

REPUTATION MATTERS

10 LEADERSHIP BLIND SPOTS THAT CAN TRIGGER BUSINESS CRISES IN 2017

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When you look closely at what triggers crises in organizations, you often see that there is a major leadership oversight or blind spot that has allowed the crisis to exist in the first place – and then grow, unrecognized, until it's too late. Just as many leaders want to be perceived as trustworthy in a rapidly changing environment, leaders themselves need to be aware of who and what they are trusting. Misplaced trust is a clear precursor to trouble.

As businesses look toward the coming year, here is a deeper dive into common crisis triggers, so that management teams and boards can recognize hidden risks and danger zones within their organizations.

10 LEADERSHIP BLIND SPOTS – AND HOW TO AVOID THEM

1. DON'T TRUST "BIG DATA."

The collective surprise (or shock) around the results of the presidential race – on the part of both Democrats and Republicans – proved that even countless studies conducted over many months by multiple pollsters can be wrong, manipulated or hacked. The failure of this investment of millions of dollars in polling shows that the numbers, bolstered by our natural



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confirmation bias, can tell a story that is just not true. Data is important, but leaders must ask the tough questions of the number crunchers to see where there may be holes or faulty assumptions in their processes.

2. DON'T TRUST THE "EXPERTS."

We've all seen the experts get it wrong very wrong. Just as there is data and false data, and news and false news, there is analysis and false analysis. The sheer magnitude of all the information out there, much of it conflicting, makes it overwhelming to understand what you can trust and what you can't, and who you can trust to see through the data clearly. Anyone who has gotten multiple opinions on a medical condition knows that the opinions of world-class experts can vary wildly. Judging expert judgment has become a key leadership skill today, guaranteed to only grow in importance over the future.

3. DON'T TRUST YOUR INSTINCTS.

Ever since the Harvard Business Review article of 2003, "Don't Trust Your Gut" by Eric Bonabeau, we've been put on notice that managing only by instinct can be misleading, if not downright dangerous. Our perceptions and memories can be clouded by many extraneous factors. So, while instincts are important, they need to be verified in leadership and in life. Your management team may think Google Glass is the next iPhone, but if they are not validated by first-rate customer research and sentiment analysis, they may fail. Team members may say, "But both Steve Jobs and Henry Ford said people did not know what they wanted until they showed them." Politely remind them they are neither Steve Jobs or Henry Ford, and their guts need to be seconded by unbiased and first-rate research.

4. DON'T TRUST YOUR ABILITY TO CONTROL THE MESSAGE.

Most companies still operate under old crisis management paradigms, assuming they can control the message through one-way 'talking points,' expecting the public to believe them and move on. The very nature of social media fosters a disbelief in company messaging, often exacerbated (anonymously) by some of a company's own employees. The best leaders have given up the illusion that they can totally control the message, and engage in the conversation nonetheless. They take a 360-degree approach to communicating in a crisis: they make their points, are responsive to public questions and demands, adapt to changing narratives, yet retain their core truths, principles and value proposition.

5. DON'T TRUST STRATEGY ALONE.

Strategy is in the eye of the beholder, and much that is called strategy these days just doesn't make the grade. I've seen organizations devote years to the deployment of an ill-conceived strategy, only to fall apart once it had been fully realized. That ushers in a full-blown, existential crisis. As the saying goes, "If you don't know where you're going, any road will get you there." Strategy divorced from an overarching vision and direction gives an organization the illusion it is on track, when in fact it is directionless.

6. DON'T TRUST BRANDING.

So much branding out there is smoke and mirrors, and so many people are credulous in believing what companies proclaim about themselves. Even savvy corporate leaders can fall into the trap. In fact, sometimes it is the most cynical who can be taken in the worst. Recently, I've seen a number of corporate leaders make some grievous mistakes by believing suppliers who were patently overstating the truth. Those who brand know just how easy it is to divide a brand from reality. Discount the puffery, and seek the core.

7. DON'T TRUST IN THE "STARS" TOO MUCH.

High performers can be entrusted with so much responsibility and oversight that the issues they simply cannot focus on can turn into problems before anyone notices. Leaders have no shortage of questions for managers who aren't performing up to expectations, but tend to be hands-off with high-performers. Questioning good results in addition to bad can uncover issues that might explode over time.

8. DON'T TRUST THE "MINIMIZERS."

In all the organizations we have worked with during a crisis, there are always one or two (or a few) people who totally downplay reality. When it all hits the fan, it's tempting to go into denial and pretend that things aren't as bad as they seem. Minimizers encourage the team to relax, just when all hands on deck are needed. If they are listened to, minimizers can seriously jeopardize how quickly a crisis is recognized and remediated. Make sure to instill processes that surface problems early, and don't let minimizers derail a thorough, rigorous crisis response that is meaningful to customers and the public.

9. DON'T TRUST THE WISDOM OF THE CROWD.

Crowd sourcing is a new holy grail, and from Wikipedia to Kickstarter, eager young thought leaders and entrepreneurs are relying on it for validation and funding. But crowds can be notoriously fickle and fractious. They can seduce then abandon. And many a great idea has been funded only to its midpoint by crowdfunding sources, and then left to languish. Crowd support is great, but it can be wrong, insufficient, and misleading. So, while surely paying attention to it, and even courting it, don't take it as gospel.

10. DON'T TRUST THAT YOU KNOW WHO TO TRUST.

New brain research shows us that we really cannot tell who is lying and who is not. All the conventional wisdom about the 'tells' each person has to indicate he or she is lying just is not true. In fact, it is very hard to know who is lying and who is not. The best way, experts now say, is to look for logical inconsistencies in the stories people tell or the reports they make – these are the only indicators that you can rely on. But, with the rise of sociopathic behavior (4% of the world population are sociopaths), and the normalization of lying on the global

political scene, the best way to stay out of crisis is to question everything.

These blind spots tell us that to see clearly as a leader, you cannot rely on any one indicator alone. They must be taken in aggregate. Then the trick is to look for conclusions that are reinforced by a number of sources. None of us can see around corners, of course, but with less trust and more verification, and with several sources of intelligence and data, we can better triangulate on our risks, and better avoid them.

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Strategists, coaches, writers, and social media experts are available "25/8" to assure that every crisis is addressed, and every opportunity leveraged.

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