
POINT OF VIEW: AUGUST 2011

"Change before you have to. Control your own destiny or someone else will." Jack Welch

CRISIS: A CATALYST FOR POSITIVE CHANGE

Crisis has always been viewed by some as a glass half-empty; while to others, it's a glass half-full. To the "half-full" crowd, they recognize that difficult economic times actually can be a time of extraordinary opportunity. For many forward thinking companies, they're not letting this crisis go to waste and are working to strengthen their organizations' now. There are several reasons.

■ **The Need to Solve Problems**

Today more than ever, companies of all shapes and sizes need answers to complex questions and solutions to extremely difficult problems.

While the realities of the current economic climate may have dictated the need to realign an organization's size with a new market reality, generating revenue is still the lifeblood. Revenue to a company is what air is to breathing. Smart companies recognize that it's only with and through the right *people* that they're able to create compelling brands; develop innovative products; efficiently produce them; and find new and inventive ways to market them, even in tough times.

Beyond product, the organizational structure is the vehicle that drives the enterprise and the engine that powers it, is its people. Only people solve problems.

■ **A Need to Change**

Crisis can and should be a catalyst for positive change. And there's nothing like crisis to give us permission to leap way outside the box. But creativity and innovation shouldn't be reserved exclusively for R&D or marketing.

It's critical that we are equally creative and innovative with our organizational structure and the management of our human capital. Both will enable us to not only successfully navigate through the myriad of challenges but allow us to maximize operational and financial efficiencies as well.

While facing the new market landscape, we need to clearly understand how our objectives or strategic focus may have changed; what skill sets are required of our leaders today; and whether or not we have it. In many instances, we may find that the abilities of existing leaders simply may not be compatible with the new challenges we're facing or the company we now need to become. This isn't to suggest that an incumbent is a bad leader or a poor-performer; just perhaps the wrong person for the needs of the organization today.

In fact, according to a recent survey by ExecuNet, "44% of forecasted companies will be looking to selectively 'trade-up' with new hires for existing management jobs as they look to improve performance and leadership bench strength". Strategic changes in leadership—replacement headcount, not incremental headcount—can represent a tremendous opportunity to help drive the organization in new directions.

■ **Positioning for the Future**

One of the characteristics of the "half-full" crowd is that they are serial optimists. Winston Churchill once defined a pessimist "as one who sees difficulty in every opportunity" and an optimist "as one who sees opportunity in every difficulty".

Optimists know with certainty that following periods of great challenge, there is a period of recovery. As we've experienced before, suppressed demand over extended periods of time, whether B2C or B2B, creates sizeable pent-up demand. When the market finally begins to replace uncertainty with some clarity, the momentum begins to build. Unfortunately, the current volatility has done little to answer the big recovery questions of: when and what will the trajectory be.

That said, many companies are finding this to be an opportune time to make certain, as Jim Collins suggests, that they have “the right people on the bus, the right people in the right seats” and a sound organizational infrastructure that will position them solidly not only for today, but for the future as well.

■ ***The Availability of Exceptional Talent Now***

The current environment has created a tremendous supply of truly exceptional candidates. This pool of talent has extensive and diverse industry, product, functional, leadership and organizational experience. They can bring a fresh perspective; a different context to our biggest challenges; and the ability and desire to add immediate value to an organization.

Many forward-thinking organizations, not averse to mining for talent in the 50+ demo group, are doing so proactively. Passion, energy and creativity are not demographic traits. They appreciate the wealth of knowledge and experience this group can bring to the table. (During the '84 Presidential debate with Walter Mondale, Ronald Reagan used humor to dispel any negative perceptions of his age by stating with confidence: “I will not use for political advantage my opponents youth and inexperience”.)

These “boomers” not only have vast experience and a high level of professional maturity, but they have led during exceptionally difficult times before. Their presence can help plug the leadership vacuum existing in many organizations today, not to mention, help mentor our leaders of the future.

John William Gardner describes difficult times as “a series of great opportunities brilliantly disguised as insoluble problems”—clearly, a glass half-full perspective. Few would argue that it's been a tough slog. But if viewed through the lens of opportunity, crisis can also be the catalyst for positive change.

Wishing you great success,

Rick Balsiger

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