

STEP UP



Is your organization undergoing financial challenges? Or maybe a full-blown crisis? One or the other has impacted most for-profit and nonprofit organizations today, and things won't get better on their own. To paraphrase a Chinese proverb, crisis can either mean destruction or opportunity. If you want your organization to survive, better to view this situation as an opportunity for meaningful change. Better to show leadership.

Change must occur, but it must be the right kind and done in a way that your organization becomes stronger, more resilient, better able to serve its mission and positioned to take on future challenges in a proactive and constructive way. In this article I will tell you what to do and what not to do.

Let's start with the negative. Business writer Lauren Keller Johnson believes that the anxiety accompanying need for change is escalated by four mistakes: 1) Mandating change without explaining why it is needed. Leaders must tell the story. 2) Assuming that people automatically understand the problem. This makes buy-in impossible. 3) Huddling behind closed doors and keeping people in the dark. This is not a time for secrecy. 4) Neglecting to deal with your own anxiety. In stressful situations, your crew will pick up on your stress level, and it will make things worse for them. They need to have you leading them, not dragging them down.

Now, what to do. Here are a dozen suggestions to guide you (actually only 11, but in times of austerity everything must be reduced).

- **Get your mind right, Luke.** An old Paul Newman movie, "Cool Hand Luke," reminds us: to have the proper mental attitude. As reality therapists remind us It is not the situation that is our problem but rather our reaction to it. There isn't time for self-pity. You must seize the opportunity and keep things on track. There's enough self-pity around. Don't add to it.

- **Be mindful of the emotion that accompanies change.** Elisabeth Kubler-Ross describes the grief experienced when we find out that we are quite ill — perhaps dying. The stages of grief are denial, anger, bargaining, depression and acceptance. You will go through some or all of these changes as you deal with the magnitude of your challenge. Better to do it quickly so that you can deal with the grief felt by your charges. And if some reactions seem irrational, with your colleagues "not getting the problem," "displacing their anger to you or someone else," "showing signs of real depression," know that this is common. A good leader helps people work through the stages and move as quickly to construct ways to deal with the problem.

- **Build and maintain trust.** This comes from transparency and good communications. Now is the time to open the books and provide information that is understandable and focused on the issues to be faced. Simplicity is essential, and that is where telling the story comes in. Train your direct reports to be able to clearly tell the story and to share it with their charges. Keep everyone up-to-date. No surprises.

- **Let mission, vision and values drive your efforts.** All decisions must relate back to what your organization stands for and what it aspires to be.

- **Involve others in the change-making process. Give everyone a chance to be involved, not just your direct reports.** Ideas coming from outside the hierarchy might just save the day. And this can be done by having small meetings that you and others conduct and by use of e-mail, blogs and other electronic means. And all discussion should revolve around trade-offs. What actions might be taken? What are the pros and cons of each action?

- **Through use of direct contact and the Web, every employee can be involved.** For example, if the problem is the need to cut operational expenses by 10 percent, what are some of the approaches to use and what are the trade-offs? What are the trade-offs to a reduction in staff — a cut in salary, a temporary hold on employer pension contributions, a hold on expansion plans and so on? Often the solution lies with a combination of things; trade-offs help you see what is gained and what is lost by each approach. Involving people doesn't mean that they decide. It means that you are getting help in making the difficult decisions that you, alone, must make.

- **Use triage in dealing with your employees.** Some will get with the program immediately and help to work



HOBBYIST TO BUSINESS OWNER




through the issues. Others will stay on the fence until they see that you are committed and that things will happen. And some will oppose change efforts from the start and probably never get on board. Some of the latter will be “posers” — those who appear to be supportive but really are not. Focus your energy on the first two groups. At some point soon the third group must either move off its resistance or move on. Helping some move on will provide motivation to groups one and two. It will show that you are truly committed.

- **Give people the tools to change.** Too often resistance to change, either passive or aggressive, comes from employees being afraid that they aren't up to the new way of doing things. Spend money on staff development even as you are letting some people go. Your employees are capable of great resiliency if you help them to grow. And they are your future.

- **Walk the talk.** Be certain you are setting a good example. Bonuses for top people, new office furniture and the like tell others that you expect them to get it, but the rules don't apply to you. Show them that you are in it with them by what you do and don't do.

- **Show and announce those small steps that show progress.** While long-term and intermediate goals provide direction, frequent updates showing how everyone's efforts are paying off are essential. This gives people pride and hope and creates the momentum needed to sustain the effort.

- **Remember, your loyal employees are greatly affected by what has to be done.** You need to be visible, showing empathy for the angst that people are feeling and willing to show that you are hurting too (but not traumatized). And if there must be a reduction in force, treat people right. It is not only the right thing to do, it is also good business.

- **Persist.** Too little value is given to the importance of persistence. I have seen effective leaders with dandruff on their suits, halting speech and a lack of charisma that remain standing long after many others have gone home. They believe in what needs to be done and are dedicated to the organization's betterment. That must be you. 

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Kenneth A. “Buzz” Shaw also makes his expertise available to the public through his Web site, <http://whitman.syr.edu/shaw/>, which includes videos, articles, podcasts, speeches and presentations for leaders and business professionals.

Have a question about leadership for expert Kenneth Shaw? Send an e-mail to jcreighton@syracuse.com and he will respond in an upcoming issue.



Do you have a hobby you love? In your free time do you create custom birdhouses, build wooden tables and chairs, embroider pillows, sew quilts, or hand-paint flowerpots? If you are skilled at a particular craft or hobby and are thinking of selling your product, there are some steps to take to ensure your endeavor is successful.

There are many advantages to this type of business — startup costs are low, regulations and licenses are nil, and you can start part time if you like and work up to full time if you choose. One of the most important steps is business planning. It will keep you focused, organized and on schedule, which will make you more effective and have better results.

Zoning

Most hobby or craft businesses will be home-based. You should research your village, town or city's zoning laws or you could put your business at risk. Find out which government body maintains your zoning laws and familiarize yourself with these regulations. That way, you will be prepared to deal with any issues that may arise.

Entity Options

One of the first decisions you need to make is to choose an appropriate entity option for you and your business. Should you form a sole proprietorship, partnership, S Corporation or LLC? Some of the factors that enter into the decision are limited versus unlimited liability, organizational costs and income taxes. Meet with an attorney and an accountant, as they are the experts and can best assist with the decision. 