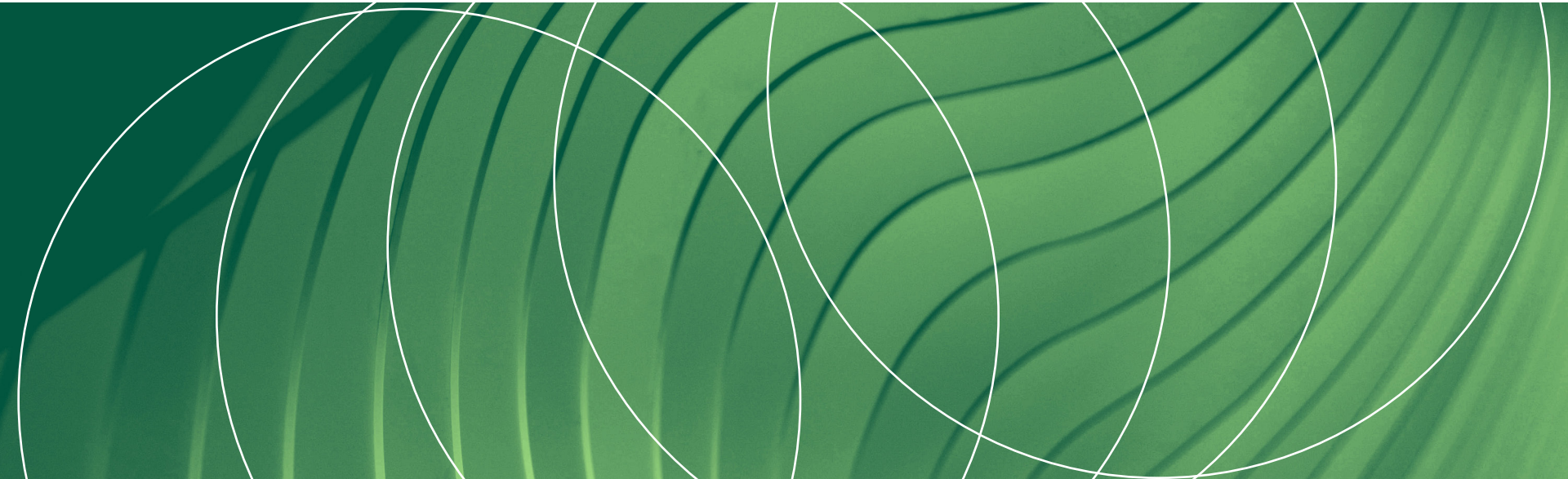


Effective Team Collaboration Is More Important Than Ever – Nurture It For Better Business Outcomes

A COMMISSIONED STUDY CONDUCTED BY FORRESTER CONSULTING ON BEHALF OF ATlassian, JANUARY 2025



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Effective Team Collaboration Is A Missing, Mission-Critical Capability For Enterprises Today

The speed of change organizations face is continuously increasing, fueled by heightened customer expectations, growing employee needs, and swiftly evolving markets. To adapt, organizations must ensure their teams work together as effectively as possible — yet, while most respondents recognize how important collaboration and teamwork are, very few realize the benefits.

This study examined team effectiveness, focusing on three key pillars:

Goal alignment: Are expectations, progress, and outcomes well understood?

Planning and tracking work: How well is everyone, from leaders to individual contributors, able to track the progress of where key projects are today and what's next?

Knowledge sharing: Does critical information flow across and between teams so everyone has shared context and can find information easily?

Organizations can avoid the pitfalls of poor team collaboration when they properly invest in these areas. Beyond avoiding negative consequences, effective organizations will experience increased product quality and more positive business outcomes for their employees and customers.

Rising Expectations Create Demand For Team Effectiveness

Most respondents in this study agreed their ability to deliver products and services is challenged by rising expectations, both externally from customers and internally from employees.

These rising expectations are blending with an increasingly volatile business environment, creating an urgent mandate for organizations to invest in supporting their employees' and teams' collaboration.

With organizations under pressure to adapt to change more quickly than ever — they cannot afford collaboration challenges that will make this task even harder.

Business And Technology Leaders Struggle With Rising Internal And External Expectations



82%
Rising customer expectations



80%
Responding to market volatility is more important than ever



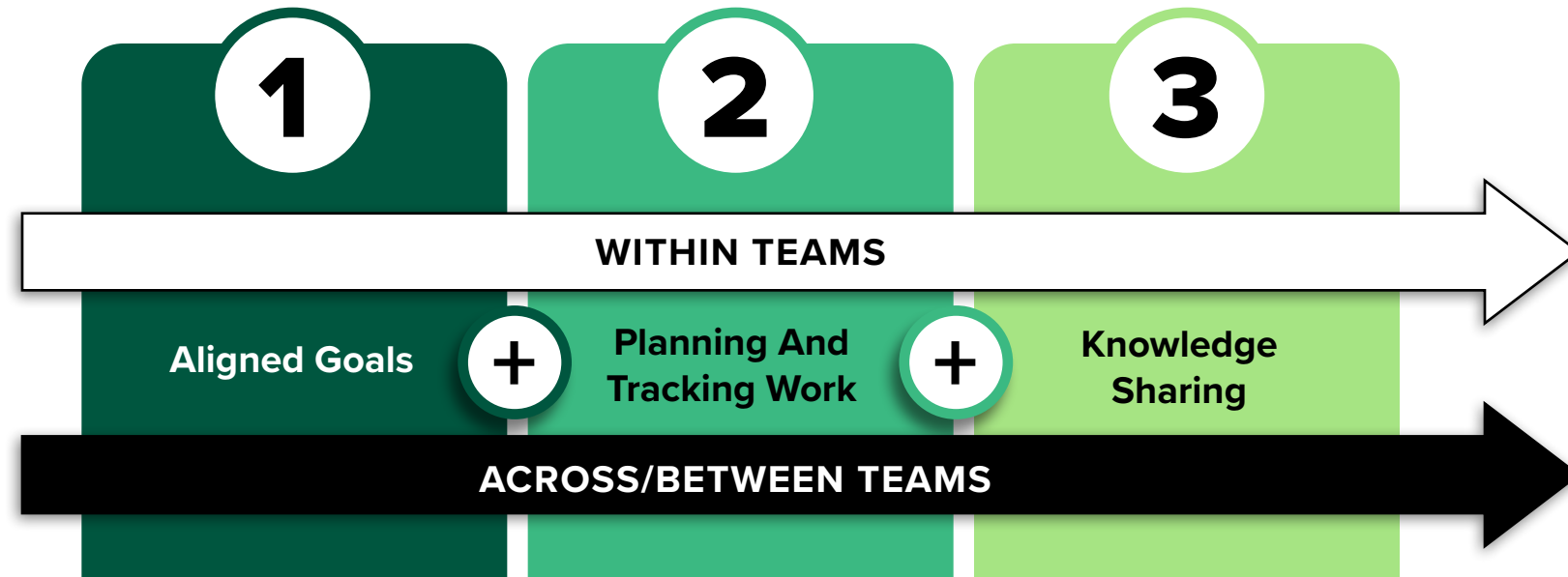
69%
Rising employee expectations



68%
We need to build new products and services faster than in the past

Effective Teams Are Defined By Three Pillars

This study dove into team effectiveness across three key pillars: aligned goals, planning and tracking work, and knowledge sharing. With each, it's critical that organizations think about healthy collaboration within key teams, but also about the connections between or across key business and technical teams as well.



Nearly all organizations struggle with at least one of these pillars. In fact:

Just 2%
of organizations foster fully effective teams today.



The Cost Of Not Investing In Team Effectiveness

We examined the state of collaboration within and across three key teams: developers, IT operations (IT ops), and line of business (LOB) to better understand key areas of collaboration that need support, as well as the consequences of failing to do so.

Without effective team collaboration, organizations' performance, customer experience (CX), and bottom-line business results suffer. We found that organizations that haven't invested in supporting collaboration, called organizations with low effectiveness, are far more likely to struggle with fractured strategies, frustrated employees, lower productivity, and poorer business performance.

“There’s so much disruption and miscommunication between the internal departments. The software teams don’t talk to the product development teams or the procurement team or the buyers — and because of that, they are in their own little wells, and it makes our job so much more difficult trying to keep the customer happy.”

— **Technology innovation director at a technology hardware organization**

Most Respondents Struggle To Support Collaboration, Despite Seeing It As Critical



86%

agree it's important to easily find and share knowledge across teams.



24%

say they share information freely across the enterprise today.



84%

agree that visibility into projects and goals of other cross-functional teams is important.



27%

have seamlessly integrated tools that enable cross-team visibility today.



82%

agree it's important that teams align behind shared goals.



30%

say their organization fully support collaboration across teams.



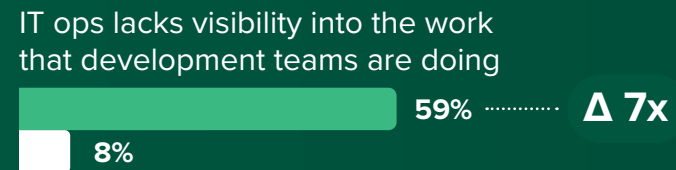
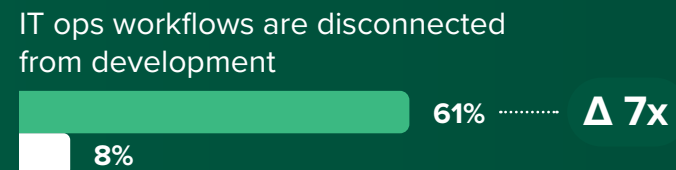
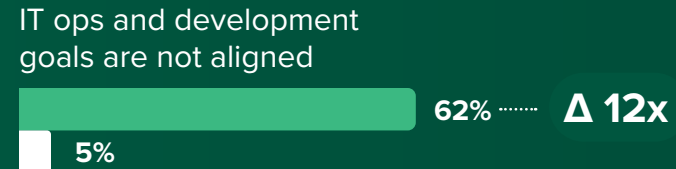
Ineffective Teams Face Significant Friction

Among organizations with low effectiveness, IT ops and development teams are 12 times more likely to lack aligned goals with development teams, and seven times more prone to lacking alignment with LOB colleagues. They are much more likely to lack visibility into development teams' work and lack context and information from LOB.

They are four times more likely to struggle with understanding development road maps, five times more likely to lack context and information, far more likely to lack aligned goals, and nine times more likely to lack integrated tools.

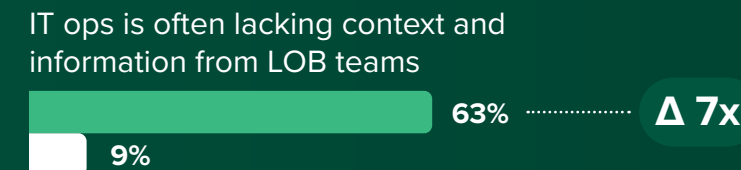
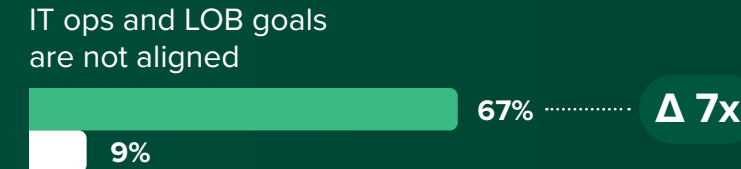
IT Ops And Development Challenges

● Teams with low effectiveness ● Teams with high effectiveness



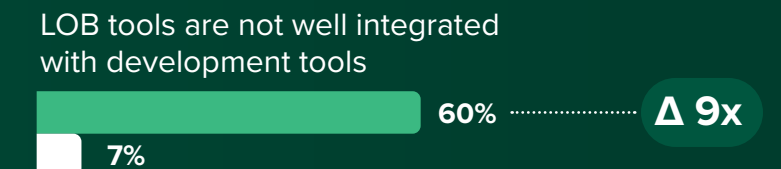
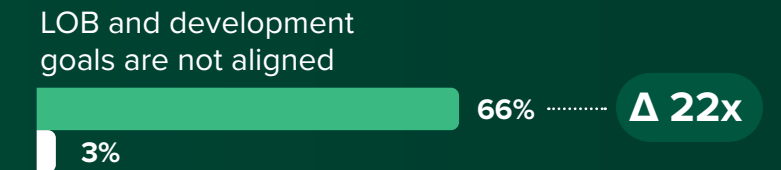
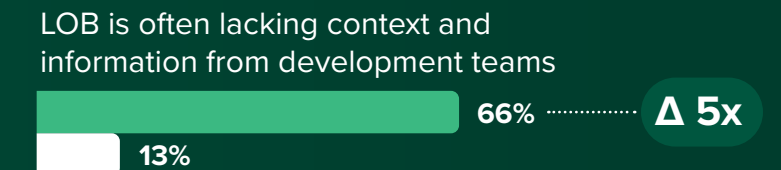
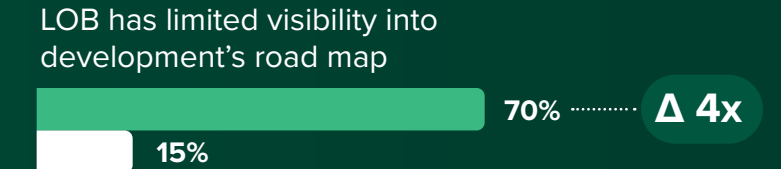
IT Ops And LOB Challenges

● Teams with low effectiveness ● Teams with high effectiveness



LOB And Development Challenges

● Teams with low effectiveness ● Teams with high effectiveness



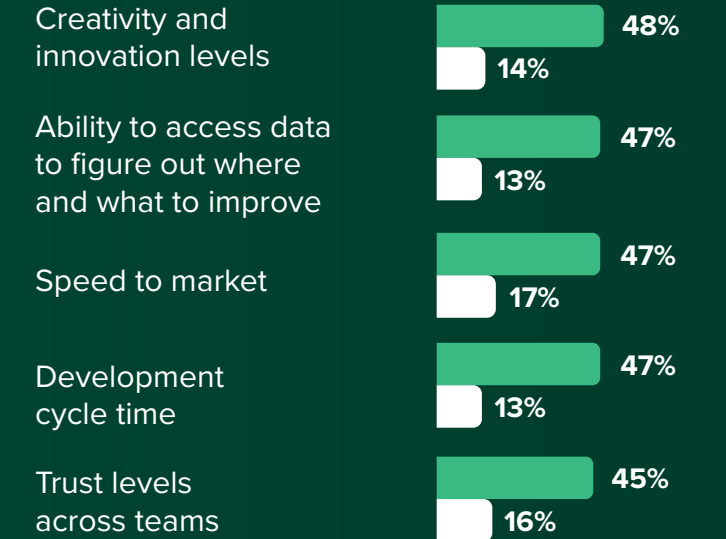
Dysfunctional Team Practices Self-Perpetuate And Harm The Business

Teams with low effectiveness struggle with misaligned goals, lack of visibility into each other's work, and limited information sharing. They also face poor cross-team knowledge and insight sharing, employee engagement and experience, and downward pressure on operational efficiency, trust, and creativity.

These teams were also far more likely to see collaboration challenges result in customer churn, organizational cost overruns, poorer customer growth, worse CX, revenue performance, and more.

Negative Consequences Of Team Friction Experienced During Build And Delivery Of Products And Services

Teams with low effectiveness are far more likely than teams with high effectiveness to experience negative consequences, including:



Negative Business Consequences Of Poor Collaboration

Teams with low effectiveness are far more likely than teams with high effectiveness to experience negative consequences, including:



Fostering More Effective Team Collaboration Requires Focus And Investment

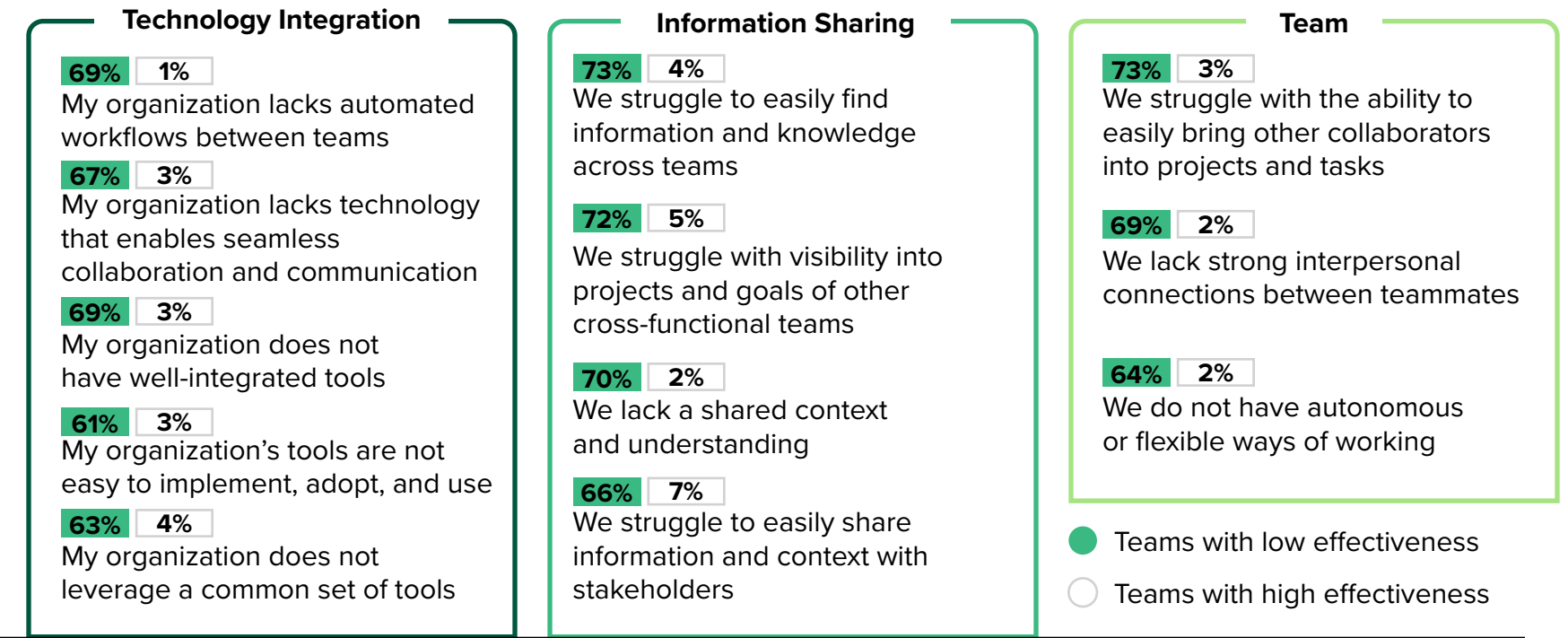
Investing in stronger team collaboration represents an opportunity to differentiate today and adapt to market changes in the future. Organizations that do this well prioritize integrating technology and information sharing, promote leadership visibility, and focus on aligning workflows and goals across key business and technical teams to foster more aligned ways of working.

“If leaders increase their visibility, that helps foster more connection. I think one important aspect [of collaboration] is you get exposed to work with some senior people in the organization, which not only improves their visibility, it also improves your visibility. It helps you learn and get the information firsthand from somebody who’s been there, done that.”

— VP of product management at a financial services organization

Effective Teams Differentiate Via Integrated Technology, Open Information Sharing, And Team Cohesion

More effective teams are far more likely to support tools that are easy to use and well-integrated across the enterprise. Open access to information helps keep teams aligned across the organization and provides greater visibility into project progress and work intersections, which effective teams excel at.



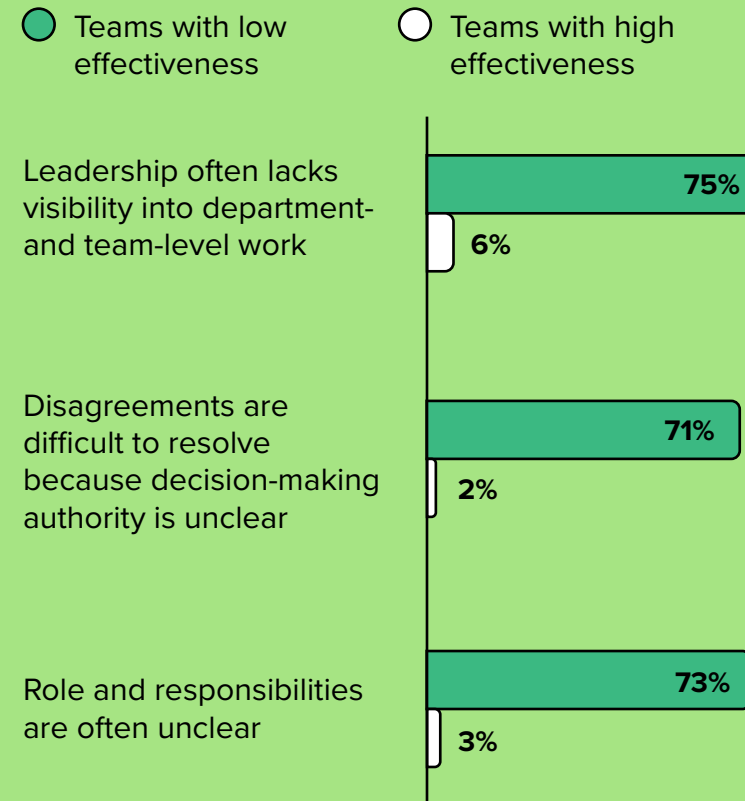
Leadership Sets The Tone For Effective Teams

Leadership plays a critical role in driving team collaboration by removing obstacles and supporting their employees, creating increased trust and transparency across the organization.¹

To accomplish this, leadership needs visibility into relevant teams' work, clear authority to make decisions, and defined roles and responsibilities. When done successfully, organizations will face fewer challenges among employees and customers.

Effective Teams Ensure Leadership Is Informed, Accountable, And Empowered

Teams with low effectiveness are more likely to experience leadership issues, including:



“Ultimately, [effective collaboration] starts at the top, because the higher you are, the more authority you have. So, the more power you have to say, ‘This has to be,’ then using this method or using this process. When that message is then communicated and the guys who are subordinate to them, directly or indirectly, definitely utilize those concepts.”

— TECHNOLOGY INNOVATION DIRECTOR AT A TECHNOLOGY HARDWARE ORGANIZATION

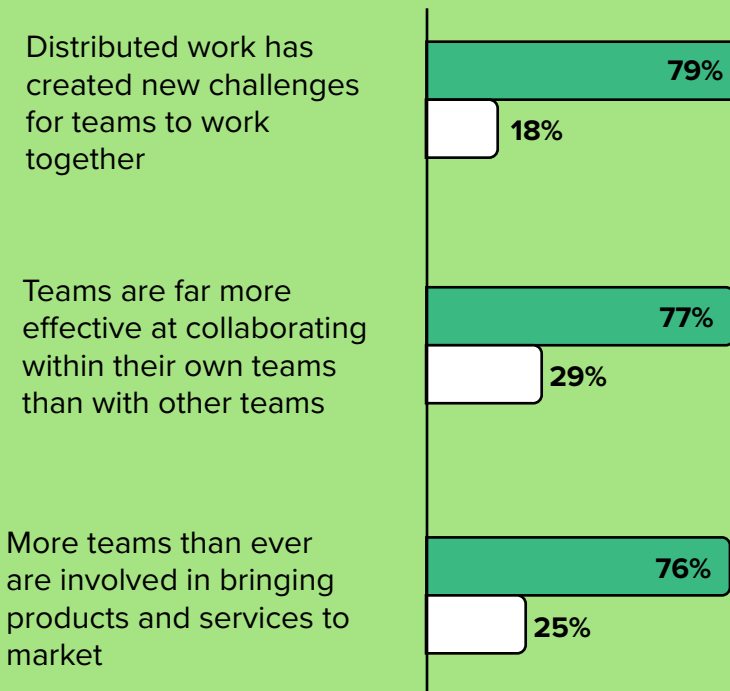
Connected Technology Helps Overcome Distributed Work Challenges

Teams with high effectiveness are much more likely to say their business and technical groups use many of the same tools.

Turning to a connected system of work is part of how these organizations overcome challenges with modern work environments. For example, highly effective organizations are much less likely to struggle with an increasingly distributed workforce and less likely to struggle with collaboration across teams.

Effective Organizations Manage Collaboration And Distributed Work Challenges Better

- Low effectiveness teams
- High effectiveness teams



“[Adopting collaboration technology] has been very helpful and is used for any project management, technology, and business communication. It makes things easier and you’re not dependent on someone to go ahead and give you an update.”

— VP OF PRODUCT MANAGEMENT AT A FINANCIAL SERVICES ORGANIZATION

Invest Now To Reap Long-Term Rewards

Investing in initiatives to help teams work better together represents an opportunity for differentiation. However, most organizations have work to do to shore up their team collaboration capabilities.

It's also important to note that when organizations make these investments, they often pay off. Respondents whose organizations invested in improving knowledge sharing and in aligned technology say those investments have been effective or very effective in improving their performance.

Top Three Ways Leaders Are Investing In Collaboration



41%

Investing in technology platforms that serve the needs of multiple departments



37%

Implementing new technology solutions for better cross-team collaboration



34%

Increasing knowledge sharing between teams

“How effective have these initiatives been in improving your organization’s product and service build and delivery process?”

Teams with high effectiveness



76%

Increasing knowledge sharing between teams



71%

Implementing new technology solutions for better cross-team collaboration



67%

Investing in technology platforms that serve the needs of multiple departments

Collaboration Investments Pay Off For Organizations

A majority of respondents whose organizations had made investments in improving the integration of technologies between technical and business teams said those efforts had significantly improved teams' overall productivity; collaboration and communication; knowledge and information sharing; and decision-making.

Respondents also reported that technology integration investments lead to outcomes including better product quality, improved collaboration and employee experience, and better business impact.

Benefits Of Collaboration Investments



54%
Improved overall productivity



52%
Improved collaboration and communication



50%
Improved employee experience



51%
Better business impact of new products and services



50%
Improved decision-making



54%
Higher-quality product releases

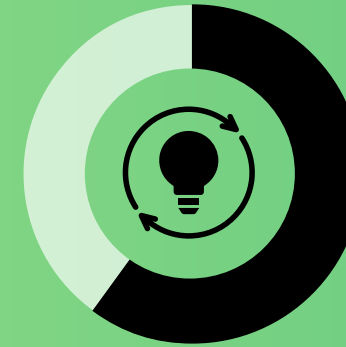
Collaboration Investments Improve Business Performance

Improved collaboration is critical for business and technical teams and is a benefit on its own. But organizations who have invested in improving effectiveness also see improvements in business performance, including more satisfied customers and employees, a greater ability to respond and innovate around customer needs, and more impressive revenue and growth results.

Benefits Of Collaboration Investments



63%
Improved customer satisfaction



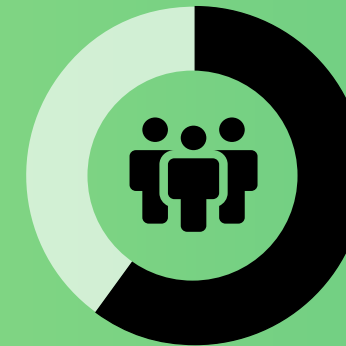
60%
Improved innovation



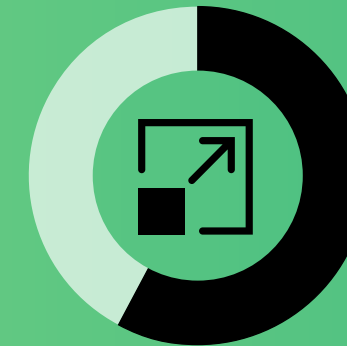
59%
Better revenue performance



63%
Better responsiveness to customer needs



60%
Better employee engagement



58%
Improved growth potential

Key Recommendations

Align goals to promote effective teamwork. Instead of focusing on legacy metrics that solely evaluate operational efficiencies or isolated measures, organizations should establish shared goals. In addition, organizations should not only track work, but also track impact. If teams are working together to achieve well-defined, shared OKRs, teamwork will improve and collaboration will benefit all parties.

Give teams the tools to improve outcomes. As this survey suggests, collaboration and engagement contribute higher levels of customer satisfaction. Ensure that your teams' work is connected to business outcomes with the right tools that will amplify their collaboration. Provide clear visibility into team progress and individual contributions to create alignment with your purpose.

Key Recommendations

Leadership must lean into collaboration and visibility. Improving enterprise visibility requires significant logistical and technical changes, but leaders set the tone for collaboration. Leaders should work to ensure their organization shares information at scale to bridge the gaps between business, IT, and development teams.

Create connections between teams and business functions above all else. Evaluate your tools and how they serve effective teamwork. Doing so can reduce costs and technical debt. Your enterprise should develop a strategy to eliminate redundancies, standardize when possible, and above all, ensure it is extensible, so teams have flexibility and connection.

Methodology

In this study, Forrester conducted phone interviews with three decision-makers and an online survey of 670 decision-makers at organizations in the United States, Germany, United Kingdom, and France to evaluate the state of collaboration across business and technical teams. Survey participants included decision-makers in LOB, development, and IT ops who work on delivering products and services. Questions provided to the participants asked about the challenges, consequences, and benefits of fostering collaboration. Respondents were offered a small incentive as a thank-you for time spent on the survey. The study began and was completed in March 2023.

Demographics

COUNTRY	
United States	42%
Germany	20%
The United Kingdom	19%
France	19%

DEPARTMENT	
LOB	30%
IT Ops	31%
Development	38%

COMPANY REVENUE	
\$500M to \$999M	39%
\$1B to \$5B	40%
>\$5B	20%

RESPONDENT LEVEL	
C-level executive	9%
Vice president	16%
Director	24%
Manager	27%

NUMBER OF EMPLOYEES	
100 to 499	14%
500 to 999	22%
1,000 to 4,999	29%
5,000 to 19,999	21%
20,000 or more	14%

TOP 4 INDUSTRIES	
Technology and/or technology services	18%
Retail	17%
Financial services/insurance	17%
Healthcare	17%

Note: Percentages may not total 100 due to rounding.

Endnotes

¹Source: [What Makes A Future Fit People Strategy?](#), Forrester Research, Inc., May 11, 2023.

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