

Are you leading through the crisis or managing the response?

Part 3 of 6

Navigating and managing in times of uncertainty



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The current magnitude and intensity of crises appears to be growing. Any uncontrolled event today can turn a simple situation into a massive one. While most organizations have become skilled at recognizing the challenges, systemic hazards still exist at a level that employees are not enabled to address. Addressing immediate needs is fundamental for business stabilization, laying the groundwork for a more controlled level of business planning.



Figure 1: Typical business phases during a downturn

We collaborated with one of our clients and facilitated several workshops, at all levels of the organization, to identify, quantify and categorize critical risks in their business and daily operations. Next a team consisting of senior, mid-level managers, operators and supervisors was assembled; in parallel we developed training material, facilitated discussions on mitigating actions and provided external insights on risks and the magnitude of potential failure.

Key initial steps:

- Focus areas were pre-scoped and broken down into several manageable groups
- A risk matrix was developed with a defined criterion and score for both the likelihood of occurrence and severity of potential outcome

- Utilizing the risk matrix and failure mode effect analysis (FMEA), the team worked through each task and rated the potential risk

Following the analysis and risk scoring for each task, mitigation actions were developed and prioritized to focus on risk with highest score and high severity to ensure safe operations.



Think different

Avoid limiting the term crisis to significant, adverse events. Expand your preparedness to also include the threat of failure in capitalizing on significant opportunities. In this context, you can magnify the urgency and focus required to succeed.

These initial tactics framed the subsequent response approach:

1. **Build a short-term action plan:** to help in mobilization efforts, the work was broken down into short interval windows, considering all risk scenarios. The team evaluated the proposed responses' pros and cons including the prioritized benefits / opportunities and define actions with clear accountabilities. The scope included all types of risks to the business, i.e. where are the risk points in material supply, sourcing, manufacturing, quality, safety, environment, cybersecurity, finance, and customer (i.e. will they continue to buy?) and the people (are behaviors changing because of the crisis?). The thought process was unconstrained and considered all aspects of the business including potential growth opportunities. Initially plan was focused on triage activities. In more opportunistic areas, aggressive goals were set to evaluate and capitalize on opportunities when warranted. In either situation, the plan was front-end loaded with quick wins to generate momentum.



Accelerate organizational buy-in to the plan by pulling together individuals from multiple levels including the shop floor.

2. **Assign individuals to new roles as needed:** through risk assessment our client had identified potential crisis-related immediate needs. The taskforce formally identified these needs and if they were not covered within existing job duties, ownership was assigned to prevent being misplaced or dropped. At a minimum, individuals were assigned to specific roles to ensure several key activities take place:

- Thinking and planning of business continuity to stay ahead of the crisis
- Ensuring compliance with all regulatory requirements
- Monitoring and internalizing external market developments routinely
- Communicating with third party customers and suppliers and relaying a consistent message with the public, media or external agencies

3. **Rely on data-based decisions:** It is often difficult to avoid letting the urgency of the crisis drive poor decisions. Decisions were routinely revisited once new or additional insights were available to course correct the path forward. As the taskforce built the plan, we formalized end-state criteria or conditions for making critical decisions as well as due-dates for the actions. The team established decision gates to help objectively clarify when to invest and when to cut losses.



In most instances, decisions are made with imperfect data. Avoid analysis paralysis as this may create additional pressure or prevent you from capitalizing on opportunities. Formalizing “gates” will help ensure you are not waiting too long.

4. **Think ahead in the crisis:** During the crisis, the situation evolves rapidly. The taskforce prepared and dedicated time to look ahead and developed new operational strategies for deployment. As the strategies are developed, options and scenarios were considered to provide shifts in tactics based on new information.

These scenarios covered every eventuality, from best to worst case and two to three likely situations in between. These are detailed tactical directions and actions covering every aspect of business - customer impact, employee impact, communications, financial performance, operational and supply chain requirements. These scenarios covered different time dimensions from immediate in the next 30 days, to 100 days and possibly longer horizon of 6 to 18 months.

5. **Spend time with your people:** Crisis is the most stressful in any organization. With added distractions, risk of injury in workplace increases significantly. No matter how intense the crisis became, the client team made sure to set time to connect with people and demonstrate genuine interest in their wellbeing. They walked the floor and spoke with workers about their personal situation; listened to suggestions, clarified miscommunication, refocused workers on good safety practices and took the time to offer sincere appreciation and recognition.



Figure 2: Case study summary

In uncertain times, these steps can help you navigate the crisis and prepare you to be stronger, fitter and better for recovery and move from panic to productivity.

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