When your team is all over the world instead of in one building, different rules apply.

Today's financial woes have forced many companies to pick members of project teams from across various global locations and have them communicate virtually—by phone, e-mail and videoconference—thereby saving both time and money.

There are more global virtual teams today than ever before. And their numbers are increasing rapidly. INSEAD, the international business school where I teach, has been bombarded with requests to set up a program showing executives the skills they'll need to meet this new management challenge. The latest research shows that those skills are not simply different from those needed for running co-located teams; they are often the exact opposite. Here are four principal ways they're very different.

1. You must lead differently.

   While co-located teams often benefit most from a leader who acts as a facilitator, virtual teams need a manager who provides clearly defined direction and removes all ambiguity from the process. Research by my fellow INSEAD professor José Santos demonstrates that highly centralized coordination usually works best in globally distributed teams. When a team works together in the same office, you can have loose job descriptions, possibly even with two people sharing elements of the same role. In virtual teams that just doesn't work. Team leaders have to formalize roles and responsibilities—starting with their own.

2. You must arrive at decisions differently.

   Teams don't work the same everywhere. In the U.S., managers are trained to solicit input from a team, choose a direction quickly and make adjustments as the project moves forward. It works, but then so do other methods. In Sweden teams learn to make decisions through lengthy consensus building, which can span many meetings but eventually leads to strong buy-in and rapid implementation. In France the Descartes-inspired education system teaches that debate and confrontation are necessary elements of any decision-making process. And in Japan decisions tend to be made in informal one-on-one discussions before a formal group meeting.

   In my own research, I've found that one of the most difficult tasks for leaders of global teams is to recognize that their styles of decision making may be deeply rooted in the cultures that they come from. Global teams therefore need very explicit descriptions of how decisions will be made, and the best global team leader is one who is willing to try out different kinds of decision-making processes at different points in a project.

3. You must build trust differently.

   Trust takes on a whole new meaning in virtual teams. When you meet your workmates by the water cooler or photocopier every day, you know instinctively who you can and cannot trust. In a geographically distributed team, trust is measured almost exclusively in terms of reliability. Cristina Escallon, another faculty member in our new Managing Global Virtual Teams program, teaches that leaders of virtual teams need to concentrate on creating a highly defined process where team members deliver specific results in a repeated sequence. Reliability, aka trust, is thus firmly established after two or three cycles. Because of that, face-to-face meetings can be limited to once a year or so.

4. You must communicate differently.

   The utmost key to global virtual team leading is, without doubt, communication. But when we communicate virtually, we often become less influential. INSEAD Professor Ian Woodward has demonstrated through practical exercises that moving your body while speaking enhances your voice quality. Managers of global virtual teams who sit rigidly at their desks, glued to Skype or videoconference screens, tend to lose their interpersonal or persuasive edge. Walking around or simply moving your arms is just one of many simple but effective communication tricks that managers can use to improve the sound of their message.

   The upshot of all this is that managers with geographically scattered teams need a much broader skill set than those with traditional, co-located teams. More than that, they need the ability to switch between skill sets, based on the diversity of their team members and the distance between them. Welcome to a new virtual world of business.

Erin Meyer is an adjunct professor of organizational behavior at INSEAD, the international business school with campuses in France, Singapore and Abu Dhabi. She specializes in cross-cultural management and is director of INSEAD's new Managing Global Virtual Teams program for executives.