

MANAGING UP IN A DOWN ECONOMY

17 IMPERATIVES for SUCCESS

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MANAGING UP IN A DOWN ECONOMY: 17 Imperatives for Success
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From the Author

Have you ever watched a roller coaster make the slow climb up a steep incline? There's that moment where it seems to be suspended in mid-air and everything's quite serene, almost peaceful. Then it starts: your hair stands on end, your stomach rises to your throat, and you head down at a breakneck speed! Like they say, "What goes up must come down".

I once heard a financial advisor compare a roller coaster ride to an economy. He concluded that you'll only get hurt on a roller coaster if you stand up and try to jump!

You are a manager. You've earned respect as a leader, and a Down economy is not the time to jump. In fact, your greatest opportunities both professionally and financially will be in the midst of the storm.

I have worked with leaders in the midst of economic challenges for over 25 years. This book is a summary of the best practices I have seen. I call them *Imperatives* because successful managers are not accidental; they are intentional. Each Imperative ends with a *Response Strategy*. Neglect implementation, and all this will be is an exercise in reading. Implement the strategy and you just might wind up owning the roller coaster!

Be Encouraged.

Barry Banther

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IMPERATIVE ONE

Face Reality—*It's There!*

Remember the children's story, *The Emperor's Clothes*? Two swindling tailors promised to create the most magnificent new suit for the Emperor. The suit was so unique that it would be invisible to all but the smartest and most accomplished in the country. When the deceiving tailors presented the Emperor with his new suit, the Emperor sacrificed reason for pride and vanity and paraded naked through the town. His attendants, unwilling to appear stupid or unfit either, refused to tell him the truth. But who can blame them? Would telling the truth be worth *your* head?

You are a leader—the General Manager, or maybe the CEO. No one instinctively wants to give you bad news. So you had better be the first to know what's happening around you and send out the message that you value those with the courage to point out the obvious.

How do you face your reality?

First: In a Down economy, start your staff meetings by asking for reports from everyone about what bad news they see in their sector. Ask Sales, "Where are we seeing orders slip?" Ask Operations, "What costs are creeping up on us that will eat into our thinning margins?" Ask Human Resources, "What pressures are our employees under in their personal lives that might influence their job performance?" Ask Purchasing, "What vendors are likely to raise prices and who

might not be able to meet our demands?” Save the upbeat news for the latter half of the meeting.

Second: Invest time in thinking how your business will not only ride out the downturn but might actually profit from it. This is when you earn your pay as a leader. Generate excitement at the storm winds that have to fill your sails.

In an Up economy your primary concern is filling orders, responding to customers and staying fully staffed. In a Down economy you have to identify two critical realities: your value proposition and your competitive advantage.

Your *value proposition* focuses outward - what you propose to do for your customers or clients that creates unique value. To determine this it requires a close look at your competition. You have to understand what they do for customers, how they do it and why their customers come back. With this information you can determine the unique value that will be your proposition to the marketplace.

Your *competitive advantage* is internally defined and internally driven. What you do for customers or clients can be done with a smaller investment, a greater return or both. This is your advantage over the competition. Identifying these two realities puts you in the position you want to be in during a Down economy.

Third: Spend more time with your rank and file workers. They saw the downturn coming before anyone else. Take the time to listen to them, encourage them and empower them. They just might be the first to lead your business out of a Down economy. Their opinion about your value proposition or your competitive advantage will be the most vivid, but they won't tell you just because you asked. You have to earn their trust. In turn they will reward you with valuable insights and competitive strategy.

Response Strategy for
IMPERATIVE ONE Face Reality—*It's There*

A. Identify critical questions you are going to regularly ask:

1. Sales: _____

2. Operations: _____

3. Human Resources: _____

4. Purchasing: _____

5. Customer Service: _____

6. Suppliers: _____

7. Other: _____

B. What will you do to invest more time in your associates?

C. What unique value do you propose to give your customers and clients?

D. What is your competitive advantage?

IMPERATIVE TWO

Keep Your Head— *What Happened Before Will Happen Again*

My college debate coach was legendary. He rarely made a mistake, and he won all the awards. While I had some stellar performances I was known for equally boneheaded clashes as well. During one tough round with Notre Dame, I made a tactical error but the judge gave us the ballot anyway - or almost did. When I left the room, my coach was waiting at the door with a rolled-up newspaper and a few choice “coach’s comments”. Neither of us realized the judge could see all of this playing out, but after noticing the renowned coach’s displeasure he changed his ruling.

In a Down economy you cannot afford to panic as the leader or manager; the price is too great.

So how do you keep your head?

First: You have to take a mental journey into the land of “what if”. I know that sounds like negative or “stinkin’ thinkin’” and every motivational speaker on the planet has taught you not to do it. I agree—most of the time. The only way I have found to keep my emotions in check is to explore them and to not try to stuff them back in.

If you lose 20% in the bottom line this year, how will that affect you? Go ahead and imagine the scenario, and let your gut feel the reality. The sooner you do, the sooner you’ll get on with working to mitigate the situation and the sooner

you'll send the message to those around you that while the path is dark, you've walked this way before and you are confident that you know the way out.

Second: Be fiscally responsible. Have you ever heard someone described as "spending money like a drunken sailor"? With all due respect to the fine men and women of our navy, just how does a drunken sailor spend money? Well, he spends it without regard for the future because at the end of his drunken spree, he knows that if he can just make it back to the ship, although now broke, he will have a bed and bread at least three times a day!

When business is great it seems like it will never end, so we buy (or invest) in things without much regard for the future, blithely expecting that there'll be more business tomorrow. In a Down economy, however, we have to protect our boat first; if we're not careful it could sink while we're off partying.

Use this time to find savings that in turn you can pass on to your customers and thus actually grow your market share when times are tough. Keep up this attitude and you'll make even more money on the way back up when you can increase margin against lower costs.

Third: Have more one-on-one conversations with your key team leaders, and encourage them not to panic. Make sure they understand your plan for the uncertainty that lies ahead, and that this is actually the time you value their work the most. Remind them that it's ok to be concerned and that you want to help them channel their concern into productive results for customers.

Fear produces inaction. Leaders have to be able to recognize fear or panic and know how to take the first step toward action. Your regular communication with your team is essential if they are to avoid becoming frozen in time.

Response Strategy for
IMPERATIVE TWO Keep Your Head—*What Happened Before Will
Happen Again*

A. If you lose 10% - 20% to your bottom line this year, how will this affect your:

1. Cash Flow?

2. Payroll?

3. Investing?

4. Debt Services?

B. How can you reduce your costs by 3% - 5% this year?

C. Schedule one-on-one assessments with your leaders:

• Whom? _____

• Whom? _____

• Whom? _____

• When? _____

• When? _____

• When? _____

IMPERATIVE THREE

Live in Today—*Details do Matter!*

You might be surprised to learn that a book like the Bible has a lot to say about not living in the future! Now don't misunderstand, it does invest a lot in warning us about the future consequences of current behavior. But the emphasis is on *current* - not past and not future. The Sermon on the Mount exhorts us to "*take no thought for tomorrow for it will have enough trouble of its own*".

In an Up economy our eyes are constantly on the horizon and the next conquest. But, in a Down economy today's details really do matter.

How do you live in today?

First: Take inventory of what matters in your job every day. What are the facts and details that must be monitored? Some professionals call this creating a "dashboard".

F. Lee Bailey, the celebrated trial lawyer, once used an illustration from his experience piloting a fighter jet. He said that if a light went on indicating an engine fire, the last thing you wanted to do was jump and allow what might be a perfectly equipped multi-million dollar aircraft to end in a blaze of flames. Instead, he suggested that you turn the nose up and gain altitude because altitude equals time—time enough to check out the problem and make sure it's not just a faulty indicator.

Second: Determine the indicators that you need on your dashboard in a Down economy. You need some sort of sales-to-revenue ratio. This will differ for almost every enterprise, but the principal remains the same. How many sales dollars today will become cash in the bank tomorrow? Is it average order size? What are the sales per employee? Current cash plus receivable compared to contracted cash not yet billed? Whatever the details, find them and get them up where everyone can see them...gain altitude!

Designing your dashboard should involve all of your team. Invite them to challenge your ideas; they may have a feel for the details that you've overlooked, and in a Down economy it's critical to have the *right* data that reveals trends in your customer and client retention, new business developments, and order & cash flow projections.

Third: Reward those around you for thinking in the details. That warehouse worker who was just trying to get every order out the door when you were slammed can now take time to think of better ways to store products. Encourage and reward that kind of detail thinking.

Coach salespeople to think about the customer's big picture and not just this order as a way to find details that can be turned into opportunities. In a Down economy, employee recognition is more important than at any other time. Determine the specific detailed activities or results you want each associate to achieve. As Tom Peters, one of the most influential business leaders of our time, says, "Celebrate what you want to see more of."

Details are as important in reward and recognition as in accounting. When you observe even the smallest facts about how individuals are motivated you will learn vital information to lead your team during tough times.

Response Strategy for
IMPERATIVE THREE Live in Today– *Details do Matter!*

- A. What critical measures will be on your dashboard?
- B. What new or improved performance are you looking for in your team?
1. Sales Associates:
 2. Operations Associates:
 3. Support Associates:
- C. How will you recognize and reward these associates in your Down economy?
1. Sales Associates:
 2. Operations Associates:
 3. Support Associates:

IMPERATIVE FOUR

Keep Sight of Your Customers – *They're Your Only Way Out!*

Who writes the paychecks in your business? Your payroll office? Human Resources? Your partner? The answer is “no” to all of these, and it doesn't matter what type of business you are in. Only one person writes paychecks in your company or any other: CUSTOMERS!

I'm not trying to be cute; unless you're personally funding a failing enterprise (and if you are, you have much more serious problems than a Down economy) it's only customers who make payroll possible by putting money into your corporate account. Therefore you must never lose sight of your customers. They're your only way out—and up!

It's also critical that you be committed to growing your market share in down times. Your competitors are facing the same challenging environment; now's the time to win over their customers and clients. If you flinch at the notion of taking advantage of a Down economy to win over new customers from competitors, you should consider whether or not you have what it takes to move Up in a Down economy.

How do you keep sight of your customers?

First: Make sure you know your best customers. Do you have an accurate list from the past six months? Is the contact and other key information correct? If not, make this your first priority. I've seen far too many managers know more about their vendors than they do their customers. Yes, vendors are important,

but only to the extent that they have something for which your customers are willing to pay.

Once you've put this list together make sure somebody is monitoring and updating it every week. If you haven't already, get it on the dashboard and *look at it every day*. Examine the list closely. Your best customers are the ones producing about 80% of your revenue. They may or may not be 80% of sales, but for now just identify your revenue producers--the ones who supply most of your cash!

Second: Prepare a communication plan of how you are going to get the attention of these key customers. It would be my preference to meet with them face-to-face, but that may not be a practical option for you. Determine which ones you can see in person, which ones you'll give a phone call, and when all else fails, which ones you'll contact by email or webinar.

Execute this plan so that you touch them at least monthly, but preferably more often. Share your communication plan with fellow leaders in the business; make sure that they know that in a Down economy a call from the typical salesperson is not enough. The sales team will still make their calls, but you are going to go beyond that. (Do remember to clue your sales associates in on your new strategy.)

Third: Have a purpose when you call your targeted customers and clients. This might be to...

- *Let them know what trends you see in the industry and get their perspective on these trends.*
- *Follow up on a recent order and make sure your team is serving them well.*

- *Introduce a new product or service that you believe will help them in the present economy.*
- *Address a problem that's come to your attention and you want to solve.*
- *Discuss their payment history if it's becoming a problem and work toward a solution.*
- *Thank them for being a loyal customer or client.*
- *Learn more about their business and the challenges and opportunities they face.*

You may wish to call a customer or client for any one, or combination—maximum of three—of these reasons. But you never want to call without one.

You don't have to be a student of the Chaos Theory to recognize that from disruption will eventually come order and deterministic patterns of improvement. Your clients and customers may all tell you something different, but eventually a pattern will emerge. The leader who takes the initiative will be rewarded not only with financial growth, but, more importantly, with loyal clients and customers who keep coming back.

Resist the temptation to stay in a mental huddle with your colleagues and associates. There's a proper time for that, but it's your customers you want to watch, listen to and learn from in a Down economy.

When everyone focuses on purposeful communication then results become more predictable. Without a purpose, customer interaction will become annoying and even futile. Your customers deserve your very best on their behalf. Don't disappoint them!

Response Strategy for
IMPERATIVE FOUR Keep Sight of Your Customers –
They are Your Only Way Out!

- A. Develop a list of your top 25, 50 or 100 customers and clients. It's not enough for just your sales manager to have this list; you need full access, complete with all current customer activity.
- B. Bring your sales team or customer service group together and ask them to build a list of the top ten purposes for contacting a customer or client. Once the list is complete, decide:
- With whom will I share it?

 - What will I expect them to do with it?
- C. What is your current market share? (Be specific, even if it spans multiple markets.)
- D. From which competitors could you gain market share?
- E. What is your specific plan to do that?

IMPERATIVE FIVE

Beware of Scrapping Your Best Assets— *Stay the Course*

You've heard the truism: *"If you do what you've always done, you'll get what you've always gotten."* Well, what if you like what you've always gotten? What if what you've gotten in the past was a lot of cash for your effort?

I have witnessed companies abandoning perfectly profitable lines of business or services because they think it won't work in a Down economy. Be patient. If you sell cars, people still need them even if they don't buy as many in a Down economy. If you're a consultant there might be an even greater need for your services in a changing environment.

How do you stay the course?

First: Contact everyone on that customer and client list that you created in the *Response Strategy* for Imperative Four. Ask them in a confidential survey what they value about their relationship with you and your company. This is the basis for your value proposition with that customer. In fact, require every salesperson or serviceperson to know the value proposition for every customer and client they serve.

Second: Ask your associates what they value most about working with you. In a Down economy you may have to curtail some employee services or benefits. Wouldn't it make sense to do that from a list of what they've told you they value

most? Don't abandon those intangible things like saying hello every morning or celebrating birthdays once a month. During stressful times we cling to those things we know best and that bring us security. As much as you can, provide that security for the people you lead.

Third: Relate the stories of how the company or its individual leaders have turned difficulties in the past into successes. I invested almost twelve years of my professional life leading a struggling private college. During that time I had to help sell an aging facility; raise money for new buildings; and relocate faculty staff and students. Making payroll every two weeks seemed like climbing Mount Everest. But then I bought a calendar and started marking off the payroll as we made it each week.

When the burdens of raising that money seemed overwhelming, I would glance over at that calendar and see the months and months of payroll dates crossed through, a blessed sign that we'd made it! You can't imagine how much that encouraged me to keep going *just one more* pay period.

So keep the traditions and the stories alive; they are the backdrop for your journey as a business leader. Every journey has exciting moments, boring interludes and perhaps a few white-knuckle days. Each of these moments weaves into the fabric of your business life, creating the way for future growth.

Response Strategy for
IMPERATIVE FIVE Beware of Scrapping Your Best Assets–
Stay the Course

A. Identify the top ten customers and clients you will contact; document your purpose for the call:

<u>Customer</u>	<u>Purpose</u>
1. _____	1. _____
2. _____	2. _____
3. _____	3. _____
4. _____	4. _____
5. _____	5. _____
6. _____	6. _____
7. _____	7. _____
8. _____	8. _____
9. _____	9. _____
10. _____	10. _____

—Continued—
Response Strategy for
IMPERATIVE FIVE Beware of Scrapping Your Best Assets-
Stay the Course

B. What are the top five things your associates value most?

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____

C. What can you do even in a Down economy to continue creating this value for your associates?

D. What's the corporate story you're going to tell in the midst of a Down economy?

IMPERATIVE SIX

Involve Everyone in Driving Down Costs – *Preserve Your Customers, Maintain Your Margins*

Have you heard the story of how Mr. J. C. Penny trained new retail clerks? In those days clerks wrapped every purchase in brown paper and tied them up with string. Mr. Penny would watch patiently from a distance as a new clerk wrapped up the packages. But after the customer walked away Mr. Penny would approach the clerk and show him how to wrap the same items using less string and paper, admonishing the employee to remember that “we don’t make money from the merchandise we sell but from the paper and string we save.

How do you protect customers and margins?

First: Remember that it’s not simply expenses that you want to cut; not all expenses are created equal. When you drive down costs (meaning you’ve found a way to maintain quality as well as meet service expectations with lower costs) you’re protecting your customers and your margins.

It’s imperative that you get this mantra in your head in a Down economy and keep repeating it even after the economy turns up: “The more costs I drive down the better price I can give my customers, which, in turn preserves their business and improves my margins!”

Second: Recognize that driving down costs may be the responsibility of managers but is the opportunity of associates. No one knows true business

costs or how to save better on them than the associate closest to the job. They know where the waste is, where too many steps are being taken, how to improve the margin. But all too often their opinion is unsolicited, ignored, or even outright unwelcomed.

Third: You can't just mandate this. Ask your associates to develop a program they believe would work: a program in which an associate's suggestions on improvements to save money would be recognized and encouraged and their ideas given serious consideration.

Then form a team of associates to implement the program. Look for a champion at the line level who can convince co-workers that driving down costs while making quality is a good deal for customers and thus will be a good deal for associates. And when the economy rebounds don't lose the emphasis on driving down costs. It's always a balancing act between cost and quality, but there's no sign that customers in the future will be willing to accept anything less than the highest quality at the best possible price.

The best contemporary example of this *Imperative* is Wal-Mart. Last year they insisted that their vendors cut packaging and shipping costs by 3%. In turn, Wal-Mart passed that 3% along to customers in the form of lower prices.

This only works if every manager in your business is modeling this type of leadership. If they will stay focused on value to the customer or client then it will work! Your job is to provide the resources, review their ideas, say yes as often as possible and in the end always say "thank you!"

IMPERATIVE SEVEN

Gain New Market Share—*Grow!*

How many times have you heard someone claim to have a corner on the market? In reality, most people have a much smaller market share than their hunches suggest. If you're managing in a large company you may have some reliable data about current market share but for most of us it's more a matter of wishful thinking...and that's GREAT NEWS!

In a Down economy you want to have less share because that means there's still business you can go after. And if you're facing pressures from the down trend then so is your competition. The difference is that you are smart enough to do something about it—like reading this book! For like so many of the *Imperatives* you have already read about in this book, it must be intentional—you won't get there by accident.

How do you go after market share in a Down economy?

First: Find out what your current customers and clients value about what you provide. Again, resist the temptation to assume you already know this information. I recently went through this exercise with a client who discovered some surprising information from their customers and clients. Once you know what's valued most, you stand a better chance of taking that value proposition to the market and gaining more market share.

So select ten to forty of your current customers and clients and take a quick survey—not by email, but on paper with a stamped, return envelope. Keep

it personal, and perhaps even enclose a restaurant gift card. This will ensure a far better percentage of responses. In the survey ask three questions:

- *What do you value most about the service and/or product we provide for you?*
- *What could we do to improve that service or product?*
- *What would you say is the #1 reason you would recommend us to someone else?*

Second: Pour over the results. Look for the value that you'd previously overlooked. You're trying to find the essence of what is most valued about what you do or provide. The answers to the second question will both tell you how to hold onto the market share you already have and will give you clues as to promising places to go after new market share. Cascade this information throughout your organization so that everyone can reflect on it, use it and do something about it.

Third: Put together a plan to take this value proposition to prospects and even current customers and clients. Make sure your salespeople are this in every call. Post a chart to track the response to your value proposition. In a Down economy there are two kinds of companies: those who are gaining customers and those who are losing them. Which one you are is up to you!

Response Strategy for
IMPERATIVE SEVEN Gain New Market Share—*Grow!*

A. List at least 20 customers or clients you will survey:

- | | |
|-----------|-----------|
| 1. _____ | 11. _____ |
| 2. _____ | 12. _____ |
| 3. _____ | 13. _____ |
| 4. _____ | 14. _____ |
| 5. _____ | 15. _____ |
| 6. _____ | 16. _____ |
| 7. _____ | 17. _____ |
| 8. _____ | 18. _____ |
| 9. _____ | 19. _____ |
| 10. _____ | 20. _____ |

Conduct the survey and then compile the results as follows:

—Continued—
Response Strategy for
IMPERATIVE SEVEN Gain New Market Share—*Grow!*

B. What were the top three things valued most?

1. _____

2. _____

3. _____

C. What top three things could you improve?

1. _____

2. _____

3. _____

D. What were the top three reasons given for why a customer or client would recommend you to someone else?

1. _____

2. _____

3. _____

IMPERATIVE EIGHT

Your Wellbeing is Your Business – *Take Care of Yourself!*

Do you take care of yourself? If you neglect your own wellbeing, you're neglecting the wellbeing of your business. Don't sacrifice your health and jeopardize the health of your business. When I was growing up in the Appalachian Mountains my father said something that I should have taken to heart: "Barry, you won't worry so much what people think about you if you realize how little they ever think about you!" No one, absolutely no one, will look after you like you. Others may care and be an encouragement, but you are responsible for you. By the way, it took me a lifetime to learn this lesson the hard way. Don't make my mistake.

How do you take care of yourself?

First: Keep your life in balance. I'm not talking about the ancient wheel of life where you have all seven quadrants equally proportioned. I prefer to look at it like a seesaw. A seesaw only has room for two opposing points of view, with the two teetering back and forth to balance each other out.

You can balance two things today: you can balance work with exercise – and do a healthy portion of both. Or you can balance family with personal rest – spending time with the kids and spouse or taking a nap. Or you can balance work with time for spiritual nourishment. The point is to balance only two things during any three or four hour period.

If there's no balance and you only do one thing for more than eight hours, you're like one side of the seesaw stuck on the ground. Where there's no opposing force there's no balance.

Second: Beware of how much of your own you give away. Good intentions may prompt you to say that if times are tough you'll give everyone else time off first, their needs will come before yours, and (heaven forbid) if payroll is tight they'll get paid before you. I've made all of these mistakes, repeatedly. If you're managing a department or division of a business, or if you're the owner of the whole enterprise, there's a good chance that no one else puts as much emotional energy into the daily battle as you.

On the other hand, if you collapse, the enterprise is without the leader it needs. I'm not suggesting that you shouldn't cut back and even be cautious. But you don't need the stress of personal loss while you are dealing with the stress of receivables, payables, inventory, credit, etc.

Third: What are you doing to nurture the most important relationships in your life? Your spouse or significant other shares in the stress even if it's not blatantly evident. They will feel the effects of the Down economy on your attitude, energy and attention span. Encouraging them to be patient until things turn around is unfair and ultimately self-destructive to you both. At times like this you need to spend more one-on-one time with them, not less. This will give you extra energy for the battle you're fighting every day.

In an Up economy when business is good, extra time away is nice but doesn't add to your arsenal in a meaningful way because your arsenal is not depleted. In a Down economy, however, even one evening away from the stress can equip you for days of challenging circumstances.

Response Strategy for
IMPERATIVE EIGHT Stay Grounded—
Take Care of Yourself!

A. What are the big areas of your life that you have to balance? Develop a one-week plan as a model; remember you can only balance two areas per day.

Monday:	_____	_____
Tuesday:	_____	_____
Wednesday:	_____	_____
Thursday:	_____	_____
Friday:	_____	_____
Saturday:	_____	_____

B. What are the most important relationships in your life right now? They can be business or personal, but make sure that they're the important ones (like your spouse or partner!). What will you do this week to nurture them?

Relationship:	What I will do to nurture it:
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

IMPERATIVE NINE

Partner with Your Suppliers—*They Need You Too!*

Your suppliers want you to buy more, they want you to pay more for it and they'd love for you to pay in advance. In other words, they need you.

When someone needs you that's an opportunity for you to create a win-win situation. This is the time to go visit your suppliers - or invite them to visit you. Make this meeting happen!

How do you partner with your suppliers?

First: Ask them to analyze how you do business with them. Does it make sense? Are you taking advantage of economies of scale in how you purchase from them? Let them speak first, giving you their opinion of how your business is doing in relationship to them. Listen for new ideas or maybe just shades of ideas you hadn't thought about that might help you create a more profitable outcome.

Second: Lay out a clear scenario of where your business is going. What you're doing to gain market share, what you're doing to retain customers, what you're doing to drive down costs. Be very specific; you want them to get the impression that you have a well-thought-out plan...**BECAUSE YOU DO!**

Third: Look them squarely in the eye and (without blinking) ask them, "What can you do to help me achieve these goals?" You have every right to ask; you're *their* customer. If your supplier doesn't have any idea of what they can do to help you

reach your goals, this may be proof that they haven't really been partners at all. Think how you would respond if one of your customers asked you this question...and expect the same from them.

The McNichols Company is headquartered in Tampa, Florida with industrial distribution centers across the country. Partnering with their vendors and suppliers is an ongoing initiative. Consequently, when a market softens they don't have to scramble to hammer out pricing or delivery concerns. Visit their website at www.mcnichols.com and you will see the evidence of their supplier partnerships. In the midst of continuous growth they are just as keenly focused on the efficiency of their supply chain as though it were a Down economy.

In a Down economy, everyone's scrambling to protect his business. I value loyalty in business and personal relationships. Your primary loyalty must be to your customers. The best supplier partnership you can have in tough times is one where they will partner with you to lower the prices to your customer while holding or even improving quality. Any supplier who puts their interest, or even yours, above that of your customers is suspect and should be carefully monitored.

You may not get everything you want the first time you meet with your suppliers, but if you're persistent then chances are very good you'll benefit from either better service or better pricing. If you don't take the initiative to get closer to your suppliers, it won't happen.

Response Strategy for
IMPERATIVE NINE Partner With Your Suppliers—
They Need You Too!

A. What is the value proposition of your current suppliers? What are they doing that you consider critical for your customers?

Supplier:

What they're doing of value for my customers:

1. _____
2. _____
3. _____
4. _____
5. _____

- _____
- _____
- _____
- _____
- _____

B. Evaluate your top five suppliers. What do you need from them in a Down economy that you're not currently receiving?

Supplier:

What I need from them:

1. _____
2. _____
3. _____
4. _____
5. _____

- _____
- _____
- _____
- _____
- _____

C. What are you going to do today to develop a closer partnership with your suppliers on behalf of your customers?

IMPERATIVE TEN

Encourage Team Morale—*They Need Each Other!*

You are the lead dog! You are out in front fighting through the down times on behalf of your pack. But remember, on a dog sled only the lead dog smells fresh air, and even that hasn't smelled too good lately!

Tragically, when there is the slightest entrenchment in business the first thing inexperienced managers cut is recognition and reward. It should be the opposite! Chances are the economy is going to dictate few if any raises and probably no bonuses. And you want to take away what morale they have left? If you do this, don't expect them to fight behind you to save the business.

How do you encourage team morale?

First: Take a few minutes and list the names of everyone who works for you or for whom you have direct responsibility. Put them in a vertical column down one side of the page. Across from each name list one or two things you believe this person values: their kids, their education, their growth in the company. It will be different for each one. You are creating a value list for each associate just like you did earlier for your customers and clients.

Second: Empower your leadership team to improve morale by rewarding hard work and effort with what you determined in Response Strategy Nine that they valued most. This is not team recognition but, rather, improving morale by recognizing individual performance.

Such rewards take more effort than group or team recognition programs, but in a Down economy it's often individual performance that will make the biggest difference in your company's bottom line. It is imperative that you continue to build and support morale at the individual level during such times.

Third: Encourage each of your managers and supervisors to follow this same pattern with their direct reports. Former Democrat Leader of the U.S. House of Representatives, Tip O'Neal, once stated, "All politics is local." He was right, and so is this statement: "All improvement of morale begins within just one person."

In high sales times you can engage everyone in celebrating the continuous team victories. In a Down economy there will be fewer team wins but greater opportunity to unleash individual performers who will lead the team to future victory.

If you examine the history of American business you will discover that out of adversity have come some of our best leaders. You may have such a person on your team and it may be someone you wouldn't expect.

In a Down economy your openness and support will give courage to emerging leaders, and your business will benefit from their development. Set achievable goals. Celebrate even small wins and look for the person who begins to step up and stand out. If the times make the person then these times will reveal people of strength and determination.

Response Strategy for
IMPERATIVE TEN Encourage Team Morale—
They Need Each Other!

A. Create a value chart for each of your key associates. This will help you stay focused on your most valuable resource: people.

Associate:	Values:
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

B. What reward and recognition will work best based on the value chart?

Associate:	Appropriate Reward/Recognition:
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

C. Who among your team can be a champion for reward and recognition during a Down economy?

IMPERATIVE ELEVEN

Develop Contingency Plans – “*What If?*”

I live less than a quarter of a mile from the Gulf of Mexico. When a hurricane is bearing down on you it's too late to plan. The best planning is done on a sunny, spring day when no threat looms.

Up 'til now, our attention has been focused on facing the Down economy and developing tactics to swim against the tide. Why then would I suggest that you develop contingency plans? Because, you are not only the leader of your company's growth and opportunity, but you are also responsible for finding an alternative to growth when a Down economy becomes reality. This is more than developing a worst-case scenario. Contingency plans can actually be a catalyst for new ideas in a challenging market.

How will you develop contingency plans?

First: Examine your markets. Would you have to reduce or curtail your physical footprint? What personnel retrenchment would be necessary to stay alive fiscally and yet hold onto market share? How could you trim your exposure and gain market share? That sounds like an oxymoron, but do you remember the first disposable cameras? Nobody thought they made any sense, but they actually trimmed the market for quality cameras and created new demand and gained greater market share.

Second: Consider how you can delay deliveries and remain competitive. How can you partner with suppliers to increase your days to pay without losing your strong credit position? Where are your pinch points that drive up cost but have minimal effect on customer service or product expectations?

Third: Identify your cash sources. Is private equity a potential option? Can stakeholders in a family business delay distributions? Do you have aging inventory that can be turned into ready capital through secondary markets? Are your hard assets capable of quick liquidation? Just asking these questions, whether you ever have to take action or not, can reveal new synergy that will affect your profitability in a Down economy. In some case it might even be your way out.

Determining these answers is not something you can outsource. No one will have the full perspective of your business like you. Contingency planning in a Down economy is even more critical than strategic planning in an Up economy. There is little room for error, but there's also great opportunity—if you can find it! It will not be as obvious as in an Up economy, and it will take time to discover.

Response Strategy for
IMPERATIVE ELEVEN Develop Contingency Plans—
“What If?”

- A. Select a key market (geographic or product/service) and prepare a contingency plan. Make sure your plan addresses the following questions:

Market: _____

1. What is your market share?
2. Where can you trim expenses without losing more share?
3. How can you trim delivery costs?
4. How can suppliers help reduce your costs?
5. How can you preserve cash flow?
6. How can you delay expenses?
7. How can you delay distribution?
8. How can you improve inventory turn?

—Continued—
Response Strategy for
IMPERATIVE ELEVEN Develop Contingency Plans—
“What If?”

B. Select a key market where you have growth potential even in a Down economy.

Market: _____

1. Where are your competitors weak in this market?

2. What opportunity do you have to exploit this market?

3. Who on your team could structure a plan to do this?

4. What resources will it take?

C. What is your leadership contingency plan? Who can lead in a downturn and who may have to step aside?

IMPERATIVE TWELVE

Develop Closer Ties With Financial Partners— *Distance Creates Doubt!*

No, I'm not going to repeat what I just said about contingency plans. Most businesses have financial partner. It could be a bank that provides a credit line, a factor group that buys future receivables, an equity group that helps with mergers and acquisitions, or a distant relative that believes in you. Know that distance creates doubt. If they haven't heard directly from you in a while and they can read the paper or watch TV, chances are they're not thinking about you at all. Contact them and meet them face-to-face. In a Down economy, you want to strengthen your relationships with them, rather than allow distance to create uncertainty or doubt your ability to weather the storm.

How do you develop closer ties with financial partners?

First: Don't ask for more money, leverage, or time. Your first visit is to establish a closer connection than you previously had. In this meeting let them know that you want to keep them better informed and you want to listen to what they're saying that might be of help to you. This first meeting is all about establishing a new standard of communication.

Second: Determine with them the best way to improve communication. Would a weekly e-mail update be helpful? Would a monthly face-to-face meeting be too much? How should they communicate with you about what they're hearing and

about what's concerning them? Ask yourself if there are other people within your organization that should be communicating with someone in their organization to further solidify this new line of communication.

Third: Just do it! This task of staying closer to your financial partners must be a priority. Have your assistant, your accountant—someone in your business hold you accountable to do this according to the schedule you've agreed upon. You want to create an attitude among your financial partners that if there's going to be trouble, you are the kind of person they want to be in trouble with!

With the uncertainty in the credit markets and many financial institutions some of the rules are being re-written. I do not believe this is a good time to outsource your relationship with your financial partner to someone else. You might bring your CEO, Vice President or even or CFO with you but this is one imperative that you must lead.

You have to be closer to your financial partners than you ever thought comfortable. But staying closer doesn't mean that you have to bow to their every whim. No one understands your business and your customers better than you. Don't hesitate to negotiate with your financial sources. Don't hesitate to walk away and consider alternatives to what they're offering. And don't hesitate to consider the strength of your relationship with them as well as the details of the deal. It's an old saying: you have to buy right, borrow right and sell right to maximize your profit!

Response Strategy for
IMPERATIVE TWELVE Develop Closer Ties With Financial
Partners—*Distance Creates Doubt*

A. What are your primary credit and financial sources? What is your greatest need from them? What is the value to them in doing this for you?

Primary Source:	What I Need:	Why should they do this?
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

B. In your primary sources, who are the key players? How can you improve your communication and relationship with them?

Primary Source:	Key Players:	Improve communication by?
1. _____	a. _____	_____
	b. _____	_____
2. _____	a. _____	_____
	b. _____	_____
3. _____	a. _____	_____
	b. _____	_____

IMPERATIVE THIRTEEN

Recognize Achievement Promptly— *Motivation Works!*

When things are good time seems to fly by, but when today is cloudy and the future is shrouded in gloom, it can seem as though summer will never come again. That's why you have to create some indoor sunshine to keep the team motivated.

Quick recognition and acknowledgement of behavior that you want in your business will brighten everyone's outlook. If your associates are under financial stress and know that the company is under pressure as well, they'll be more receptive to recognition. In fact, it gives them a sense of hope and purpose in uncertain times. They need this to remain customer-centered rather than succumbing to the "me" focus of survival mode that so often accompanies financial stress.

How do you recognize achievement promptly?

First: Don't wait for prescribed times to celebrate or recognize others. The company anniversary date or the end of fiscal year, or even of the quarter, is too long to wait in a Down economy. Determine to recognize the behavior you want to see more of as often as it happens and with as little delay as possible.

Associates who are concerned about their company or even their job security hold spontaneous recognition in high value. Prompt recognition vests the recipient in the project at hand.

Second: Enlist your leadership team to be the champion of this initiative. Take the time to sell them on the importance of this, show them how to do it and then reward or redirect their management accordingly.

When you watch a team on television that's behind but trying to come back, you'll see a lot more people than just the coach encouraging them. In such a situation, when someone does even the routine well the cameras will cut away to coaches, support staff and other players applauding what would otherwise be taken for granted.

Third: Decide in advance the recognition "menu" or schedule. Your leadership team needs to know what they can choose from in ways to give instant recognition. Below is a list of what some companies have done:

- *Buy lunch certificates from nearby restaurants.*
- *Get certificates from nearby coffee shops; give the employee the coupon and half an hour to take a break...NOW!*
- *Ask colleagues to pen a note about what a particular associate did that deserves recognition. Then compile all of the notes into a notebook and surprise the associate with it front of everyone else. Be prepared to read a few examples as a form of verbal instant recognition.*
- *Toss them a DVD of a TV show everyone talks about and tell them to take the next half hour, kick back, watch and relax!*
- *Call the family and tell them you're sending a dinner coupon via courier to surprise mom or dad when they come home. Because of their outstanding work, the whole family's going out to dinner on your tab.*

- *Be prepared with a sleeve of golf balls, a bowling coupon, a can of tennis balls – something pertaining to whatever their personal hobby may be.*
- *Call for an ice cream break (for everyone) in their honor and have a few volunteers prepared during the break to tell why this associate deserves recognition.*
- *Finally, the usual movie coupons, gaming coupons or attraction tickets are a dependable standby.*
- *If possible recognize them in front of a customer if the customer is part of the reason for the recognition.*

Keep a record of employee accomplishments and their recognition so you won't fail to recognize someone often enough. If you empower other leaders away from your work area or facility to do this, require that they keep some sort of record for the same reason.

Periodically, check to make sure recognition is really happening more often in a Down economy than in an Up economy. I have heard every excuse you can imagine not to do this, but when I ask in return, "Well, what are you going to do instead?", no one has a ready answer.

Reflect on your own life for a moment. Do you recall a time when unexpected recognition or an immediate "*thank you*" really inspired you? Chances are good you were motivated toward better performance as a result. The people you lead will be, too!

So don't listen to the dark voice on your shoulder that says, "People don't really want this...your culture won't accept it...it'll seem too artificial." I've watched dozens of clients use this tool to effectively bring sunshine into the dark of an economic winter. You simply cannot afford *not* to make recognition a priority.

Response Strategy for
IMPERATIVE THIRTEEN Recognize Achievement
Promptly—*Motivation Works!*

A. What behaviors do you wish to see more of from your associates? What would be the appropriate reward or means of recognition?

Desired Behavior:	Appropriate Reward/Recognition:
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____

B. Who can you ask to be the champion for recognition in your organization? How can they engage the leadership team to take ownership of morale and improved performance?

Recognition Champion: _____

—Continued—
Response Strategy for
IMPERATIVE THIRTEEN Recognize Achievement
Promptly—*Motivation Works!*

Other associates I will ask to be on their team

1. _____
2. _____
3. _____

C. How will you measure the volume of recognition and its effectiveness?

1. How often should recognition be given?

2. At what point will effectiveness be measured?

3. What data will be needed to measure effectiveness?

IMPERATIVE FOURTEEN

Develop Nimble Plans— *Stubborn Trees Break Easily!*

Near my home are tall royal palms that line the roadways. When a storm whips up, these palms can bend at almost a 90° angle but don't break. I used to have oak trees in my backyard, however, which were too rigid to withstand the high winds and one by one fell victim to storms.

"Nimble" is just another way of saying "flexible." It means having a clear strategy that can be quickly altered when customers or market conditions require. Nimble does not happen as the result of "hope so". It must be applied over time to every business strategy.

How do you develop nimbleness in your business?

First: Define "nimble" for your business. Some businesses are nimble if they can make substantive changes within 90 days. For others, it's change within 90 minutes. Nimble simply means your plans are such that you can adjust them quickly enough to make a meaningful change in time to hold off a disaster or take advantage of a sudden opportunity.

Develop your own internal test to measure whether or not a plan is nimble, and then require everyone to use the test before launching a new endeavor. It's crucial to recognize that nimble might not only be different from company to company but also from department to department within a company.

Second: Showcase nimble plans that work. Expect your management team, or you if you're it, to document nimble success stories and share those with others within the organization. Success breeds success, nimble breeds nimble, and enough nimbleness can make or save you money!

Ask your associates where they think the business needs to be more flexible. Better yet, do a survey with your customers and clients and ask them where they would value more "nimbleness" in their relationship with you.

Third: The economy is changing all around you. It's not just the credit and financial markets that have changed. Suppliers, vendors and even supply chain partners are all experiencing major change. This means that creating nimble plans can no longer be created in a vacuum; the best plans will need to consider input from 360°. Vendors, suppliers, financial sources, managers, associates, distributors, partners and customers all need to be heard.

Once your entire team has embraced nimbleness as a proven value in a Down economy, announce that all plans must be nimble going forward regardless of the current economy restrictions. And don't stop with their involvement in the planning stage. Consider how your associates can partner with you in the implementation. Nimble doesn't mean reduced margins or shrinking sales. In fact, many companies have found that becoming nimble reveals new value that customers and clients will pay for.

In the hurricane disasters we've seen in recent years, something as simple as getting water to victims proved too much for the government disaster relief teams. But in one coastal town Wal-Mart started giving away water—water they were able to readily resupply. They had nimble plans!

Response Strategy for
IMPERATIVE FOURTEEN Develop Nimble Plans—
Stubborn Trees Break Easily!

A. Assemble a “Nimble Team” to review the touch points in your business processes that need flexibility.

Team Leader: _____

Team Members:

- | | |
|----------|----------|
| 1. _____ | 4. _____ |
| 2. _____ | 5. _____ |
| 3. _____ | 6. _____ |

B. What processes do you want the team to examine?

Process 1: _____

Process 2: _____

Process 3: _____

—Continued—
Response Strategy for
IMPERATIVE FOURTEEN Develop Nimble Plans—
Stubborn Trees Break Easily!

C. From which supply chain partners and customers will you ask for input?

Process 1:

Supply Chain Partners

Customers

1. _____

1. _____

2. _____

2. _____

3. _____

3. _____

Process 2:

1. _____

1. _____

2. _____

2. _____

3. _____

3. _____

Process 3:

1. _____

1. _____

2. _____

2. _____

3. _____

3. _____

IMPERATIVE FIFTEEN

Develop Improvement Paths—*It's the Way Up!*

For most organizations that operate in a growing economy, improvement is more a maze than a path. There's a built-in resistance to change because, after all, customers are responding well to what is currently offered. Any substantive improvement can take months, if ever, to be realized.

In a Down economy, on the other hand, developing the paths for improvement is more than a process. It's a direction marked with sign posts that allow improvement to happen much faster and with quicker results. Unclear???

So how do you develop paths for improvement?

First: You have to make it inviting! I've done a lot of hiking in my second home state of North Carolina. There's something welcoming about my favorite trails, the ones that beckon me to come discover them. The entrance is easy to find yet intriguing; the path is clearly marked yet leaves room for exploration; and there are always high points along the way where the view is spectacular. Your company's path toward improvement must likewise be inviting - its processes toward growth well-marked and easy to follow.

Second: You can't consider improvement optional. There might have been a time in American business where you could just "stay the course" year after year, but those days have surely passed. IBM leader Thomas Watson, Jr. once

likened managing a business to riding a bicycle: “Either you’re making forward progress or you’re falling down!”

Customers will never expect less than they were given the time before. Rather, they consistently expect improvement in everything from how you take their inquiry, how you service their account and of course the product quality you deliver. Are you the sole provider of what you sell or do? If not, improvement is your only option toward establishing your competitive advantage.

Third: Understand that improvement isn’t a “one time” event but rather it’s as much a part of your business as any other component. Associates shouldn’t drop in and out of your improvement program. On the contrary, it’s imperative that when they finish one improvement initiative they be ready to tackle the next.

One initiative might be a group project and the next an individual course or self study effort. But an associate should never feel as though he’s arrived. You are not in the business of fostering complacency or the status quo.

Apart from anything else, customers in a Down economy expect you to be resilient, creative and, most of all, affordable! Wherever there’s a shake-up in the economy or even the job market, the average person fears that the sky is falling and they run for cover. That’s understandable but unfortunate. You must retrain yourself and your associate to see uncertainty as the source for opportunity, and that business growth and success are dependent upon opportunity. If this is the case, then why don’t more people and businesses take advantage of the opportunity? Because most don’t see “the way up” unless it falls in their lap.

When a person or a business is continuously growing, there’s far greater likelihood that opportunity will be discovered and embraced. How about your company? Are you “riding the bicycle of progress” or just falling down?

Response Strategy for
IMPERATIVE FIFTEEN Develop Improvement Paths—
It's the Way Up!

- A. It's imperative that you communicate to your team that improvement is continuous. To help you prepare that message answer the following questions:
1. Why is improvement essential to exceeding your customer and client expectations?

 2. What is an example of improvement in the past that made a significant difference?

 3. How do you expect your managers and associates to identify improvement opportunity and take advantage of it?

 4. How will you measure everyone's progress toward embracing continued improvement?

—Continued—
Response Strategy for
IMPERATIVE FIFTEEN Develop Improvement Paths—
It's the Way Up!

- B. What do you need to do in order for continuous improvement to become part of your culture? Answering the following questions will help you do just that.
1. Who will you appoint as your “Continuous Improvement Champion”?

 2. How will improvement plans be:
 - a. Documented?

 - b. Implemented?

 - c. Reviewed?

 3. How will improvement success be celebrated?
- C. Improvement is an investment. Even in Down economy how much financial support will you invest in this? What kind of return do you expect?

IMPERATIVE SIXTEEN

Act Naturally – *Don't Fake It!*

“Fake it till you make it” was a mantra of the late 80’s and early 90’s. The assumption was that if you could imitate whatever you lacked—it would just happen. But in today’s age of constant information your associates and your customers want authenticity - the real deal right up front. They trust you only if they feel you’re engaged in reality rather than the business of “hope so.” Of course, one man’s reality might be another’s “hope so”. But we can all detect when someone is just plain phony.

As I write this, our financial markets are in an unprecedented crisis. Many ordinary people are wondering how these bank and brokerage CEO’s could have been taking such big performance bonuses when it’s now apparent that their business was fatally flawed. How could they not know about the flaws? The Justice Department will probably spend the next several years trying to sort out that question, but for you and me the lesson is that the key to managing Up in a Down economy is to be *NATURAL*.

Country legend Johnny Russell penned a song in the early 60’s called, *Act Naturally*. A group from Liverpool, England recorded it and the rest, as they say, is history. The hook of the song was that they were going to make a movie of this fool’s life, and he could play the part because all he had to do was “act naturally.” If you and I try to be what we aren’t, everyone around us will know and will not follow us. In a Down economy I need my customers and clients’ trust more than ever...and so do you!

How do you act naturally?

First: It might be more complex than you first thought. You have to know where your business is with regard to the following:

- *What is your customer and client retention rate today?*
- *How secure is your supply chain?*
- *Is your credit line available without any further restrictions?*
- *What are your competitors' current financial states?*
- *Do your customers embrace your current value proposition?*
- *Are your associates fully engaged in improving performance?*
- *Does your cash flow projection give you hope or fear?*
- *If you had a further downturn of orders or customers and clients that was more than five to ten percent, could you sustain that?*
- *What would your contingency plan be?*
- *What threats are your customers facing?*

This is just a start. You'll need to add the areas that apply particularly to your business or service. But what you can't do is ignore any of these questions. The first step in acting naturally is to fully understand where you are now. What is your current state?

Second: You need to communicate the truth about where you are without causing further disruption and without being deceptive. This is the complex part. I strongly urge you to be completely transparent with customers and clients. They must be able to sense and trust your integrity.

If your natural state threatens them, you need to be working with them to correct that. This is an absolute necessity in a Down economy.

Third: Determine who on your team can share the communication tasks with you and how will you empower them to do that? In a Down economy everyone wants to have a “friend on the inside” of a business. Your voice alone will not be the only one heard.

Select those from your team with whom you will share communication and do the following:

- *Decide what will be communicated.*
- *Determine the best way to share the communication.*
- *Explore options about who will deliver the message and to whom.*
- *Document your communication plan (verbal, email, broadcast, etc.)*
- *Meet weekly for review of your message and communication methods.*

It’s always important that we behave and speak in a way that is sincere and trustworthy. If we leave our communication to chance in a Down economy or try to make it up as we go along, we’ll be misleading and misunderstood. Rarely does a client tell me they’ve over-communicated in a stressful environment. But I’ve heard “I wish I had...” a hundred times over.

Response Strategy for IMPERATIVE SIXTEEN *Act Naturally – Don't Fake It!*

A. It's time for a reality audit. Ask your key associates to join you in a meeting (approximately two hours) and lead them in a discussion of the questions below. Don't give them the answers, but do participate. Listen for where there's a broad difference of opinion; this signals a possible area where your business is not dealing with reality.

1. What is your customer retention rate today?
2. How secure is your supply chain?
3. Is your credit line available without any further restrictions?
4. What are your competitors' current financial states?
5. Do your customers embrace your current value proposition?
6. Are your associates fully engaged in improving performance?
7. Does your cash flow projection give you hope or fear?

8. If you had a further downturn of orders or downturn in customers that was greater than 5% to 10%, could you sustain that? What would your contingency plan be?

9. What threats are your customers facing?

- B. Who will serve as your “Chief Communication Officer” to lead the effort of communicating clearly with associates, vendors and customers?

- C. Ask your Chief Communication Officer (or your associates) to document a new “Strategic Communication Plan” including decisions regarding the following:
 1. What will be communicated

 2. To whom will we communicate?

 3. How will the communication be approved in advance?

 4. What action will we expect to result from “Strategic Communication”?

IMPERATIVE SEVENTEEN

Accept Ownership—*Don't Blame Anyone!*

If you want a crash course in deflecting blame, just spend a day listening to the talk coming out of Washington. Have you ever seen any group of people being more responsible for nothing yet trying to convince us that their presence is crucial to our survival as a planet?

Jim Collins' bestseller *Good To Great* points out a common quality in all CEOs whose companies deserved to be called great. The author writes that in their offices each had an imaginary window and an imaginary mirror. Whenever someone complimented them on the success of their enterprise, they looked through the window toward their associates and declared that *they* were the ones who deserved all the credit. On the other hand, when someone criticized a shortcoming of their company they looked in the mirror and took personal responsibility.

If you expect your associates—and most critically, your customers—to follow your lead in a Down economy, you have to “look in your mirror” and take responsibility. It's not the financial markets, the president, your bank, your suppliers, your associates...it's *YOU* who is personally responsible for the actions of your company.

How do you accept ownership?

First: Be quick to say publicly, “The decisions we make and the direction we take as a company are my responsibility. I depend on many of my colleagues to help

me make good decisions. But I alone am accountable for our success or failure with any strategy.”

Do you think people will follow this kind of leader? Just read about any successful political, military or sports leader of the past 200 years, and you’ll find your answer.

Second: Admit your mistakes early. Steve Jobs of Apple fame said that a real leader is one who steps in front of a group and leads them deep into the jungle. Once there he’ll climb a tree, survey the horizon...and if necessary will yell down, “*WRONG JUNGLE!*”

A Down economy is no time for pride or stubbornness. Don’t change too quickly, but when you do make one of those tough decisions, the only thing you’ll ever regret is that you didn’t make it sooner. Oh, if I could only go back in time!

Third: Where you have even the smallest success, praise your team. Make sure that you constantly recognize the efforts of those who are doing something right for your company. In a Down economy you cannot afford to have tentative employees. Their confidence is built on being certain that you have their back in times of trouble...and that you’ll raise their hand in victory when they succeed.

On the way to return a rental car at the airport, how many times have I thought, “I’ll get the oil changed and tires rotated before I turn this car in”? Never! After all, it’s not mine; it’s just a rental car. In a Down economy, you can’t afford to be renting your job. You have to *own* it.

You have to make more than a contribution to your company’s leadership effort; you must make a commitment! What’s the difference? It’s the difference between a chicken and a hog: a chicken makes a contribution to breakfast but a hog makes a commitment!

Response Strategy for
IMPERATIVE SEVENTEEN Accept Ownership—
Don't Blame Anyone

- A. This one is rather simple. Take some time to study the leaders you admire. Read a biography, or watch a documentary of their life story. Ask yourself the following:
1. Did they take responsibility, in spite of the struggle, for their company?
 2. Did they praise their colleagues and associates?
 3. Did they display a continuous drive to learn more about their business—their customers and clients?
 4. Did they seem approachable?
 5. Did they readily admit what they didn't know?
 6. Did they display a sense of realism and optimism at the same time?

Whatever you saw in them that you admired is within your grasp! Set a goal, set a deadline, set yourself up to succeed!



About the Author:

[Barry Banther](#) CMC, CSP is President and CEO of [Banther Consulting](#) and a widely sought after business consultant and inspirational speaker. Barry served in the administration of three Florida governors as their appointee overseeing private higher education. He was elected to an unprecedented four terms as Chairman of the Florida State Board of Independent Colleges and Universities. This body of work has earned him the highest accreditation from the [Institute of Management Consultants](#) as a Certified Management Consultant and from the [National Speakers Association](#) as a Certified Speaking Professional. He is one of less than fifty professionals world-wide to hold both designations.

Barry has written over fifty leadership training programs used by Fortune 500 companies around the world and by numerous regional businesses throughout America. Within these programs, Barry combines three decades of experience as a business leader, corporate executive and public leader to help you become a “Lasting Leader” as you develop your team and grow your business.

Barry along with his supportive wife Janice, their two sons, David and John, and lovely daughter-in-law Ruth reside in Tarpon Springs, Florida. He travels extensively throughout the U.S. inspiring "[Lasting Leadership](#)".

To view a demo video, please go to: www.barrybanther.com and arrange to book Barry for your company, associate or trade group event please contact David at david@barrybanther.com or call (727) 938-8927.

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