

MFB News – May 2009

Management Competence in Times of Crisis

In turbulent markets, businesses and opportunities are constantly falling out of alignment. Market dynamics, combined with the continued introduction of new, enabling technologies, are driving the need for flexibility. Change is the only constant in our life. Former business values such as tradition and trust have given way to new goals. Today, business success is based mainly on categories such as flexibility, customer satisfaction and ROI yield. Addressed properly, these “modern” business values might present an opportunity for your company to demonstrate strength in a slowing economy.

Vitalize your company through effective leadership

In this landscape of continuous flux, effective leadership is based upon clear and precise communication. Leadership is not just about showing your superiority. Rather, it would be a wise idea for you to give constant feedback to your colleagues or sub-ordinates. Always ensure you praise when the job is well done and criticize when needed, gently. An effective leader is one who can delegate tasks to the right people. Knowing and identifying the strengths and weaknesses of your team would help you to manage things efficiently. Learn to tap the potential skills and distribute tasks accordingly. Give authority to deserving people and ensure they help other teammates to perform better.

In times of flux, differentiation is crucial

What, then, should be our strategy in topsy-turvy times like this? Foremost, do not enter into discounting battles. Cutting prices depreciates your brand and may cause irreparable damages. Don't get distracted. Focus on doing what you do best. In tough times get even better at it. Retaining strategic vision and differentiating your brand and your offer from the competition are key success factors, even in an economic downturn. Know what your brand stands for. And be true to your brand promise. Strong brands generate superior returns and protect businesses from risk.

Short-term orientation endangers motivation

Dynamic markets lure managers into driving up short-term profits. For listed companies, this is the best way to drive up the price of the company's stock. Instead of concentrating on longer-term strategic business goals, investors generally reward positive short-term results.

To meet or beat the expectations of investors and creditors, managers tend to set out low, easy-to-reach short-term goals. As a result, the willingness and enthusiasm of employees to work beyond the call of duty is rather limited. It's the longer-term, strategic goal that's going to help you transform your business, rather than being satisfied with incremental change. It's the grand vision that's going to inspire your employees to do their best work and outshine your competition.

It is therefore possible for firms to protect their brands, while ensuring sales do not fall catastrophically in the short term. The key issue is to balance current commercial pressures with the long term stability and brand value.

In a world of shifting and dynamic markets, business success depends on managers with leadership skills and a clear vision. Independent consultants can support your management to tap the full potential of your company, making it possible to stay one step ahead of your competitors.

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