



WHAT MOST BUSINESS LEADERS GET WRONG ABOUT UNCERTAINTY

What Hippos Can Teach Us About the Four Stages of Business Contingency Planning



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“If that happens to us, I know
what we’ll do.”

Famous last words.

Well, hopefully not really the last words, but a trap.

Read on.

If you think you “know what we’ll do,” you are among the many leaders believing you have a handle on uncertainty and have satisfied the need to face unexpected adversity in your organization.

First of all, let’s set the record straight that not all contingency planning happens in the face of adversity. It is as challenging to lead an organization through an unexpected halving as it is to lead through an unexpected doubling.

“Unexpected” here is the keyword. You need a plan for the unexpected. Sure, the old adage seems appropriate when you think, “Oh, that’s a good problem to have.” But it is a problem none-the-less and if you are not prepared, you don’t really have a contingency plan.

I believe the first step in creating a realistic contingency plan begins with understanding a natural human resistance to planning for the unexpected. In this article we cannot pin down elements of your individual circumstances in the face of the unexpected. But we can **establish a mindset of embracing contingency planning**.

Let’s use a hippopotamus as a foil for studying the four stages of business contingency planning.



The hippopotamus is a very aggressive wild creature and is the deadliest large land mammal on the planet. It is estimated that hippo attacks kill 500 people each year in Africa. It is not only their size and weight that makes them dangerous, but also their very sharp teeth! – www.discoverwildlife.com

Plus, hippos are surprisingly fast!



STAGE 1:

Oblivious

If you don't run a roadside tourist attraction in Africa, you are likely oblivious to the dangers hippos pose to your operation. But just because you don't know about threats doesn't mean these threats pose no danger.

What about localized regulations? Tech innovation? A new pandemic? Cross-over competition?

HOW TO TAKE ACTION:

Try to periodically scan the horizon for potential problems. Invite your team to brainstorm in a safe way where no 'wild ideas' are discounted. Use the space below to outline problems and brainstorm solutions:

POTENTIAL PROBLEMS:A large, empty rectangular box with a thin black border, intended for listing potential problems.**SOLUTIONS:**A large, empty rectangular box with a thin black border, intended for brainstorming solutions.



STAGE 2:

Denial

“It can’t happen here.” Sound familiar? This is the most challenging barrier to realistic contingency planning. You probably don’t employ many hippos in your organization or count them among your key customers.

But I bet you employ a good number of ostriches!

HOW TO TAKE ACTION:

Invite your team to share times when they were blindsided by leading with a story or two of your own. We all have them. Follow up with “what can we learn from these failures to make us stronger going forward?”

YOUR STORIES TO SHARE:A large, empty rectangular box with a thin teal border, intended for writing stories.**LEARNINGS:**A large, empty rectangular box with a thin teal border, intended for writing learnings.



STAGE 3:

"If it Happens"

Now we're making some progress! So, why do I say this stage is a trap on the way towards contingency planning?

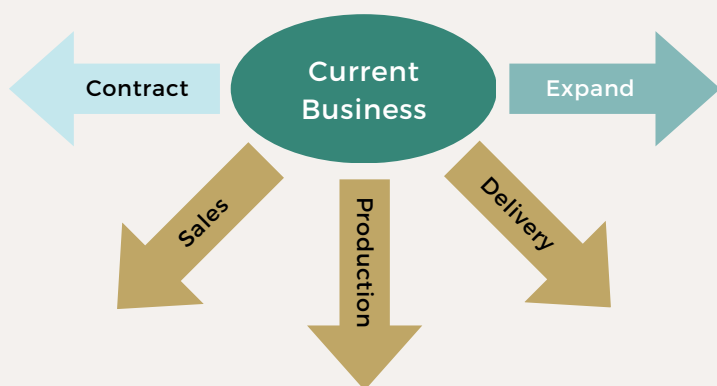
The key here may be your mindset around the words 'if' and 'towards.' When a hippo charges at your organization you are not going to have a lot of 'if' time. It is really hard to plan under the immediate threat of being crushed by a raging hippo.

HOW TO TAKE ACTION:

As you identify issues in need of a contingency plan, shift your focus towards specifics. Begin thinking more along the lines of 'when' instead of 'if.' True contingency planning happens when the team envisions executing, not troubleshooting.

WHEN IT HAPPENS, WHAT
ARE YOUR ACTION STEPS?

CONTINGENCY PLANS





STAGE 4:

When it Happens

When we shift from assuming a hippo might show up, to readiness for 'when' the hippo shows, we are truly addressing contingency planning. Don't forget those upside 'nice problems to have' as well as planning for adversity.

Use your leadership position to instill contingency planning in all of your team members. **Expect contingency options as a regular part of planning** on an ongoing basis – don't leave this to outsiders or a different 'department.' Contingency planning is strongest when executed as part of regular planning by those closest to the challenges at hand.

HOW TO TAKE ACTION:

It's time to outline: Who is responsible for putting contingency plans in place? How are you monitoring if/when shifting to contingency execution is necessary?

WHO IS RESPONSIBLE:

HOW ARE YOU MONITORING?



THE CEO BEHIND IT ALL

Meet Dan

Dan Raker has been coaching business leaders for over 35 years through one-on-one and group sessions. Dan is a serial entrepreneur himself with experience in business of all sizes and special expertise in market positioning, strategy, marketing, leadership and more. Dan often works with leaders at the intersection of business and personal issues. Reach him at danraker@circlesofleadership.com.

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