



David's Business Owner Advisory #2

8 Ways to Turn a Crisis into a Catastrophe

By David Wimer, Author of *INSIGHT*

Crisis are hard enough in any business. There are also a number of ways to turn a crisis into a catastrophe with very little effort. Unfortunately, some of the behaviors that increase the odds for failure are considered by many to be "leadership."

1. Be Overly-Optimistic.

There is a vast body of literature out there that promotes "positive mental attitude." However, difficult problems, especially systemic ones that have been around for some time, do not correct themselves overnight just because we identify a solution. We actually need to take action! Being overly-optimistic about how quickly it may take to make a change or course correction can be deadly to morale, especially when that change doesn't happen when you say it will or becomes more difficult to accomplish than you said it would be. Having a balanced view of reality, spiced with optimism is paramount to keeping everyone grounded in the here and now.

2. Deny the Problem Exists.

Some leaders think that if they keep quiet about a problem, others will not know it exists. The truth is that your employees are at least as aware of the problem as you are. Denial only increases fear and lowers respect for you.

Dealing with reality is difficult for any of us at times because we can always imagine the worst. We realize we do not have all the answers or think that we have failed. Playing down the importance of a critical situation may cause others not to care as much as they need to.

3. Dabble in Trial and Error.

Business is a great experiment and there's a time for trial and error. It's just not appropriate in crisis. Careful consideration, viable option-seeking, and astute outside advice, are ingredients that offer more probability for success, than the randomness of "flavor-of-the-day."

4. Abandon Common Sense.

Common sense is not so common. Trusting instincts alone to survive a potential business death spiral may cause you to fight back or flee. Rarely are either of those responses necessary or beneficial for overcoming the crisis, and over-reaction only makes things worse. Applying some common sense will confirm if your actions are helping or hurting. Also, make sure you seek support from advisors who do apply common sense.

5. Go It Alone.

Rugged individualism may be an icon for strength in today's entertainment culture, but it does not work in a business crisis. You have too many responsibilities to other people to make it all about you. Why? One reason is that we all have natural blind spots and may easily lose vital perspective on the situation and miss options for resolution. Going it alone can also be unhealthy for you, especially in crisis. Isolation can result in loss of self-esteem and depression.

6. Relying Solely On Logic.

During a crisis, it's important for employees and other stakeholders to feel that leadership is connected and in touch with the situation. It's the very time when followers need to connect emotionally. Without that connection, vital employees and partners start to make plans to exit the company rather than help it succeed.

7. Blame Others.

Blaming always makes a leader look weak. Blaming others, especially employees, sends a clear message that leadership is not in control of the situation. Fear of blame also inhibits employees from telling you the truth about problems. Taking accountability as the leader means setting the ground rules early and enforcing them. No one is to blame so let's get on with the business of resolving the crisis together.

8. Crack the Whip

In crisis situations, there is a natural tendency to demand more from your people, but it must be done carefully and respectfully. In particular, you should not ask your people to endure any hardships (pay cuts, mandatory overtime, benefit cuts) that you do not endure yourself first.

Leadership can be lonely, especially if you alienate those who need to help you solve the front-line complex problems. With that in mind, consider how you might recognize the efforts of others. Acknowledging their investment of time and energy goes a long way towards adopting sustainable change, regardless of how uncomfortable the situation may be.

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