

SURVEY ON MANAGEMENT IN TIMES OF CRISIS

1.1 INTRODUCTION

“The Chinese use two brush strokes to write the word 'crisis'. One brush stroke stands for danger; the other for opportunity. In a crisis, be aware of the danger - but recognize the opportunity.” - J. F. Kennedy

Those corporations who will succeed in not only recognizing but also grasping the opportunities the crisis present, will ride out the crisis smoothly and even better yet, they will strengthen their market share.

“The current crisis presents a lot of opportunities”. “When it’s all over, we will be stronger than before”. “The crisis presented a window of opportunities to finally streamline our processes”. These are only a few of the quotes, concerning the current economic crisis, which we have heard and encountered. These and similar one liners made us wonder whether or not this is a general attitude or merely the attitude of a seldom few who have adopted the Chinese way of thinking. And if there is a diversification in the corporations, what does a general optimistic corporation look like?

To better answer these questions, we drew up a survey and tried to get a wide range of managers to participate into this research.

In the next few sections we will highlight the main results of this survey and state the conclusions that were made. We will do this by means of some explanatory facts and figures.

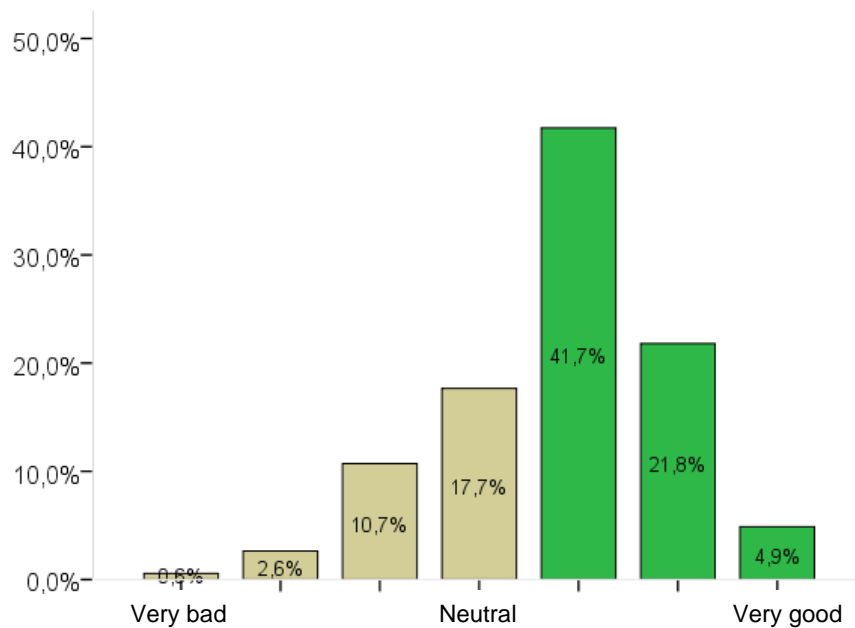
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1.2 RESULTS OF THE SURVEY

This report is intended to be a short summary of the most interesting results from the online survey. It isn't a complete report by any means. In total 534 managers participated in the survey. Results were calculated as a percentage of the total responses for a question. Open-ended responses were collected, normalized (i.e., categorized under a controlled keyword), and counted.

1.2.1 How well-prepared is your corporation against the crisis?

Out of all managers questioned, about 70% thinks there corporation is equipped to ride out the crisis.



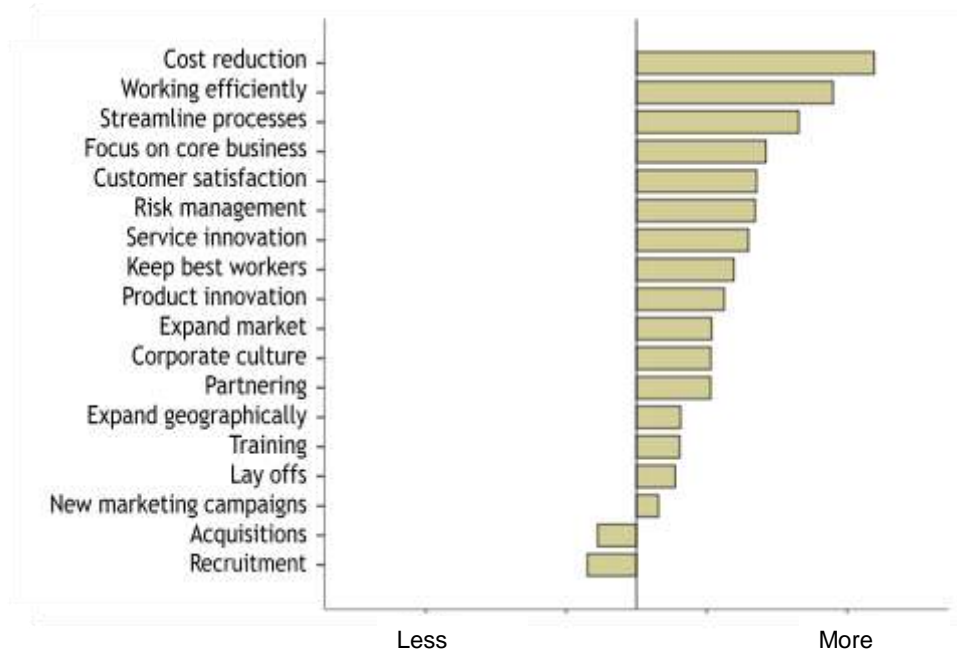
1.2.2 Has the current crisis caused your company to change its strategy?

Precisely **1 out of 2** companies made strategic adjustments in order to enhance their chances in surviving the current situation.

These strategic changes appear to vary over a wide range of possibilities. Of these, the following are in descending order the most occurring ones.

<i>Order</i>	<i>Strategy</i>
1	Cost reduction
2	Risk management
3	Stop recruiting – lay-offs – wage reductions
4	Expand market
5	Change investment policy
6	Efficiency and process optimization
7	Customer intimacy
8	Focus on core business
9	Cash flow focus

1.2.3 Is your corporation since the beginning of the crisis more or less concerned with the following points of attention than before?



1.2.4 According to you, should your corporation be more or less concerned with which of the following points of attention?



1.2.5 How do you expect your company to survive the crisis

As little as 10% of the questioned managers thinks their company will be weaker than before, while about 50% thinks there will be a status quo and almost 40% even thinks they will thrive from the situation.

Those who think they will better from the situation, declare that, in the first place, they will become more efficient and optimize their processes. Furthermore they believe it will have a positive effect on the mentality and enthusiasm of their employees and that they will gain market share and hence profit financially.

Those who think they will weaken from the crisis, on the other hand, are convinced they will lose in terms of financial power and employees.

1.2.6 Is your company agile enough to face the crisis

More than 80% of the managers respond positive to this question. The reasons why can be categorized as follows.

<i>Yes</i>	<i>No</i>
Strong competences	Rigid structure
Lean organization	Market sensitive
Small-scaled	Large-scaled
Process flexibility	Financially

1.2.7 Do you believe that the crisis will present some opportunities

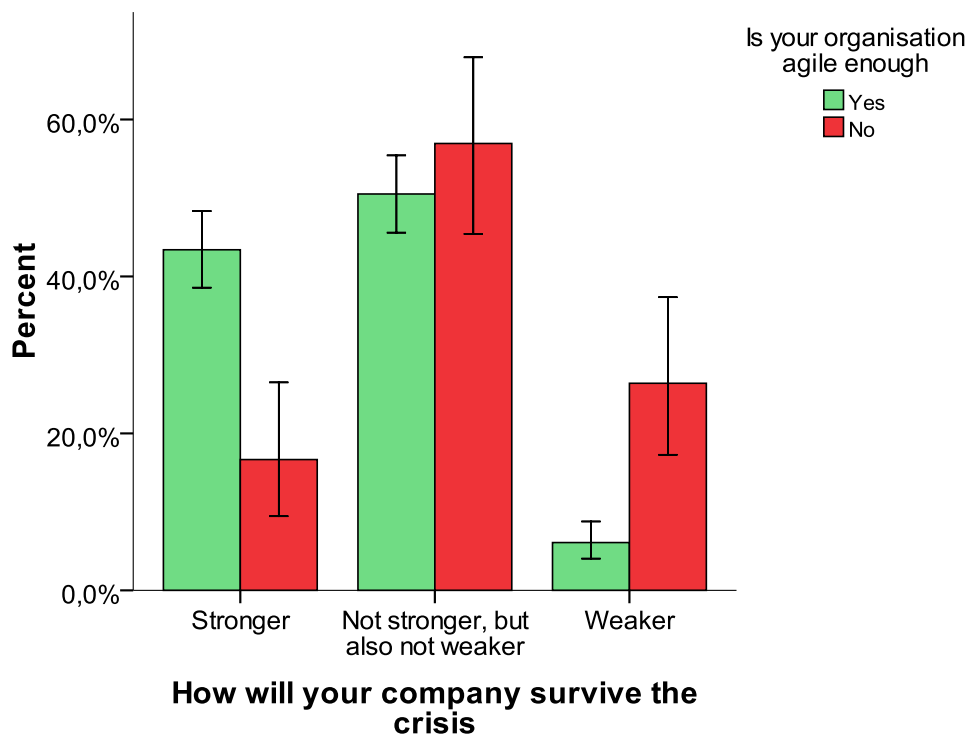
Almost 80% recognizes possible opportunities. According to them these opportunities lie in areas of

<i>Order</i>	<i>Opportunity</i>	<i>Order</i>	<i>Opportunity</i>
1	efficiency and processes optimization	6	return to core business
2	competition	7	mergers and acquisitions
3	market share	8	revision
4	recruitment	9	investments
5	product innovation		

1.3 CONCLUSIONS

1.3.1 The agile corporation has a 25% higher chance to outcome the crisis stronger than before

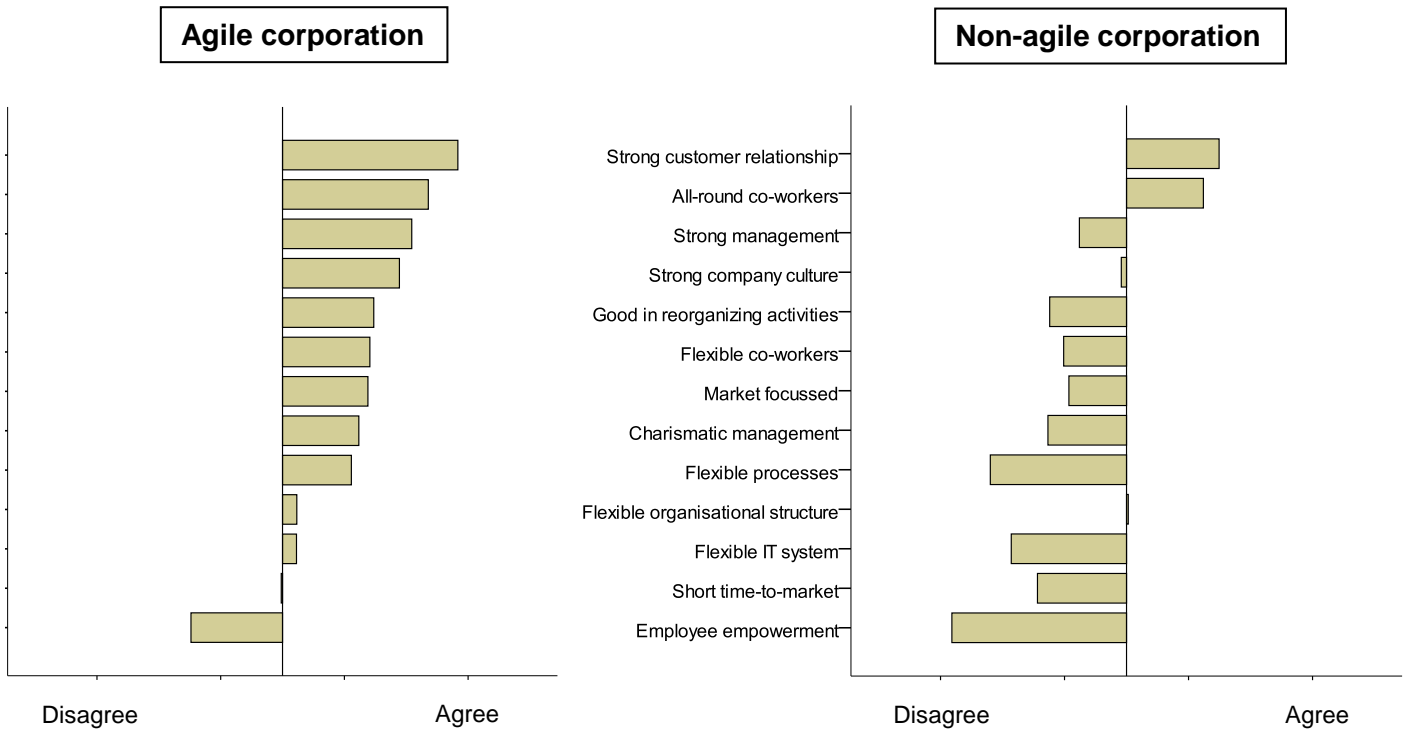
More than **43%** of the managers who claim that their corporation is agile enough think that they will be stronger after the end of the financial crisis than before, while amongst those who say their corporation is non-agile only **17%** does.



1.3.2 The agile corporation has a far better chance to recognize the opportunity

75% of the managers of agile corporations, claim to be well-prepared for a crisis, while only **35%** of those who work for a non-agile corporation seem to be.

In the next figure you can see the difference in level of agreement to the given statements on themselves and their company, between these two types of managers.



Corner stones of the Agile corporation

