

Katrina lessons for CEOs

Katrina has held many lessons for us as citizens and as human beings. This column explores two lessons Katrina has for CEOs.

THE ENEMY IS US

The contrast between 9/11 and Katrina is instructive for us as CEOs. Many of us fear existing or new competition, industry developments obsoleting our products, or government intervention halting or stymieing our growth.

After 9/11, the country focused on an external enemy much as we did for the decades of the Cold War. To be sure, the *9/11 Commission* underscored our lack of preparedness, the lack of communication and coordination among various government agencies, the failure to act on warnings, the knowledge of the threat for decades (Oliver North saying “the real threat is Osama bin Laden”). But there always was (and is) an external enemy to occupy our attention and stoke our fear.

With Katrina, no external enemy exists to divert our attention from our own failings and shortcomings. With Katrina, the scientists warned, the Army Corps of Engineers pleaded, the local senators and Congressmen sought funds, and for decades, local, state and federal officials ignored or minimized the threat, watered down the needed programs, fought bureaucratic turf wars and continued business as usual — pork an inch thick and three thousand miles wide, and hundreds of billions for fighting the external enemy whose identity shifted from the Soviet Union to Afghanistan to Iraq and promises to go on and on (North Korea, Iran, China). Who tolerated it? We did.

Not that there aren't external enemies. But Katrina illustrates how much our own incompetence dwarfs external threats, and indeed, greatly magnifies the possibility that external threats will become realities.

As a CEO, how much time do you spend lying awake at night worrying about the external enemies and neglecting those corporate deficiencies or incompetencies staring you right in the face? You say you don't have any? How about that employee “I

can't let go” even though he or she is holding up progress, occupies an obviously protected position without much accountability or represents transparent nepotism? Or how about the capital expenditure budget which you're handling politically because you don't want to upset that prickly department head, or are afraid of him or her leaving?

Or, how about the expenses running ahead of budget you're overlooking because profits are good this quarter, and you don't want to appear to be arbitrary? Or, not putting a hold on the lease of the new office because “employees are counting on it” even though very recent profit trends are disturbing?

Inertia is a very powerful force, whether in politics or business. Likewise, the wheel that squeaks gets the grease, even though a non-squeaking wheel may be ready to fall off. Our job as leaders is to confront the inertial forces and the squeaky wheels and determine whether the needs being served are the critical needs of our company. Then we need to be able to take the heat of the protests that will inevitably follow our anti-inertial actions.

Strategic planning can be a helpful tool in focusing your executive team on the critical internal considerations for your company. I'm currently involved in team coaching such a process for a local company. Part of the process is an assessment of internal strengths and weaknesses of the company and opportunities and threats in the external environment. Note that only one quadrant of the four is devoted to external threats, and it is the last one to be addressed. The theory is that if the strategic planning team fully considers the other three, the role played by external threats will shrink or at least be put in proper perspective.

In strategic planning terms, Katrina has shown us that when we have no external bogeymen, our collective weaknesses, lost opportunities and potential strengths loom large. To be sure, as human beings, and as



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citizens, country or corporate, we're always trying to find some bogeyman to foist our collective responsibilities on. It's only when we have to stretch to establish who the bogeyman is that the whole process breaks down and we are forced to recognize our collective responsibility.

We as CEOs can raise questions to direct our teams toward contemplation of what our internal weaknesses and strengths really are. In the team coaching, I am spending the first day of the retreat asking the questions:

1. What animal does your company remind you of? Is it healthy or sick? Does it have good circulation or is it feeble? Is it alert or is it sluggish? Is it well-exercised or is it flabby?
2. List the important sub-entities for your company, such as
 - You
 - Departments or divisions within your company
 - Heads of those departments or divisions
 - Vendors
 - Customers

Ownership
Board of Directors or Advisors

3. Now draw a circle. Place the sub-entities in their proper relation to the center of the circle and draw communication lines between each, using
- = for strong
 - _ for adequate
 - for weak
 - /-for blocked

Complete two sheets, one for the way it is now, the second for the way it ideally should be. Then discuss what needs to happen to move reality from the first to the second sheet.

Assign a team to discuss what can be done to move toward the ideal.

These two exercises illuminate/clarify/articulate ways to minimize internal weaknesses and improve upon internal strengths so that external enemies can be met with the full force of your organization.

There is a corollary lesson from Katrina for CEOs.

“THEY” BECOME “WE”

In the Bristol, VA *Herald Courier* of September 10, 2005 David Waters observed in his column:

When planes are landing safely and winds are blowing gently, we start acting like bored teenagers who can't find anything constructive to do. We start checking or picking on each other. Or we watch or listen to Bill O'Reilly or Al Franken, Pat Robertson or Al Sharpton and let them or other media bullies do it for us.

When tragedy strikes, we snap out of it. We regain our bearings...we band together, cooperate and collaborate and do what we can to help each other through the crisis...

During a real crisis there are only two groups of people: those who need help and those who give it.

Water cooler gossip, turf wars, hierarchy envy and resentment and self-imagined or real isolation are the corporate equivalents of “business as usual” in the public arena. Our job as CEOs, crisis or no, is to build, motivate and inspire our team and our company in such a way that there are only two groups of people in our company: those who need help and those who give it.

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