

## **The Black Swan 44: Tactical Rules for Survival (and Success) in Looney times**

*“I [will] not accept the explanation of a recession negatively affecting the [new] business. There are still people traveling. We just have to get them to stay in our hotel.”*  
—Horst Schulze, former president of Ritz Carlton, on his new luxury hotel chain, Capella, from Prestige (06.08)

There’s really only one story these days, collapse of the financial markets. We are a long way from knowing the outcome. For starters, if you are under about 50 years of age, you’ve never lived through, as a manager, a truly deep and lasting recession—the last one was in the early ’80s. Some will collapse, some (most) will muddle through—and a few will see an opportunity and jump on it.

I have prepared a decidedly un-profound set of “tactical rules” for weathering the storm—and maybe coming out ahead. Named after Nassim Nicholas Taleb’s profoundly important book, *The Black Swan* (a highly improbable nasty event), this list is presented below, in shorthand:

1. K.I.S.S.
2. Hammer on the basics.
3. Focus on us, not the competition.
4. Puzzle-solving: How to turn this into an opportunity.
5. MBWA/X.
6. MBWA/I.
7. MBWA/Vendors.
8. Waaaaay over-communicate!!!!!! (With everyone—start with your banker.)
9. All work is team work.
10. Transparency.
11. Work the phones.
12. Perception of fairness.
13. Share the pain.
14. Decency!!!!!!
15. Grace!!
16. “Thank you.”
17. Control your impatience—no temper tantrums.
18. Constant attitude checks—you.
19. Dress for success.
20. Avoid burnout/you, the team, the entire organization.
21. Re-emphasize the company values-philosophy. (Now, more than ever.)

22. Quality!!!!!! (Now, more than ever.)
23. No corner cutting. (Now, more than ever.)
24. Constant reviews/War room.
25. Celebration of small wins.
26. People First/HR is King.
27. Help people with personal financial management.
28. Be generous to those who are let go—e.g., healthcare benefits.
29. Don't over-analyze.
30. Don't under-analyze.
31. Cuts all at once—if possible.
32. Cuts explained in great detail.
33. Quantitative calendar management—focus on “to don'ts.”
34. Increase customer-service training.
35. In general, minimize training cuts.
36. Be(very)ware R&D cuts; R&D quick pay SWAT teams.
37. Beware such things as sales travel cuts, ad cuts.
38. “Across the board” = Dumb.
39. Is this a time to over-invest if cash is at hand? (E.g., distressed innovative start-ups?)
40. Stealth work on the likes of XF communication.
41. This could last a long time—LT prep is necessary now.
42. Prepare/Be prepared for more Black Swans.
43. Excellence. (Now, more than ever.)
- (44. Remember all this in peacetime—Chuck Knight's legacy.)

**100 Ways to Succeed #139:  
Work the Damn Phones!  
Treble Your MBWA!\***

One of my favorite quotes, from Carolyn Lamb, goes like this: “A year from now you may wish you had started today.”

Yes, today many of us wish we had “wildly” “over”invested in those employee-vendor-client-community relationships when the market was heading North and there was a little slack in the system. Well, perhaps we didn't, but, and I'm not “doing a Tony Robbins” here, it really is never too late. That is:

*Work the damn phones.*

*Keep working the damn phones.*

*Show up.*

*Keep showing up.*

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\*A series of ideas from **tompeters.com**, #139 repeated here

Call clients and suppliers, ask them how things are going, and how you can help. This is not about sales (directly), but about “showing up”—taking time from your busy affairs to offer assistance of any sort. (E.g., offer up your network: “Well, Dave [one of your key suppliers], I know Ed Simpson, over there at [one of Dave’s problem clients]; his daughter and mine are co-captains of the [name of school] soccer team; I can give him a call for you if you’d like.” Etc.)

This is even more important with our employees.\*\* “Over”inform—the rumors are invariably worse than reality. “Over”do your MBWA—managing by wandering around. Keep your enthusiasm up if it kills you—not in a dopey grin, “all is well” way, but by exhibiting energy and masking any internal doom & gloom expressions that may in fact be just beneath the surface. [\*\*I use the formal word “employees” here, a word I ordinarily dislike. But the point is that you do have a formal hierarchal relationship with those on your payroll, and thence a formal as well as an abiding moral obligation concerning their and their families’ well-being.]