

## **How to Manage Cross-Functional Teams**

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Teamwork is necessary for a business or organization to function. In recent years, however, “teams” and “teamwork” have been so overused that they have become yet another (almost) meaningless business buzzword. We now talk about cross-functional teams, multinational teams, hot teams, distributed teams, and virtual teams. Technological development has certainly facilitated communication and hence teamwork across enormous geographic gulfs. Audio, video, and web-conferencing, along with e-mail and other data transmission channels, permit companies to work in ways that would have been unimaginable even a few years ago.

A team involves a collection of individuals with different strengths and weaknesses united by a common purpose. Cross-functional teams assemble individuals from diverse, unrelated areas of an organization. For example, in deciding whether to introduce a new product, a CEO might appoint a cross-functional team, with team members drawn from the marketing, accounting, purchasing, engineering, manufacturing, IT, and R&D departments. This diversity is the primary strength of a cross-functional team; because the team incorporates so many different perspectives, it becomes possible to analyze a problem from every direction. Less diverse teams run the risk of overlooking a major issue because they lack the relevant knowledge. For example, a team of engineers and scientists may have a terrific product idea, but without input from the marketing department, how will they know whether customers will buy it?

Some cross-functional teams are assembled around short-term projects and hence have relatively short lives. Other cross-functional teams are “standing,” meaning that they are concerned with long-term (possibly perpetual) business issues. These teams may meet regularly for years, becoming a *de facto* managerial organ.

Although diversity is the main strength of cross-functional teams, it also represents their biggest weakness. When so many different perspectives and attitudes gather at a single table, maintaining a congenial, productive atmosphere can be difficult. However, a team leader can take steps to mitigate these pressures and keep the team functioning smoothly.

First, if the team is working virtually, with team members in different offices, make sure that geography does not become an obstacle. This entails effective management of time zones and vast distances. Moreover, if the team depends on sophisticated communications technology, it becomes absolutely critical that the technology works correctly. Make a point of testing the communications hardware and software before every team meeting, and be sure to have a backup system in case of system failure.

Second, clearly establish the team's goals and objectives, deadlines, and criteria for success. This is a very important step towards creating a well-knit cross-functional team. Note that these goals, objectives, and criteria must be measurable, or else they will be meaningless, and the team will never know if it has achieved its goal. In addition, team members need to know their roles, as well as the expectations that the team leader has for them.

Managing a cross-functional team can be a challenge, but it can also be a tremendously rewarding experience. These types of teams often create unique innovations and strengthen their organizations, but achieving this level of success demands a good team leader who understands the risks and rewards.