

Creating Success during a Downturn in the Economy - By Dr. Rick Johnson

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Today we are engulfed in the debate on whether or not we are facing a true recession. Fifty percent of the so-called expert economists say we are and fifty percent say it's just a downturn and we will come out of it in 2009.

Regardless, let's consider a couple facts rarely remembered in times like these:

- Most companies market share growth happens going into a recession or coming out of a recession, not at the top or the bottom of an economic cycle.
- Those who react to cycle changes first will gain share over those who don't.
- Those who understand best practice and have invested in their employees through development & training will maintain competitive advantage and grow market share by taking it from the competition

'The biggest challenge we face is our own ability to create a self-fulfilling prophecy.'

This is called the Pygmalion effect. The media has a tendency to sensationalize. I remember three days this month when CNN and other major news networks actually followed the movement on stocks on the NYSE on a minute by minute basis. Give me a break. Are they that thirsty for news that we have to watch them watch paint dry? Isn't reporting the opening and closing of the stock exchange enough?

Tough Times Require Tough Leadership

I do recognize that even the brightest, strongest and most successful leaders within the industry are challenged during these tough times. Even those of us with scar tissue, experience from past recessions, find that leadership becomes much more difficult in a declining economy. It requires a self analysis, going back to the basics.

Instead of simply learning to do what we have always done a little better, we need to become aware of and practice understanding that involves reexamining everything we do - including taking a serious look at our sales effectiveness practices. This often means letting go of our existing bias and applying a little tough love as a leader.

Let's face it. Prior to 2007 we had a run of over five years of tremendously favorable economic times. It did not take a genius to be successful.

To be successful during tough times you must make emotional connections with your management team. Encourage these managers to open up, share dialogue and reveal dreams. Leverage their leadership ability by advancing their personal agenda. A good leader is not intimidated by the success of others. They encourage others to succeed and help them fulfill their wants and needs.

Reexamine your sales effectiveness process and structure. Remember, profit covers many sins. Eliminate the places to hide and support those sales people on your team that have what it takes. Weed the garden of those that have been riding the wave or are members of the lucky territory club. Make sure sales management understands their role precisely. Encourage coaching, mentoring and most importantly - accountability.

Don't Ride the Roller Coaster

You may feel like you are just starting down the first big hill of a roller coaster ride. You may envision the next couple of years as high risk, high stakes - a time filled with uncertainty and ambiguity, but, we need to set those thoughts aside. Remember, we must guard against creating a self-fulfilling prophecy of 'doom and gloom.' It is time to reach within, time to find whatever higher power you believe in, time to demonstrate the kind of leadership that can deal with these turbulent times.

People who get results are high impact leaders. They are consistent, explicit and concise and they command a presence when they walk into a room. They have enough charisma and leadership insight to create success even in the toughest times. When they move on, others want to go with them. They have a following. Their openness and honesty create a legacy which people admire and look up to. They gain commitment and foster trust.

Creating change, managing during turbulent times, or fostering growth in an economic cycle such as the one we face today all depends on a balance of this type of leadership. No one person can make a company successful. It takes a lot of people, but one person with a command of leadership can transfer enough influence, creating enough leadership amongst the management group to deal with a declining economy and create success in spite of it.

During these times leaders must utilize their high questioning and interpretation skills that allow them to drill down to real facts and issues. This quality is particularly essential when facing the economic conditions we face today.

Leading through a Downturn -- Differentiate

The successful leader is constantly building advantages into the organizations at a much greater rate while they are eliminating disadvantages. The belief is that you not only have to be better than your competition but you must differentiate yourself. This means taking advantage of opportunity presented by the economic downturn itself. This concept demands creativity and innovation. However, this creativity and innovation must be built into the economic contingency plan. It must be distinctive and yet it must be manageable and predictable. This could involve anything from new technologies to market segmentation to development of new channels to taking advantage of the competition's weaknesses that may be accelerated due to the declining economy. It is all about improvement and finding newer and better ways of doing things. It involves cross-activity integration of processes and people. Activities must be linked across the entire value chain. Recruitment of 'A' sales people that wouldn't listen when times were good may very well be receptive to conversation if they have seen their company initiate layoffs or other actions that may cause them to lose confidence. Don't hire the sales people that have been laid off, go for the stars. Understanding these concepts is critical to leadership success.

Check out Rick's new CD and Workbook -- Real World Leadership Kit --- 'Learning to Lead So Others Will Follow'

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