



Leading Through Difficult Times

Description

Clear Direction and Consistency with Strong Values Can Build Enduring Cultural Advantages

In 2008, I was running a travel technology company called VacationRoost when the Financial Crisis absolutely crushed the tourism market that we served. Seemingly overnight our revenues were cut in half and our break-even operation became a loss generator. Our growth ambitions and strategy were quickly shelved for the necessity of survival planning. Cutting costs through operational retrenchment, pay-cuts and painful layoffs was miserable. It was during this challenging time, however, that we built strong cultural foundations that helped us not only survive, but thrive during the recovery and later growth stages.

I remember huddling with our management team in the war room making these difficult decisions. Many of us wondered if it was even worth it. None of us had joined the Company with the expectation of shrinking operations and the hardships that went along with it both financially and psychologically. Wouldn't it just be easier to admit defeat and go pursue opportunities in different companies or industries? "Hey, good idea, good effort. This slowdown isn't our fault, and there is nothing we can do to change it in the short term. Let's cut our losses and call it a day." Some of my more courageous team members shared these thoughts with me. I knew everyone was thinking about it – heck, even I was at times. I remember wanting to assure our team that everything would be ok. That if we pushed through these difficult times, we'd survive and thrive as a Company and everyone would do really well professionally and financially. But the truth was that we had no assurance of that. Maybe we would....but there was also a very good chance that we would not.

After many sleepless nights, I decided to focus the team on what we could control. I brought the leadership team together and shared a vision for success that was attractive while remaining honest about our chances and the things that were out of our control. **Then I challenged our team to do something that was completely in our control** -Lets build a Team, a Culture and a Company that we are proud to be a part of. Win or lose in the long term, we are going to create an organization that we

are proud of – one that's worth fighting for every day. We weren't going to wait until we got through the crisis, had more resources or had more time. We were going to do it immediately so that every day moving forward would be spent in an environment we could take pride in.

Formation

And so began one of the most surprising transitions of my professional career. We worked as a group to create a **Vision** for what we wanted to become as a Company and how we wanted to impact our industry. After a lot of debate, we agreed to the **Core Values** that would define how we behaved, how we would recruit team members of certain character and how we would hold each other accountable. We then inserted a **Strategy** element that would tie the practical plans of the Company to both the Vision and Values.

Getting Started

I can remember to this day the awkward feeling I had trotting out our new Vision-Strategy-Values framework at an all-company meeting during the downturn. We had just laid off 40%+ of our team. These were friends and colleagues that we were close to and were concerned about. Our team was scared for their own security and the future of the Company. My self-conscious "little voice" sat on my shoulder whispering in my ear saying: "Really Mr. MBA dude... people are worried about survival here and you choose now to bring out the MBA 101 Mission/Vision/Values BS??" "Really? That's the best you've got? People are going to roll their eyes. They want to hear that they're safe, that there won't be more layoffs. A better leader might give them that assurance." I pushed beyond the inner voice and gave the presentation. I wasn't sure how it was received.

Consistency of Communication

One of the practices that we put in place during the downturn was more frequent and consistent communication with the entire Company. We implemented monthly company-wide meetings and weekly leadership team meetings that included a broader group beyond the executive team. I remember making a point to start every presentation with my 4 slides which included the framework and a slide on: **Vision** – This is Where We Want To Go- *This Doesn't Change*; **Values** – This is How We Behave – *This Also Doesn't Change*; **Strategy** – This is how we are going to move towards our Vision – This year, this quarter, this month – *This changes based on what the world throws at us*. I recall changing the order of the slides to re-position the framework as Vision-Values-Strategy as it flowed better that way. Then we would go on with our briefing.

I started making analogies comparing our journey to a trip. The Vision is our Destination. We are all going to drive from NY to CA, for example. Arriving in CA is our Vision. Our Values are the ground rules regarding how we are going to go about doing this. They represent agreed upon behaviors like: we are going to drive, we will obey the speed limit, we will make sure to stop to see something interesting at least once per day, we won't spend more than 8 hours driving per day, etc... The Strategy is how we navigate each stage of the journey. We are going to take Route 80, We expect it to take 8 days, We will stop in Chicago overnight, etc... This may indeed change. If we see Route 80 closed for construction, we will change the Strategy and take a different road. If the weather is bad, we

may alter driving times. If we discover an incredible attraction along the way, we may stop to enjoy it and drive some additional hours the next day, etc... This helped everyone understand how our Vision and Values don't change – we are going to arrive in CA and we are going to drive in a responsible manner to get there. Within this framework, it was logical that the Strategy might change to accommodate new information, or any new challenges, but it always provided the path towards the Vision/Destination and didn't conflict with our Values/Ground Rules.

I eventually got more comfortable with the flow of kicking off each meeting with this 5 minute overview of our framework. A key driver to the company-wide success of the framework was asking each manager to start doing the same with their teams – both to hold weekly meetings and to start each meeting with the Vision-Values-Strategy framework. After a while it became routine, and eventually... we started working out of the economic downturn and began to grow again.

The Unexpected

As time went on, our Vision-Values-Strategy routine continued and we slowly started growing again as the market improved. The little voice on my shoulder, however, returned. "Hey buddy.... Give this Values stuff a rest. It was a nice tool to help you get out of a jam, but we are really busy now. The team is growing again, we have tons to do, and you are starting to sound like a broken record up there. Besides, you even painted the Values and Vision on the wall! We get it already!" (What would we do without our little voices!) Well it finally got to me. I recall one meeting when we were starting late and had a packed agenda. I jumped past my first 4 pages on Vision-Values-Strategy and gave the floor to one of my colleagues to get started. As I looked on, a hand raised in the back of the room. I was annoyed. Doesn't this person know that we are in a rush here?

"Hey, what happened to our Vision/Values discussion? Me – Ahhh... well, we are short on time today so I skipped it. Colleague – Well, I was really looking forward to it today. In fact, I wanted to share a story about our Values. One of my team members did an extraordinary thing for a client last week. They really went above and beyond to fix an issue to ensure that our client had a great experience, and they didn't even ask me permission to spend the money doing so. When I asked them why they hadn't come to me, they answered by reciting a couple of our Values – Customer Service and Accountability. They said – "doesn't this mean that we're always supposed to try to live up to these values in our day to day jobs?"

I was floored during the brief silence that followed. Here I was thinking that my team had endured enough of my MBA mumbo-jumbo, and that I should give it a rest. In actuality, the consistent Vision-Values-Strategy intros might have been the most important things that I had been saying as a leader. I thanked my colleague for sharing the story, and then looked around the table and asked the question: "Does anybody else have a similar story?" 3-4 hands shot up immediately. The stories were powerful. The alignment was awesome. Then more hands went up. Everyone had a story. The impact at the table was palpable. Eyes teared up. More stories were shared. Management members started explaining how sharing the values had given them something to take pride in and lean on during the difficult times, and now was being noticed by people outside the organization. Recruits came to interviews citing our values as a reason why they wanted to work with us. Partners complimented us on it and chose to work with us because of it. It had happened, and I hadn't even noticed it. Our team was taking pride in their workplace, their colleagues and the values of the Company. Our managers

were proudly sharing the values and reporting on their stories. Our team was getting stronger and the shared values were building a powerful culture. We were in no way "in the clear" financially, but we were well on our way towards our goal of building a company that our team was proud to be a part of.

This post focuses on building culture as a key strategy for difficult times and is the first of three blog posts on the topic of culture. Here are a few other things to consider when leading your team through difficult times.

Honesty – This is non-negotiable as a leader. Be honest with your team, even when you desperately want to make them feel better or assure them that everything will be ok. You'll never build trust without it.

Speed – Move quickly and take action. You may be tempted to wait for more information or to defer difficult decisions, but that costs valuable time. Bite the bullet, figure out what is best for the company and take action. Your team will appreciate it.

Create Your "Burn the Boats" Plan – You will undoubtedly be evaluating multiple scenarios and response plans. Build the worst case scenario first. Rather than agonizing over layer after layer of cuts, start with nothing. Then determine what the minimum amount of resources you would need to keep the operation afloat in order to weather the storm while "burning all the other boats". You may not need to go to this plan right away, but having it built will give you comfort that there is always a safety plan to go to in the next worst scenario.

What Can You Control – You can't control markets and external events, but you can control your response. This is your move, make it count. Event + Response = Outcome!

Forge Your Steel in the Heat of Adversity– Like our story above, many companies develop core competitive advantages and strengths through the decisions they make during difficult times. What will yours be? Choose your Steel Weapons wisely.

I am a Venture Partner with [NextCoast Ventures](#) and COO/CFO at [Voxpopme](#). I spend my time helping technology companies scale the Growth Mountain.

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Category

1. Lessons from the Journey

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