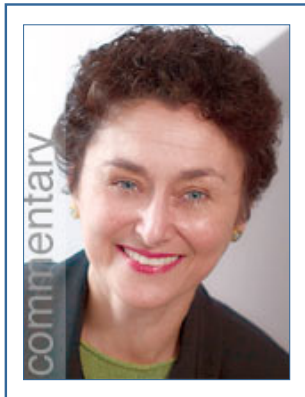


Commentary

What Businesses Must Do To Succeed In 2009

Saj-nicole Joni, 12.24.08, 12:42 PM EST

The opportunities and perils of the immediate future.



With the economic climate so precarious, 2009 will be a time when successful businesses have to redefine what they do and how they do it. Hunkering down to weather the storm and emerging the same as before when the economy begins to recover won't cut it. Too much will have changed. But the opportunities will be extraordinary for business leaders who have the vision, skill and courage to move forward.

What should you watch for? What are the opportunities and perils of the immediate future?

First, leaders at every level will have to make very big choices. The era of covering up conflict by funding something for everyone is over. Great teams will need all their shared trust and commitment to work through the inevitable battles that break out when making tough choices. Handled right, these struggles will be about creating breakthrough futures, not about protecting turf or power.

They'll be about making choices that allow for rapid progress even in complex multinational organizations. Look for leadership teams that regularly invite productive dissent and then fully get behind and act on the decisions they make.

Second, corporate agendas will have to embody a clear understanding of the implications of global networks—financial, social and business—for the marketplace and for business. The current crisis allows us, indeed forces us, to drop the baggage of the past and to work in ways that make sense in the 21st century. Networking and connectivity cannot lag.

A wide range of companies, such as Baxter Healthcare, **IBM** (nyse: [IBM - news - people](#)) and **ExxonMobil** (nyse: [XOM - news - people](#)), are already pushing the frontiers of internal and external networking. Businesses that use their networks and connections to reach out to their communities to help them through these difficult times will reap a reward of goodwill and loyalty that will pay off for years.

Many business leaders have yet to grasp an essential implication of the Internet: Customers not only have all the information they need at their fingertips, but the Internet gives them a long memory, too. For instance, investment advisers who are touched by the Madoff scandal will be remembered on the Internet long after the scandal is over. Fairly or unfairly, they'll have a harder time moving on and putting their involvement, even at the periphery, in the past.

Third, local will be the flavor of the year. Big multinational businesses have discovered that their bigness doesn't at all exempt them from the vicissitudes of the financial markets. In a time of crisis,

continued...

open, honest communication becomes even more important as people demand to know who they're dealing with and insist on a deeper sense of scrutiny and trust. This gives the local, the small and the regional a special opportunity to compete.

But don't be fooled. The new "local" is more about connection than about geographic location. L.L. Bean, for instance, has invested in both call center training and high-tech support so that its employees can make personal recommendations based on individual customers' purchasing histories.

Companies that fully understand networks can find ways to combine thin geographically local presence with vast non-local resources to greatly enhance the customer experience while taking unnecessary cost out of the system.

Fourth, green matters. The price of oil may have plummeted in recent weeks, but it's a temporary respite. Winning businesses will take advantage of the crisis to make major moves to lessen their dependence on carbon energy forms and find ways to save both money and energy in all their activities.

Consumers are becoming less and less tolerant of mindless energy waste in small ways such as packaging, and companies like **Wal-Mart** (nyse: [WMT - news - people](#)), **Johnson & Johnson** (nyse: [JNJ - news - people](#)), and GE are already addressing this concern by taking huge steps to take waste out of the supply chain. In 2009 the pressure for this kind of change will only accelerate.

When the crisis recedes, businesses that haven't taken steps to compete in sustainable ways will be left further and further behind. Now is the time to get moving on the initiatives that not only save in the short run but position your business for a viable future.

Finally, leaders everywhere will seek new perspectives and invest more time in thinking about alternatives and different futures from anything they had imagined before. It's a rare crisis that doesn't force survivors to rethink their direction, assumption and prospects.

We are already seeing the speed with which individuals are rethinking their habits of consumption, from driving to retail purchases to entertainment. Many are taking a very different view of their careers, choosing to seek work that will be more meaningful, not just more lucrative.

Everyone in significant leadership roles needs to ask themselves, "What did I know, and why didn't I see this crisis coming?" When did the leadership of **Toyota** (nyse: [TM - news - people](#)) start to realize that it might face its first unprofitable year in seven decades because of a global downward spiral triggered by irresponsible banking practices and lack of oversight in the U.S. housing market? How ready were they when they realized it?

Leaders everywhere need to ask how they can resist the urge to close off and do without and instead enlarge their circles of advisers, their perspectives and their spheres of influence to understand better what the new world will look like once the storm is past.

If we didn't know it before, we certainly know now that not questioning group think is not good enough. Smart leaders will raise both their personal and their organizational bar to seek out many perspectives and entertain many future possibilities. They'll make it a regular part of their job to do the very hard work of thinking beyond today's conventional wisdom.

Dr. Saj-nicole Joni, chief executive of Cambridge International Group, is the author of The Third Opinion: How Successful Leaders Use Outside Insight to Create Superior Results and an adviser to executives worldwide.