

Panic is a treacherous guide

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Walking the streets of Helsinki towards the end of the 1990s, [Rudi Plettinx](#) wondered how on earth the Finns had managed to pull themselves out of the maelstrom of the recession. Plettinx, who was then director of [Management Center Europe](#), surmised that this rather rapid recovery must have stemmed from a good management culture.

Since that time Plettinx has been interested in why Nordic companies in particular regard management as an essential part of their strategy. In these countries, there is more investment in the preparation of top managers than is generally the case in the rest of Europe.

In his current job as managing director for the EMEA region at the non-profit [Center for Creative Leadership](#), he is responsible for European, Middle Eastern and African operations. He has been paying regular visits to Finland for about twenty years now. For this reason Plettinx feels that he knows the Finnish business culture better than (for example) that of Sweden.

“It will be interesting to see whether Finland will lift itself out of this economic situation as well as it did from the ordeal of the early 1990s,” says Plettinx.

In order to succeed, Finland will once again need its leaders. Plettinx has drawn up five guidelines for corporate management bodies who are currently sweating over their fears of a downturn.

1. Retain and develop capable people

In difficult times, the first response of the management in many companies is to reduce staff. Plettinx believes that parting with personnel may have a negative impact later on.

“We need to be aware of the financial result – but numbers must not be allowed to run the company. The players who managed to overcome the loss of confidence which followed the attacks on the World Trade Center were those who invested in people,” says Plettinx.

A more sensible approach would be to determine what sort of fresh, capable people the company needs right now, and how it could train its current employees so that their skills better match the company’s needs.

2. Invent new solutions

A recession offers new business opportunities. Now is the time to invent something new, to replace products which are past their prime and services which are tailored to yesterday’s people.

Deeply-rooted operational models may also need updating. Companies must be prepared to do things in a completely new way.

3. Strengthen the management team

“No single manager will resolve this crisis alone. Management is never an individual project,” states Plettinx.

Therefore, managers should now seek to consolidate mutual cooperation. In a complex world, there has to be a uniform management style within the entire organisation.

“Strengthen the decision making process and always keep the team together,” says Plettinx.

4. Look for partners

When need is at its greatest, you need good friends. Many seek to link up with a strong partner with whom to confront the storm.

“A wise manager will now be actively seeking new business partnerships, and will be prepared to consider even the most unexpected alternatives,” states Plettinx.

Plettinx concedes that in an uncertain situation, it takes courage to enter new cooperation agreements – but right now, courage is something managers must have plenty of.

5. Do not panic

Pressing the panic button may afford immediate relief, but actions taken in haste may have to be paid for in the long run. Instead, a manager should carry out both immediately effective and more slow-burning reforms, in a balanced manner.

Previous thoughts on the matter

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6.11.2008 8.55 a.m.

The most important thing of all is to remain focused sufficiently far into the future .

“Panic is the worst guide right now. In times like these it is imperative not to lose one’s judgement,” says Plettinx.

Finnish managers overlook the human aspect

Rudi Plettinx sees the typical Finnish manager as a person who is adaptable, task-focused and goal-oriented, but also somewhat remote and needlessly devoted to acting independently.

“[Nokia](#) is a good example. Just think, a rubber factory in a small, remote country started to develop technical applications. And look how well it coped with the recession, and where that company is today,” points out Plettinx.

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