

# Keeping Your Cool — and Your Confidence

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Another day, another test of your convictions and resilience. But there are proven ways to keep your poise while getting through today's tough challenges. Here's how three leaders in three very different situations responded confidently to crises.

## 1. Business evaporating? Think of it as temporary.

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Jim Hernandez had every right to feel anxious. Hernandez, managing director of **Strategic Business Communications** (SBC), a San Diego-based sales and marketing consultancy group, leans heavily on his relationship with the American arm of Honda. A significant chunk of SBC's revenue comes from training and advising Honda dealers and automotive-related businesses in Mexico and Latin America. But in recent months, a number of Hernandez's south-of-the-border accounts have faltered. Some clients can no longer afford to hire him. "We have foreign clients who are suffering worse than companies in the U.S.," he says.

So what does Hernandez repeatedly say to himself? Good times will come again. Hernandez is doubling his efforts to better serve current clients — like negotiating 20 percent breaks on conference venues for Honda in the States — while staying in close touch with his absentee clients. The constant contact tells SBC's tough-luck clients that Hernandez still cares, while reassuring him that they will probably come back as the economy picks up.

"Do their decisions affect my income? Absolutely," Hernandez says. "I just tell myself that they're going to be clients next year and the year after. For myself and for them, I don't drop them off at the curb because they can't spend money now."

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### **The takeaway:**

Business is cyclical. (Say that to yourself three times.) A recession requires belt-tightening, but it also may free you up to shower attention on existing clients. Then, when the economy strengthens, such clients may want more work from your company. "I've seen six or eight of these recessions. They all end," says Pat Hyndman, a 94-year-old coach for San Diego-based **Vistage International**, an executive leadership organization. "When the sun comes back out, you want to be poised to take advantage."

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## 2. Layoffs? Remember the greater good.

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Survivor syndrome doesn't just affect those who live through war. Business executives suffer the effects of carrying on for another day when some of their employees do not. The **repercussions**

of layoffs hit the leaders of small- and medium-size businesses the hardest, because the decision makers are more likely to have relationships with the people losing their jobs. Think about it: How many of the thousands of let-go IBM workers does CEO Sam Palmisano know?

Late last year, Delly Tamer decided he had no choice but to cut staff. The CEO of [LetsTalk.com](#), the largest independent seller of mobile phones on the Web, laid off nearly 15 percent of his 250-person workforce. “These were good folks,” Tamer says. “We were screwing up their lives.”

Tamer eventually got through the sleepless nights by convincing himself that the few had to be sacrificed for the greater good. “I gathered the whole company together and told them that I have to do this so that the rest of us can feel protected. I still wanted the people that were left to love their jobs — myself included,” Tamer says. “Workers came up to me afterwards and said they appreciated what I said.”

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**The takeaway:**

**Be frank with your employees.** During recessions, your workers feel more insecure about work than you do — and you know how worried you are. Subordinates have more confidence when you give them a straight assessment, even if that means telling them honestly that you don’t know what the future will bring. Tamer says he seldom holds back: “I’ve told them that demand could fall off the cliff, and that I simply don’t know if we’ll have more layoffs.” He also regularly takes employees out to lunch and invites them to bring up anything that’s on their minds.

Full disclosure isn’t just for the worker’s benefit. “As boss, your transparency gives everyone more of a stake in the business, and trust for your employees builds,” says Marina Gorbis, executive director of the [Institute for the Future](#). “Then you’re thinking, OK, we’re all in this together.”

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### 3. Tempted to fix every problem? Lean on your staff.

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In crunch time, leaders can fall into the trap of believing that they’re the best people for any and every job that they oversee — whether it’s crawling back into the sales-force trenches or literally crawling back into the trenches. “It took everything I had not to transport myself to my associate’s position and get down and fight,” says U.S. Marine Corps Col. Royal Mortenson, recalling a moment in 2003 in Nasiriyah, Iraq, when members of his infantry battalion came under enemy fire a couple of miles from his position. “My emotions were telling me to go.”

Mortenson then did what any good leader should do: He stayed put, successfully coordinating air and artillery strikes via radio. Trusting your employees to do what they were hired to do is unquestionably a vote of confidence in them, and it’s almost always the smartest thing to do for the business. Moreover, it’s good medicine to remember that you’re in a position of authority for a reason. “That moment was the result of training and prep that I’d gone through for 19 years,” Mortenson says. “Sometimes I have to remind myself that the Marine Corps put me in a leadership position because it believes in me.”

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**The takeaway:**

This is the worst possible time to be a control freak. It's not just letting people do their jobs — it's recognizing and jettisoning ineffective practices, even if you're working harder and harder at them. Gorbis suspects that the broad changes we're now undergoing could be severe and long-lasting, on par with those encountered during the Industrial Revolution. Accordingly, she has gone so far as to embrace an acronym known in Mortenson's line of work: VUCA, or volatility, uncertainty, complexity, and ambiguity. We have to get comfortable — and confident — with the idea of consistently adjusting course. "It's a VUCA world," Gorbis says. "It's time to be adaptive."

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