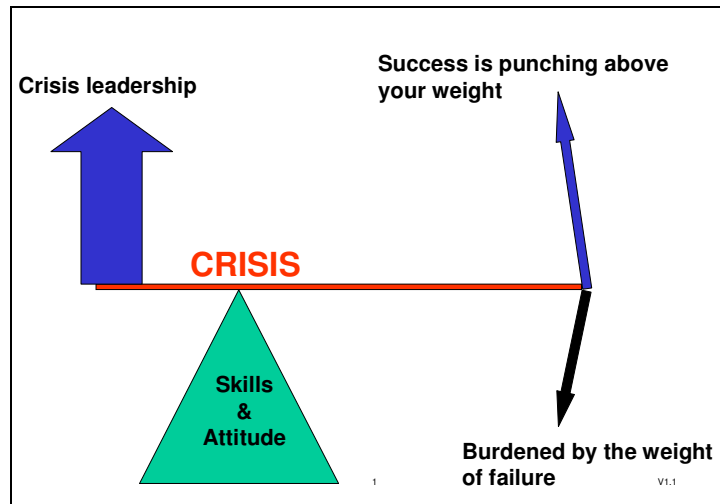


“We see it happening this way.....”
Crisis Leadership and Commercial Bravery at its Very Best
by
Jim Truscott
Director, Truscott Crisis Leaders



Having facilitated many crisis teams in executive combat throughout Asia over the last four years, we question whether shareholders will reward these senior executive teams for their raw leadership and their management, and indeed boards for their vision in the aftermath of crises, or punish them for the perceived lack of it. The current concerns regarding corporate governance would not be so prominent if it had not been for the press-illuminated crises, which have struck at even major corporations. It would be a strategic error for corporations to meet this significant problem reactively. Evidently, it seems that business almost needs some level of disaster to catapult it into the future, and intriguingly, it is known that successful business will often thrive on instability. So it can be seen that those companies who embed a comprehensive and proactive philosophy of crisis leadership from the board down will have secured a capability, not just for business survival in the face of inevitable crises, but to position themselves through the correct and sound corporate governance at the top rungs of the commercial leadership ladder.

There is no doubt that the proactive approach to preparing for crises adopted by many companies allow them to operate effectively in dynamic business environments and volatile countries. Yet the corporate world continues to be rocked by various crises. Just as the best corporations and companies strive towards market superiority, board members, directors and executives must now respond to the instability of the marketplace and demonstrate their crisis leadership, not just their crisis and emergency management skills and attitudes.

In the context of having the responsibility for leading companies out of crises as they happen, managers are not paid so much for what they are doing today, but rather for what they might have to do tomorrow and how they would handle it. On the other hand, shareholders, investors and regulators will see board members and directors alike as the pre-emptive defenders responsible for not only the commercial survival but also the future commercial leadership position of the corporation itself. Investor confidence is paramount. It is one thing to have crisis management plans but quite another for the company to recover, or not, and indeed move on to business success from a crisis.

The essential difference between crisis management and crisis leadership is the level of posturing for dangerous opportunity. Far too many managers are overly apprehensive about transitioning from line management to crisis management, let alone to true crisis leadership, which they may often see to be a difficult, at times impossible black art. In many ways this reticence manifests itself from emergency management thinking, which by its proximity to the risk event, is just an advanced and organised form of human survival designed to return an organization back to the retrievable past, or previous business status quo. Emergency management attitudes do not cater for or take advantage of dangerous opportunity. From this perspective, next level crisis management is also just the sophisticated safety net underpinning all other styles of management. In many ways it is just a form of insurance; a mechanism for seeking to maintain the present and immediate future situation. It is about using groupthink to overcome individual brain lock, when operating under pressure in a team.

In reality, many issues are esoteric and as crises emanate from the unknown, explorers of business continuity will be absolutely required to demonstrate decisive, raw leadership. So just as leadership is about the future, so is crisis leadership thus getting 'back to the future'. Whereas best practice in controlling and managing crises used to be getting back to the past, the status quo, now best in-class is inspiring the organization back to the future. The art of crisis leadership is not only to contain and eliminate crises as they occur, but also to transport the company through to possible commercial and reputation advantage lines exposed by the crises themselves! Indeed, in this sense the implementation of crisis leadership thinking goes beyond simple good procedures and set protocols. It not only returns the stability required by shareholders but it also seeks to capitalize on the situation to bring even greater investor rewards. The foundation supporting this fine strong wall of crisis leadership is one of correct, unified corporate governance emanating from the fundamental leadership of the board itself.

Most companies rightfully recognize that planning to control and transform from crises is key to its corporate survival and eventual commercial superiority. However having the competence to return situations to normal is just not enough in today's highly competitive marketplace. Such competency in some contexts may be simply defined as emergency management thinking. Leadership is now the best attitudinal preparation for crises, as its back to the future thinking will set an organization free through bold, creative second-stage thought. Crisis leadership is looking to see how the current crisis can actually help to locate the next jungle, read commercial opportunity, and the challenges therein, not just sharpening the machete, or checking the compass for the current one. Crisis Leadership Teams, with correct guidance and practice, will deftly meet the potentially severe challenges of commercial success in the current global security environment.

So how can you benchmark your business? In directing the company away from crisis or seeking to transform from crisis situations, board level directors will use expressions like.... 'It will be this way.' Crisis leaders at the business and country level will use expressions like.... ' I see it happening this way,' when morphing out of crisis - such words are indicative of back to the future thinking and morphing into opportunity. Emergency managers at facilities will continue to use expressions like.... 'the plan is working' when emergency situations are returning to normal, indicative of back to the past or status quo thinking. Note that all Crisis Leadership Team members are themselves individual leaders in their own right, as all will have Support Teams beside and behind them, and for whom they are also responsible.

Business leaders must maintain their ability to keep thinking when a crisis develops, avoiding the whirlpool of anxiety that can dampen faculties. They must develop effective solutions under pressure, and articulate it to their organization through raw displays of leadership in front of all employees, and indeed external stakeholders. Anxiety is contagious, but so is calmness. Panic is contagious...so is leadership. Crisis Management Teams are dead, an anachronism and the dinosaur of contingency planning. Long live Crisis Leadership Teams, and the culture of corporate governance in the quantum move towards opportunity.

----- END -----

Truscott - Crisis Leaders brings a suite of professional expertise to bear when it undertakes assignments for companies in Australia and throughout Asia in association with Pacific Strategies, a Melbourne based company. These skills include risk assessment, plan writing, capability assessments, crisis management, communications and leadership workshops, all supported by impactful and highly realistic exercises for crisis, emergency and business continuity teams.

Jim Truscott, a professional engineer who spent several years as a senior officer with Australia's elite SAS Regiment, founded the company with a special edge – a balanced mix of former special operations personnel who have migrated their special training hands-on experience to the corporate sector, together with business strategists and business communication specialists across Australasia.

Published by:

Jim Truscott

Truscott – Crisis Leaders

Perth, Australia

Tel: +61 8 9204 5141
Mobile: +61 421 915 441
Fax: +61 8 9204 5142
Email: jtruscott@crisisleaders.com
Web: www.crisisleaders.com