

Time for adaptation

The behavior of executives in the current economic moment

A way of thinking about the behavior of executives in the current economic moment is to think of two board meetings of a large company, with a one-year interval. The first one takes place at the beginning of 2008. The environment is of confidence, with positive markers and a clear horizon of growing ahead. In the guidelines there is a discussion about the best ways of investing the recently obtained resources. The problems used to be lack of time and staff to manage all the opportunities.

The second meeting takes place exactly one year later. At the same room, the environment is of apprehension. The credit is scarce and the volumes are decreasing. There is an intensive pressure of shareholders for costs retention. Each director seeks to defend its area and staff, but there are few choices on the table, and the characteristic that most calls attention is the difficulty of making any kind of forecast.

Such a radical change in a very short period of time requires a fast adaptation of professionals to meet the demands of its companies and market. It seems obvious, but there is a large quantity of executives that has not adapted to this reality.

The economic boom lived in the last years had as a consequence the increased demand of professionals for developing new businesses, relationship with investors, management of new projects and other topics related to expansion. Most part of such activities has quantifiable results at long term. Today, the priority is to maintain or recruit professionals focusing on results at short term, but who can keep the company in a sustainable growing route.

A lot of organizations are taking advantage of the moment to adjust their structures, by firing non-adapted executives and by hiring professionals with a different profile. In this scenario, each one of us must review and redefine our priorities. The rule is valid for employed executives, for those who are looking for opportunities and for entrepreneurs.

To keep the existent client portfolio, increase the attention to the cash and avoid overlap of activities are almost obvious examples of priority activities in the current moment. Similarly important is to keep the correct attitude before the team. It is necessary to show caution and not despair. In addition, for companies with a good financial situation, it is one of the best moments to evaluate opportunities. Certainly, it is a good moment for potential acquisitions, market share gain and operational efficacy.

When this moment is over and we return to talk more about opportunities than difficulties, the professionals who acted correctly at the most difficult moment will be in leading position of new businesses and will be considered for the best positions in the market.

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