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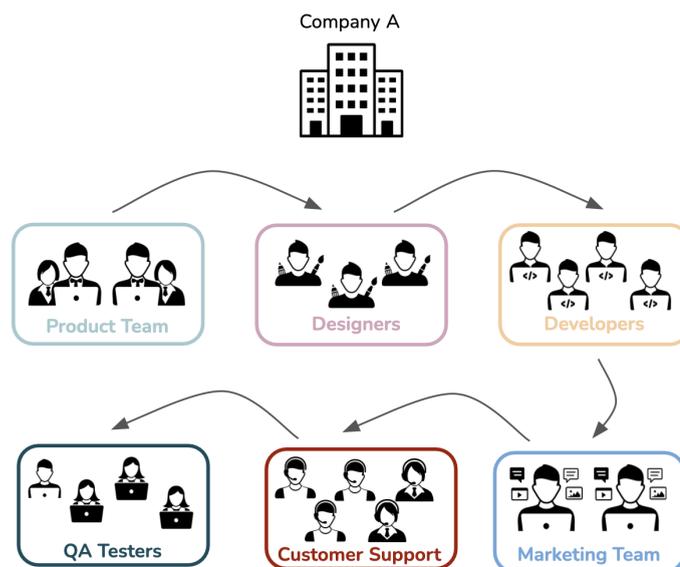
[Essentials of Software-as-a-Service \(SaaS\) Business.](#)

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Cross-Functional Teams I

Having explored iterative development approaches, we now face a practical question: “How do we organize our teams to make these methodologies work?”. Suppose that you have a brilliant idea for a SaaS product that you want to bring to life. You have experienced developers, talented designers who create beautiful interfaces, and skilled marketers who know how to reach customers.

Let's take a look at company A working on a new product using a traditional development approach. The development might look like this.



The process starts with the product team. They spend weeks crafting detailed specifications based on market research and competitor analysis. Once complete, they hand these specifications to the design team.

The designers create beautiful mockups and outline the paths users will take when interacting with the product. However, they might not fully understand the technical constraints since the developers weren't involved in these early discussions. After several weeks of design iterations, they pass their work to the development team.

So, the developers review the designs and realize some features will be extremely complex to implement or might affect system performance. They make modifications, sometimes significantly altering the original design vision. This work could take months.

During this time, the marketing team is unable to prepare effective launch campaigns because they're not sure which features will actually make it into the final product.

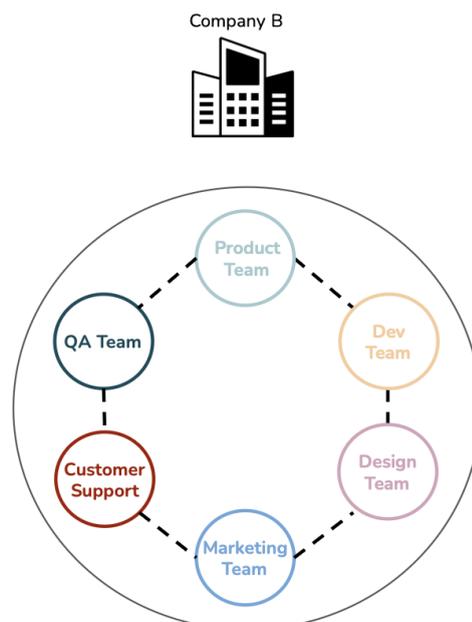
Meanwhile, the customer support team is also disconnected from the development process. They are not prepared for the questions they'll need to answer once a product is launched.

Finally, when development is "complete," QA testers start testing. They find issues that require rework. These problems, which could have been identified quickly if caught during development, now become expensive and time-consuming to fix. This further delays the release of the SaaS product. By the time the product launches, it's already six months behind schedule.

As we can see, if these teams work in isolation, we might end up with a technically perfect product that's difficult to use, or a beautiful interface that doesn't meet customer needs.

The solution is breaking down departmental silos and creating **cross-functional teams that can respond quickly to feedback and deliver value efficiently.**

Let's look at the same product development process in company B that uses cross-functional teams. From day one, representatives from all crucial functions sit together as one team. Here's how their process flows.



Product managers share the initial concept, and immediately get feedback. Developers can immediately assess technical feasibility, suggesting architecture approaches that could speed up delivery. Designers, working in parallel, explore user experience implications and ensure the technical solutions align with intuitive user flows. Also representatives from marketing contribute valuable insights about market positioning, and help shape features that will truly stand out in the marketplace. Then, customer support representatives provide critical insights about pain points and common user challenges. Meanwhile, QA engineers analyze the proposed features from a testing perspective.

This collaborative approach yields remarkable results. The product moves from concept to launch faster because issues are identified and resolved immediately, not months later. The final product better serves user needs because it's shaped by diverse perspectives from the start.

In the SaaS business, this cross-functional approach is crucial for survival. Unlike traditional software that follows a "build once, sell many times" model, SaaS products require continuous evolution and rapid response to customer needs. This is why the traditional, siloed approach simply doesn't work in the SaaS world.

Having seen how traditional and cross-functional approaches differ in practice, let's take a look at what exactly a cross-functional team is. So, it is **a group of professionals from different functional areas who combine their diverse expertise to work collaboratively toward a common goal**. These teams break down traditional departmental barriers to create a more agile, responsive organization.

The effectiveness of cross-functional teams comes from several key characteristics. Let's take a look at some of them.

- **Diverse Expertise:** *Team members bring varied skills and perspectives from different functional areas (development, design, marketing, etc.)*

First and foremost, diverse expertise forms the foundation of any cross-functional team. This blend of expertise and skills ensures that every aspect of product development is addressed from the outset, rather than in isolation.

- **Shared Objectives:** *The team works toward common goals rather than departmental metrics*

Next, there are shared objectives that unite the team. Unlike traditional structures where marketing might focus solely on lead generation, cross-functional teams align around common goals. Everyone understands that success isn't measured by individual departmental metrics but by the overall business growth.

- **Direct Communication:** *Members communicate directly rather than through hierarchical channels*

Then we have direct communication. For immediate discussions and quick decisions, team members can directly approach each other. This interaction speeds up decision-making and reduces the risk of misunderstandings.

- **Insight into different departments:** *Enables employees to explore and understand different roles and functions across the organization.*

Furthermore, these teams benefit from gaining insight into different departments. Not all employees want to stay in their current roles forever. Some may want to explore other positions or gain a better understanding of different departments. Cross-functional collaboration shows employees the important tasks other departments work on and can help them decide which department best suits their career aspirations.

- **Market Responsiveness:** *Combined perspectives and expertise help businesses adapt quickly to consumer demands, competition, and market changes.*

Finally, cross-functional teams enable better adaptability. SaaS businesses must adapt quickly to consumer demands, competition, and overall market changes. By collaborating across departments, teams can leverage different perspectives and expertise to identify new strategies and respond more effectively to market dynamics.

TYPES OF CROSS-FUNCTIONAL TEAMS

In our earlier example, we saw how a single cross-functional team outperformed a traditional approach when developing a new SaaS product. However, in reality, SaaS companies operate **multiple cross-functional teams simultaneously**. Why is that? Well, SaaS products require constant evolution and a company might manage multiple products and features that need attention. Think about it – while one team is developing a new feature, another needs to maintain and improve existing functionalities, and yet another may need to address urgent security updates. Each of these areas requires dedicated focus and expertise, which make it impossible for a single cross-functional team to handle everything effectively.

The specific types and number of cross-functional teams will vary from company to company. It depends on their **unique business needs, organizational goals or product complexity**. So now, let's explore some of the most common types typically found in successful SaaS organizations.

Feature Development Teams

- Focus on developing and improving product features
- Typically include: developers, designers, product managers, and QA specialists

Example: A team dedicated to developing and maintaining the messaging features in Slack

The most prevalent type is the Feature Development Team, which focuses on **building and improving specific product functionalities**. These teams are responsible for taking features **from concept to completion** and ensure they meet both technical requirements and user needs.

Customer Experience Team

- Concentrate on improving overall user experience
- Typically include: customer support, UX design, developers, and product marketing

Example: HubSpot's teams working on improving user onboarding experience

Next, we find a Customer Experience Team that works on **improving the overall user journey**. They analyze **how customers interact with the product** across all touchpoints and **work to enhance the entire user experience**.

Product Launch Team

- Coordinate new product or feature launches
- Typically include: marketing, sales, product, developers, and customer support

Example: Zoom's teams managing the rollout of new security features

Then, the Product Launch Team comes together to **coordinate new product or feature releases**. They ensure **smooth rollouts and market adoption**. Often, these teams are **temporary**. So they form before major launches and dissolve once the product is successfully in the market.

Innovation Team

- Focus on exploring new product opportunities
- Typically include: product strategy, market research, development, and design

Example: Microsoft Teams' groups working on AI-powered features

Lastly we have an Innovation Team that **explores new opportunities and future directions for the product**. Unlike other teams focused on current products and features, these teams look ahead. They **investigate emerging technologies** and **potential new product offerings** that could benefit the company in the future.