

Reality Check

What is the best-case scenario for the outcome of this crisis/challenge?

What is the worst-case scenario for the outcome of this crisis/challenge?

What is the realistic expectation for the outcome (which is probably somewhere in the middle)?

Which contributing factors are fixed and which ones can you control? Here are some examples:

Things You Can't Control

- Competitors moving into your space
- Tax impact from your country's debt
- Supplier price hikes
- New industry regulations
- Natural disasters and pandemics

Things You Can Control

- Business strategy adjustments
- Customer communications (how well and how often)
- Value proposition updates
- Employee engagement
- Culture of innovation

Notes:

Reality Check

How much time and energy are you spending (or are likely to spend) on factors beyond your control? What progress could you make if you focus on what you can control while simply staying mindful of what you can't?

Given all of these factors, what specifically can you do RIGHT NOW to accept the reality of the situation, take control of the next steps, and prepare for whatever outcome emerges?

Writing down this information succinctly often helps reality sink in. And once you've done that, you may find it easier to formulate a plan to push through the struggles and chart a productive course toward the future.

I recently used this exercise with one of my clients who owns and operates an events business. To be clear, she earns all of her annual revenue from planning parties and events, as well as supplying the food and lodging for attendees. Many of her customers are involved with games and tournaments for soccer, cheerleading and basketball.

When Covid-19 hit in early 2020, everything on her calendar was postponed. Group events, group trips, group meals. All of it.

Notes:

Reality Check

Her first inclination was to spring into action and find a way to stay in business. She downsized her staff and contacted her clients personally in a desperate bid to reschedule or restructure some of the high-dollar bookings. She frantically ordered masks and gloves. She researched safe alternatives to hold large gatherings during a pandemic.

Then she hit a wall. She couldn't sleep. She couldn't function. She was consumed with worry about how long the pandemic would last and whether her comeback would be dashed by the treacherous "second wave" that the doctors warned about. How would she survive if the virus lingered and events weren't just postponed but cancelled?

In a matter of a week, she went from optimist to pessimist. She felt like the struggle was starting to defeat her, and it was threatening to take her business down at the same time. She reached out to me for advice.

After we discussed the unfathomable situation she was facing, I knew she needed to sit down and work through this Reality Check exercise. We went through the questions together, and then I encouraged her to do it again with her team. The results were extremely powerful.

When she and her team members were able to articulate the exact problem and identify which factors they could control, they were able to release their fears (or at least quiet them) and envision a path forward. They moved from being stuck to being free to identify possibilities for the future—one that looked vastly different than they anticipated on New Year's Day but one in which they remained in business. The resilience bubbled up within them, and they accepted the challenge.

Notes:

Exercise Two - SKEPTIC Tool

Participants: Leaders, colleagues, peers and/or teams

This exercise helps teams to weave “uncertainty training” into their regular business processes. The goal should be for teams or peers to meet together once a month and actively brainstorm in these seven areas for 30-60 minutes.

The components of the **SKEPTIC** tool include the following:

- Society:** What changes do we see occurring in society that could impact our company or our products/services?
- Competition(K):** How do we see our competition changing, for better or worse?
- Economy:** What economic trends are occurring? How long will they last? And how will they affect our business?
- Politics:** How are political changes impacting our business, our customers, our employees and our vendors?
- Technology:** How are changes in technology transforming our ability to produce/sell/deliver products and communicate with our customers?
- Industry:** What industry changes do we need to be monitoring? What are the potential implications for our business?
- Customers:** Are customer needs and preferences shifting? Do we have opportunities to meet those needs in a unique way and demonstrate leadership?

Notes:

SKEPTIC Tool

My clients have gotten the best results with this tool when they approach it in two rounds of discussions. In the first, they encourage **free-flowing idea generation** with no “edits” or qualifiers. The second round focuses more on **identifying conclusions and solutions**.

Best of all, this exercise helps teams answer some critical questions. What, if anything, on this list do we need to be paying attention to? Are there any changes we need to worry about right now? Do we see any opportunities that require our immediate action? By taking the time to address these issues every 30 days, you can keep your team in shape and fully anticipating whatever form of uncertainty lies ahead.

Speaking of anticipation... I realize that a month can fly by while teams are working on deadlines and trying to meet and exceed goals. I can guarantee that your team members involved with this ongoing exercise will eventually say, “Didn’t we just do that? Nothing’s really changed, so let’s skip it for now.”

Refuse to give in.

Marathon runners don’t take a month off, even if they just ran 10 miles yesterday. It’s that commitment to constant monitoring of the business environment that allows organizations to detect the first signs of uncertainty and capitalize on them. Make it fun. Challenge your team to find new things on the horizon. By infusing that kind of tone, you’ll be embedding this process into the fabric of your mental conditioning. And trust me, you’ll reap the rewards.

One of my clients in the healthcare industry credits this tool with much of their company’s success. In the past 12 months, this exercise allowed them to anticipate uncertainty and take advantage of multiple opportunities that translated into bottom-line impact.

In their **SKEPTIC** discussions about competitors, the group identified several that were struggling in markets they had been trying to enter for years. This opened up a number of merger and acquisition opportunities that ultimately increased their market share and revenue.

Notes:

SKEPTIC Tool

During conversations about the economy, the team analyzed how many other healthcare organizations were having to downsize or furlough employees. Leaders decided to use that situation as an opportunity to scoop up some really strong talent, while letting go of those who hadn't been pulling their weight.

Finally, the **SKEPTIC** exercise helped the organization reverse a year-long decision to shut down a particular business line. While that choice made sense months before, the brainstorming session uncovered significant new shifts within the industry. Keeping the business line intact allowed the company to pursue new opportunities in the marketplace.

Being conditioned for change takes a continued investment of time and energy, but it gives leaders the strength to keep going when others might get derailed.

On the day Prohibition was struck down, then-senior-citizen James Beam saw his chance and was ready to jump back into the bourbon game. When the CEO of Netflix was learning about the possibilities of streaming (while still mailing DVDs to their customers), he had the wisdom to suggest tossing out the old business model. And in 2020, when the pandemic created a shortage of hand sanitizer, some insightful brewery owners were quick to step up and use their production facilities in a completely different way.

Conditioning and preparation allow leaders to see opportunities when everyone else is scrambling to make sense of the uncertainty. They see the reality, but they guide their teams to remain versatile, courageous and successful. That's exactly what defines these companies as long-term survivors.

Notes:
