# How Encouraging Teamwork In Your Startup Can Lead to 10x Better Results

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Many small companies in various startups have a lot of challenges in making people to work together with each other. Encouraging teamwork is essential in order for any business, especially if you want to achieve 10x better results. If you are just starting your business from scratch you can make sure to hire people who are actually able to work in teams. And that is what you should be doing right.

## Why Teamwork is Important in Business

When 30 employees from a professional services firm agreed to help each other more, they created $261,400 worth of value and saved 1,244 of working hours according to a study in  [McKinsey Quarterly](http://www.mckinsey.com/quarterly/overview) journal. The study found that by encouraging employees to both seek and provide help, companies can reap significant and lasting benefits, including monetary ones. One pharmaceutical executive from a mix of industry player saved up to 50,000 USD by helping each other actively over the course of one year. A lot of times, you might have experienced the situations when, you hire some of the best performing star employees in your startup, but still you are not seeing much progress in overall business performance. Your sales are still low. Your projects are not on time. Clients aren't satisfied. Your star employees might have super talents and perform well individually, but you still have problems with achieving your annual or quarterly goals. Or it might be the opposite. One person could be able to replace the whole team. One person might fix some kind of a big problem, that a group of people could not fix in the past. Or one person takes a responsibility to some kind of technical issues that a group of highly talented technicians could not. According to *[Mark de Rond's](http://www.forbes.com/2010/08/05/teams-teamwork-individuals-leadership-managing-collaboration.html)*[article in Forbes](http://www.forbes.com/2010/08/05/teams-teamwork-individuals-leadership-managing-collaboration.html), investing on teams rather than individuals yields higher results for your company. Any business can be compared with sports. It's well known than your performance in football game depends purely on the performance of a whole team, rather than individual players. Driving the analogy with some of the well known sports like football and basketball he shows that even high performing individual players need a team's collaboration before they start performing well. However as argued by many CEOs and authors of popular books, [some individuals might be better than teams](https://hbr.org/2011/06/why-a-great-individual-is-bett). Jeffrey Stiebel, the author of an article argues that some stuff cannot be done by team. Great design work, or a great piece of programming code is always achieved individually. He points an argument that "**the value of a contributor decreases disproportionately with each additional person contributing to a single project, idea, or innovation".**While we agree to his point that "an activity can be performed sufficiently by one person with adequate skills, doing the activity as a group should be avoided", often there are times when people working with different skill set and different tasks need to make contributions to a project goals. Often in many companies we see that in order to achieve some kind of sales goal, for example, it takes an effort from different people: developers, marketing specialists, designers, salespeople, etc... So in our opinion, by the term teamwork we do not deal with implementing a specific task with a group of people, but rather settling those group of people to do their own piece so that we can collectively achieve a common goal and performance. However, we don't want to diminish the value of an individual highly productive piece of work performed by one person. By the term teamwork many people imagine a noisy environment with lots of unproductive meetings and so on. It doesn't have to be. By teamwork we want everybody to do their own individual piece excellently, and think beyond their own individual performance. We want our employees to help each other and we want to foster a collective feedback. We want to create an environment where there is a collective learning effort and result oriented initiatives. We want our employees to see the big picture where the company is going instead of just concentrating to increase their own skills set. By encouraging the team work, we want to maintain the motivation level of employees at times of crisis or pressure by external environments. By encouraging a teamwork, we want our employees to be loyal to the company, and to each other. You might argue that it does not just work in highly introvert individuals like tech-people or software developers. However, in our experience, we have seen that best software developers are those who can help others (even highly introvert people can help each other). Even in tech fields, having the employees who have team-working abilities are essential. Dev teams get effective when they check each other's code and suggest areas for refactoring, code commenting and etc.. Frequent code reviews, automatic test cases, and team discussions on technical areas contributes well to their own career growth and performance. However, it is not easy to achieve all of these without learning what it takes to build a highly successful team.

## What Makes Some Teams Better Than Others

Some teams [are definitely smarter than others](http://www.nytimes.com/2015/01/18/opinion/sunday/why-some-teams-are-smarter-than-others.html?_r=1). If you take some brilliant individual performance and put them in a team they might not perform as a smart team. There has been a numerous studies which discovered some secret factors behind better teams. One of the most profounding discoveries have been made by professors Woolley and Malone including Christopher Chabris, Sandy Pentland, and Nada Hashmi at Carnegie Mellon and MIT Sloan School of Management who analyzed the factors which lead to high team performance at [Harvard Business Review](https://hbr.org/2011/06/defend-your-research-what-makes-a-team-smarter-more-women). They made several random teams and gave them standard intelligence tests. Each team was asked to complete several which included logics, problem solving, decision making and vizual puzzles. Teams were given intelligence scores based on their overall team performance. The study has concluded that the group performance has little correlation with individual intelligence. If you have 10 smart people and try to form a smart group from them, it won't work. Ability to listen to each other, to share the criticism, to talk equally and to never miss any other opinion made important factors of high performing teams. What is surprising, the researchers found that if there are more woman in the group, the better it would be for a performance. A group of women is likely to perform better compared to a group of men. The study connected woman-winning groups to emotional intelligence and social sensitivity. However, extremely homogeneous or extremely diverse groups aren’t as intelligent, there should be a balance of two, the researchers said. In another social [study](http://www.sciencemag.org/content/330/6004/686) by Alex Pentland and Nada Hashmi of M.I.T. in 2010 in the journal science, it was found that the smartest teams were distinguished by three characteristics: members contributing equally to team discussions, members scoring higher on emotional intelligence tests including reading the mind and eyes, and team structure containing more women members than men. It appeared that it was not diversity problem (having equal numbers of men and women) that mattered for a team’s intelligence, but it was simply having more women. The study was replicated online and the most important ingredients for a smart team remained constant regardless of mode of communication.

## What you can do to encourage teamwork in your business right now

There are a number of things you can do to encourage team spirit between your existing employees.

### Create team based performance reward  system as opposed to individual performance reward

[Tintup](http://www.tintup.com/) has created team based performance reward system for its main sales/marketing employees as well as developers. When it comes to marketing, they are focused on finding a lot of leads. When it comes to sales, they are focused on closing as many deals as possible. Salespeople will quickly pass closed deals to some other account manager so that they can concentrate on closing more deals. After deal is closed, account manager and developers are left with lots of customer issues and problems because of poor communication and low collaboration at the time when deal was being closed. Customers are passed to someone they don't know. They knew that this kind of traditional approach is not going to work if the company wants to concentrate on growth and improved customer service. What they have come up is amazing.They cancelled personal sales commissions on new deals, and instead they have switched to team wide bonus and revenue system.  Here at Tint we don’t offer personal sales commissions on new deals. Instead, we split a team-wide bonus **equally** between every member of the team, including developers. What were the results of such revenue system? The first result was that everyone has changed the focus. Everyone in the company was now now focused on growth, since any revenue above the predefined threshold is shared equally among the team members. Everyone knew that they are contributing to shared growth structure, so everyone focused both on closing deals and making customers happy. Secondly, the teamwork has improved dramatically. As you might know, having one common goal that the team is trying to achieve improves the unison. No one gets a huge bonus. Everyone equally celebrates each big deal since everyone is getting their own share. Thirdly, the company has improved its customer service, because after the new performance reward system, customers were not left to someone they don't know. Instead, the existing sales rep supported a new customer by answering their questions and up-selling.  The salespeople didn't leave the new customer behind the new people, because they know everyone in a team will [share revenues equally](http://www.tintup.com/blog/restructuring-your-sales-commissions-teamwork-startup/).

### Hiring a Business Coach

[Groove](https://www.groovehq.com) is one of the successful startups which values teamwork and transparency. They already have achieved a lot of results being a small business(500K monthly revenue). And yet, in order to know where the company is going and in order to streamline the processes, [Groove founder hired a business coach](https://www.groovehq.com/blog/hiring-a-business-coach) and conducted coaching activities for three days. Benefits of the coaching were hard to measure in value. The business coach got each and every team member accountable for whatever goals they may have set for each quarter or year. Coaching gave the transparency of processes and understanding of what they were going to achieve as business. If you are thinking that coaching will not be as beneficial to you as it was for Groove, you should reconsider your decision again. There are lots of companies who benefited from coaching activities. Although the [benefits might not seem to be transparent and measurabl](http://coachfederation.org/need/landing.cfm?ItemNumber=747)e, in the long rung, the right business coach will provide a lot of value for a startup and they will make different teams to actually work together. Or if you have several projects inside the company, you might invite one of the best performing project managers and project team members to help other projects within your own company. In this case, the role of the coach will be replaced by someone in your own organization. There are a number of other techniques you can use in order to make teamwork effective for your business. Share how you encourage teamwork in the comments below.