

Worrying is Not a Business Plan

By Albert J. Weatherhead

In your kitchen you probably have a spice or powder-filled container with a plastic top that has two tabs – one for pouring or spooning, and one for sprinkling. That top is most likely derived from the original Flapper my company invented.

Today there's an entire line of Flapper products used by over 150 companies, including Durkee, Cremora, San Giorgio, Ronzoni, and McCormick. Thanks to that initial success, over the years I've been able to build a multimillion-dollar manufacturing company that provided me with the means to be a major philanthropist, endowing hospitals, universities, and charities that offer valuable help to thousands of people.

I tell you this not to brag, but to make the point that the tips I share with you in this article concerning *leveraging adversity to reach new heights of professional success in a tough economy* have stood the test of time.

These tips will help you stop *worrying* and start *doing*... Remember, when it comes to all types of adversity, taking positive action with the ideas you believe are the wisest at the moment, (knowing that things may change for the better or worse tomorrow), can't help but lead to eventual success.

Let's start with the first and fundamental rule of successful management through good times *and* bad. It's one, tragically, that executives often forget...

Management and employee success are intertwined

I can gauge the health of any business in the faces of the employees, for beyond all the mechanics of the place there is one truth: a viable business is a collective human endeavor. Indeed, much of what is wrong in a good deal of current business theory – and which has come to the surface now that times are hard – is the failure to recognize that the heart of any business beats to the rhythms of its employees.

The bottom line must not be profit, because profit can only come as a fruit of the health and dreams of the human endeavor the business represents. Management's training and development responsibility, then, is to cultivate within the work place an environment which lends itself to creativity, dreams, and collective spirit larger than the sum of its paychecks and mechanical parts.

For example, at one of Weatherchem's first staff meetings we discussed company benefits. As we knocked around ideas to promote productivity, commitment and creativity, the plant controller asked, "Why bother? People are like cattle. You can herd them any way you want."

I fired him. Of the original handful of employees, he was the only one who did not stay. From that day forward I made sure everyone at Weatherchem understood my lifelong fundamental conviction: everyone deserves to be loved, respected and honored; we all win or lose together.

This brings me to the second tip I want to share with you concerning how to survive the current economic adversity we're all experiencing and strengthen your business for the future:

Make collaboration with employees your path to success

It's far better to collaborate. I've always preferred to plant seeds in other's minds while they plant seeds in mine. Some germinate and some don't. But those that do tend to sprout and bloom for me in wonderful ways.

So if your business is currently suffering, walk around and talk to all your employees. Ask: *How can we improve this place? What's wrong here?*

I guarantee you will get more valuable information in just a few hours than you could possibly act upon in a year! Allow me to share with you a personal reminiscence to illustrate my point...

Fifty years ago at the age of 30, when I was working for my father at the Weatherhead Company, I sat down with the 15 members of the AFL-UAW Local 463 union negotiation committee led by its president, John Allar, to discuss the financial hardships we were suffering.

We were in a helluva pickle. Annual sales at the Cleveland plant were \$9 million and we were down \$2.7 million. I said to Allar, "*Rather than be at each other's throats as we sink, let's work together – collaborate – and figure out how we're going to get out of this mess...*"

You know what? The Weatherhead Company and the union *did* get out of that mess – by *working together*.

To his day I don't understand why Congress had the top executives of the auto industry come to Washington to participate in hearings, but didn't call in a union negotiating committee from one, two or all three car companies. Why would Congress not want to hear the union side of things?

For that matter, why didn't Congress have the smarts to invite a contingent of assembly line workers to share viewpoints from the factory floor? (Those hard-working, blue-collar folks would probably have put forth the most valuable testimony of all!)

The bottom line is that Congress and the Executive Branch may have comprehension of the problems facing the auto industry, but they don't have practical knowledge on how to rectify what's wrong.

Don't you make the same mistake: *Talk* to your employees. Discover what's running through their minds, and be sure to let them know what you're thinking, and that you want their help because you're all in the same boat.

If you must cut salaries, for example, also make sure your employees know that there will be a firm salary restoration date or make clear the company performance criteria/metrics for reinstating full salaries.

While we're on the subject of cutting things, be it salaries or the number of your employees, let me tell you that the word "cutting" is negative, and for that reason I dislike using it or even thinking it.

Don't speak or even think in terms of *cutting*, instead, use the term *saving*. For example, I would position a company-wide salary *cut* as a company-wide salary *savings*.

It may strike you as mere word-play, but trust me, substituting the positive imagery of "savings" for the negative connotation of "cutting" will help to rally your employees and persuade them to view you as a caring and compassionate leader doing your best to fairly and evenly spread the pain – which, I hope you truly are!

Finally, we come to my last tip, which is to *pay extra-close attention to your customers*. Here, *two* rules of marketing/sales during times of economic strife come into play:

- **It's easier/cheaper to keep a current customer than to find a new one.**
- **You get 80% of your business from 20% of your customers.**

(The tried and true 80/20 rule is actually called the "Pareto Principal" after the Italian economist who first recognized it in the early 1900s. It applies to many areas: 80% percent of contributions come from 20% of a charity's donors... and so on.)

Chances are, many of your customers are going through the same economic turmoil you're experiencing, and are looking for ways to realize cost cutting (I mean cost *savings*, of course.)

Your timely customer service visit, telephone call or email might be just the ticket to let that 20% treasure-trove of current best customers know how much they mean to you and get them thinking they would be better off reducing – or eliminating – the business they do with some other company, as opposed to yours!

Use these tips and build upon them one after another, and you will be the ultimate master of your adversity during tough economic times – as well as when financial prosperity once again returns, which I'm confident it will.

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*Albert J. Weatherhead is the author of **The Power Of Adversity** and chairman and CEO of Weatherhead Industries, a private manufacturer of plastic closures for food, spice, pharmaceutical and nutraceutical products. Please visit www.powerofadversity.net or www.weatherchem.com for more information.*