

Managing in a **Recession**

How to lead in a downturn



**PREDICTABLE
SUCCESS®**

Managing in a **Recession**

How to lead in a downturn

Please **print this page** and tape it to your wall, so you won't forget to attend this Predictable Success® TeleClass.

4 Tips to Get the Most Out Of This Call:

1. Print this entire workbook out so you can write and take notes during the call.
2. Clearly identify just **three actions** you will take as a result of what you have learned on the call
3. Make a **deadline** to complete each of the three actions
4. Make yourself **accountable** to someone to complete those three actions by the deadline you have set.

I look forward to 'meeting' you on the call!

Les McKeown, President & CEO, Predictable Success®

TeleClass Dial-In Details:

Date: Thursday January 29
Time: 9:00 am (Pacific)
11:00 am (Central)
Noon (Eastern)

Dial In: 1-219-509-8333

Passcode: 222938



Executive Summary



HOW TO USE A CRISIS

Handled correctly, an economic crisis can be a source of **competitive advantage** for your business, division, department, group, team or project.



CHANGING HOW YOU THINK

Building that competitive advantage begins by changing how you think about 4 things: business, the economy, your organization, and your role in it.



CHANGING WHAT YOU DO

By focusing on 3 key areas you and your business, (or division, department, group, team or project) will survive and emerge stronger.



YOUR PERSONAL ACTION PLAN

Identify three specific steps you can take in each area to radically reduce turnover within 6 months.

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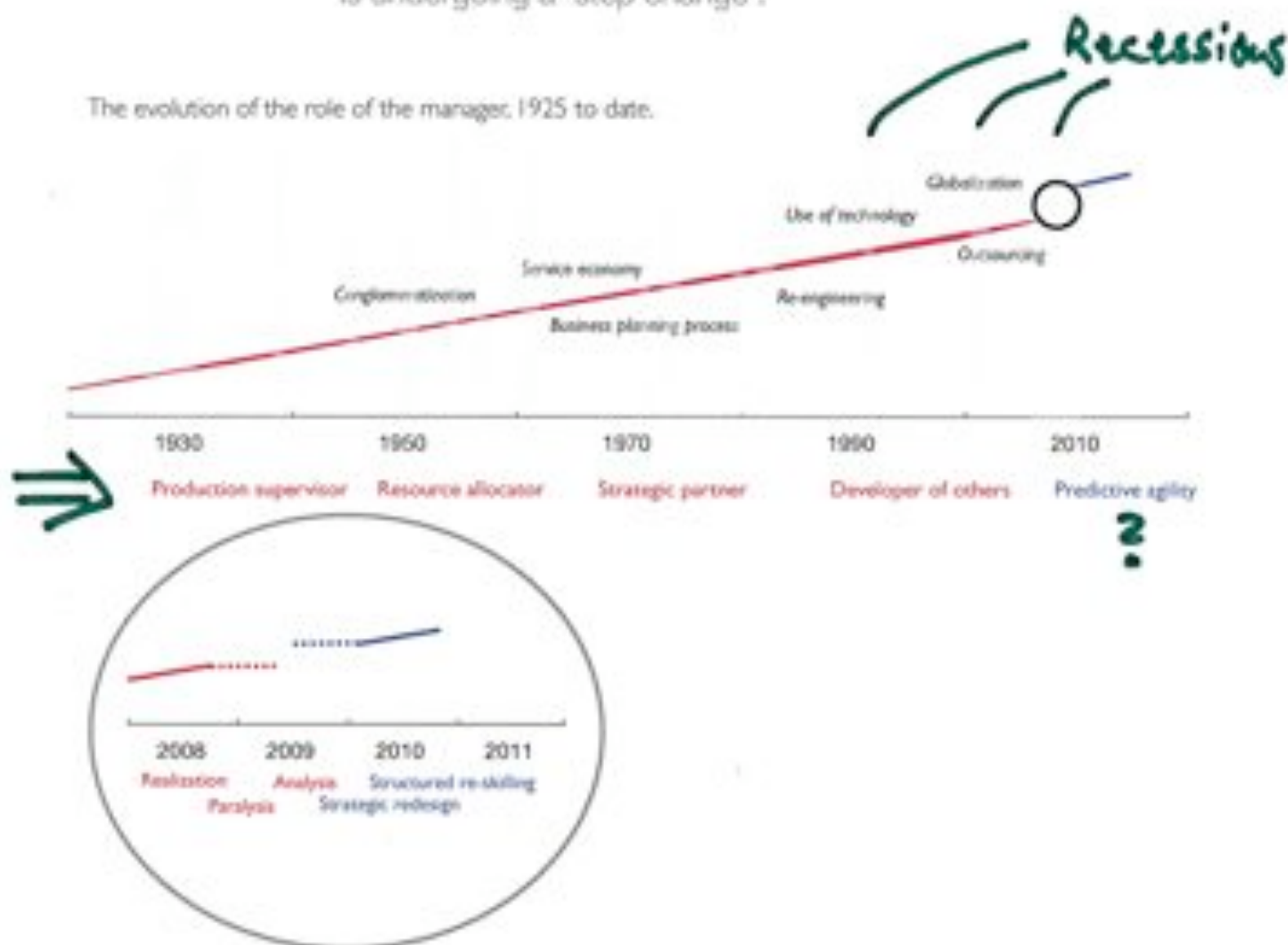
"IN A TIME OF DRASTIC CHANGE, IT IS THE LEARNERS WHO INHERIT THE FUTURE. THE LEARNED FIND THEMSELVES EQUIPPED TO LIVE ONLY IN A WORLD THAT NO LONGER EXIST" - Eric Hoffer

0

CONTEXT - WHAT'S GOING ON?

This is the first time in living memory that the role of the manager is undergoing a 'step change'.

The evolution of the role of the manager, 1925 to date.



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"YOU NEVER WANT A SERIOUS CRISIS TO GO TO WASTE ... [IT'S] AN OPPORTUNITY TO DO THINGS YOU THINK YOU COULD NOT DO BEFORE" -Rahm Emmanuel
LHH Chief of Staff

HOW TO USE A CRISIS

Not every crisis needs to end negatively. Managed properly, a crisis can help any organization emerge stronger and better prepared than previously.



Three principles:

HAVE A VISION FOR THE OUTCOME

FOLLOW PROCESS

WORK TOGETHER

US AIRWAYS
FLT 1549
16-01/09

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"I MADE A MISTAKE IN ASSUMING THAT THE SELF-INTEREST OF ORGANIZATIONS, SPECIFICALLY BANKS AND OTHERS, WAS SUCH THAT WERE BEST CAPABLE OF PROTECTING THEIR OWN SHAREHOLDERS" - Alan Greenspan
 Testimony to Congress Oct 08.

WHY THINKING IS IMPORTANT

What we make of the current market conditions is fundamentally dependent on how we think - as is how we got here in the first place.

eg: FATHERHOOD
 'HOME'
 'SCRAMBLED EGGS'
 (US/UK differential :))



Our mental models determine:

OUR PERCEPTIONS

HOW WE SEE THINGS

OUR DECISIONS

WHAT WE THINK ABOUT WHAT WE SEE

OUR ACTIONS

WHAT WE DO ABOUT WHAT WE THINK ABOUT WHAT WE SEE

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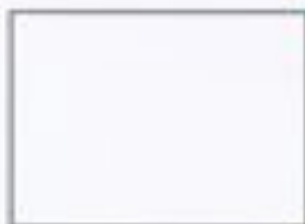
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HOW TO THINK ABOUT BUSINESS

Our single most fundamental driving force is the mental model we have of 'what business is'.

The three most common mental models of business are flawed, and do not provide effective tools for managing in a recession.

1.



NOTHING - NO COHESIVE MENTAL MODEL

LEAVES US EMPTY-HANDED

CAN BE EXPLICIT OR IMPLICIT BELIEFS

2.



BUSINESS AS WAR

ASSUMES WIN-LOSE (ZERO SUM)
'COVER' FOR DOING BAD THINGS
JUST NOT TRUE ... :)

MALE-DOMINANT MODELS

3.



BUSINESS AS COMPETITIVE SPORTS

WATERED-DOWN VERSION OF (2)

4

HOW TO THINK ABOUT BUSINESS

There is one mental model of business that provides us with the principles we need to manage in a recession.

Business is most effectively thought of as a: Journey

This means that we can:

1. DECIDE WHERE WE'RE GOING
2. PLAN HOW TO GET THERE
3. DETOUR
4. LINGER
5. GET BLOWN OFF-COURSE
6. OVERSHOOT

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HOW TO THINK ABOUT BUSINESS

The goal is to get to a place of Predictable Success.


Once there, we can **SET** and **READILY ATTAIN** our **GOALS** with **HIGH CONSISTENCY**.

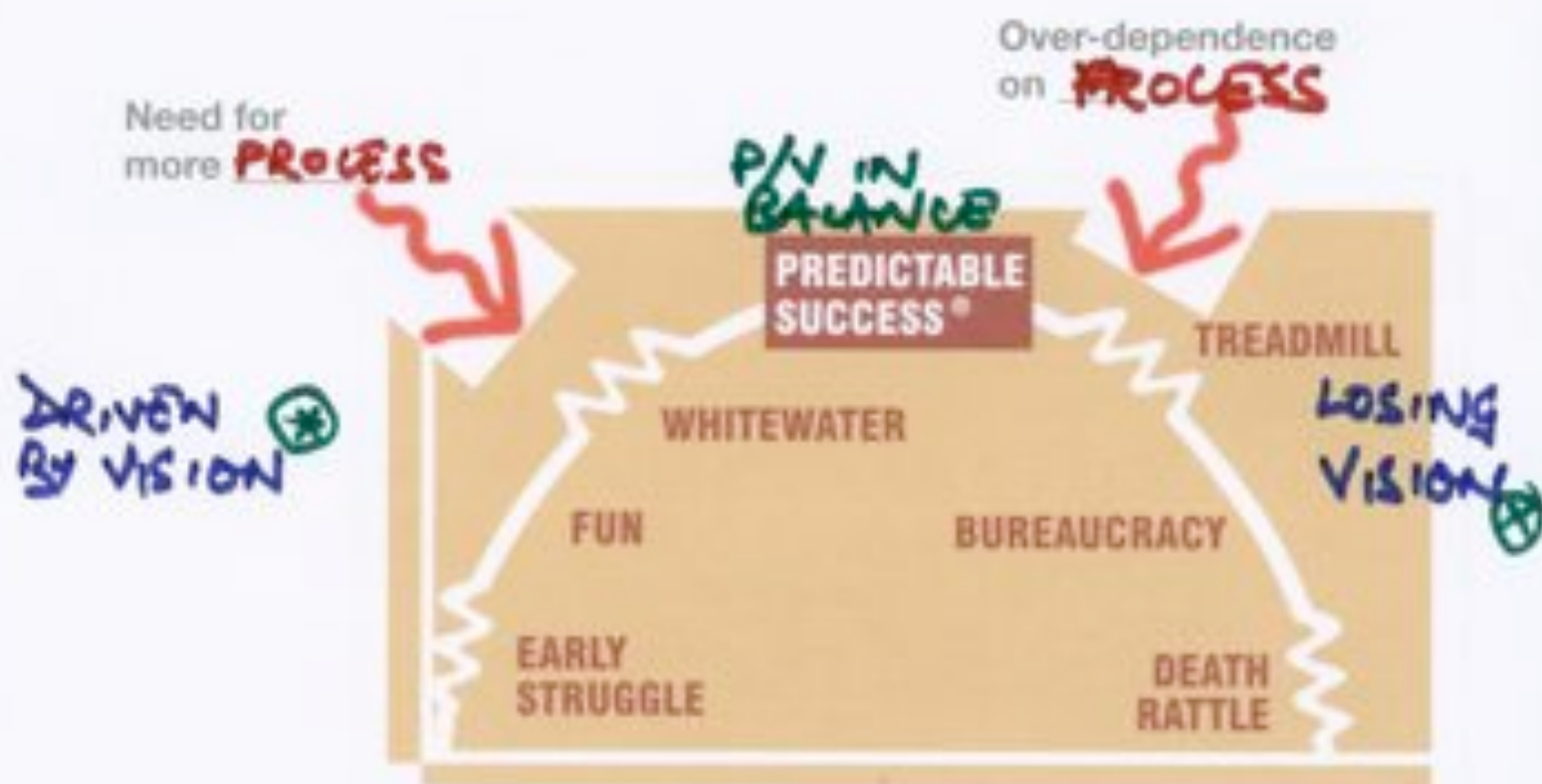
7 STAGES:
See Resource
List in
Follow-up



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HOW TO THINK ABOUT BUSINESS

The secret of getting to Predictable Success is in achieving the right balance between **PROCESS** and **VISION**. 






**VISION = CREATIVITY
RISK-TAKING
ENTREPRENEURIAL THINKING**

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HOW TO THINK ABOUT THE ECONOMY

Traditionally, business owners and managers have taken one of three approaches to thinking about the economy:

1.  **IGNORE IT - NO MODEL**
2.  **'BLACK BOX' MODEL**
'ALL IN THE SAME BOAT'
EXTERNAL (i.e. uncontrollable) FACTOR
3.  **'TAKE A STAB' MODEL**
SCENARIO PLANNING
BUDGET RANGES

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HOW TO THINK ABOUT THE ECONOMY

The effect of the economy on organizations is like that of a

HEADWIND

DOWN + AWAY

It pushes organizations _____ from Predictable Success.

ECONOMIC HEADWIND



Growing organizations are:
PUSHED BACK TO AN EARLIER STAGE IN DEVELOPMENT



Less nimble organizations are:
PUSHED FORWARD TO LATER (LESS FLEXIBLE) STAGE

RETREAT TO 'VISCERAL' GUT MANAGEMENT

FURTHER LOSS OF VISION

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HOW TO THINK ABOUT YOUR BUSINESS

The three most common mental models for individual businesses (or divisions, departments, teams or groups) are:

MOST COMMON in GROWING CO'S

1.



A FAMILY OF PEOPLE
(PEOPLE)

MOST COMMON in LARGER/ OLDER MATURING CO'S

2.



A SET OF PROCESSES
(SYSTEMS)

MOST OFTEN FOUND IN + AROUND PS

3.



A NETWORK
(SUPPLY CHAIN) SUPPLIERS + CUSTOMERS

ALL HELPFUL in THEIR WAY, BUT RESTRICTIVE AND LIMITED WHEN ALL 3 ARE BEING SHAKEN

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FOR NOW.
(SEE P '0')

HOW TO THINK ABOUT YOUR BUSINESS

In fact, every business, division, department, team, group or project) exists to translate its underlying **VALUES** into **ACTIONS** that will achieve its **GOALS**.

Actions



INDIVIDUAL'S DAILY
ACTIONS BY
IMPACT.

TACTICS

STRATEGIES

OBJECTIVES (BUDGETS)

GOALS

MISSION

Values



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(FOR NOW)

HOW TO THINK ABOUT YOUR BUSINESS

During this time of transition, it is most beneficial for **MANAGERS** to focus on the

ACTION 'CLOUD'

E.g. The individual ACTIONS on board flight 1549

LITTLE CLARITY HERE

n.b. "Strategic Thinking" when exiting the airplane :)

Clarity

Actions

Tactics

Strategies

Values

While **OWNERS** and **C-LEVEL EXECS** should re-appraise the organization's **VALUES** and **MISSION**.

(Again, eg PLOT's V + M on FLT 1549)

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KEY QUESTION: DO I NEED
TO ELEVATE PROCESS, OR VISION?

HOW TO THINK ABOUT YOUR JOB

Your role in managing your business (or division, department, group, team or project) in a time of crisis is to **ASSESS** then **REVERSE** the effect of the economic **HEADWIND** mainly by ensuring the **ACTIONS** of your team are oriented properly.



ELEVATE VISION

ELEVATE
PROCESS



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CHANGING WHAT YOU DO

Managing a business, division, department, team, group or project in a time of crisis involves **RE-PRIORITIZING** **ACTIVITIES** that you **FOCUS ON**.

What activities would you stop if you became involved in a forced landing?

What would you focus on instead?



-
1. PERSONAL EFFECTIVENESS
 (LEADING +) 2. DEVELOPING OTHERS
 X-FUNCTIONAL 3. TEAMWORK
-

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BRW - This provides some
'recession-proofing' also!

1. PERSONAL PRODUCTIVITY (EFFECTIVENESS)

You cannot effectively manage a business in times of crisis, unless your own **DECISION-MAKING** are themselves **HIGHLY EFFECTIVE PROCESSES**

There are 4 skills involved in building a foundation of personal effectiveness:



eg Forced landing
ER-Triage

**CRISIS
MANAGEMENT**

1. **TIME MANAGEMENT**



**PRIORITY
MANAGEMENT**

4. **DELEGATION**

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2. DEVELOPING OTHERS

With a foundation of personal effectiveness, you can more

EFFECTIVELY DEVELOP your **TEAM**.



There are 5 key **WAYS** in which you must develop your team if they are to lead you back to Predictable Success:



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3. TEAMWORK



The greatest threat to the PROCESS and VISION needed to manage an organization through crisis is when people WORK in SILOS.

There are 5 indicators of a manager who leads a team that works effectively across functions:



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PERSONAL ACTION PLAN

What three actions are you going to personally take as a result of this class?

**1**

2

3

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CALL TODAY!

Managing in a Recession



Les McKeown
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Les McKeown is a leading adviser in business growth, having advised hundreds of organizations, large and small, in the design and implementation of successful business growth strategies.

Les has over 25 years of global business experience, including starting 47 companies in his own right. Les was the founding partner of an incubation consulting company that launched hundreds of businesses with thousands of employees.

After a long career in advising individuals and organizations on growth and development, Les started his own training and development business, and when he sold his share in that practice to his business partner in 1996, it had grown to a 13-office, worldwide training and consulting business.

In 1999, Les relocated to the US, from where he writes, teaches and consults in high-performance organizational development.

Les' clients include Harvard University ; US Army ; Pella Corporation; Chiron Corporation; Microsoft; United Technologies Corporation (UTC); UK Dept. of Enterprise, Trade & Investment; Overture Services, Inc. (a Yahoo! company); Canadian Defence Department; MI-SWADO; St Vincent Health ; Verisign; and many others.

Les McKeown is the author of *Retaining Top Employees* (McGraw-Hill, 2002), *The Complete Guide to Mentoring and Coaching*, and *The Complete Guide to Orientation & Re-Orientation*.

Contact Les McKeown at
<http://Contact.PredictableSuccess.com>