

Thrive In Tough Times: 11 Simple Steps You Can Take To Fortify Your Company For The Long Road Ahead

By Quint Studer

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No question about it: being a leader is tough these days. You can't turn on the television, open a paper or sign onto the Internet without being pummeled by a daily dose of economic bad news. It's disheartening, to say the least. No matter how strongly you believe in your company—and in your own ability to guide it through the rocky shoals lurking up ahead—you can't help worrying a little.

Good news. There *is* something you can do to fortify your company for the future. Quite simply, you must create and nurture an organizational culture that develops great leaders today and instills the mechanisms and the mindset that will continue to foster great leadership tomorrow.

Great leadership is everything. All other elements of success flow from it. Companies with mediocre leadership can skate by when the economy is booming, but in tough times they really suffer. Your leadership *must* be top-notch. If it isn't, you may not be around five years from now. If it is, your chances of surviving—and yes, thriving—escalate dramatically.

Of course, creating a culture of sustainable leadership doesn't happen overnight. But there are some steps you can take right now that will yield quick wins and get your organization on the right path. Here are eleven of the most important:

1. Sit down with senior-level management and create a get-through-the-recession plan.

Go through your business plan with a fine-toothed comb. Does it still make sense? Do you see any holes? Figure out which objectives you are meeting, which ones need more emphasis, and which ones you should re-think. Make sure goals are aligned across every part of your company, that everyone is “singing from the same choir book.”

At the same time, scrutinize your expenses and cut anything that's not absolutely necessary. And, communicate your plan to all employees. If your front-line employees don't know you have a get-through-the-recession plan, you *don't* have a get-through-the-recession plan. Everyone needs to understand the plan and buy in to it.

2. Get your whole company started on a “candy coat” diet.

In other words, quit candy coating the truth, no matter how scary it seems. Address the tough issues with straight talk and transparency and make sure your leaders do the same. Chronic secretive behavior and lots of behind-closed-door meetings harm morale in any economy. Rumor and gossip thrive in a vacuum. But when you're making changes in response to an economic downturn, transparency is especially important.

If employees can tell you are hiding something—and 9 times out of 10 they *can*—they'll assume the worst. They know tough times are at hand and they probably lie awake worrying, too.

3. Put words in your supervisors' mouths.

Employees *will* ask questions. Your leaders need to know how to answer them. Let's say Worker Walt approaches Manager Mike to ask if the rumor he heard—that the Duluth division is on the verge of closing down—is true. Mike responds with a deer-in-the-headlights stare and a vague stammered comment that the company is doing its best to avoid any closings. (He knows the Duluth shut-down is off the table, but isn't sure how much he's empowered to say.)

Walt draws his own (grim) conclusions and starts spreading “the bad news.” The rumor mill kicks up a notch and morale plummets.

To avoid such scenarios, train managers on *exactly* what to say regarding timely issues—and how to say it. Be very specific. In the scenario above, Mike didn’t say anything that wasn’t true. He just failed to say it clearly, concisely, and confidently. You can prevent these kinds of misunderstandings by telling managers *exactly* what to say when employees ask questions about the company’s future. Write a ‘script’ of sorts so that everyone is speaking in the same voice.

4. Nix the negative self-talk.

Okay, leaders, truth time: Do you sit around chewing your nails and dreaming up terrible scenarios? *What if our biggest customer pulls out? What if the market for our services dries up?* If this sounds like you, stop it right now. When you exist in a constant state of worry, your state of mind infects everyone. And besides, 99 percent of the disasters you agonize over probably won’t come to fruition.

I like to cite the acronym FEAR: Fantasized Experiences Appearing Real. It’s true. We sit around and conjure up all these awful scenarios and then wonder why we can’t move forward.

5. Don’t permit fear to get a foothold.

One of my favorite phrases is *What you permit, you promote*. When you allow free-floating anxiety to permeate your company, you’re basically giving it your stamp of approval. If an employee expresses worry about the bad economy, don’t just clap her on the shoulder and say, “Yeah, I know it’s rough; hang in there!” That lends credibility to her anxiety and indicates that you share it.

A better solution would be to say to her, “Tell me what you’re struggling with today.” In other words, get specific. Engage the worried employee. Ask, “What can we do to help you?” Often, the simple act of vocalizing fear helps defuse it. And encouraging employees to do so gives leaders the opportunity to reinforce the company’s strategy.

6. Give low performers the old heave-ho.

Low performers suck up a disproportionate amount of managers’ time, tick off customers, squash morale, and drive away high performers. When business was booming, you may well have let their bad behavior slide. Now, the day of reckoning is here. You should be spending 92 percent of your time with high and middle performers and only 8 percent with the people who don’t really want to be there—and if you’re not, you must take steps to remedy that now. (In *Results That Last*, I outline a plan for doing just that.)

You can’t afford to alienate your customers; you can’t afford to neglect your middle performers; you certainly can’t afford to lose your superstars. In short, you can’t afford to keep your low performers any longer. Period.

7. Make your company a place top performers want to be. (Raises not required!)

In an uncertain economy, it would be disastrous to lose your best employees. But at the same time, it may be unrealistic to pony up a big raise right now. That’s okay. You can offer your people perks that don’t cost the company a lot of money.

Think about ways you can make their lives easier—flex time, partial work-from-home schedules (much appreciated in these times of exorbitant gas prices), access to a “chore runner”—and implement them. Many of your employees may not have the first clue about sound financial strategies. You might give them access to the company’s CPA or financial planner, who can advise them on better bank accounts, IRAs, college funds, debt repayment, and more. So even if you can’t provide bigger paychecks, you can help them manage their expenses a little better.

8. Put your best face forward with a Standards of Behavior contract.

How should employees answer the phone? Steer clear of controversial topics like politics and religion? You may never have given serious consideration to such questions, but you should. I regularly advise my clients to create a Standards of Behavior contract that employees help craft, then sign.

The idea is to create the best possible company, a place where employees can do their best possible work and customers can get the best possible service. These contracts ensure that everyone consistently has a great experience with your company. That’s always important, but in economic hard times it’s absolutely critical.

9. Padlock the ivory tower. Right now, more than ever, employees need you to walk among them.

One way to make a real, daily connection with employees—and I don’t mean empty face time—is to practice “rounding for outcomes.” In the same way that a doctor makes rounds to check on patients, a leader makes rounds to check on employees. The technique allows you and your managers to regularly touch base with employees, make personal connections, recognize success, find out what’s going well, and determine where improvements are needed.

Rounding helps you build a strong emotional bank account with employees. Mind you, that’s always important, but it’s *especially* critical in a down economy. When you need to rally the troops, they have to know you care. Troops who don’t think you care *can’t* be rallied. They might even desert.

10. Always manage up your organization.

A recession (or downturn if you’re not willing to use the R-word) is simply a national confidence problem, usually exacerbated by lots of negative talk. The same dynamic exists in your own sphere of business. That’s why you should say *only* great things about your company and its staff, whether you’re talking to outsiders, clients, or employees themselves. Insist that your employees do the same. I call this “managing up”—i.e., accentuating the positive—and have found that it’s a valuable confidence-building tool that keeps employees content and customers coming back.

11. Shine a 1,000-watt spotlight on customer service.

Okay, this one may seem obvious, but it can’t be said too often. When pressure to stay competitive is at an all-time high, you must be absolutely certain your customers are getting what they want and need from your company. Don’t assume that just because they’re not complaining, they’re happy. Start asking each customer exactly what her expectations are,

document them on an individual preference card, and make sure all employees who come in contact with her get a copy.

Never presume you know what's important to a customer. Always ask. Individualized customer service is more critical now than ever. In the Globalization Age, it's the only way you can differentiate yourselves from your competitors. So don't look at it as merely a way to hang on to your customers until you get through the downturn—look at it as the new normal for your company.

There is a very big positive that comes out of downturns. It sharpens our survival instincts and shows us what we're really made of. Instead of just coasting along on the wave of an economic boom, we're forced to get focused and get serious. And for many companies, the pressing need to "turn it up a notch" kick-starts a journey of transformation. The great news is that out of difficulty, heroes rise. There is plenty of opportunity out there even now—*especially* now. Someone is going to seize that opportunity, gather up the customers others aren't taking care of, and invent new ways to corner new markets. That someone might as well be you.

Results That Last: Hardwiring Behaviors That Will Take Your Company to the Top (Wiley, October 2007, ISBN: 978-0-471-75729-0, \$24.95) is available at bookstores nationwide, major online booksellers, or directly from the publisher by calling 800-225-5945. In Canada, call 800-567-4797. Copies also can be purchased online through the Studer Group website at www.studergroup.com.

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