

MFB News – November 2009

From Comfort Zone to Courage Zone: Leadership in Times of Crisis

The economic downturn touched off by the implosion of global credit markets continues to batter companies around the world. Anxiety has become widespread, causing company executives to fall in a state of shock and paralysis. However, the greatest changes in companies' relative positions within their industries occur in times of economic turbulence, not calm. To benefit from such seismic change, management must quickly make the right decisions and act on them with conviction - a core characteristic of high-performance businesses.

Effective leadership vs. complacency

Unfortunately, leadership qualities are scarce in times of crisis. All too often managers rest in their comfort zone unwilling to take responsibility for hard choices. According to Monika Frick-Becker, Managing Director of MFB Resultants, 'for many companies, the list of missed chances is getting longer and longer. However, in a world of shifting and dynamic markets, managers can no longer afford to be complacent. They have to take responsibility and be proactive in their jobs. And this takes courage'.

Setting the right priorities

When the pressure is on, it is not enough to thrash out which areas of spending are essential and which are disposable. Equally important is the establishment of corporate-level strategic processes that enable dynamic repositioning. To be successful, management has to set priorities. High performance is the result of good choices. MFB Resultants developed a tool box tailored to specific company needs. We believe that in the current environment, making the right choices that will lead to high performance will require both, a more focused and disciplined use of the ordinary levers of managing during a downturn combined with a more urgent pursuit of a particular strategy based on a company's current strengths and weaknesses. Together with your management teams we work with focus and discipline on the best strategy, making your company well equipped to take advantage of the upturn.

Risk management: Securing the entire value chain

For many companies, high performance is not just a question of strategic repositioning. In order to survive, manufacturing branches such as the automotive industry need to secure their entire value chain. Without adequate procedures in place to manage, the upside and downside of risks, these companies have been unable to minimize and control the impact of unfortunate events (loss of markets/customers). The establishment

of an integrated risk management process will result in better management of risks and better sharing of risk-related information. Here, an outside specialist can support a management task-force with his fresh eye and complete objectivity. These specialists help to define and forcefully implement all critical decisions that give your company the best chance for recovery and sustainable growth.

In turbulent times, managers must not let fear and paralysis dictate their attitude and actions.

What is needed is a clear-sighted confidence about the future and a strategic plan to address the challenges. By spotting problems that may not be visible to company insiders, independent consultants can support your management to successfully navigate your corporate renewal process.

MFB Resultants – We Create Results.

Contact:

MFB Resultants GmbH
Luisenplatz 1
65185 Wiesbaden

Phone 0611 / 34 11 70
Fax 06 11/ 34 117 22
kontakt@mfresultants.com
www.mfresultants.com