

Don't let opportunity slip by

Smart leaders play to win in uncertain times

Plummeting oil prices, the economic slowdown in China and disadvantaged exchange rates have hit some companies hard, leaving leaders struggling to respond.

Although most executives focus on growth and gaining competitive advantage when prospects are bright, they become timid when conditions sour, foregoing creativity and reverting to budget cuts and layoffs. Instead of playing to win, many leaders play “not to lose.”



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Is it possible to play to win even when the going is tough? It's not only possible — it's highly desirable.

While others hunker down, smart leaders gain advantage with deliberate investments, taking deliberate risks that strengthen their organizations. They distinguish themselves by how they approach cost management, as well as by what they accelerate in addition to managing cost.

Based on our experiences, my colleagues and I suggest these practices:

Clarify where to lean in

Leadership with a winning mindset helps teams cut costs without undermining critical assets.

Instead of workforce reductions at its refinery, one management team established a reliability breakthrough target. Leaders weren't guaranteed that the target would suffice, since the plant had already improved reliability significantly; further improvement would require new, untested methods.

Yet this “improve to save” path reduced the refinery's unplanned shutdown rate by another 75 percent over the following 12 months, saving \$49 million and avoiding furloughs that would have “cut into bone.”

Keep your head in the game

Leaders can help their organizations win by replacing fear with productive engagement. Teams respond well when leaders articulate a clear purpose, communicate frequently and empower people to take positive action.

They can galvanize front-line personnel and managers by having them pinpoint

specific behaviors that, if performed consistently by everyone, would deliver results. Once identified, leaders can then establish the conditions needed at the front line and articulate the day-to-day implications for managers at every level.

Use early indicators

Leaders who embrace a winning mentality during tough economic times not only take measured risks, they use behavior change indicators on a week-to-week, team-to-team basis to gauge progress. Some companies even define the “perfect day” for key parts of their organization, assessing progress toward this standard every morning.

Surprise stakeholders — positively

Most companies find that uncertain times impact their customers and suppliers, too. Rather than across the board cutbacks, leaders with a winning mindset propose partnering solutions and risk sharing that go beyond the creativity displayed by competitors.

Accelerate the leadership pipeline

Uncertain times provide a particular opportunity to build leadership capability.

A leading North American transportation company responded to its softening market by shifting its attention from talent recruitment to the leadership pipeline. It understands that the skills and experiences gained while leading an organization during uncertain times helps prepare leaders to handle a variety of future conditions.

Uncertain times pose challenges, but they also offer valuable opportunities. While most leaders play it safe, the most effective play to win. Don't look at today's conditions as a threat. Look at them as a chance to launch your organization toward a brighter future. ●



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