# Designing Successful Business Teams

Ag Decision Maker extension.iastate.edu/agdm

File C5-114

The success of your business is based on teamwork by the parties involved, both internal and external. By working together, you can often accomplish more than when you work as individuals. It is beneficial that you use teams to accomplish business tasks.

To have a successful team, you must properly structure the team, and then you must select the right type of team to accomplish the task.

### **Elements of Successful Teams**

The successful team is more than just the people assigned. To have a successful team, certain elements must be present. Examine the elements listed below to see if they are present in your business teams. These elements increase your odds of having a successful team outcome.

- **Team Objectives and Goals** Team goals must be clearly specified. This provides the focus around which team activities are organized. For example, the goals of a team maybe designed to investigate the market potential of a new product. If team goals are not specified and agreed upon by all team members, the team will tend to wander without direction.
- **Commitment and Collaboration** All team members must be committed to achieving the goals of the team. Team members who don't take responsibility for team activities will undermine the commitment of other team members. Also, a team will be weakened if its members bring their personal agendas into team activities.
- **Shared Rewards** To get commitment, team members must be involved in identifying team goals and sharing the rewards of the team. If members do not share in team rewards, they have no reason to participate in team activities.

- Defined Roles and Responsibilities To successfully carry out the activities of the team, the role of each team member must be defined. Without clearly defined roles, members will become frustrated because they won't know what activities they are responsible for. As a result, many team activities will not be carried out.
- **Trust** Successful teams are made up of members who trust each other. Lack of trust among team members will shift the member's focus away from team goals to protecting their individual positions.
- Mutual Respect For trust to exist among team members, they must have respect for each other. This includes respect for the views and activities of other team members. But it also includes respect for the goals of the team itself and the responsibility to work towards these goals.
- **Communications** Without communications, little teamwork will occur. Good communications among team members is important to successfully implement the elements discussion above.

## **Difference between Groups and Teams**

Organizations consist of groups of people, or a collection of individuals. A team is a cohesive coalition of people.

Groups might be project-related, as in a division, a branch or an entire store. Group performance equals the inputs minus the outputs, sometimes called process loss. A team differs from other types of groups in that the team is focused upon a joint goal or product. A team is typically smaller, and is assembled collaboratively to accomplish larger, more complex goals. Conversely, the group may only be responsible for their individual share.

Reviewed November 2020

## **Types of Teams**

Not all teams are alike. The type of team you choose will influence how effectively you achieve your goals. Depending on the circumstances, choose the type of team that best fits the task you want to accomplish.

## **Functional Team**

With this team, the players play on a team, but they do not play as a team. An analogy for this type of team is baseball. In baseball each player has a fixed position. Each player carries out certain functions by themselves. There is an old baseball saying that "If you are up to bat, you are totally alone."

This type of teamwork is the model on which mass production and assembly lines were built. With a functional team, the results produced by the team are the sum of the results produced by each individual team member.

Functional teams are simple and easy to establish. So there is a tendency to establish teams around this model. Each person's performance is easy to evaluate. It works well when the tasks are repetitive and the rules are well known. Traditional supervisor/employee relationships are often organized as a functional team.

Teams organized around the functions of the business work well with this structure. For example, situations where one person is responsible for accounting, another for operations, and another for financial management are best handled with a functional team.

#### Hierarchy Team

With a hierarchy team, the team members work in unison. The team requires someone to lead and direct them. An example is an orchestra or a football team. The team requires someone to lead them like a conductor or a quarterback. Also, the team requires a score or a set of plays to be successful, and may require rehearsal to function properly.

As with the functional team, each player has a fixed position. The tuba player does not take over for the clarinet player. However, they play as a team. Each coordinates his or her part with the rest of the team. The success of one player depends on the actions of the others.

Activities that need coordination of several people to accomplish a task in an efficient manner during a short time period are often recognized in this fashion. Every team member works independently but is tightly coordinated with other team members. One person acts as leader to organize and direct the team.

A hierarchy team has great flexibility if used properly. It can move very fast and is very good in situations where a task must be accomplished in a short period of time.

#### Organic Team

This team is similar to a doubles tennis team or a basketball team. Each person has a preferred rather than a fixed position. The teammates cover for each other. They adjust their play to accommodate the strengths and weakness of each other. Often the most valuable person on an organic team is the person who can play any position.

A well-functioning organic team is the strongest type of team. It displays synergy - the results produced by the team are greater than the sum produced by each individual team member. Synergy occurs because the team uses the strengths of each member while minimizing the weaknesses of each. However, to be successful, this type of team requires substantial self-discipline. It also requires the team members to make their egos subservient to the welfare of the team.

The organic team is often used in situations where all of the team members know how to carry out the responsibilities of each of the team members. This type of team involves an intimate knowledge of the other team members. Team members

who have worked together for a long time often function as an organic team. However, if one person persists in being in charge, or if teammates will not support each other, an organic team will not function properly.

For more information on business development, including contracts and agreements, visit the <u>Ag Decision Maker website</u>, www.extension.iastate.edu/agdm/vdstart.html.

\* Reprinted with permission. Agricultural Marketing Resource Center, Iowa State University

Reviewed by Gary Wright, extension farm management field specialist, gdwright@iastate.edu www.extension.iastate.edu/agdm
Originally written by Don Hofstrand, retired extension value added agriculture specialist

This institution is an equal opportunity provider. For the full non-discrimination statement or accommodation inquiries, go to <a href="https://www.extension.iastate.edu/diversity/ext">www.extension.iastate.edu/diversity/ext</a>.