



THE STRATEGIC PLANNING GROUP

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Seizing The Moment: Emerging Stronger From the Downturn

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May 2009

“Bulls can be winners. Bears can be winners. Chickens get slaughtered.” This old saying, usually applied to traders in the stock or bonds markets has never been more true in a general business sense than now. All of us who are key decision-makers in our businesses, large and small, need to reflect on our strategy – or lack of a strategy – for facing new challenges arising from the economic firestorm that has swept the globe.

Here are 5 things to think about. All of them point to the need for new thinking and action on the part of business executives and owners.

Hope Is Not A Strategy

This is the title of a 2003 book by Rick Page. You do not have to read the book to get the point. Wringing our hands in despair instead of rubbing our hands in anticipation of

finding new competitive edges will only weaken our resolve and our businesses. Adapting faster and better than our competitors to new or unfamiliar realities has always been the right strategy and it remains the right strategy even more so in a crisis. To quote the CEO of Cisco in a recent BBC interview, “The fast beat the slow.”

If necessity is the mother of invention then crisis can breed innovation. The source of innovation is not bank credit or debt leverage. It is people. Turn to your people, not your bankers. People, according to management guru Gary Hamel are about the most under-leveraged resource corporations have at their side. Professor Hamel’s hierarchy of employee capability makes the point.

The human capabilities that create most leverage for businesses are at



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the top of the hierarchy, namely Passion and Creativity, but the typical organization actually can suffocate and discourage its people's creativity and passion because of internal inertia and organizational resistance to change. A company can demand Obedience and Diligence as a condition of employment but an organization must earn its employees' Passion and stimulate their Creativity. Professor Hamel's research concludes that the typical organization only taps about 50% - 55% of its human potential, most of the score coming from the low leverage capabilities like Obedience and Diligence. Don't hope that things will get better. Tap into your people's potential and they will create value.



The Burning Platform – Eventually You Have To Do Something - So Why Not Now?

There is a story about a floating oil rig in the North Sea that caught fire. The inferno spread so quickly that helicopters sent from Scotland could not land to rescue the workers. They were faced with a terrible choice. Either stay where they were and die by the flames or take their chances by leaping off the platform into the icy North Sea where there was only the faintest chance of survival. Most waited till the last possible moment to jump but jump they did. Staying

on the platform was finally seen as a worse decision than jumping.

The point of the story is to illustrate that people will only take risks and change old ways of doing things when it becomes clear that the unpleasantness of staying where they are is greater than the unpleasantness of making a change.

So, too, with businesses in 2009. Given that the economy is in figurative flames, how long will we wait before we act to capitalize on the change? Will we wait until our vulnerability is even higher or do we start to think our options through right now and take action before being consumed by the flames?

There Will Be Blood But There Will Be Winners

The winners coming out of the recession will be organizations that design new strategies to deal with the altered states of consumers, customers and competitors. To paraphrase Professor Hamel, "You can't solve our new problems with the old management principles."

How long will we wait before we act to capitalize on the changing economy? Will we wait until our vulnerability is even higher, or do we start to think our options through and take action right now?

Too bad about the Detroit-based automakers. Their platform has been burning for 30 years. The National Post of February 23, 2009 in an editorial titled "GM's Lost Decades" commented, "If the auto industry had made the same sort of strides that the high-tech manufacturing industries have made in the last 50 years, cars would be getting 100 miles to the gallon, they would cost \$1000, last 50 years and have so many computer controls as to be virtually 100%



collision-proof.... One cannot help but wonder where we would be now, if back in high school Bill Gates, Steve Jobs and Steve Wozniak had enrolled in auto shop instead of joining the computer club.”

Nor can one fail to wonder what might have been if GM had been able to establish a Kaizen (continual improvement) culture like Toyota’s. In a recent year, Toyota employees provided 540,000 suggestions for improvement.

Yes, there will be bloodshed. But not everybody’s blood. There will be winners.

What Got You Here Won’t Get You There

This is the title of a 2007 book by Marshall Goldsmith, the famous executive coach. The book focuses on individual competencies but the principle stated in the title applies to businesses as well. The rules have changed - so the strategy for the game must also now change. Fresh thinking and insights are needed. The old paradigms need to be examined, modified or discarded. Clinging to the old assumptions is like trying to fight in Iraq or Afghanistan according to strategies that worked in World War 2.

The Prussian General Carl Von Clausewitz’s book “On War” published in the 1830’s was required reading at most army training academies until just a few years ago. Not any more. The conduct of warfare has changed and new strategies must be implemented to win.

Yes, there will be bloodshed. But not everybody’s blood. There will be winners.

We are all now in the business of assessing the relevance of our old approaches, setting new strategies, and implementing them in order to out-smart and out-hustle those competitors who may be struggling to adapt.

Here is an example of new thinking taken from The Economist magazine. The electronics chain Best Buy, keen to create a new employee portal, contacted an external consultancy that quoted it a price of several million dollars to build it. Shocked by this, a group of young Best Buy employees put together a small team of developers from their own personal network of colleagues and friends and produced a new portal for about \$250,000. Another Net Gener at the company cobbled together a mobile-phone version of Best Buy’s website for fun in seven days in his spare time.

It appears we will be smart to look for new solutions in new places from new people never before consulted.

Cutting Costs Is Much Like Scratching An Itch – It’s No Solution In Itself

I was involved in a business where the 9/11 terrorist attack really hurt our market and we, along with our competitors, were reeling. A researcher studying our market interviewed us and we told her how we were responding to the new reality. At the end of the meeting she commented, “Wow. Everybody else I have interviewed are just cutting costs. You are creating a new

business model!” Of course we cut costs but we also emerged from the threat a few years later, stronger and with a superior business model. Better yet we had fewer competitors since their cost cutting measures did not ad-



dress the fundamental shifts in the market and they went under.

What do the above 5 points boil down to? Just this. Chickens get slaughtered. The good old days are history. We are all now in the business of assessing the relevance of our old approaches, setting new strategies and implementing them in order to out-smart and out-hustle those competitors who may be struggling to adapt. We all want to get to the

new opportunities that are already being discovered by the innovators.

The Strategic Planning Group would like to talk to you about our proprietary approach to opportunity identification that quickly unleashes fresh thinking within organizations like yours. We would like to show you our strategy implementation products including coaching that transform brilliant ideas into outstanding results.

About

The Strategic Planning Group

The Strategic Planning Group (T.S.P.G.) is a full service consulting firm that can provide organizations with a wide range of advice, business tools and solutions. At T.S.P.G. our focus is on helping our clients solve their complex issues to realize their ultimate business potential, whether we are helping to set the overall strategy for the organization or assisting in a particular functional area. Our practical-results-oriented approach to solving business problems, combined with our personal commitment and dedication to providing great value for our clients, makes us the consultants of choice to blue-chip executives across North America.

We aspire to be more than just consultants. For us to be successful in helping you we need to understand how you operate and what challenges you are currently facing. We want to help you achieve your goals and your ultimate business potential. To accomplish this we must be trusted and objective advisors by contributing our knowledge, experience and thinking in ways that have a positive impact. We want to be *your* consultants of choice – as we are for other senior executives – for all of your strategic business needs.

About John Eckmire

John brings 40 years of strategy development and implementation, marketing and sales, new product development, business unit operations, training and organization development experience to the T.S.P.G. team. Prior to joining T.S.P.G. John was Vice-President of Public Programs and Education at Canadian Management Centre, one of the largest management training providers in Canada with well over 100 different subjects offered year round. He remains associated with CMC, as an instructor in Leadership, and Strategy. John is also a certified Executive Coach. John has had line management and executive positions with companies such as Procter & Gamble, Labatt's in Canada and Europe, and Canadian Management Centre.

How to Reach Us

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