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How to Chart a Safe Course During a Recession

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Today's CEOs are caught, as they say, between a rock and a hard place as they work to guide their corporate ships through the rocky channels of the current recession and still keep an eye on the horizon and ultimate destination. What many of them fail to remember is that they cannot do it all alone – that they need to rely on their executive team members to support their efforts, to provide the necessary financial and market data and to do much of the heavy lifting and steering for them.

One of our client CEOs who learned this lesson during the last downturn recalls his situation: “I always had a clear vision of where I wanted the company to go. Yet for years I was frustrated that my team didn’t truly understand the company's short- and long-term destinations and hadn’t taken responsibility for these goals.”

After several false starts, the CEO of this technology manufacturer adopted the Myrna Associates system and got his executives anchored at an intense two-day “strategic planning” meeting and assured they operated as a focused team thanks to follow-up sessions. Not only did this supplier of Navy legacy systems make it through that downturn, the company is well positioned to sail through the current one.

A two-day planning meeting is the best way to revitalize executive teams and get them rowing in the same direction. To assure a successful outcome, make sure the immersion session: is located off site; requires every team member to “look at the business through the eyes of the CEO”; follows a set of rules; results in a complete, documented plan, from vision to 90-day tactical action steps; and is professionally facilitated, forcing full participation of the executives and making sure the process leads to decisions and a plan of action.

Of these essential elements, the set of rules for the meeting is of paramount importance. They should include, as a starter, the following guidelines: listen, stay focused, speak up, avoid cheap shots, respect differences of opinion, focus on solving problems, disallow defensive stances or placing blame, add only new information, permit only one discussion at a time and create consensus that silence implies understanding and agreement.

During the off-site meeting, there are four broad techniques to get the necessary strategic and tactical information from the executive team.

1. Force the CEO into an essential, albeit unnatural, role of being a listener, not a talker. During the

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offsite meeting, the CEO needs to listen and speak last in each discussion. CEOs who do most of the talking never know if their team truly understands them or have achieved buy-in. This is tough for most CEOs and usually takes a strong facilitator to maintain this discipline.

2. Solicit independent input before "group think" sets in. A week before the actual meeting each team member independently and anonymously answers an online input form with 20 broad questions, such as: "Where do you want the company to be in five years?" "What do you think are the five most critical weaknesses, opportunities, threats, and strengths of the company?" "What do you believe the company's values, mission and focus should be?" Everyone's input is combined into one-page handouts for each question to facilitate discussion.

3. Assure the best ideas are put forward through prioritization. During the meeting the team is broken into smaller three-person teams that review the responses to each question and prioritize the three most important issues. The facilitator has each team report on its choices and then asks clarifying and probing questions about what action could be taken to deal with each issue. This three-tier approach – anonymous input, small group consensus, and full group prioritization – produces a customized, thoroughly understood list of the current issues facing the company along with a sense of potential actions.

4. Clarify and document longer-term direction through a simple analogy of assembling a jigsaw puzzle. The goal is to make sure short-term actions are consistent with the company's focus and longer-term direction. The first step is to clarify the company's three to five year focus. To do this, the team answers in short phrases four broad questions: Who we want to be? What we want to do? Who we want to do it for? Why we do it?

To clarify the company's direction it often helps to think of creating a jigsaw puzzle picture. If everyone has a view of the final jigsaw, as depicted on the cover of the box, then it's easier to put the pieces in the right places. Have the team agree on where they want the company to be within five years – how big, how profitable, how many acquisitions, what markets, what products, what target customers, use of technology, geography, etc. Then reach agreement on where they need to be within a year to be on track to the five year picture.

Now that the entire team understands the vision – where they want to be, the team needs to identify a set of four to six truly strategic goals that will change the current status quo and align the company with the strategic direction. With each strategic goal the team should identify forut to six specific, measurable outcomes that will be in place within 12 months.

What is the secret of getting an executive team to implement the plan – accountability and follow-up. One person needs to be accountable for each strategic goal's outcome.

For each outcome, establish an initial 90-day window of no more than four high-level action steps. Each action step is made up of three elements. What action will be taken? Who is accountable to make that action happen? When does that action have to be completed?

To assure each member of the team is held accountable for execution, CEOs should hold a series of "accountability events", such as regularly scheduled review meetings. In today's environment the more frequent, the better. We've found these accountability events work well:

- A morning and evening 15 minute "huddle" with the executive team to identify the key action steps that will be/were accomplished that day.
- A monthly two-hour, facilitated action-step review where each accountable party walks through each outcome and their action steps. (This can be done through conference calls and webinars.)
- A quarterly eight-hour, one-day review meeting where the team brainstorms tactical solutions, checks the plan against the current environment, and resets/rethinks the action plans.

No advisor or outside consultant has as much "skin in the game" as an executive team. CEOs owe it to themselves to take advantage of their management team to chart a safe course during this recession and to help keep an eye on the distant horizon.

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