

Let the Unexpected Be Your Best Friend to Create Impact

The financial crises took us all by surprise!!!!

The burst of the IT bubble came unexpected for all of us!!!!

We have all heard and read these quotes and others similar many times. So often that we are starting to believe that it is true. The big question is “Is it true?” Arguably you cannot know what will happen tomorrow and as such everything that happens tomorrow is a surprise. This is arguably an undeniable fact.

I have previously written that one of the 3 universal truths about leadership is that “as a leader you always act into uncertainty”. The only thing that is different is that some people or leaders know it, and are aware that this is what is going to happen, and others do not.

Working with different companies over the last years and especially looking at how they are planning their business and thereby, in-avertedly, training their people, it is frighteningly evident WHY surprise causes negative distractions to many people and businesses.

In all the companies that I have been working for/with in the last years all have one thing in common and that is that they have a rigorous and detailed planning process. They start 6 months before the financial year is over to plan, not only the next financial year, but also the next 5 years. That in itself is arguably not a problem but in fact a good thing. The problem comes when the next thing is the detailed level of planning and what restraints this planning puts on the organisation.

The plans are all extremely well documented in which markets should which products/service/solution be sold to which customers and with what margins etc. and all that more than 12 months in advance. I once heard Joe Käser, CEO of Siemens AG, once say “We spent 7 months planning next year’s business. We also spent 2 months closing the books on last year’s business. This gives us 3 months to concentrate on doing business!!!!!!!!!!!!!!!!!!!!”

Planning is good; I am a big proponent of planning as long as the plan is helping not hindering. Let me share with you what I mean. I have recently been working with a Director who took over a new role. He explained to me some of his challenges.

He said “Last week my people come to me with an new idea. It was something that they believed would put us ahead of the market. It was presented to me in great detail and it looked good. After discussing it, I understood it and wished the team good luck with the implementation.

To my surprise they did not appear to be overly happy with my response. I then enquired why that was. I had recently been appointed to my position, in essence, to turn the business around. The people therefore did not know me very well so it took at couple of questions before we got to the point. “In order to implement the plan we need to hire 3 new sales people”. That part I had already understood,

therefore I replied, “Yes, I understand that”. Again silence and then “in the budget we have not planned for this”.

So in a nutshell we had the following situation. The people have identified a new business opportunity, but was also sure that we could not implement it since we had not planned for this 12 months ago, when nobody knew it existed.”

It then became evident to me that this organisation had a much larger and deeper problem than what the business figures showed. The Director was hugely frustrated about this. Together we found out that this discussion gave him a hugely important part of information. It showed him that the organisation had huge potential that had been held down by planning restraints.

He is right now in the process of implementing a change. I have introduced to him the concept of Beyond Budget e.g. Hope/Player – Harvard Business Press, 2003.

I would also like to share an own example about what is possible when the unexpected happens. Jan 2001 I arrived in Jakarta to take over the industrial service business for Siemens in Indonesia.

The day I arrived it rained heavily, which during the rainy season in Jakarta is normal. The following couple of days it didn't only rain normally, it rained heavily. It rained continuously for four days and at the end of these four days a huge part of the city was flooded, including our own factory and warehouse, etc.

We manage to find a dry spot to sit down to have a look at the situation. It was pretty bad. Furniture had partly been damage beyond repair, certain machines the same, other machines and the electrical installation had also been heavily damaged. The organisation worked remarkably well except for this which made it easy.

It then occurred to me, “who else has this problem?” The answer was almost everybody else. To which I said, contact all our companies throughout South East Asia and get them to send to us everything they have of electrical installation material. Switches, fuses everything electrical we can get.

The reaction was, “We have not budgeted for this”. So in my sarcastic way I said, that I completely understand that it was not foreseen 12 months ago that half the city would be flooded. It is now and we must react to the changing environment, budget or no budget. We have a business opportunity right now.

At the same time I said start calling all your customers and inform them that we can supply new equipment within days, and that we have installation people immediately ready to work. Within days the word had got out in Jakarta that we could help and we got “flooded” with requests for help. Within the first week our competitors had had the same idea, some of them did not move since they spent time internalising the situation and did not have a budget for such a situation!!!!

We were the only ones who managed to really take full advantage of the situation.

We manage to secure new customers and turn what was a disaster into an advantage. We did it because we paid attention to the immediate situation and looked at what is possible. Obviously nobody could have planned for a flooding, the difference is that we did not allow the lack of planning to become our enemy, we made it our friend.

So as I mentioned earlier as a leader you always act into uncertainty. Accept it and when things unexpectedly change respond to change vs. following an (out-dated) plan.

So, You CAN plan for the unexpected!!!! Obviously not in detail, but what you can do is be prepared that something unexpected will happen, and have an agile approach to the business and situation so that when it does happen you react swiftly. What does agile mean? I suggest using the format from the agile way of developing software. Have a clear picture of what you need to do the next weeks. Have a good idea of what you need to have done in the next months. Have an idea what might need to happen the next year AND all the time expect that you need to change something.

How many times have you heard the “this surprised us” and it is used sometimes, as an excuse for poor performance or an excuse for not reaching certain targets or not growing as fast as the market etc.

I think it would be great if you would hear many more business leaders say, “This recent unforeseen change is our big chance” You do not need to explain afterward “this change took us all by surprise”

Finally lets all learn from the words from Robert Baden-Powell

“A Scout is never taken by surprise; he knows exactly what to do when anything unexpected happens.”