



## For Immediate Release

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## Layoffs, see-saw markets, and distracted employees challenge managers, but past recessions offer important lessons on how to lead

Boston, MA – Managers who take 10 steps in three areas – financials, people, and organizational climate – stand a better chance of emerging from the recession with their organizations poised for success, according to research into past recessions by The Forum Corporation ([www.forum.com](http://www.forum.com)), a consulting firm that helps organizations execute strategy through people.

As layoffs rise, markets see-saw, and employees worry about their futures, managers are increasingly challenged to meet their goals, focus their people, and keep their organizations moving in the right direction. Uncertainty can paralyze many managers or cause them to overreact; but knowing specific, recession-tested actions can give them confidence and strategies that help them lead.

“By looking at past recessions we’ve identified 10 steps that can make the difference between success and failure in managing through our current downturn, and they all come back to leadership,” said Ed Boswell, CEO of Forum. “Following these steps will be particularly valuable in organizations that are undergoing cost cutting and layoffs, which challenge managers to do more with less.”

Using its research, Forum, along with Paradigm Learning, has developed a managerial tool kit, available at [www.leadinginatougheconomy.com](http://www.leadinginatougheconomy.com), which managers can use to consider the actions they and their organizations must take. The tool kit, which is free and requires registration, can be used independently or with the assistance of Forum’s experts, who can help guide and facilitate discussions.

### The 10 steps in the three areas are:

#### Financials

1. **Move quickly to reduce costs** and control spending by narrowing focus. Winners in a downturn focus on a few critical priorities where they can develop a clear lead, and they walk away from bad business. Losers chase unprofitable sales in an attempt to hold their top line.
2. **Refrain from across-the-board cutbacks**, being sure to preserve areas that customers value most. Businesses that uniformly cut costs often find that they end up damaging their ability to sell and deliver their products and services. How do you find out what customers value most? Ask them.
3. **Consider alternatives to layoffs**. Downsizing tends to bolster the bottom line and stock price in the short term, but often creates long-term negative repercussions. Alternative strategies include cutting management bonuses, freezing salaries, and reducing compensation options. It is critical to clearly communicate the rationale and impact to employees.



4. **Invest in opportunity.** A bad economy can present bargains, both in new assets and in new talent. Good areas to invest in are R&D, marketing, and customer-perceived quality. Investing in working capital, manufacturing, and administration does not pay off as well.

## People

5. **Retain and develop top talent.** High-impact workers are often more susceptible to being poached by a competitor in a downturn. Organizations that provide development experiences and rotational assignments have better employee retention rates.
6. **Make sure everyone's on the same page.** When alignment on key goals is absent, performance suffers, according to studies on strategy execution. Top leaders frame an agenda and meet with key stakeholders to gain support and build commitment to overarching goals and values. Ineffective leaders let interoffice politics fester and hidden agendas dominate.
7. **Encourage questions and new ideas** by making it safe for employees to raise them. Leaders who admit they don't have all the answers and ask for input empower their people to contribute their best ideas.

## Organizational Climate

8. **Manage the heat.** Leaders are often tempted in difficult times to relieve the organization's stress by making unilateral, tough decisions. That's often a mistake. Leadership by dictate often doesn't take because it lacks a broad base of support, and it often eliminates constructive conflicts that challenge the status quo and fuel good decision making.
9. **Communicate authentically.** Strong leaders acknowledge the challenges they struggle with and, by doing so, build trust among followers. Rather than being a sign of weakness, it's a sign of strength.
10. **Create a positive vision and attitude** that acknowledges reality. Businesses at the top of their markets often fall while "sleeper" companies sometimes jump to the top in a tough economy. When leaders exercise discipline and focus by mobilizing employees to respond to customers' interests and values, they increase the chance that, when the downturn ends, they'll come out on top.

Additional insights on this topic are available in Forum's point-of-view paper entitled "[Leading During a Recession.](#)"

### About The Forum Corporation

Forum is a world leader in helping organizations execute strategies through people. For 35 years, its work has helped clients increase profitability, market share, revenue growth, and customer and employee loyalty. Forum combines experience and research-based insights in learning design, consulting, and facilitation to bring about changes in attitudes, beliefs, and behaviors that enable employees to achieve and exceed the desired benefits of a strategic change, to reduce time to improved performance, and to sustain the change over the long term.

### About Paradigm Learning

Paradigm Learning ([www.ParadigmLearning.com](http://www.ParadigmLearning.com)) is a privately held company based in Tampa, Fla. Since 1994, it has worked with more than half of the companies on the Fortune 500 list, creating award-winning business games, business simulations, and Discovery Maps<sup>®</sup> to address a company's specific business needs. Its flagship business acumen training program, [Zodiak<sup>®</sup>: The Game of Business Finance and Strategy](#), has been played by more than one million people worldwide. Other products address such issues as talent management, employee alignment, leadership accountability, building teams, project management, and organizational change.

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