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## People First

# America's 'new normal' - A new character for a new financial situation

Adjusting to the downturn's conservative realities builds business character

Dallas Business Journal - by [Ashley Forbes Kellogg](#) Contributing writer

"We are in the habit of spending money we don't have, on things we don't need, to impress people we don't like." These words, or words like them, have been around for a long time.

We've all contributed to the truth of this statement. That said, what is also true is that we've each contributed to our ongoing economic collapse. We've buried our instincts — instincts that serve to pull us back from physical and moral danger. Our judgments have become so distorted, I keep hearing Jack Nicholson's voice shouting in our ear, "You can't handle the truth!" And if that's really so, we'll get what we deserve. God help us.

Was there ever a good reason for shareholders to pay \$150,000 for an executive's bathroom?

In the course of business, is a \$500 bottle of wine ever necessary? Was it ever OK to devise bonus schedules that created levels of risk that bordered on the criminal?

One bright, shiny example of wacked judgment: Retired CEO Merrill Lynch Stanley O'Neal, a clueless man who failed his company by failing to oversee his minions. While Rome was burning, O'Neal played a lot of golf — he was too busy to notice that his executives were overexposing Merrill to toxic mortgage-related instruments. He now sits on the board of Alcoa, the nation's largest manufacturer of aluminum — and a company whose stockholders should be afraid, very afraid.

Wade Nicolas, president of Dallas-based Enkitech ([www.enkitec.com](http://www.enkitec.com)), remembers with a smile an '80s-era bumper sticker that read, "Dear God ... If you give me another boom, I promise not to screw it up this time." Nicolas understands the underlying sentiment. "Business will move forward," he stresses, "and, when it does, we must be careful not to forget the discipline we're learning in 2009."

Wise words, Mr. Nicolas.

## The emperor's new clothes

"The New Normal" is a term coined by Princeton Provost Christopher Eisgruber to describe our current fiscal situation — but it's helpful to expand Eisgruber's concept to the entirety of our existence. The tectonic shifts we're experiencing in the economic landscape are fueling

an earthquake — and there's no doubt that the landscape of our lives will be changed forever.

With luck, persistence and dogged effort, the year 2009 will shift us in a new direction — toward a culture of substance. It's now time for people on both sides of the desk to get real and get over it, both personally and professionally. The quicker we adjust our footing, the quicker we'll step forward.

### **A 'new normal' checklist**

1. Think about thinking. Many scientists argue that the best predictor of good judgment isn't intellect or experience; it's the willingness to engage in introspection, focusing on your fumbles just long enough to glean information that can be helpful. Look at your mission statement and see if your company lives it. Do the words on the page really represent your intent?

2. Remember: Trust is the link that lets us connect to each other. We, the stakeholders, want the truth. Chris McKee, CEO of Addison-based Venturity Financial Partners ([www.venturity.net](http://www.venturity.net)), took a giant leap of faith six months ago, leveling with his employees about the good, the bad and the ugly within the company. Since then, he has retained more than 95 percent of his staff and placed his business solidly back on a path of strong growth.

3. Keep things transparent. Do all your stakeholders know what you and your company are doing these days? Strong companies don't need to hide behind confusing messages and complex strategies. Companies navigating the new normal successfully will break down the complexity, communicate well and make sure their stakeholders know enough to stay along for the ride.

4. Know this well: Capital will be king. Do you do business with and work with people who respect a dollar? Do such people represent the essence of your company? Not spending money is not what this economy is about; spending money wisely is the key.

5. Stoke your competitive fires. If this downturn doesn't sharpen your competitive edge, nothing will.

In the end, most people want to work with companies that tell the truth, value what's genuine, do what they say they will and think beyond the obvious — because they know that these kinds of organizations produce the best products and services.

Spring, our traditional season for embracing the new, is here. If you doubted it before, it's now time for a new life, a new normal. Whatever your challenges, let them serve as a road map to important and potentially profitable revelations about yourself and your company.

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