Smart Leadership In The New Economy

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Summary

- The rules for effective leadership have changed and strong leaders need to be able to adapt
- Both companies and employees are facing new challenges that will make or break many organizations
- The leaders of tomorrow will be the people who helped usher organizations through the turbulence of today
- By embracing some new ideas, the recession can be turned to your advantage and you can prepare yourself, your company and your people for greater success

Smart Leadership In The New Economy

Leadership. The rules have changed. Today's leaders are dealing with more issues, more activities and more people and are working in a brand new economic and business landscape. Hands off leadership is no longer an option. The challenges in delivering products and services, in managing your employees and delivering on your bottom line are evident.

For companies, demand has fallen off, staff reductions are taking place and costs are being cut everywhere. This mentality is creating a tension that has never existed before, and planning for tomorrow has been forgotten in many organizations.

The people in your organizations are in a different mindset than they were a year ago. They've lost their portfolios. Their spouses and neighbors have lost their jobs. Retirement for many is off the table and they are no longer able to plan for vacations or future purchases. In many cases, they don't know how much longer they will continue to earn a paycheck. They are stuck in the moment and the uncertainty they're experiencing causes tempers to flare and work to suffer. Put simply, they are caught in the grip of fear and it is directly affecting their output and performance.

"The best way to predict the future is to create it!"
- Peter Drucker

As a strong leader, you can't afford to follow the same path. And by no means, can you let these examples affect your organization. During this recession, you'll have to think much more strategically than you have in the past, and you'll absolutely have to focus on the future. As Peter Drucker said, "The best way to predict the future is to create it." And you, as leaders in the new economy, are the ones who will be shaping that future.

Smart leaders know that there will be an end to the current economic crisis. The companies that emerge will be stronger than they were before. You can turn this recession into both a personal and a professional advantage by thinking and acting in ways that will prepare your organization for the long haul.

Specifically:

1. **Review your mission statement and strategic plan:** Does they still fit? Reset your corporate goals and your marketing plan to be as forward looking as possible. Be flexible enough to change and adapt to the new landscape.
2. **Stop playing Defense:** Much of what is taking place in companies today is being dictated by the economic environment, but too many people forget that they can control what is happening

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as well as how they respond to it. Start thinking strategically about where you want to be, define concrete goals and organize your actions around them. Make the critical investments that will position you for tomorrow. To continue the sports analogy, while a strong defense may hold the line, it's a scoring offense that will win the game.

3. **Start questioning:** Not a lot of people are talking about innovation right now, but the premise should still exist. Challenging your assumptions and asking "What if…"questions keeps you open to new possibilities and ideas while helping you to stay flexible in your positioning.
4. **Return to the basics:** Remember that old adage about making every customer a friend? Now is the time to renew your relationships with those customers. Allow them to help influence your strategy by asking for their opinions and getting them to share their needs. Some organizations may do this on occasion but it's likely that your customer's needs have changed significantly. A good leader needs to understand his customer's own challenges in order to remain competitive and future focused. Sharing input with your customer will create loyalty and relationships that they will continue to value long after the recession is over.
5. **Raise the bar:** Your staff already knows that their jobs could be on the line and they probably feel helpless to change that. Your role as a leader requires you to inspire them and give them challenging goals to work towards. Develop a dialog with the purpose of getting people moving again. Creating a new vision for them and reminding them of the corporate goals gives them hope and something to focus on, while allowing the organization to plan and move forward.
6. **Solicit inside advice:** Nothing can help an employee feel valued more than when he knows he's been heard. This is the perfect time to create employee loyalty by allowing them to have a voice in the strategy of the organization. Working transparently, soliciting employee feedback, and sharing late breaking news about your company and your customers will create a tight knit group within your organization that will work better together. Your staff needs to know that it's all "on the line," and that they can influence what happens next. Additionally, they will have valuable input about the current struggles they are facing and how to operationalize new strategies.

Finally, don't be afraid to pursue new opportunities. This is a time of transformation and a tolerance for risk may have huge rewards in the future.

Great companies are built over many years, the financial struggles of today will fade away. If you position yourself for the long haul in terms of your attitude, your customers, and your employees you are much more likely to reap the benefits for a long time to come.

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