

## **It's Not Just About Profitability and Survival: Leaders Need to Lead**

*By Pat Heydlauff*

Political and economic influences have great implications for today's leaders as they maneuver their way through ever-expanding mine fields. This economy and political climate are forcing leaders to re-think their operating plan. This is a time for action not reaction; a time for decisive leadership to guide the company safely through a quagmire while preparing for the future.

"Maintaining market share, maximizing operational tightness and propagating the long term view for the company are critical during an economic downturn," said the CEO of a major privately held corporation. This thought process isn't just common sense but crucial for economic survivability and mobility once the economy starts to move forward again.

The CEO went on to say, "a company cannot afford to lose any market share nor erode operating capital during a downturn because there will be nothing left for marketing, advertising and hiring when the economy does turnaround. A business gets into real trouble when it loses its market share and depletes its capital; it will not survive - no matter how good the economy might get. Therefore, leadership needs to focus on the long-term view while getting everyone aboard to think survival, expense reduction and increasing income without any negative financial impact on existing capital."

When leadership focuses on short-term business survival, assets are protected, jobs continue to exist and market share and profitability is maintained. Once a carefully laid out short-term plan for survival has been accomplished it is crucial that leaders not get so bogged down with survival that they forget to look at the long term view.

These are the kind of times, circumstances and events that require leaders to make hard decisions and realize there is a way to behave during an economic crisis. Survivability is all about reducing expenses, making profits and maintaining capital. Company leaders who understand how to make money are the survivors and will be the change makers who help turn the economy around and ensure their companies thrive.

The longer the downturn the more the consumers will dig in and hold onto their hard-earned money. Once the economy does turnaround, they will pay down their accumulated debt before spending. To bridge these turbulent times, leaders need to have a plan that includes a long term view covering everything from being prudent on expenses and increasing employee efficiency to eroding the competitors market share. Here are some easy-to-implement survival principles that focus on the future.

- Shift everyone's thinking. Move from a cost-cutting mode to a money-making and increasing-market-share mode while not digging into existing capital. Employees tend to spend capital so they need to be engaged from the bottom up to look for ways to either save money or increase sales and revenues. When encouraged to participate in the company's survival, they take a piece of ownership in its survival and become part of the solution team instead of an individual trying to survive.

- Increase employee efficiency. Eliminate energy drainers and clutter in the workplace and organize it so employees can find anything they need at a moment's notice. Time is money, and employees are a huge investment. Clutter is a distraction that prevents an employee from maximizing their productivity and the company's profitability.
- Upgrade your organizational chart. Be an all inclusive organization and share this philosophy with your employees. Eliminate the old 19th Century Newtonian pyramid-shaped organizational chart and replace it with one that works from the center out like a spider's web where everyone is connected, productive and within the playing field. Employees do their best work when they feel they are relevant and make a difference in the outcome.
- Leaders need to lead. Focus on the long-term view. Once you've devised and implemented a plan for survival, focus all your energy on the big picture and where you want the company to be when the economy starts moving upward. Let someone else worry about the number of paper clips being used. It takes a leader to move safely through today's economic mine fields. Followers need a leader with a vision to lead them into creating the future.
- Eliminate stress. Being a leader is stressful enough during normal times. The stress is greatly magnified during this difficult economic and political environment. Plan some creative time during hectic days to get the right side of the brain working. Stress comes from logical left brain thinking not being balanced by creative right brain thinking. It's the right side of the brain that helps you create new ideas and solve problems such as getting through this economic downturn.

Leaders need to find ways to solve problems improve survivability and increase market share while protecting existing capital. This type of breakthrough thinking comes through creativity. Add some right brain activities to your schedule such as creative writing, painting, listening to classical or new age music, quiet walks in nature or meditation. If you're stuck at your desk, take a few minutes to do some creative visualization. Close your eyes and mentally visit a place you love - remembering to breathe deeply while in that frame of mind. You will feel refreshed and the creative juices will flow, helping you solve the most complex of problems.

It takes a leader with vision and the creative know-how to turn things around and have everyone in the company think as one instead of as a number of individuals. Leaders must realize they cannot use 19th Century leadership tools in the 21st Century - especially those that are narrow and top down instead of inclusive.

Leadership is all about creating tomorrow's vision while living through today's difficult times. Profitability and maintaining the company's market share while not dipping into capital must be the long term objective which builds a fertile foundation for company growth when the economy turns upward.

## ABOUT THE AUTHOR

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