What it Means to be a Virtual Company with a Distributed Team

Brie Reynolds (http://www.business2community.com/author/brie-reynolds)

MAY 11, 2015   📁 STRATEGY (HTTP://WWW.BUSINESS2COMMUNITY.COM/STRATEGY)   💬 0

Gone are the days when all companies were headquartered in one location, with every single one of its employees clocking into the office from 9-5, Monday-Friday. Today's workforce (thankfully) looks —and works—a whole lot different. Many companies are virtual, with employees telecommuting from home offices all over the globe, and working all hours of the day and night, thanks to flexible schedules.

If all this sounds complicated, confusing, and disorganized, it's not. Remote workforces have grown by leaps and bounds recently, with one in five employees working from home (http://www.reuters.com/article/2012/01/24/us-telecommuting-idUSTRE80N1IL20120124). And one survey found that a whopping 79 percent of workers would like to work remotely all of the time (http://www.flexjobs.com/blog/post/survey-people-who-want-flexible-jobs-and-why/). With flexibility has come a stronger, more loyal, and productive workforce. Companies that wish to compete in the global market know that one of the major ways to do so is to offer workplace flexibility to its staffers.

Case in point: FlexJobs recently released its list of 76 Virtual Companies and Distributed Teams (http://www.flexjobs.com/blog/post/76-virtual-companies-and-distributed-teams/). The companies listed are completely virtual and each organization has employees all over the country—and the world—all enjoying the many benefits of remote work.

Examples of Virtual Companies and Distributed Teams

Being a virtual company means that the employees of the company operate mostly or completely outside a traditional office environment. They'll usually be working from home, though some distributed teams also set up shop in coworking spaces, or travel extensively for work, or enjoy working from a coffee shop or library every now and then. Essentially, virtual companies exist without a main office building, and their teams don't report to the same location when they "go to work" each day.

Art & Logic (http://www.artandlogic.com), a software development company, is a classic example of a virtual company, having operated this way since its founding in 1991. It explains on its careers page that, "the tools, infrastructure, and work practices that we've adopted over the years let us work together effectively, efficiently, and very collaboratively without regard to the physical distances between any two of us."

Recommended for You
Webcast: Turning Your Website Into a Lead Generation Machine (http://webcasts.business2community.com/events/turning-your-website-into-a-lead-generation-machine?utm_source=B2C&utm_medium=Article-Promo&utm_campaign=Webcast05262015)

Greenback Expat Tax Services (http://www.greenbacktaxservices.com) is another great example of a virtual company with a distributed team. Providing a specific and unique service to thousands of clients in over 140 countries makes working virtually a no-brainer for this tax accounting company.

In fact, Greenback says it's able to keep prices so low because it's a virtual company: "Because we are a virtual team, we do not have the additional hefty cost of offices, commutes, etc. This allows us to spend money where it matters: On ensuring our customers have a reason to return every year."

How to Create a Productive, Virtual Companies

If you're considering turning your brick and mortar business into a virtual company, there's no better time than the present. Initially, it's important to find workers who have had some experience working from home before to help make the transition smoother. And it's important that each individual employee believes in the mission of the company, too.

Communication is key for distributed teams to work well together. Employees must have strong communication skills in order to let their boss know of any potential issues or to simply share ideas among colleagues. They must also be able to sometimes troubleshoot technical issues on their own, be super organized, and possess the ability to self-manage. But it's also up to the managers to adopt a managerial style that works with virtual workers. From establishing clear guidelines to sharing company, departmental, and employee-specific goals, managers must effectively communicate in order for their teams to understand what is expected of them.

That's why it's crucial for companies to set up systems in which both managers and employees can communicate effectively with each other. Remote tools such as instant messaging, Join.me, Dropbox, HipChat, Google Drive, etc. help mimic the feeling of a traditional office in how they allow a telecommuting staff to work cohesively together and foster a sense of camaraderie among workers.

Benefits Experienced by Virtual Companies

While most people tend to think that telecommuting only benefits the employee, it also has tremendous advantages for the employer as well. For starters, companies save upwards of $11,000 per remote worker (http://www.intuit.co.uk/small-business-resources/death-of-the-office/index.jsp) (in the form of saved office space, electricity, office equipment, etc.). Plus, having a virtual company means that you're not limited to hiring a mediocre job candidate simply because he/she lives close to your main office. When hiring a virtual worker, you have your pick of any job candidate anywhere in the world. This comes down to being able to attract top-tier talent regardless of your or their location. And studies have shown that remote workers are far

more productive (http://www.nytimes.com/roomfordebate/2013/02/27/the-costs-and-benefits-of-telecommuting/telecommuters-are-more-productive) than their in-office colleagues.

Alex Turnbull, the CEO of software company Groove (https://www.groovehq.com/about), has seen the benefits of virtual work after previously running traditional, office-based companies. "My past two companies rented office space, and frankly I didn't see a huge benefit from it. I wanted the best talent I could find, regardless of where people were based, so a remote team was a natural choice."

And PeopleG2 (http://www.peopleg2.com), a "human capital due diligence service provider" actually started out as an office-based company but made the switch to a virtual company (http://www.ocregister.com/articles/office-604071-says-work.html) in 2008 because of their expanding team and the worsening economic recession. Chris Dyer, PeopleG2's founder and chief executive, noted that after operating as a virtual company and seeing how well the company did, he decided not to return to a traditional office even after financial pressures eased.

With its numerous benefits, virtual work is no longer being seen as a work perk, but truly the best, most productive way to do business.

photo credit: istockphoto.com

(http://www.business2community.com/author/brie-reynolds)
Author: Brie Reynolds
(http://www.business2community.com/author/brie-reynolds)