



# Book Virtual Teams

## People Working Across Boundaries with Technology

Jessica Lipnack and Jeffrey Stamps  
Wiley, 2000

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## Recommendation

Globalization can create as many problems as opportunities. One big problem is figuring out how to unite people worldwide to work on projects for your company. In an age that lacked a worldwide communications net, the answer would probably be quite depressing. However, as authors Jessica Lipnack and Jeffrey Stamps make clear, the modern Internet makes it quite possible for workers all over the world to collaborate. The physical location of your firm's various experts is no longer a barrier to effective team building, be they in Dublin, Bangalore, Las Vegas or Bangkok. In fact, the authors claim that companies that fail to create effective teams across cyberspace will be left in history's dustbin. This might be overstating the case, but *BooksInShort* recommends this book for its candor about exactly how challenging it is to create virtual teams. Still interested? If so, this book serves as an excellent primer of both theory and practice.

## Take-Aways

- Virtual teams are the future of corporate networking.
- Links are the key to virtual teams and define their value.
- Virtual teams are complex and not easy to build.
- The diverse participation of virtual teams increases innovation.
- Virtual teams reduce costs for your company.
- New networks mean creating new ways to communicate without physical cues.
- Workers can learn more about the Internet by playing in cyberspace.
- Coaching is also an important aspect of acquiring new technological skills.
- Employee implementation makes technological change real.
- Companies that don't perfect or understand virtual teams won't survive.

# Summary

## Why Virtual Teams Matter

When the people who developed the Internet are asked about the future of organizations, they assert that the Internet forces companies to deal with the new reality of networked human interaction. This new technology brings individuals, small groups and communities back to the center of attention. Four terms capture the truth of virtual teams: people, purpose, links and time:

1. People fill groups of every kind and size.
2. Purpose holds the groups together.
3. Links give access to vast amounts of data and unprecedented possibilities for interaction.
4. Time dominates virtual teams and includes schedules, milestones and calendars.

## The Profit Motive

Virtual teams have the power to increase profits. Advantages of virtual teams include:

### 1. Cost Reduction

Virtual teams reduce costs and increase the time your employees have for their work. This creates a new economy of scale.

### 2. Shorter Cycle Times

Parallel communication is faster than serial communication. This also establishes greater trust and better exchanges of information and ideas.

### 3. Increased Innovation

More diverse participation increases creativity and encourages new business synergies.

### 4. Leveraged Learning

Virtual communication makes learning a natural by-product of working. Employees also gain a wider access to expertise and can share best practices.

## Groups Forever

People always live and work in small groups. Small groups permeate every kind of organization, from large companies to startups. Yet each age has its own signature form of organization.

“It’s hard to bring physical bearing to bear when you’re communicating by e-mail. All the CAPITAL LETTERS and !@\$\* characters of indignation on the computer screen can’t compare with someone on a power trip staring you down.”

In their 1980 book, *The Third Wave*, Alvin and Heidi Toffler explain that major transformations divide human history into four great ages that are marked by nomadic, agricultural, industrial and information-based cultures.

### 1. Nomadic

Hunter-gatherers honed small-group skills. Building these skills required our early ancestors to acquire ability to speak, make tools and start organizations.

## **2. Agricultural**

Agriculture created hierarchies. Farming and herding eventually replaced hunting and gathering.

## **3. Industrial**

Bureaucracy was created by the industrial age. This age matured in the 20th century as factories replaced farms as society's prime economic mover. This era later gave birth to the digital society.

## **4. Information**

Networks were created by the Information Age. The world's economies are now information-based and interdependent, making the planet smaller.

“In time, virtual teams will become the natural way to work, nothing special. Virtual teams and networks - effective, value-based, swiftly reconfiguring, high-performing, cost-sensitive and decentralized - will profoundly reshape our shared world.”

Companies are betting that virtual teams, which pull people together across geography, large or small, will provide a competitive edge in the future. Proponents believe that virtual teams accomplish tasks that would be impossible within the current 9:00 a.m. to 5:00 p.m. business model.

The creation of virtual teams is not easy and virtual teams are but microcosms of the organizations and environments that spawn them. In other words, a company torn apart by bad morale, low expectations and poor talent shouldn't expect its virtual teams to be any different.

“For virtual teams and networks to be truly transformational, they must include what is timeless and enduring in human groups. They also need to reflect the features that are really new in the turbulent years following the turn of the millennium.”

Human relations are still the heart of the matter. When teams go global, their language and culture issues clearly loom larger. However, all teams will have to cope with the fact of increasing diversity in the workplace. Not only is the workplace becoming more diverse, but the task requirements of complex work demand that a more diverse group of people work together, whether in traditional settings or in virtual teams.

## **Knowledge Capital is Crucial**

Knowledge is the new source of wealth in the information age. Shared knowledge is the dominant productive source of 21st-century economics, with unanticipated consequences now unfolding at startling speed. Knowledge resides in all the shared sources of learning and information.

“Words such as conception, gestation, birth, childhood, adolescent, adulthood, midlife crisis and old age all apply to team life. Powerful results accrue when any team, virtual or not, consciously works its way through a life-cycle process.”

Cyberspace widens this previously limited source of wealth and makes it powerful in new ways. In fact, experts aren't even sure of all of the implications of knowledge capital.

Working in groups, such as virtual teams, makes the most of shared knowledge. We can't avoid teaming. We can only team well or badly. Thus, we will accrue or deplete our corporate social capital with every small group in the organization, whether we consciously acknowledge the value of relationships or not.

## **Creating the Intelligent Organization**

Bob Buckman, the former chairman and CEO of Bulab Holdings, is a manager who is doing it right. He embraces networks and

virtual teams, explaining, “The speed at which you can communicate defines how quickly you can make money.” Buckman explains that having a company that can respond to a client anywhere in the world within six hours is a competitive advantage.

“What gives virtual teams such distinction as a new form of organization is their links. Relatively suddenly, multiple, constantly enhanced modes of communication are available.”

To get more out of each individual employee, your company may need to rethink its span of communications. Buckman’s company is part of a long line of innovation and change. “We’ve been working on this form of organization for a long time,” said Buckman, who asserts that the changes within his company have increased the total intelligence of the organization. Because of the firm’s news groups and Internet communication among workers, questions that once took days to resolve are now solved in hours. Buckman instituted a few key changes to bring his company to this point. Those changes include the following:

## **1. Technology**

Every employee has access to laptops and PCs. Any employee who travels abroad carries an electronic first aid kit.

## **2. Free Unrestricted Access to the Internet**

Instead of a company that prods its employees to not waste time on the Internet, Buckman encourages his employees to go and play on the Internet. “People have to learn how to be comfortable with technology,” he said.

## **3. Facilitation and Coaching**

Coaches spent 12 hours a day online just helping people understand the technology. Now, every discussion area has a moderator. Over time, many of these moderators go on to create their own ways of working online.

## **4. Culture Change**

Employees bring about 90% of these changes. They have to make the changes that work within the organization’s evolving culture.

## **How to Launch Your Virtual Team**

Each virtual team that your company creates should represent a combination of purpose, links and time. Your company can launch a simple virtual team by employing a basic seven-step process. The seven steps are:

1. Create identity
2. Draft mission
3. Determine milestones
4. Set goals
5. Identify members
6. Establish relationships
7. Choose media

“Some companies are already working in the 21st century, virtual team style. For Pfizer, Buckman Labs and Sun Microsystems, virtual teams are, over time, a key business strategy.”

If you’re creating a simple team, these steps may be all the action you will need to take. On the other hand, if you are trying to create a more complex team, these steps provide a groundwork to get you started and then to generate scope, define frameworks and make long-term decisions. Often, sub-teams can be created within established teams just by using these basic steps.

## **Virtual Teams Can be Hard**

Virtual teams are complex. In fact, virtual teams have the same complexity of any other group of people. To guide your team through

the complexities involved any time a group of people tries to accomplish something together, you have to create online functions that support it, such as places, plans and a handbook:

## A Place

The virtual team-meeting site should be as simple as possible. It should have a name banner, clickable pointers to people and current events, and a purpose. For something more complex, you can create a two-tiered site, something with a home page and then four other pages for the walls. For a long-term team, you can create a long-term multilevel project - much like a bigger house for a bigger family - that grows and morphs as the team’s goals become more complicated. You can also use programs and enterprises to create visible dynamic models of teams, even within the larger context of many other teams.

## A Plan

Plan your virtual team to the necessary level of detail and no more. Just detail the short term, sketch the long term and fill in as you go. You can, in effect, walk inside your virtual team’s room. The walls of the room actually determine your planning framework. And, of course, the plan should include the four rules of purpose, people, links and time.

## The Handbook

As the team progresses, it will accumulate a lot of detail about its work. A hard copy of the handbook is useful in conjunction with the Web site. You should put information like the hierarchy, team directory and other important background material in the handbook. This can be an uncomplicated and low-tech way to manage a simple team in the early stages.

## A Matter of Survival

As the world becomes a more complex and faster place, we need to smarten up. This means companies have to learn how to communicate information to their organizations’ members. To do that, businesses need to diversify and create intelligent groups. Firms that don’t adapt to the marketplace’s new complexity simply won’t survive. Firms have to create better networks and groups to handle massive global change. Networks and virtual teams open new channels of opportunity, expand social capital and decrease transaction costs. Furthermore, virtual teams create extra value by solidifying relationships among workers.

## About the Authors

**Jessica Lipnack** and **Jeffrey Stamps** are cofounders and the directors of NetAge Inc., developers of virtualteams.com. They are considered the world’s leading experts in virtual teams and networked organizations. For more than 20 years, they have lectured, consulted and been widely published. They have also launched virtual organizations (teams) for *Fortune* 100 companies.

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