

# Is Your Team Too Inward Looking?

Today's organizations demand teams that are flexible, creative, and—above all—externally focused. Today's organizations need X-teams.

by Deborah Ancona and Henrik Bresman

**W**hen teaching an executive program on teams, we often start off by asking the participants, “What do you think makes a successful team?” The answers are very consistent: clear roles and goals, the ability to manage conflict, trust, team spirit, rational decision making, focus, and accountability.

These responses reflect what has been drilled into all of us in team-building sessions and training guides, and reinforced by our own work experience: effective performance depends on what goes on inside the team. And it does. But this isn't the whole story. In fact, an exclusively internal focus can be dangerous for teams and their goals.

The crucial other half of the story is *external* focus. Our research has found that high-performing teams manage across their boundaries, reaching out to find the information they need; understand the context in which they work; manage the politics and power struggles that surround any team initiative; get support for their ideas; and coordinate with the myriad other groups that are key to their success. In short, these are teams that engage in high levels of external activity. We have dubbed such teams *X-teams*.

In this article, which we have adapted from our recently published book, *X-Teams: How to Build Teams That Lead, Innovate, and Succeed* (Harvard Business School Press, 2007), we will explore what sorts of external activities X-teams engage in, how you can create an X-team, and how to set the stage for the team's success.

## EXTERNAL ACTIVITIES X-TEAMS ENGAGE IN

X-teams perform three types of external activity:

- 1. Scouting:** Surveying the landscape both inside and outside the company to identify expectations, sources of knowledge, and marketplace trends.
- 2. Ambassadorship:** Managing up the organizational hierarchy to gain buy-in and sponsorship from top management and keeping track of allies and adversaries.
- 3. Task coordination:** Negotiating with other groups in the organization to gain their input and commitment to deadlines—and when necessary, pushing others to help get the work done.

We'll use the example of a company we'll call BellCo, which sells

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## Building an X-Team *continued*

telephony equipment to businesses, to see how these three types of external activity forward a team's mission.

### 1. Scouting.

A change in strategy meant that BellCo would no longer focus on selling products to a general market but instead concentrate on bundling several products to meet specific customer needs. As part of this change, the sales force was reconfigured into teams to serve particular market segments. The Big Bank team was charged with selling to the banking industry.

Uncertain about how to get started on their new mission and unclear about how they would work with others at BellCo, the team members first considered waiting for clearer instructions from upper management. But Vicki, the formal team leader, suggested that a quicker and more fruitful route would be to spread out and ask other groups in the company how they expected to work with the Big Bank team.

Splitting into smaller groups, the team members began their scouting by asking their colleagues in technical support, installation, and sales questions such as "When we have a potential sale and we need help, whom should we contact?" "How can we best prepare to work with you on these kinds of accounts?" Sometimes the people they spoke to had the answers; sometimes they were sent to someone else; and sometimes no one knew and they created new procedures that they thought might work.

Team members also applied scouting to competitors, customers, and market experts to learn how they could win accounts. As the Big Bank team gained a clearer sense of how they would move forward with their work, they began to feel more confident.

Just as the task of a scouting party in the wilderness is to carefully explore and gather information about the surrounding terrain to see whether it is safe to move ahead, so is the role of scouting activity for an X-team like Big Bank. Teams use many different modes of scouting, from the ambitious and expensive (e.g., hiring consultants) to the quick and cheap (e.g., spending an hour on the Internet or having a cup of coffee with an old college professor). While most scouting is done through observation and conversation, teams have also used surveys, archival data, and consultant and analyst

## KEY EXTERNAL ACTIVITIES

### SCOUTING

- Investigate the problem, issue, or opportunity. Find out how others in the firm view the team's task.
- Search for other teams in the organization that have engaged in similar tasks and learn from them.
- Uncover customer needs and trends. Work with current customers as well as those who have chosen the competition, those who are cutting-edge innovators, and those who are more traditional.
- Scan the environment inside and out for new ideas, practices, or technologies that may be adapted to the team's needs.

### AMBASSADORSHIP

- Get buy-in from senior-level managers for the team's direction and plans. Talk to these managers to solicit suggestions on how the team's ideas can be improved and what would be most helpful to the managers. Ask for support for the team's work and what the team would have to do to obtain and maintain that support.
- Find out who supports the team's activities, and work to shore up this support. Ask supporters for help in gaining access to resources.
- Work to protect the team from political adversaries by identifying who they are, trying to find ways to win them over, or if that's not possible, attempting to contain the damage that they can do.
- Lobby for the team's ideas, and fight for what members think is right even if top management does not agree at first.

### TASK COORDINATION

- Identify those individuals and groups, inside and outside the company, who have something that the team might need to do its task and start discussions about how the team might work with these other groups.
- Put together a plan and a schedule for how the team will work with other groups.
- Negotiate with other groups to get support for commitments now and in the future. These other groups may have different incentive plans or may not be motivated to shift what they are currently doing to work with the team. Think about how to change their behavior.

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reports to learn more about what different groups are thinking and doing and what's happening in the marketplace.

## **2. Ambassadorship.**

As the Big Bank team prepared to make its first pitch to a major prospect, team members asked the VP of commercial sales to go along with them to demonstrate that the organization's upper levels supported the product. In preparing the VP for this meeting, the team was able to showcase all the work it had done and demonstrate an ability to work within the new organizational design. The VP, relieved to find a team adjusting so well to the changes, was able to report the Big Bank team's success to his superiors.

Ambassadorship includes marketing the project and the team to top management, lobbying for resources, and building the team's reputation.

When the sale went through, the VP volunteered to go on more customer visits—another significant advantage for the Big Bank team.

As this example illustrates, ambassadorship includes marketing the project and the team to top management, lobbying for resources, and building the team's reputation. In short, ambassadorial activity connects the team to higher levels in the firm and garners support from people with influence.

## **3. Task coordination.**

Selling communications systems to banks would involve a fairly complicated set of steps. The Big Bank team would have to meet with customers to understand their needs, create a solution that matched those needs with the technology that the firm had to offer, bid against competing vendors for the bid, fulfill the bid if it was accepted, and oversee the installation of the system. Succeeding at all these stages would mean relying on the input and cooperation of many other individuals and groups inside and outside the firm.

To get that input and cooperation, the Big Bank team would need to negotiate with other groups, trade their

services, and get feedback on how well their work met expectations. They would have to convince other groups to follow through on commitments so that the team could meet its deadlines and keep the work flowing. They would have to coordinate tasks performed inside as well as outside the team.

Like scouting, task coordination involves linking to people throughout the company. But task coordination is much more focused than scouting. The goal is not to learn but to coordinate, align, and motivate cooperation.

### **HOW TO CREATE AN X-TEAM**

When putting together a team, traditional wisdom says to look for motivated individuals with the mix of skills, talents, and personalities necessary to reach the team's goals. This advice is sound, but creating an X-team requires assessing potential members on one additional dimension: the extent of their social networks. Teams need both know-how and know-who.

When putting together a team, look not just for motivated individuals with the mix of skills, talents, and personalities necessary to reach the team's goals. Look also at the extent of their social networks.

Will the team need access to specialists in the organization who can offer key expertise? Strong links to top management? Access to university researchers whose work is relevant to the team's mission?

Consider the example of a team at a company we'll call Pharmaco, one of the world's largest pharmaceutical firms. Like other Big Pharma firms, Pharmaco had seen its research productivity fall in recent years. Most innovations in the field were coming from small biotechnology firms. As a result, Big Pharma companies—including Pharmaco—were increasingly shifting their R&D efforts from original discovery to identifying, evaluating, and buying promising molecules from smaller firms. Team Fox was one of a number of teams created to do this work.

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## Building an X-Team *continued*

A particular challenge for Team Fox was that Pharmaco had patented no anti-inflammatory agents, the class of drugs they were charged with developing. Thus Team Fox needed strong ties to outside researchers. A major focus of Team Fox's scouting activity was tracking down old friends in the industry and in academia for advice and leads.

The beginning of any team is pivotal because it is a time when tensions are high and norms are set that often last throughout the team's life.

To select the right team members for your team:

- Generate a list of motivated candidates with the desired expertise, experience, and personality.
- Create a list of the most important people the team will need to interact with over the course of its life.
- Map the candidates' ties to these key individuals.
- Choose candidates with the best mix of desired attributes and strong external ties.

### HOW TO SET THE STAGE FOR THE TEAM'S SUCCESS

The beginning of any team is pivotal because it is a time when tensions are high and norms are set that often last throughout the team's life. In this initial period, team members need to get to know one another, establish trust, and map out how they will

work together. Members also need to prepare for external activity.

To set the stage for the team's success:

- Have members introduce themselves and talk about their backgrounds, task expertise, and work preferences (e.g., "I like everything to be very clear and organized").
- Ask members to talk about their best and worst team experiences, what they want to create in this team, and what they want to avoid.
- Map the expertise in the team, including members' knowledge areas and networks, activities they like to perform (e.g., making PowerPoint presentations), and key parts of the task that they have done before.
- Allocate tasks and set up schedules for members to engage in scouting, ambassadorship, and task coordination. ♦

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