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"CALM DOWN—AND HURRY UP"

A Manageable Plan for an Uncertain Future

BY TONY MANNING

By now it's a cliché to say that the only certainty is uncertainty.

Since mid-2000, CEOs warned of a "lack of visibility."

The picture hasn't improved since then.

In fact, it has become much fuzzier. This new century presents an array of challenges unlike anything that has gone before. To think that yesterday's strategies will deliver the results you expect is not just shortsighted—it is downright stupid.

VOLATILE TIMES

Consider what's new. After a decade of strong economic growth across the world, based largely on business investment, growth is now patchy and dependent on consumer sentiment. Stakeholder power is growing. Companies are at the mercy of growing numbers of "voters" with their own agendas and an often hostile attitude toward business.

The "war on terror" is unlike any previous conflict. No one knows how it will unfold, but it has the potential to affect literally everyone and every institution, and it's sure to last a long time.

The bursting of the dot-com bubble blew away any notion that geeks in garages could miraculously tap technology and "go global" in the blink of an eye. It also killed any hope of

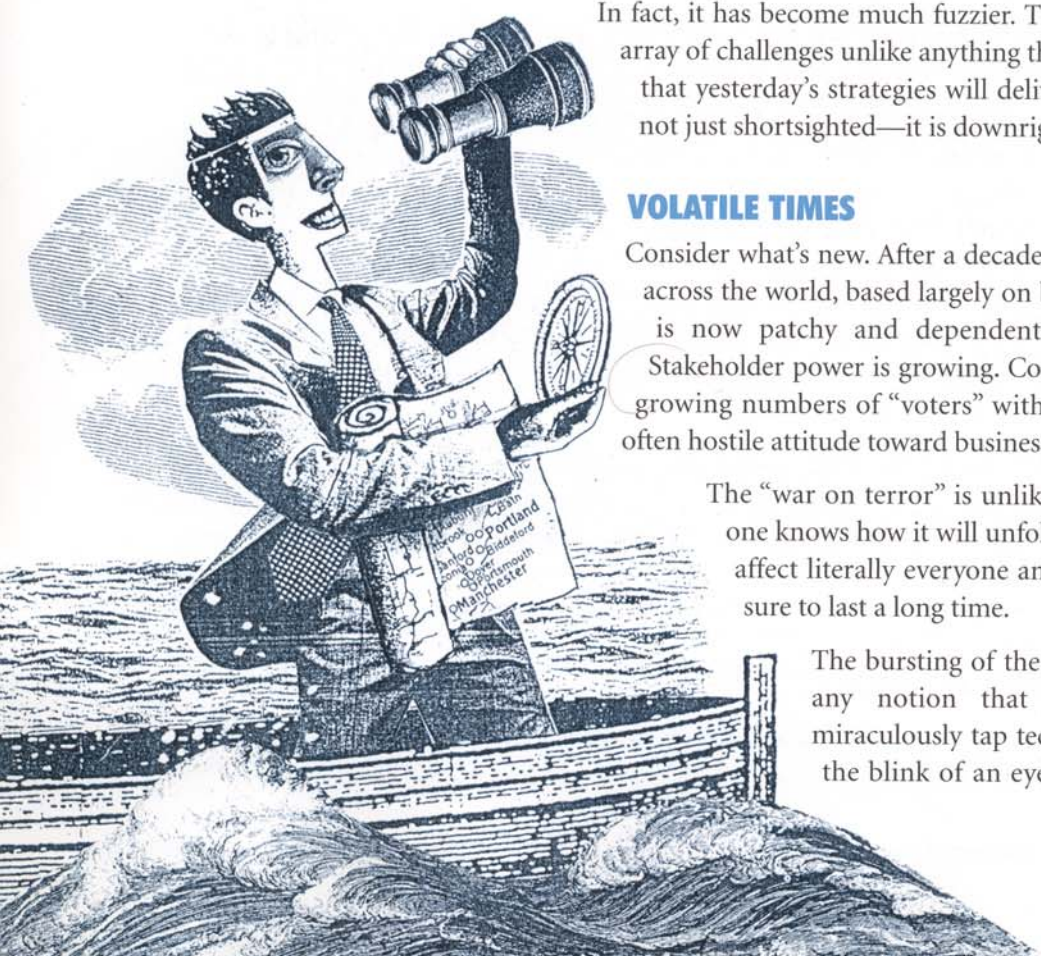


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quantum leaps in growth from bigger firms through dramatic productivity improvements, the adoption of 24/7 customer service programs or the application of knowledge management.

Serious breaches of corporate governance have shaken confidence in business and put executive behavior under the spotlight. Questions about the honesty of corporate reporting mean that companies can no longer use sleight of hand to “make the numbers.” Now, they not only have to play the game but also play a much harder game in terrible weather.

Besides our volatile times, many of the management tools that held great promise just a short while back are now being questioned or dumped. Managers have become aware of the fact that ideas like knowledge management, for instance, while a great idea, aren’t easy to pull off. “Core competence” is usually just a sexy term for “focus.” And customer relationship management (CRM) systems are a big turn-off when they lead buyers through a voicemail maze.

Implementing the latest tools is also neither cheap nor easy. It can tie organizations in knots, destroy trust and draw attention away from more important matters.

ACTION PLAN

If we ignore the fads and forget about the existence of “magic bullets,” there is some good news for business leaders: most companies can do things right now that will give them an edge tomorrow. Much of what they need to do is plain common sense. Best of all, the most important steps cost nothing.

1. Get your priorities straight. Consider what’s before you to determine what you have to respond to. Two “headline” issues stand out: a sluggish economy and the likelihood of further surprises.

Surviving a flat economy requires that you rethink your strategy and redesign your business model. The key task is to keep revenue flowing from today’s customers, and lock those customers in so you don’t lose them to hungry competitors. Given that your prices will probably be under pressure, this means that you may have to cut costs fast. But you also may have to hone your value proposition so it still makes sense. Both steps demand that you define clearly the basics of your business and start managing them seriously.

The second challenge—riding future waves of change—requires that you create a different kind of organization, one that can sense emerging threats and opportunities and respond to them faster than the competition. This requires a change in mind-set, rather than architecture or process.

2. Rethink your idea about strategy. The speed of change demands acceptance that strategy is never “done.” You can’t ever say, “That’s it. We now have the perfect answer.” If you don’t keep changing and improving, your company will quickly become road kill.

Clear, distinctive positioning is first prize for any company. You should obviously aim to seize and hold an attractive slice of your market. At the same time, though, you should recognize that competitors will come after you. Courtesy of the information revolution, they will probably arrive faster than you imagine.

So, on the one hand, you have to push the limits of performance. Incremental, day-by-day changes in everything you do and the way you do them have to become a way of life. At the

same time, there's no avoiding the need to seek opportunities that will change the game for everyone.

For many firms, the first wave of productivity gains is a thing of the past. They've downsized, outsourced, hacked costs from travel budgets, pressured suppliers for bigger discounts, plugged in new technologies, introduced lean production methods and sharpened their distribution processes. But they have to cut costs even further. So the big question is: what do they do for their next trick? There's only one answer: they have to get more from their people.

3. Empower your people. Inspire them to do more with less, to fight waste with the kind of passion that "fun stuff" gets, and to embrace customers and keep them spending.

Once again, there's good news here. The practices that turn people on are the same ones that equip them to make smart decisions. I'm talking about giving employees access to information. An organization's people can be its eyes and ears, part of an early warning system to ensure the organization responds in time to the changing environment. But beyond that, its people must be alert to the organization's needs, wants and goals so they can make smart decisions.

Too many people in most firms cannot make smart decisions because they are kept in the dark on these issues. They understand the "what" and the "how," but not the all-important "why."

Finally, execution makes the difference.

4. Take action. When all is said and done, visions and dreams and bold plans aren't worth anything until they're turned into action. Now, more than ever, leaders must evoke action in their organizations. They can't afford to sit back and wait for better times.

HOW CAN YOU MOVE YOUR ORGANIZATION FORWARD?

Every manager knows that "what gets measured gets managed." What they overlook is the fact that it's only what gets talked about that gets either measured or managed. So the question in any organization is: what do you talk about, constantly, passionately and consistently?

The conversation in most companies is ad hoc, careless and left to chance. By seeing it as a strategic tool, you can use it to make critical changes and to ensure that important things get done. What's more, in a time of extreme uncertainty, clear messages help keep people focused and confident. So try to reduce your strategy to a handful of words, or maybe a few bullet points on a single slide. If you can do that, your people have a chance of understanding you—and of making your strategy a reality.

The best advice any leader can be offered is, "Calm down—and hurry up." Get as many facts as you can, decide what really matters, and define the way ahead. Then hurry up and do the few things that will have the biggest impact. [MW](#)

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