



Leveraging Knowledge Teams to Create a Competitive Advantage

# Leveraging Knowledge Teams

BUTLER STREET, LLC

# Leveraging Knowledge Teams to Drive a Competitive Advantage

---

© Butler Street, LLC  
5775 Peachtree-Dunwoody Rd. NE  
Building | Suite 240  
Atlanta, GA 30342  
Phone 770.650.0917

---

# Table of Contents

The Same Old Story .....	1
Knowledge Teams and Group Behavior.....	1
Participative/Democratic Leadership.....	2
Knowledge Teams, Leadership and Diversity .....	3
Stages of Team Development.....	5
Leadership and Team Member Selection.....	6
Establishing a Common Purpose .....	9
Developing Group Norms or Guiding Principles.....	10
Managing Controversy and Conflict.....	11
Decision Making Methods.....	14
Trust and Mutual Accountability .....	15
Summary .....	16

---

## The Same Old Story

**A** new CEO comes into a company, does a quick 30-60 day assessment and decides it is time to shake things up a bit. He brings his executive team together and decrees that the company needs to change its sales compensation structure in order to grow sales, cross-sell and drive the desired behavior. He tells his executive management team exactly how he proposes to do this, provides them with a communication plan and tells them he needs their support and buy-in to make this happen.

How many times have we seen this story? It does not have to be a CEO. It could be a Vice President of Sales or a National Sales Manager. Either way, can you say civil disobedience? After the fear and uncertainty subsides, a great deal of resentment takes place when upper level management mandates change and how it is to be implemented without any input from the “knowledge workers.” Just think over your career how many of these top-down initiatives have failed.

## Knowledge Teams and Group Behavior

In today’s business world the effective use of teams and knowledge sharing creates the potential of exponentially empowering an organization as every team member builds off of the other’s strengths resulting in the creation of a high-performance organization. Building an organizational culture that effectively creates and leads teams to share, transfer and scale knowledge throughout the organization is a challenge that is worth taking on. The benefits of knowledge sharing, teamwork and people development are great rewards for the employees and can become a strategic

competitive advantage for the company. To support this statement, author Patrick Lencioni, in his book, *The Five Dysfunctions of a Team* writes:

***“Not finance. Not strategy. Not technology. It is teamwork that remains the ultimate competitive advantage, both because it is so powerful and because it is so rare.”***

## **Participative/Democratic Leadership**

While there are many leadership approaches a company or executive management team can leverage in building a culture of knowledge sharing and teamwork, it is generally viewed that a participative or democratic leadership approach will serve the company and its employees' best. Democratic leaders set policies and make decisions through group discussion, encourage and help group members to interact, request the cooperation of others and are considerate of members' feelings and needs. The term “generally” is used because there are times when specific situation variables will affect the use of participative management. These variables include: importance of the decision, likely cooperation of the participants, time constraints, relevant knowledge or expertise and acceptance of the decision without participation.

We are sensitive to the fact that participative leadership is not a panacea for all company decision-making and problem solving, when decision quality is important, the problem or challenge is unstructured, and the leader lacks the information and or skill to make the decision alone, participative leadership, including the formation of a “Knowledge Team” for decision making is a must. Knowledge Teams are especially effective in the event that two separate companies come together through an acquisition or merger with a goal of defining the best practices as a result of two or more distinct processes. Integration of people and processes is accelerated through this shared knowledge and focus on decision quality.

## Knowledge Teams, Leadership and Diversity

The definition of a Knowledge Team is broken into two distinct parts. First, to acquire the requisite knowledge, the group must consist of cross-functional members with specific subject matter expertise assembled to solve a particular problem. Second, a “team” is defined as a set of interpersonal interactions structured to achieve established goals. More specifically, a team consists of two or more individuals who are (a) aware of their positive interdependence as they strive to achieve mutual goals, (b) interact while they do so, (c) have specific roles or functions to perform and, (d) have limited life span of membership (Johnson, 2009). A group may be defined as two or more individuals sharing a common purpose or a goal. While it is recognized a group is not always a team, for the purpose of this paper, we will use the terms group and team interchangeably.

Why use group or team decision-making and problem solving? There are a number of studies that have concluded that teams generally learn faster, make fewer mistakes, and produce a higher quality product than do individuals. There are several reasons for this including but not limited to (Johnson, 2009):

1. Process Gain: which is the interaction among group or team members that results in ideas, insights, or strategies that no one member previously had thought of on their own.
2. Incorrect solutions are more likely to be recognized and challenged.
3. Groups have more accurate memory of the facts and events than do individuals.

## **LEVERAGING KNOWLEDGE TEAMS**

4. Groups may share unique information and subject matter expertise that other members did not know.
5. Shared diagnosis leads to mutual engagement and dramatically increases the success of the initiative

Put simply, knowledge teams are a form of “for the people, by the people” and lead to faster buy-in from the people who need to affect the change.

## Stages of Team Development

While the goal of any team is to interact effectively at the onset and operate with a high level of group cohesiveness, unfortunately, this is not always the case. Team members need time to get to know their teammates better and most teams move through a number of sequential stages of development.

There are a number of sequential stage theories but perhaps the most famous is the one formulated by Bruce W, Tuckman. Tuckman outlined a five stage theory consisting of “Forming, Storming, Norming, Performing and Adjourning.”

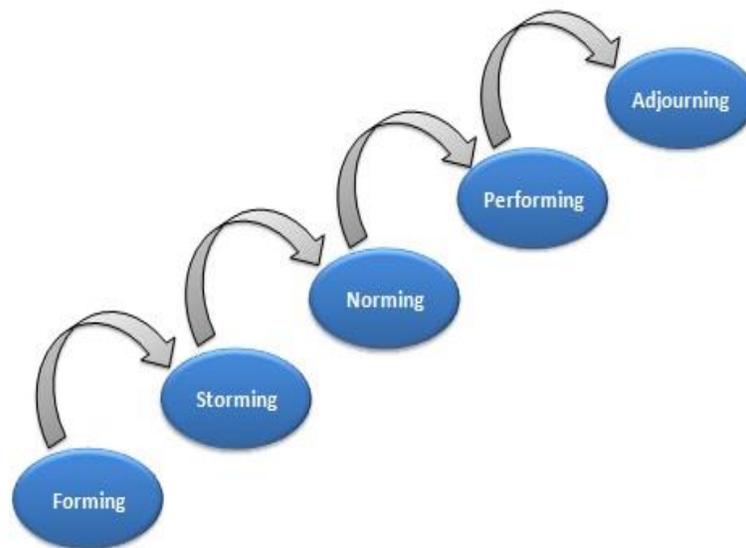


Figure 1.0 Tuckman's Five Stage Theory

## LEVERAGING KNOWLEDGE TEAMS

During the Forming stage, team members are getting to know each other while trying to determine their place in the group, the procedures, norms and behaviors. This is a period of high uncertainty. In the Storming stage, conflicts begin to emerge as members begin to resist the influence of other group members and conflict management moves to the forefront of group attention. In the Norming stage the group begins to achieve consensus around role structure and norms for appropriate behavior. They gain a level of comfort with the groups guiding principles and can effectively challenge each other without attacking the individual. A level of true teamwork, cohesiveness and positive interdependence begin to emerge. Individuals begin to respect team members for the specific experience and subject matter expertise they bring to the team. In the Performing stage team members effectively work together with a focus and commitment to the team's purpose, goals and objectives. In this stage, trust, respect and mutual accountability begin to emerge to enhance group performance. The Adjourning stage is where the team parts ways, hopefully, after a successful outcome.

### **Leadership and Team Member Selection**

One of the key drivers to the success of any team is the team's leadership and how that leadership creates an environment where team members work cooperatively and collaboratively with each other. To be effective the team must be carefully structured to include positive interdependence, promote face-to-face interaction, individual and mutual accountability, social skills and the capability of group processing. Leadership in structuring and empowering the team plays a key role in the team's cohesiveness. While it is a fact that people work for the economic benefits a paycheck provides, for many people the "psychological paycheck" is of equal if not more value. A psychological paycheck is defined as the recognition and rewards (non-financial) that an individual or group receives from its team members, associates and company leadership. It is important for team leaders and other team members to recognize significant contributions individuals make to the overall team effort. Genuine acts of

## LEVERAGING KNOWLEDGE TEAMS

recognition and caring go a long way to developing strong relationships among team members.

Member selection is critical to group and team development. In his book *Teamwork*, Price Pritchett emphasizes the need for diversity in building high-performance teams:

*“You have to question the wisdom of putting together a “cookie-cutter team” made up of look-alikes, think-alikes and act-alikes. Differences add depth. Create strength. Broaden the group and bring balance.”*



Diversity of team members can entail a number of different factors including demographic characteristics, personality characteristics, abilities and skills. Selecting team members with a diverse background is a potential source of creativity and innovation. For example, if you were trying to develop a sales compensation plan, you would not build a Knowledge Team of six or seven sales people would you? That would be the musical equivalent of building an orchestra limited to six or seven drummers. To get the most out of a “Sales Compensation Knowledge Team,” the team should consist of high-performing and highly engaged members from sales, both major account and territorial sales, members from Accounting, Finance, Information Technology, Operations, Human Resources and Customer Service. This will provide a diverse view of opinions as well as departmental interdependence forcing the team to consider “downstream” implications of their decisions on other processes and departments. Having a diverse team does not come without risks. It is important that team leadership understand while diversity can be a source of creativity and innovation, it can also be a source of conflict and needs to be managed accordingly. If managed

## **LEVERAGING KNOWLEDGE TEAMS**

properly, the positives of diversity will clearly outweigh the negatives. There will be more on this later under guiding principles.

## Establishing a Common Purpose

As discussed earlier, groups are defined as two or more individuals who come together and share a common purpose or goal. Not all groups function like teams. To be an effective Knowledge Team the group must share a common purpose or goal, be aware of their positive interdependence in achieving goals, be diverse in the expertise, skills and background they bring to the team and have a clear understanding of their role or function. A key component to providing clarity is the development of a team charter. A team charter is a written document that defines the team's mission, scope of operation, objectives, time frame, and consequences. Charters can be developed by top management and presented to teams, or teams can create their own charters and present them to top management. Either way, the top management's endorsement of a team's charter is an important factor in giving the team the direction and protection it needs to succeed (Bodwell, 2002).



## LEVERAGING KNOWLEDGE TEAMS

The charter should clearly identify a unifying mission for the team. It should include a short purpose statement clearly identifying the purpose of the team:

*“To develop a Sales Compensation Plan that drives the right behavior by aligning the needs and wants of our customers with the value creation vision of our company.”*

The next step is the formulation of objectives. Objectives should be specific and measurable. Examples of objectives may include:

1. Objective I: Ensure the compensation plan costs are < 7% of revenue
2. Objective II: Ensure the compensation plan rewards for 100% customer retention
3. Objective III: Ensure the compensation plan rewards for > 95% customer loyalty

In order to achieve the aforementioned objectives, there will be a number of tasks the team will need to complete. They should include detailed deliverables and be time bound. This should begin the formulation of a scope document and provide the team with specific boundaries of what is in scope and what is out of scope. A well-defined scope document is essential for the success of the team.

Often times, teams suffer from “scope creep” and wake up one day to find that they are now attempting to “boil the ocean.” A detailed scope document helps guard against this. The scope document should be supported with a formal project plan or Gantt chart including regularly scheduled report-out meetings with management to apprise them of the team’s progress.

## **Developing Group Norms and Guiding Principles**

Next, guiding principles or norms must be established to guide and regulate behavior of all team members. It is best if established by the group from a broader set of norms

## LEVERAGING KNOWLEDGE TEAMS

established by the company. Examples of a team-based set of guiding principles are as follows:

1. Either we all get across the finish line or none of us do
2. Be a demanding partner
3. Positive aggressive conflict is ok
4. Be fact-based and data driven in your assertions
5. Fix the problem, not the blame
6. Challenge the idea, do not attack the individual
7. Open your mind and realize there can be more than one approach to solving a problem
8. Have fun. Laugh often. It will help break down barriers.



## Managing Controversy and Conflict

Even with the right people, charter, objectives and guiding principles, anytime you bring a team together with differences in demographic characteristics, personality characteristics, abilities and skills—you are bound to have some degree of controversy

## LEVERAGING KNOWLEDGE TEAMS

and conflict. Given the team's purpose, goals and objectives coupled with a shared use of resources, it is safe to say there is a considerable amount of positive interdependence among the team members. Positive interdependence occurs when a situation is structured so that individuals' goal achievements are positively correlated so that they can reach their goals if and only if the others on the team reach their goals.

While conflict and controversy will inevitably occur and should be encouraged, the individuals in conflict should desire, for the benefit of themselves and the team, to want the most favorable outcome in order to achieve the team's overall objectives. If managed correctly, controversy and conflict can lead to increased creativity and innovation. There are a number of ways to solve conflicts among team members. Using Integrative Negotiation (Johnson, 2009) will help each of the parties involved in the conflict to be able to see the problem or opportunity from the other person's "operating reality." That is to see the problem or opportunity as it exists through their eyes. The six steps are:

1. Each person explains what he or she wants in a descriptive, non-evaluative way.
2. Each person explains how he or she feels in a descriptive, non-evaluative way.
3. Each person explains his or her reasons for wanting what he or she wants and feeling the way he or she does.
4. Each person reverses perspectives by summarizing what the other person wants and feels and the reasons underlying those wants and feelings.
5. The participants invent at least three good optional agreements that would maximize joint outcomes.
6. The participants choose the agreement that seems the wisest and agree to abide by its conditions.

## LEVERAGING KNOWLEDGE TEAMS

If used properly, team members will appreciate the fact that they have been heard, their feelings shared and because of their positive interdependence with the team, will abide by the decision of the group. It is critical that the team leader be trained on how to handle conflict in a group environment using a structured, repeatable methodology that the team members can identify with.





## Decision Making Methods

An integral part of any team or group's success is their ability to make a decision. As discussed earlier, there are times when individual decision-making is a better alternative to group or team decision making. However, when decision quality is important, the problem or challenge is unstructured and the individual lacks the information and or skill to make the decision alone, this makes group decision making or problem solving a must. While there are number of different methods for decision-making, the two we will consider for the Knowledge Team are consensus and majority.

In a majority decision, the final decision is put to a vote. The unfortunate by-product of this method is that there are winners and losers which may damage the team in the long run. There is also the possibility that there will be a lack of commitment by team members to fully implement the decision or solution. Sometimes this type of "civil disobedience" is difficult to detect until the damage is already done. The advantage to using a majority vote is the speed in which it can be administered. A majority vote is best utilized when there is a tight time constraint and/or the decision is not critical in nature whereby individuals do not possess a high degree of emotional capital around the decision.



A consensus decision in most cases, takes more time, emotional and psychological effort than a majority decision. To effectively use a consensus decision there must be adequate time for the team to vet their feelings, arguments and beliefs. A consensus decision utilizes the knowledge and expertise of all group members, allows for positive-aggressive conflict and debate and usually elicits commitment of all team members to implement the decision. While some team members may not agree 100% with the decision, they will likely have increased commitment to the decision v. a majority decision because they had the opportunity to state their case and be heard. If the decision is critical and not under tremendous time pressure, it is recommended the consensus method be used.

### **Trust, Respect, Support and Mutual Accountability**

As you take a moment to reflect on the process and methodology of using Knowledge Teams to make decisions and solve problems, one must understand that these teams are made up of people and that people identify with groups and relationships. Relationships are typically built on trust, respect and the support of others. At some point all teams will face some form of adversity along the way and without the trust, respect and support of your teammates; it will be difficult, even with a common purpose and clear objectives, to effectively hold each other accountable for the team's performance.



A key to trust is the ability for team members to show their weaknesses, be vulnerable and open with one another. Trust is the foundation of great teams and it is trust that makes team conflict possible. Team members can wear masks and be nice to each other, however productive conflict is required for teams to perform at an optimum level (Lencioni, 2002). With trust, respect and support of your teammates, mutual accountability forms and people are no longer afraid to fail, but rather possess a strong desire to succeed because of the promise they made to themselves and their teammates to achieve the team's objectives.

### **Summary**

Today, companies rely on teams to develop products, marketing strategies, training, strategic planning and most anything else you can think of. There are times when the use of words like "team" and "teamwork" are overstated in business. In a number of cases what you have are groups with a common purpose trying to masquerade as high-performance teams and end up falling short of their purpose and objectives. The organization that will separate itself from the pack will be the one that leverages the knowledge of its people best. The key is to invest in the development of Knowledge Teams and put the organizational structure in place to facilitate training on the methodologies outlined in this paper. The result will be a culture of teamwork and knowledge sharing which will provide the company with a strategic competitive advantage for years to come.

## About the Authors

Before founding Butler, Street, **Mike Jacoutot** spent the previous nine years as CEO of a national health care staffing company and most recently a revenue cycle company. Mike brings a strong combination of Lean Six Sigma process skills together with 31 years of sales and marketing experience. The operating results include:

- 25% CAGR in revenue and 52% CAGR in EBITDA--healthcare staffing
- 63% CAGR in revenue and 291% CAGR in EBITDA--revenue cycle
- Grew \$1million clients from 17 to 211 in document management

Mike is also the author of [\*Become the Only Choice\*](#). Now in its third printing, the book emphasizes a combination of consultative selling and process management techniques to enable sales people to sell the way clients buy.

A four-time All-America collegiate wrestler, Mike led The College of New Jersey wrestling team to two national championships. He culminated his senior year by winning the NCAA Division III Championship after three consecutive second place finishes. He holds a B.A. degree in Management.

**Mary Ann McLaughlin** serves as a Managing Partner. Prior to Butler Street, Mary Ann served in executive roles for thirteen years including Chief Operating Officer, President and Managing Director. A Six Sigma Champion certified executive, Mary Ann leverages her robust process background with thirty years of sales and operational experience. Her operating results include:

- 28% CAGR in revenue and 43% CAGR in EBITDA – healthcare staffing

## LEVERAGING KNOWLEDGE TEAMS

- Implemented \$350 million strategic account division and subsequently grew 35% YOY – commercial staffing
- Increased associate engagement over 22% while improving retention 38% - healthcare staffing
- Placed in top 1% of internal managers on VOA surveys for workplace excellence – commercial staffing, document management
- Led acquisition integration efforts and process standardization – commercial and healthcare staffing, revenue cycle
- 14x 100 Plus Club sales leader award – document management

A recreational tri-athlete, Mary Ann has completed three marathons (Chicago 2x, Marine Corp) and numerous triathlons. She holds B.S. Degree in Marketing from Bradley University.

## LEVERAGING KNOWLEDGE TEAMS

### References

- Bodwell, D. J. (2002). *High-Performance Team Building*. Retrieved January 25, 2011, from High Performance Teams: <http://highperformanceteams.org/home.htm>
- Johnson, D. W. (2009). *Joining Together: Group Theory and Group Skills, 10th Edition*. Upper Saddle River, NJ: Pearson
- Lencioni, P. (2002). *The Five Dysfunctions of a Team*. San Francisco: Jossey-Bass.
- Maxwell, J. C. (1999). *The 21 Indispensable Qualities of a Leader*. Nashville, TN: Thomas Nelson.
- Pritchett, P. (1997). *Teamwork: The Sixteen Steps to Building a High-Performance Team*. Dallas, TX: Pritchett & Associates..