

Module 3. The Work Team

Unit 3.1 The Golden Circles and the Work Team

3.1.1 Introduction

In the previous chapter, we described the importance of defining the **why**, the **how** and the **what** of the venture.

Having clarity in the concept of Golden Circles that Simon Sinek (2009) proposes not only will be essential for you to be able to design and express where your venture is going, how you are going to reach the objective and what you are going to do, but it is also a fundamental framework for the alignment of the people who will work with you.

According to Katzenbach y Smith (1996), “a team is a small number of people with complementary skills who are **committed to a common purpose**, performance goals, and approach for which they hold themselves mutually accountable” (p. 39).

That common purpose is the element with which you can inspire and enlist people to become part of your work team. If you don't have the ability to explain why your startup does what it does, it will be difficult to build a stable work team that can have the capacity to be resilient, that is, that develops its ability to adapt positively to the adverse situations that every startup faces in its early stages.

Some examples of these adverse situations that your startup may face are the following:

At the internal level:

- Entrepreneurs with unrealistic expectations.
- Leadership failures.
- Personal problems among entrepreneurs (for example, it is common to find teams of friends who do not have complementarity and this becomes a source of conflict).
- Failures in planning (in the entrepreneur's culture, doing things based on a vision can be common but not so much to measuring and analysing the results. Therefore, the absence of planning contributes to increase the conflict based on the differences between what we want and what really happens).
- Advances and setbacks in decisions (one of the sources of these changes is the absence of Lean methodologies, specifically the absence of validation tests).
- Market or sector unknown to entrepreneurs.
- Inability of entrepreneurs to ask a specialist for help.
- Lack of funding.



- Overfunding (when lack of resources is not a problem, there is a probability of losing focus and carrying out unnecessary activities; finally, by not achieving the expected results, it ends up being another source of conflict).
- Inefficient cash flow management.

At the external level:

- Intense competition.
- Changing political, economic and social conditions.
- Lower-than-expected market penetration rate.
- Selection of a market niche that turns out to be smaller than expected.
- Inefficiency in acquiring and retaining customers.

3.1.2 The Importance of Values

Once you know WHY you do what you do, the question is how will you do it? HOWs are your values or principles that guide HOW to bring your cause to life. HOW we do things manifests in the systems and processes within an organization. Understanding HOW you do things and, more importantly, having the discipline to hold the organization and all its employees accountable to those guiding principles enhances an organization's ability to work to its natural strengths.

Ironically, the most important question with the most elusive answer—WHY do you do what you do?—is actually quite simple and efficient to discover. **It's the discipline to never veer from your cause, to hold yourself accountable to HOW you do things; that's the hardest part.** (Sinek, 2009, p. 72).

It gets difficult for them, then, to sustain the hows (values) on their own. You need your team so that these values are translated into reality through behaviour; so that the venture does not stray from its path and this golden circle develops in a coherent way.

According to Webster's Dictionary, values are "principles, qualities or entities that are intrinsically valuable or desirable." Since values are associated with worth, meaning and desire, they constitute the primary source of internal motivation. When people's values are met or matched, they feel a sense of satisfaction, harmony, or rapport. When their values are not met or matched, people often feel dissatisfied, incongruent, or violated (Dilts, 2004, p. 138).

Since values are people's internal source of motivation, it is necessary for you to ask your team members what is important to them, what is valuable or desirable when working in that team. In this way, you will be able to have elements to align the team with the



values of the venture and thus be able to establish the necessary working agreements... or not.

In order to find out about the personal values of the team members, you can ask each of them, in private, the following questions:

- What is important to you when working as a team?
- What personal values would you like to embody in this venture?
- What would you **not** like to experience or see in the other team members?

3.1.3 Key Competencies for Teamwork

Objectives—what you want to achieve—derives from the defined values. Based on these objectives, you have to define what key competencies you need the team to have or develop in order to achieve them.

Competencies refer to the knowledge, skills and attitudes of people, resulting in behaviours that generate successful performance in a job (Alles, 2005).

For example:

- Flexibility.
- Ability to learn.
- Dynamism.
- Effective communication.
- Analytical skills.
- Autonomy.
- Leadership.

We define **key competencies** for the venture as those that are fundamental to achieve its objectives by fulfilling its values, mission and vision, and determining its competitive advantage.

Why is it important to define key competencies needed in entrepreneurship?

According to Levy-Leboyer, "the individual competencies and the company's key competencies are closely related: the company's competencies are first and foremost made up of the integration and coordination of individual competencies, just as, on another scale, individual competencies represent an integration and coordination of 'know-how', knowledge and individual qualities. Hence, the importance for the company to properly manage its stock of individual skills—both current and potential." (Alles, 2005, p. 33).



As can be seen, the level of development of the team's key competencies can be transformed into strengths or weaknesses for the venture, making it prosper or hindering its sustainability.

Once the key competencies have been defined, you have to evaluate the team in order to determine the level of competency of each member (underdeveloped, developed or highly developed).

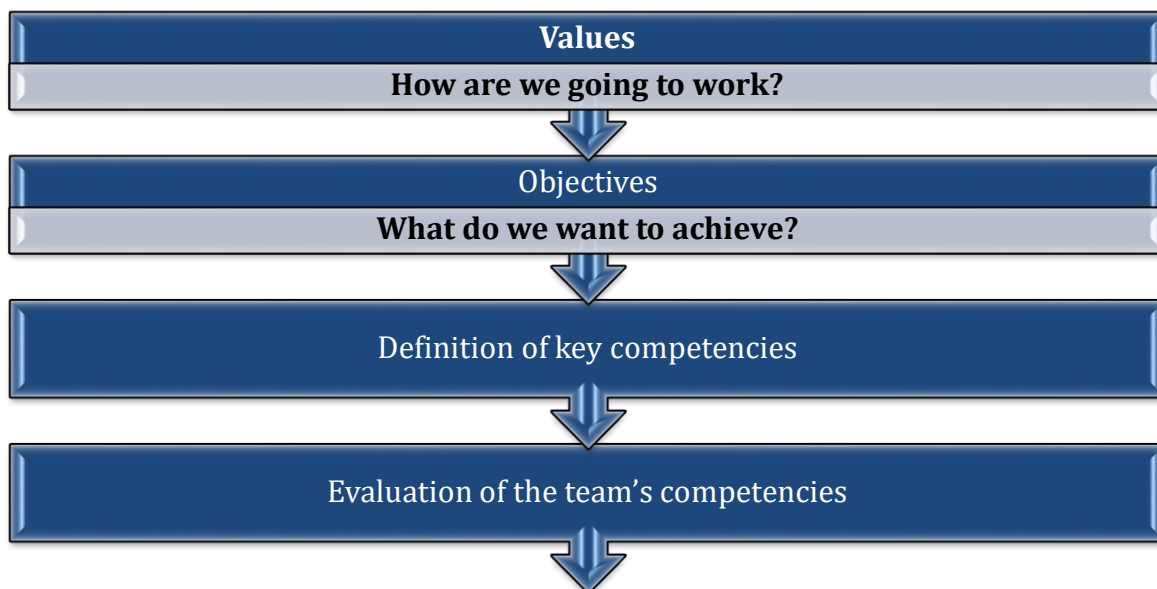
The level of these key competencies is identified through the analysis of people's behaviours, which can be evaluated in the following ways:

- Watching the person at work.
- Making the person perform dynamics, games or role plays with other people and:
 - making a third party evaluate their team behaviour;
 - making the person perform a self-analysis and use a tool such as the SWOT analysis (strengths, weaknesses, opportunities and threats), which we will develop later.

Within the agile methodologies, there is a tool called *retrospective*. This space allows the team to analyse their behaviour as a group and individually, giving constructive feedback with evidence and free of personal judgment.

Graphically synthesized:

Figure 1: Working process with key competences



Source: Own elaboration, 2020.

3.1.4 Examples of Key Competencies

For guidance purposes, we will exemplify a number of key competencies needed for teamwork:

Friendliness: ability of behaving in a cordial and kind way towards someone.

Ability to coordinate: "Ability to establish formal and informal contacts and to join efforts with others so as to achieve common or shared objectives, within and outside their scope of activity" (Tarcica and Masis, 2016, p 20).

Creativity: "Ability to generate creative new approaches, inputs and responses to situations that demand them in the organization. It implies the adoption of new paradigms in difficult or highly uncertain situations." (Tarcica and Masis, 2016, p 37)

Problem solving: ability to recognize the existence of a fact or circumstance that makes it difficult to achieve a desired goal, establish its nature and propose strategies so as to provide creative and innovative responses in accordance with the context, foreseeing the consequences.

Ambition: intense and passionate desire to achieve something difficult to attain.

Patience: "The ability of a person to tolerate, go through or endure a given situation without experiencing nervousness or losing their temper." (Pérez Porto J. and Gardey A., 2012, retrieved from <https://goo.gl/axWJEV>).

Leadership: Ability required to orient the action of human groups in a given direction, inspiring action values and anticipating scenarios for the development of that group's action. The ability to set objectives and to follow up on those objectives and the ability to give feedback, integrating the opinions of others. (Alles, 2005, p. 274).

Frustration tolerance: "The individual's ability to overcome adverse situations or results that do not match expectations, allowing them to redefine strategies or actions." (Tarcica and Masis, 2016, p 115).

As mentioned previously, the next step after defining the key competencies is to assess the level of these competencies in the team. One of the tools that can be used is the SWOT analysis.



Unit 3.2 SWOT Analysis Tool

The acronym SWOT is an acronym of Strengths (critical positive factors that are available), Weaknesses (critical negative factors that must be eliminated or reduced), Opportunities (positive aspects that we can take advantage of by using our strengths) and Threats (negative external aspects that could hinder the achievement of our objectives).

It can also be found in different bibliographies in Spanish as "Matriz de Análisis FODA", or "SWOT Matrix" in English.

The SWOT matrix is an analysis tool that can be applied to any situation, individual, product, company, etc., which is acting as an object of study at a given moment in time.

It is as if an "x-ray" was taken of a particular situation that is being studied. The variables analysed and what they represent in the matrix are particular to that moment. After they have been analysed, strategic decisions will have to be taken to improve that situation in the future.

The SWOT analysis is a tool that allows making up an overview of the current situation of the object of study (person, company or organization, etc.) thus allowing to obtain a precise diagnosis that allows taking decisions in accordance with the objectives and policies formulated.

[...] The main objective of the SWOT analysis is to draw conclusions on how the object studied will be able to cope with changes and turbulence in the context, (opportunities and threats) based on its internal strengths and weaknesses. (Unknown author, n.d., <https://goo.gl/6XNvLz>).

The four factors in the SWOT analysis are defined as...

At the internal level (the ones we have control over)

- **Strengths:** attributes (tangible and intangible) and special capabilities of the venture that are useful to achieve its objectives and allow it to have a privileged position vis-à-vis the competition (to develop a competitive advantage).
- **Weaknesses:** attributes of the venture that are detrimental to the achievement of its objectives and put it in an unfavourable position vis-à-vis the competition (competitive disadvantage).

At the external level (the ones we have not control over)

- **Opportunities:** external conditions that are useful to achieve the objectives of the venture, its growth and profitability.



- **Threats:** external conditions that could negatively impact the performance of the venture.

Let's see some examples of these elements:

Examples of **strengths** that give a venture a competitive advantage may be...

- Experienced team working together.
- Good reputation among customers.
- Existing customer base.
- Cost advantages, know-how advantages, etc.
- Low manufacturing costs.
- Experienced project team.
- Good access to distribution channels.
- High quality and high demand product.
- Advantages in promotion, such as advertising, public relations, word of mouth and point of sale.

The objective is for your venture to be able to capitalize its strengths. One of the main strengths of an organization is its human capital. Therefore, the focus of this chapter is on the work team.

A **weakness** can be defined as the absence of competitive strength. For example:

- Lack of work team.
- Lack of technical profile in the team (in case it was necessary).
- A weak brand.
- Poor reputation among customers.
- Low decision making orientation based on previous measurements.
- Growth without direction.
- Leadership failures in the management team.
- Poor online presence.
- Disorganized processes.
- High cost structure.
- Lack of access to good raw materials or natural resources.
- Lack of access to key distribution channels.
- Low level of customer retention.

The venture will reinforce its weaknesses if action is not taken in time.



Analysis of the external environment can reveal **opportunities** for increased sales and growth for the venture. Some of these can be...

- Availability of public funding.
- Alliances with companies in the same segment.
- Creation of an advisory board.
- Growing market segment.
- Knowledge of new trend technologies.
- Incorporation of social networks into the marketing strategy.
- Competitors withdrawing from the market.
- Crowdfunding.
- Change in consumption habits.
- Possibility of acquiring a competitor.
- Creation of new distribution channels.

The venture must leverage its strengths to invest in its opportunities.

External environmental **threats** can be the flip side of opportunities. These can include the following:

- Increased competition, as the product became a fashion or trend.
- Negative socio-cultural changes.
- Technological changes that threaten to make the product obsolete.
- New laws and regulations.
- Adverse macroeconomic conditions.
- Shift in customer tastes. More demanding customers.
- Increased trade barriers.

External threats cannot be controlled, but you need to identify them and analyse how they may impact on your venture in order to anticipate them.

To facilitate the analysis and have all the information available, the SWOT analysis is presented in the form of a 2 x 2 matrix:



Figure 2: SWOT Matrix



Source: Adapted from Xhienne, 2007, <https://goo.gl/FZ5HzS>

The English translation of this image is below.

FAVORABLE al logro de objetivos	FAVOURABLE to the achievement of objectives
DESFAVORABLE al logro de objetivos	UNFAVOURABLE to the achievement of objectives
ORIGEN INTERNO (Atributos del emprendimiento)	INTERNAL ORIGIN (Attributes of the venture)
ORIGEN EXTERNO (Atributos del contexto)	EXTERNAL ORIGIN (Attributes of the context)
FORTALEZAS F	STRENGTHS S
OPORTUNIDADES O	OPPORTUNITIES O
DEBILIDADES D	WEAKNESSES W
AMENAZAS A	THREATS T

3.2.1 SWOT Analysis Applied to a Company in the Sports Environment

HomeCourt, based in San Jose, California, is a startup that proposes a new way of training. By combining artificial intelligence and computer vision, the application in question is able to capture and analyse the quality of variables such as shooting accuracy, speed, vertical jump and ball release time. It's an easy and quick way for the user to develop basketball skills without the need for a coach.

Weaknesses:

- Team development: a large number of new people need to be recruited and trained.
- New in the market.
- High customer acquisition cost.



- Team with language training needs.
- High fixed costs.

Threats:

- Sector in permanent change and development.
- Competition: the competition could develop new marketing campaigns.

Strengths:

- HomeCourt and the NBA are partnering to offer a new mobile basketball coaching experience for the next generation of players.
- Unique training experience.
- Proprietary Technology.
- Marketing: aggressive, centred and focused on marketing campaigns with clear objectives and strategies.

Opportunities:

- It is aimed at a sector that is a trend in the world: sports and health care.
- Agreements with major sports brands.

The SWOT analysis should be limited to the diagnosis as the most important is using the information collected to identify new strategies and define new objectives (or modify what was planned).

At a general level and from the information collected in a SWOT analysis, action plans can be created to...

- **Leverage strengths.** The SWOT analysis helps identify the areas of the venture that are having a good performance. These areas give the venture a competitive advantage and represent its key success factors. The identification of these strengths helps to focus on maintaining them so as not to lose competitive advantage. Growing the venture involves finding ways to use and develop these strengths.
- **Minimize weaknesses.** As previously mentioned, weaknesses are the characteristics that put the venture at a competitive disadvantage. Carrying out a SWOT analysis can help identify these characteristics and minimize or improve them before they become a real problem. When performing a SWOT analysis, it is important, then, to be realistic about the weaknesses of the venture.
- **Leverage opportunities.** The SWOT analysis helps identify opportunities that entrepreneurs could leverage for higher profits and market growth. Opportunities are created by external factors, such as new social networks, consumer trends, changes in distribution platforms, changes in the market, among others.
- **Counteract threats.** Since threats are external factors that could cause problems to the venture—such as changes in the market, a new advertising campaign by a



competitor or a new government policy—a SWOT analysis can help to identify these threats and the ways to counteract them depending on their strengths and weaknesses.

Furthermore, you can look for ways to combine data from different aspects:

- Exploring how strengths and opportunities can be combined to develop new strategies.
- Combining strengths and threats to identify those that can be eliminated.
- Analyse weaknesses and opportunities to create a list of areas that need improvement.
- Listing aspects to prevent them falling into weaknesses or threats.

3.2.2 Other uses of SWOT analysis

As a strategic planning tool, the use of SWOT analysis is not only restricted to the analysis of the venture as it can have other uses; among them:

- **Strategic planning, brainstorming and decision making.**

For example, it can be used with the following questions and analysed with the SWOT matrix:

- How to take advantage of a new business opportunity?
- How to respond to new trends?
- How to implement new technology, social network, software, etc.?
- How to deal with competitors?

- **Competitive analysis tool.**

SWOT analysis can be applied by analysing the main competitors to...

- Determine what they do well (their strengths) and do it better.
- Analyse their weaknesses and take advantage of them, for example, by covering profitable customer segments that the competition has failed to do so.
- If the competition shares a threat with the venture, make cooperative alliances (collaborative competition) to diminish it, for example, by allying with a competitor to make a purchase pool from large suppliers and thus have a better competitive position against large competitors.
- Analyse which opportunities the competition is leveraging to in order to consider if it is optimal to do the same or if the competition is not leveraging them, go ahead and do it first.



A SWOT analysis can also be performed so as to address the following situations:

- Team problems.
- Company image.
- Development of a new product or service.
- Development of new markets.
- Market penetration in another country.
- Organization structure.
- Acquiring a company.
- Making a strategic alliance.
- Marketing strategies.
- Obtaining financial resources.
- Investment analysis.

3.2.3 How is SWOT Analysis Applied to Individuals and the Team?

As stated above, business-oriented SWOT analysis is only one of the possibilities for its application. Noam Wasserman describes in his book *The Founder's Dilemmas* (2012) that 65% of startups fail because of what he calls people problems, i.e. interpersonal tensions within the team. Therefore, a very interesting possibility of applying the SWOT is to guide people in two ways: on a personal level and on a team level. With this type of analysis, not only are people's strengths, weaknesses, threats and opportunities evaluated, but people are also evaluated with respect to the necessary key competencies.

The entire process for performing a SWOT analysis consists of 8 steps:

- 1) Defining the vision, mission and values of the venture.
- 2) Defining objectives aligned with the vision, mission and values of the venture.
- 3) Define the key competencies that are required for team members based on the objectives, values, mission and vision of the venture.
- 4) Optional: carrying out a day of activities and teamwork dynamics, role play, etc., and observing people's behaviour or encouraging self-diagnosis.
- 5) Giving a slide presentation to team members about the key competencies needed to make the venture successful.
- 6) Introducing the SWOT tool and its use on a personal and team level.
- 7) Handing in the corresponding worksheets:
 - a. If done on the personal level: personal SWOT analysis.
 - b. If done on the team level: SWOT analysis of the team.
- 8) Discussing at a general level with the participants about the activity, what they have discovered, what they commit to in the action plan, and so on.



Personal SWOT Analysis

When it comes to performing a personal SWOT analysis, it should be noted that it is particularly difficult for anyone to make a self-analysis that fits reality, since we all have a perception bias (or ignorance) about our behaviours, abilities and beliefs.

As a basis for analysis, it is a very good tool, but it could be further capitalized on by performing the personal SWOT in public, so as to receive feedback from other team members. It is advisable to carry out this activity if the team has time to work together and if the people have developed enough maturity to listen to comments about themselves.

The application of agile methodologies, which will be developed in the next module, makes this activity a habit.

It is important for people completing the personal SWOT to keep in mind the following:

- Being open and honest with their answers.
- Being critical of their weaknesses.
- Writing as much information about themselves as possible.
- Relating their "threats" to their personal life, the role they play within the venture, etc., and not confusing them with threats of the venture.
- Taking into account not only personality characteristics (patient, communicative, honest, energetic, among others), but also:
 - Abilities or skills.
 - Knowledge.
 - Interests.
 - Experiences.
 - Own competencies.
 - Key competencies needed to undertake a venture.
 - Values.

SWOT Analysis of the Team

The SWOT analysis of the team is done in the same way as on a personal level. The only thing that changes is the perspective from which it is analysed, that is to say, that each person will perform the SWOT matrix analysing the entire team as a whole in relation to themselves and to the vision, mission, values and competencies required in the venture.

It is important for people completing the SWOT of the team to keep in mind the following:



- Being open and honest with their answers. If in the work environment there is not enough confidence to be able to express personal opinions, it will be difficult to detect internal problems of the team (bonds, confidence, among others).
- Being critical of the team's weaknesses. For that purpose, there are some reference points that can be used such as the required key competencies, team dynamics, roleplays, known examples of high performance teams from other companies and even from sports.
- Writing as much information as possible extending the analysis.
- Remembering that the "threats" are related to the team itself as a participant in the venture.
- Taking into account not only human characteristics or qualities (reliable, dynamic, communicative, resilient, among others), but also:
 - Abilities or skills.
 - Knowledge.
 - Common interests.
 - Experiences.
 - Own competencies.
 - Key competencies needed to undertake a venture.
 - Values.



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