for team communication

3. Hold the Team Together

- Communicate daily, intensely
- Adopt common language
- Blend work processes of members
- Encourage cultural descriptions, expressions (e.g., Portuñol)
- Protect members by agreeing time commitments with their managers
- Orchestrate conference calls as “can’t miss” events
 - Begin with news, unexpected query to “get voices in room”
 - Introduce topics that generate heat
 - Discourage status reporting
 - Actively encourage conversation
 - Close with “self-propelling endings”

A Methodology for Virtual Teams



What Is the Virtual Team Methodology?

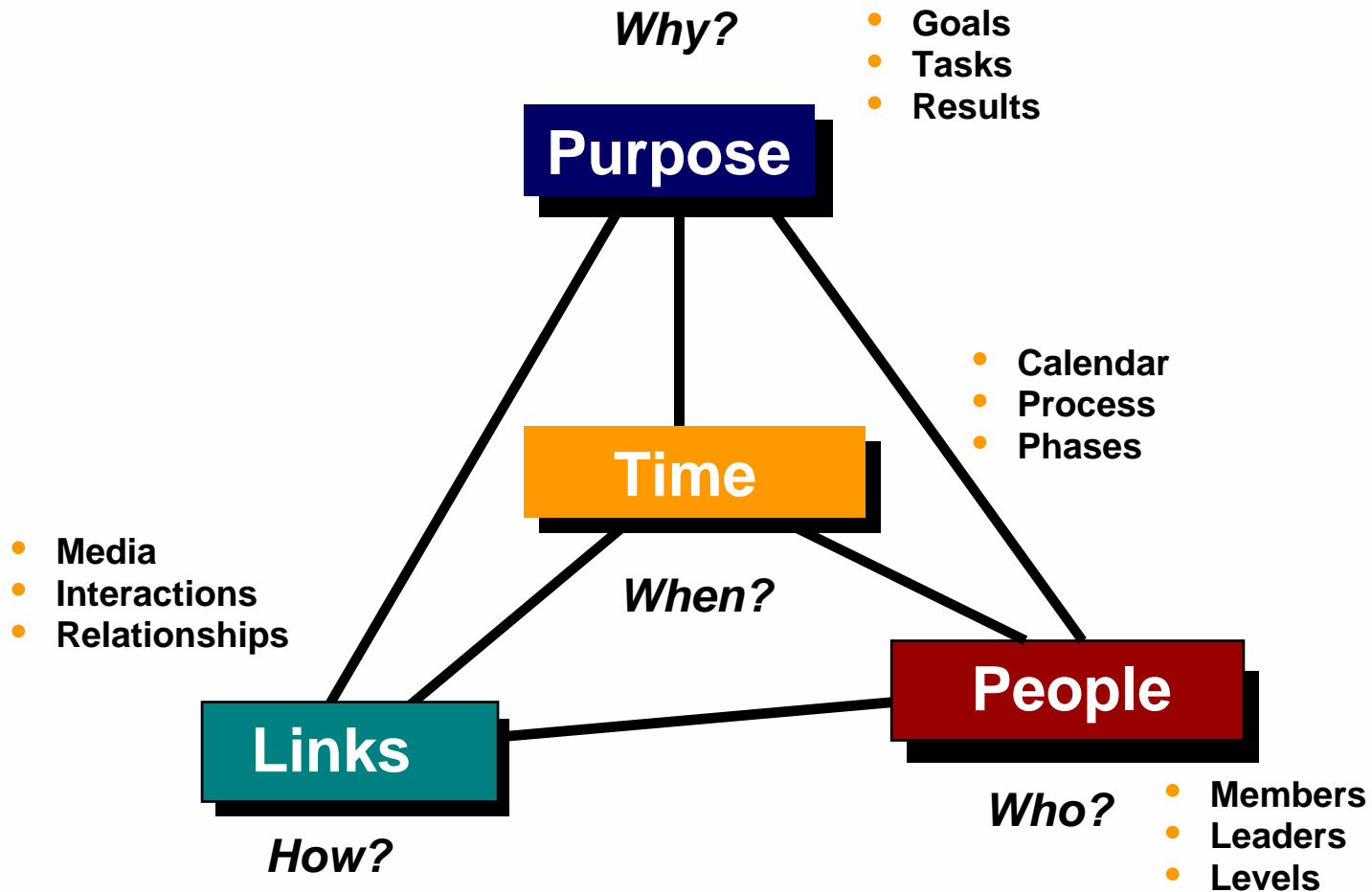
- Based on 25 years of work with public and private organizations around the world
- Combination of principles, practices, processes
- Four core principles: People, Purpose, Links, and Time
- Used by GE, Roche, Shell, Apple, Pfizer, Merck, Qantas, Hewlett-Packard, NCR, US government agencies, United Nations, Volvo
- Evolves with use
- Data point: IT division of international financial services firm showed 34% increase in collaborative capability by using methods



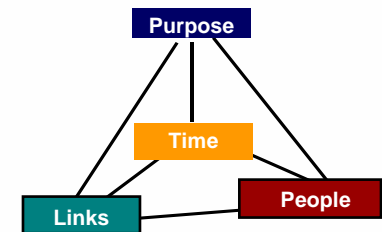
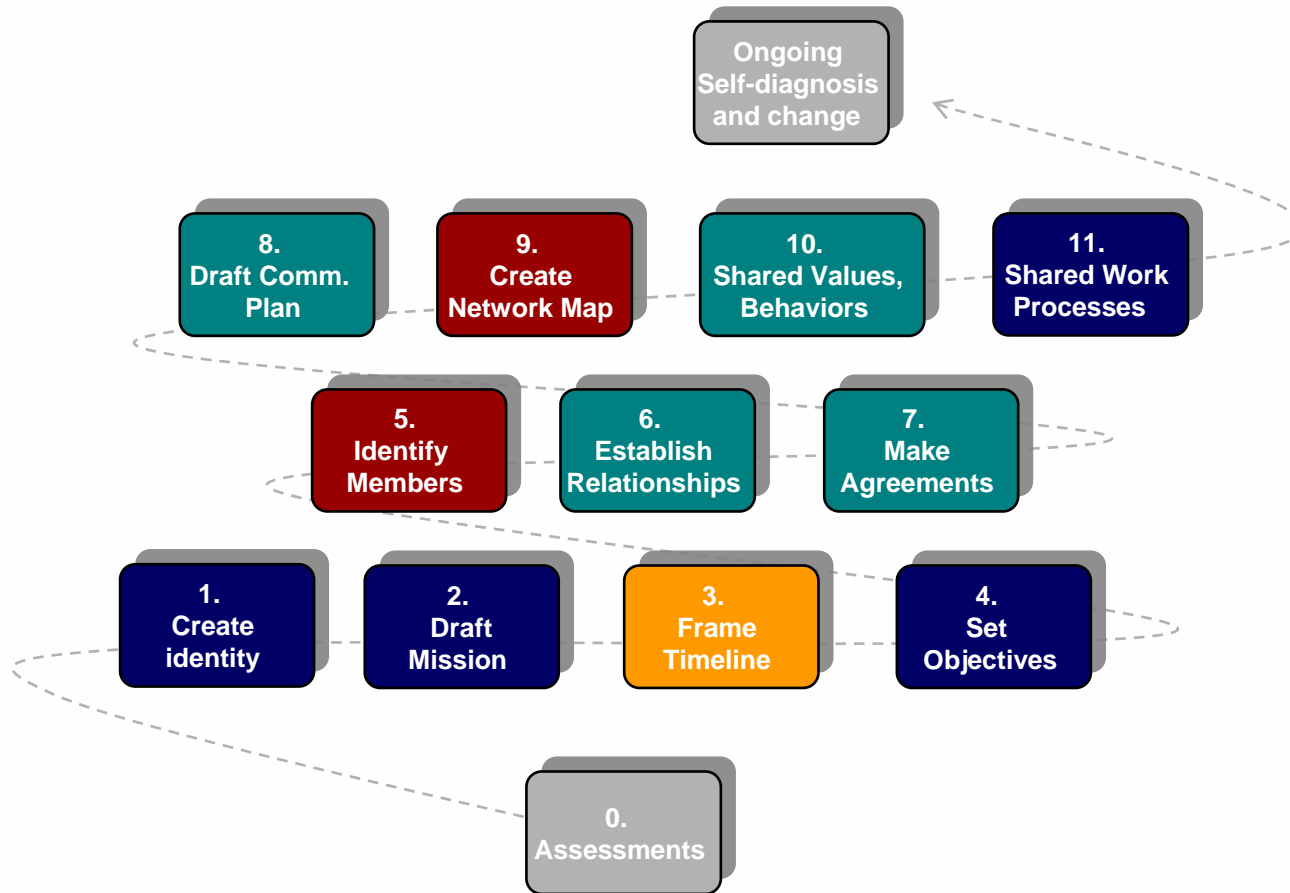
Methodology--a body of methods, rules, and postulates employed by a discipline", (2) "a particular procedure or set of procedures", or (3) "the analysis of the principles or procedures of inquiry in a particular field" (Merriam–Webster)

From [Wikipedia](#)

A Model for Virtual Teams (and Networks)



Building Blocks for High-Performing Virtual Teams



Six Key Aspirations to Keep in Mind

Purpose

1. Everyone shares same picture of overall purpose
2. Everyone follows same process for doing similar work

People

3. People have the freedom and flexibility to do their work
4. Everyone continuously clarifies roles, responsibilities, and competencies needed

Links

5. People collaboratively set operating agreements that they actively apply
6. High level of trust enjoyed by everyone

Virtual Team Assessment

Purpose

- 1. **Everyone has same picture of overall purpose**
- 2. Team discusses, agrees, and reviews clear, simple goals
- 3. **Everyone follows same process for doing similar work**
- 4. Team looks for ways to interconnect and improve work processes
- 5. **Everyone understands the deliverables**
- 6. Team develops and reviews measures and milestones for deliverables

People

- 7. **People have the freedom and flexibility to do their work**
- 8. Team continuously clarifies roles, responsibilities, and competencies needed
- 9. **Leadership widely distributed and shifts as needed**
- 10. Individuals are encouraged to lead and to follow as appropriate
- 11. **Key system interdependencies are clearly articulated**
- 12. People are encouraged to talk across levels

Links

- 13. **A variety of media are available and accessible**
- 14. Team knows how to use collaboration tools consistently and creatively
- 15. **Team has collaboratively established and actively applied operating agreements**
- 16. Team actively implements strategy for engagement across organization boundaries
- 17. **Team members build “social capital” through multiple connections**
- 18. Team has high level of trust

Time

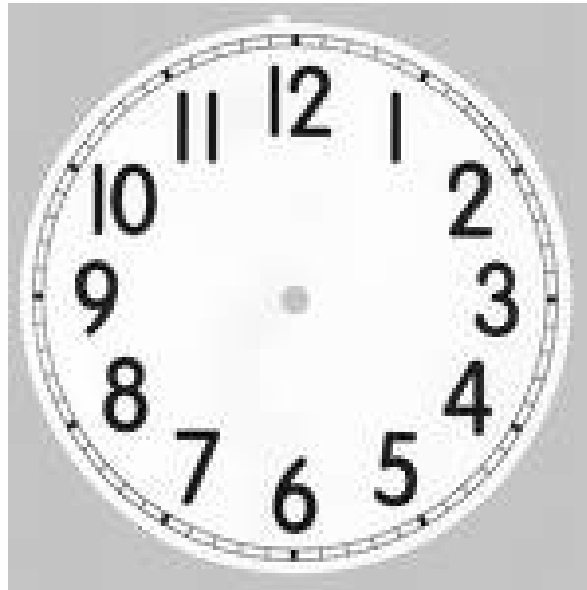
- 19. **Team has clear milestones and schedules of dates**
- 20. People are aware of ongoing key team dates and cultural calendar
- 21. **Task timelines are collaboratively established**
- 22. Team is able to adapt to rapidly changing conditions
- 23. **Team has clear view of its life cycle and current phase**
- 24. People discuss team processes and suggestions for improvements

SCALE

1 - Strongly disagree...3 -Somewhat agree...5 -Strongly agree

If This Were a Conference Call: We'd Get Voices in the Room

Tom
Fred
Mary
Om
Kate



"This is John at 6 o'clock"

Eric
Shawn
Izumi
Mirian



Collaborative Conference Calls

- If no agenda, then no meeting
- Avoid status reporting
- Use screen sharing
- Rotate facilitator, note taker, timekeeper, "break" buddies
- Keep notes, display them, and distribute immediately

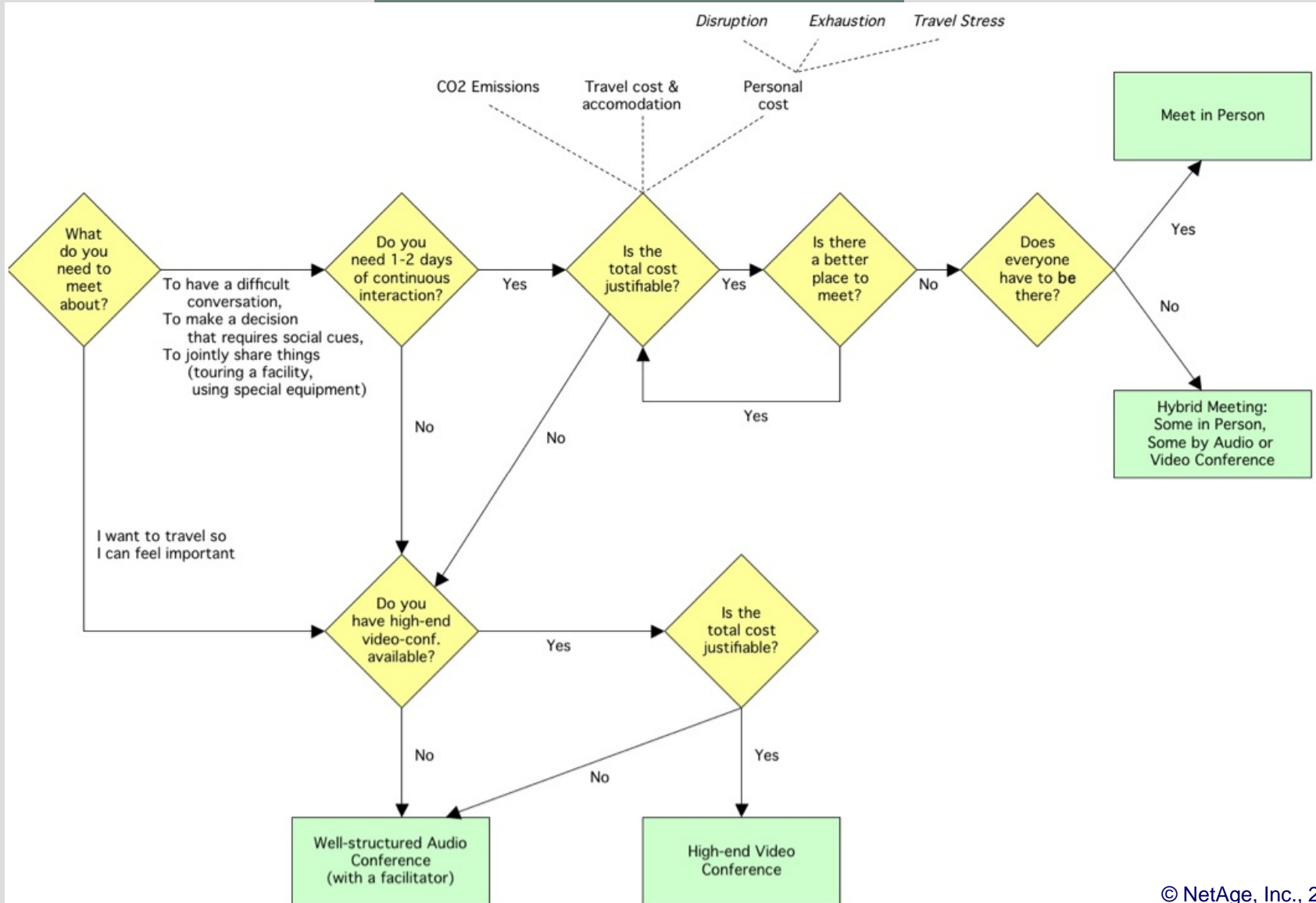
- Check-in: go around clock face
- Get voices in room with "ice breaker" question
- Say your name each time you speak
- Generate heat: Discuss, disagree, decide
- Check-out around clock

How Do You Decide When to Travel to Meetings?

- Do you need to have a difficult conversation?
- Do you need to make decisions that depend on interpretation of subtle cues in body language?
- Do you need 8 or 16 hours of continuous work together?
- Do you have to share “things” that would be difficult to experience at a distance, like touring a facility or using a piece of equipment?
- What is the true cost of the meeting in terms of direct expenses and personal wear-and-tear?
- Have you done a back-of-the-envelope calculation of the meeting’s contribution to CO2 emissions?
- Do you sometimes travel because you like it or get the feeling that you are important for doing so? Is the meeting you’re planning one of those?
- If you do absolutely need face-to-face, could you:
 - Organize a high-end video conference if people have never seen one another?
 - Conduct a series of highly organized conference calls over a week’s time?
- If you absolutely need face-to-face, are you traveling to the most convenient location for everyone?
- Is everyone attending the meeting essential? Could some call in for part of the meeting?
- If you choose not to travel, can you explain your decision clearly to others?

See [*The Content Economy*](#)

When to Travel Flowchart from Michael Sampson



What's Wrong with Email?

Thursday, 19 July 2007

"Email is for old people"

There have been [a few problems](#) at my alma mater of late, which have captured my attention sufficiently to get me to attend alumni meetings, where passionate grads are arguing the future of one of America's great institutions, Antioch College.

So while I'm sitting at the most recent one trying to follow the conversation, someone said something that has proved to be the only direct quote I recall from the meeting: "Email is for old people."

The speaker, whose name I've been trying to ~~get but alas, she~~ may not reply to email, went on to say that I should post. They don't email."

I email and I post. Like right now. This is a 1:1 communication in public? In private forums can join by registering?

We know from our research over the years -- means the only ones recognizing this -- email limitations. Long discussions do not lend themselves to bulletin boards, threaded discussions, and in the moment, wikis, do.

[Endless Knots](#)

Email Archiving: "It's Here Somewhere!"

By Rick Cook

Dec 9, 2005

The Problem of Email

I have a problem, and its name is "email". Many people have as I do. When I say "my inbox is out of control", I get a response and knocked it down from 3,000 messages to 500 messages spread out over 5+ inboxes. This is after I archive, and started fresh. This is after I unsubscribed from company mailing lists). This is after spending 3-5 days on it.

[O'Reilly Radar](#)

SATURDAY, AUGUST 4, 2007

What's Wrong with Email?

Why is everyone gunning for E-Mail? The prognostications of its imminent demise (or calls for its outright impeachment) are constant -- each week a new report on how old-fashioned and oh-so-1980's it is in the eyes of the MySpace generation (see [here](#) and [here](#)).

So, what's wrong with it? Or more appropriately, what is so new and different about the contenders for its crown?

The argument seems to be that email is old-fashioned, disorganized, riddled with spam, and used for too many things for which there are better solutions.

Old-Fashioned? Yes. Email is essentially text-based. Yes, it does pictures and you can force it to do formatting or attach video or audio. But you cannot rely on anything but the text reaching the other end. (That is part of its old-fashioned charm...)

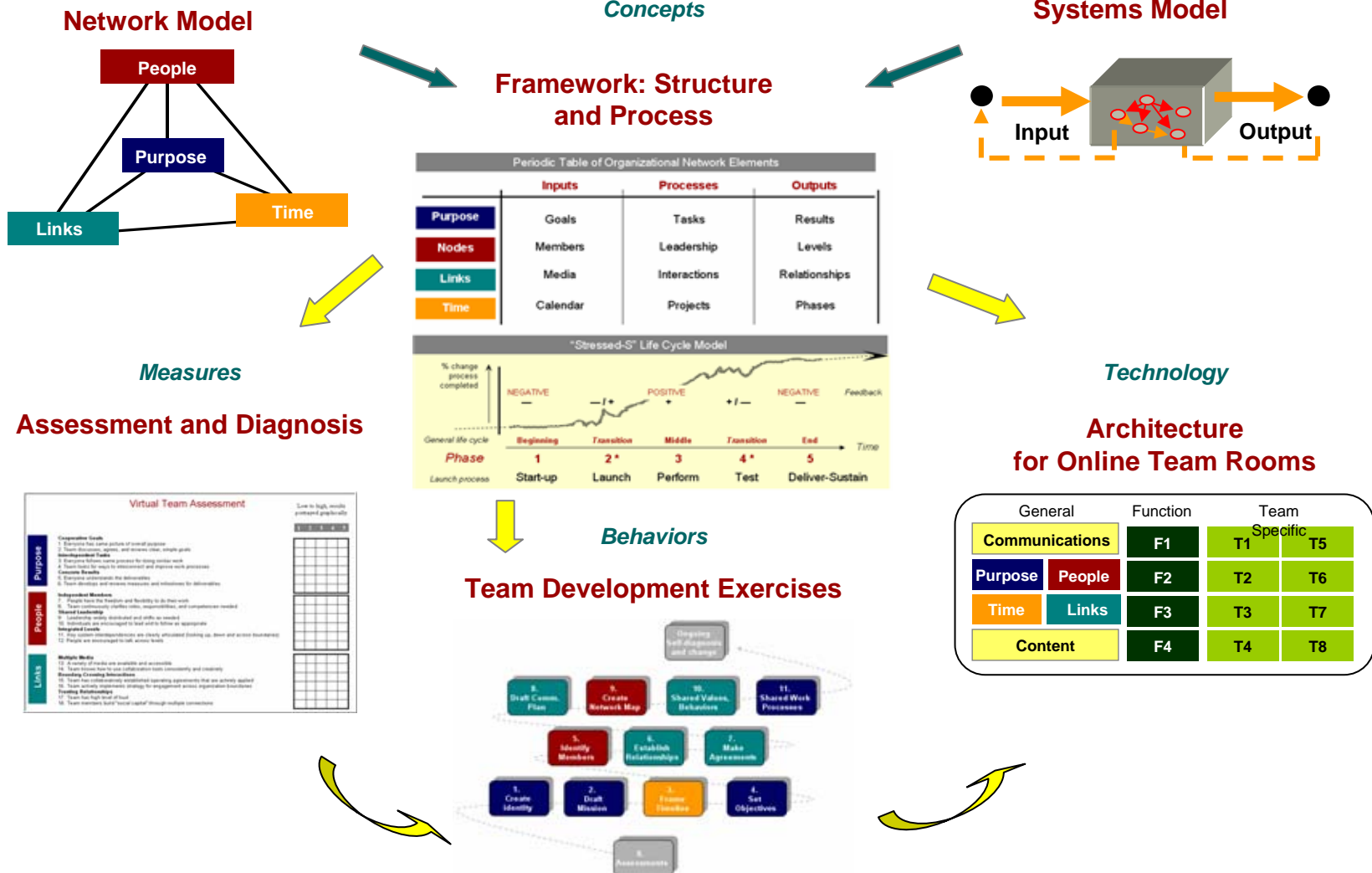
Disorganized? Yes again. Folders are an oh too familiar mechanism for organizing information. But I don't know anyone who has actually got their mail under control. The volume and nature of email changes too frequently, it confounds and exceeds the ability for any individual to keep its structure up-to-date. As a consequence the inbox starts to bulge like an overstuffed filing cabinet. Search and sort (by sender, by subject) become the primary tools for finding old mail.

Spam? You got it. Nuff said.

Used for too many things? Well, wait a minute...

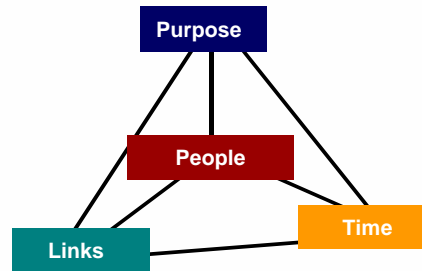
[Incredibly Dull blog](#)

It Takes a Lot More than Email to Lead at a Distance

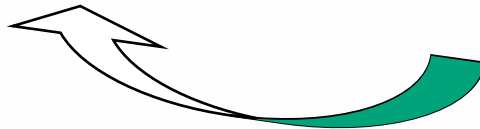


Successful Virtual Team Leaders Employ New Principles, Behaviors, and Tools

Use four common principles



And "co-locate" virtual team



Virtual Team Assessment		Low to high, needs progress prioritized
Purpose	Cooperative Goals	1-6
	1. Everyone has same picture of overall purpose	
	2. Team discusses, agrees, and creates clear, simple goals	
	3. Team continuously updates roles, responsibilities, and competencies needed	
People	Interdependent Goals	7-10
	4. Everyone follows same process for doing similar work	
	5. Team looks for ways to streamline and improve work processes	
	6. Team develops and reviews measures and initiatives for deliverables	
Links	Autonomous Mandates	11-12
	7. People have the freedom and flexibility to do their work	
	8. Team continuously updates roles, responsibilities, and competencies needed	
	9. Team has established operating agreements that are actively applied	
Links	Shared Leadership	13-16
	10. Leadership widely distributed and shifts as needed	
	11. Individuals are encouraged to lead when it's appropriate	
	12. Team has high level of trust	
Links	Integrated Goals	17-18
	13. Team has high level of trust	
	14. Team has high level of trust	
	15. Team members build "social capital" through multiple connections	

To assess virtual team behaviors

One US Army Project Around Virtual Teams: Teams of Leaders Handbook” Team Room

The screenshot displays a web application interface for 'ToL Development'. At the top, it features the BCKS logo and the title 'ToL Development'. A search bar and 'Site Actions' button are also visible. The main content area is divided into several sections:

- Mission:** 'Develop, integrate, and field a dynamic knowledge enabling capability to support high-performing teams.'
- Navigation Menu (Left):**
 - People:** Team Members, Team Pictures, People Docs, Network Map
 - Purpose:** Mission / Values, Objectives, Tasks
 - Links:** Relationship Matrix, Operating Agreements, URLs, Announcements
 - Time:** Calendar, Project Timeline, Phases
 - Communication:** Meetings, Team Discussion, Web Conferencing, IM / Chat
 - Content:** Reports, Briefings, Handbook
 - References:** Operating Definitions, Source Docs, Templates
- Central Content Area:**
 - People:** Team Members, Team Pictures, People Docs, Network Map
 - Purpose:** Mission / Values, Objectives, Tasks
 - Links:** Relationship Matrix, Op Agreements, URLs
 - Time:** Calendar, Project Timeline, Phases
 - Communication:** Meetings, Discussions, Web Conf, Place holder for TeamTalk
 - Content:** Reports, Briefings, Handbook
 - References:** Op Definitions, Source Docs, Templates
- Announcements:**
 - The Phone Bridge number for all IPRs is 913-684-7404
 - * Phone Bridge for Thursday, 11 Sept, is 913-684-7405!!!
 - Add new announcement
- Events:**
 - Right Track Review : 17 Sept
 - Virtual Right Track Review! 18 Sept 1330-01530 [View](#)
 - Add new announcement
- Key Documents:**
 - ToL Overview
 - Handbook wrapper 1st draft
 - Booklet 1 1st Draft
 - Booklet 2 1st draft
 - Booklet 3 First Draft
 - Add new link
- Team Member Profiles:** A central globe icon is surrounded by ten individual photos of team members, each with their name: Michelle Hannah, Mike Prevou, Jeff Stamps, Jessica Lipnack, Holly Baxter, John Kessler, Rick Morris, JR Growney, and Bob Veitch.

How Volvo Works with Virtual Teams

VOLVO

VIRTUAL TEAMS GUIDE

Collaboration Workplace. Time well spent. VOLVO

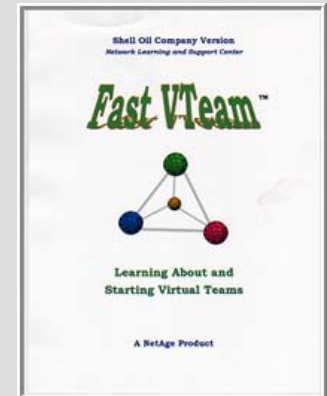
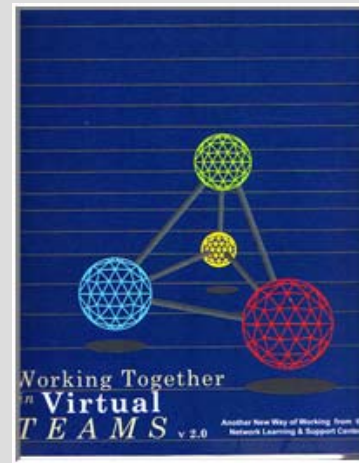
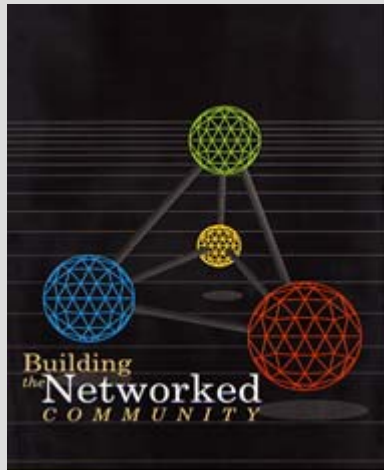
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Some Volvo IT Initiatives

- Management seminar for senior people
- Launching key initiatives, project teams
- Behavioral Guidelines
- Media Campaign
- Information Worker Package: IM, email, team room, audio, video, web conferencing

Shell's Many Years with Virtual Teams



Just a few of many projects

- Networked Community Strategic Initiative
- Network Learning and Support Center
- Expro-SIEP Staff Collaboration Project
- People Working Together Better
- IBM-style Jam



Strategy for Success at a Distance

90% People + 10% Technology

Myth:

Leading virtually is about using right technology



Reality:

Leading virtually requires understanding people, culture, organization, and collaboration

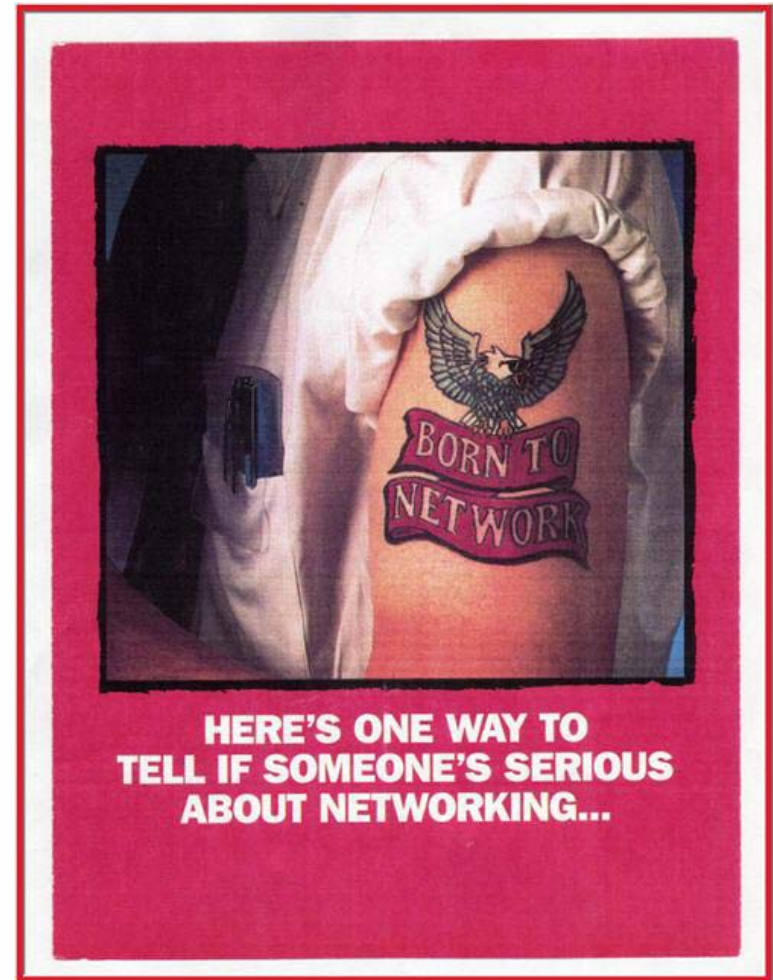


“We always get the technology right and the sociology wrong”—Paul Trevithick

“Only Connect”--E.M. Forster

*“We are born
to work and play together in teams,
but we have to give enough
of ourselves
to let the filaments connect”*

Paul F. Levy, soccer coach;
CEO, Beth Israel Deaconess Medical Center; and
blogger: [Running a Hospital](#)



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Q & A

Is there any specific limit to the size of a virtual team?



Q & A

Are face-to-face connections not necessary anymore? My own experience is that once I had face-to-face meetings my virtual relationships were hundreds times better than without that personal contact. As humans, are we not needing face-to-face especially in the anonymity of the internet?



Q & A

What are best practices for establishing and building trust on a virtual team when the team members will never met?



Q & A

Is there a noticed trend in 'adaptability' across industries? i.e., is a virtual team successful faster in a software development company vs. a company that is not necessarily known for using technology?



Q & A

Can you give us an example of "creating heat" in a conference call?



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