

PATTERNS: THE STRATEGIST'S FOUNDATION FOR ACTION

Strategists recognize the constraints, the insights, and the power to leverage some understanding of the future that patterns provide.

In almost every imaginable situation, field of learning, area of discipline, ritual, crisis, news story, you name it, looking for and finding common features from previous experience, whether personal or vicarious, is, for the strategist, one of the first steps toward moving in new directions.

It is working against patterns that generate new solutions, approaches, closure, and resolution. The most challenging patterns of all, of course, are those created by the human experience.

PATTERN EXAMPLES

Both from management and communications perspectives, **patterns provide powerful indications, which if ignored or carelessly addressed, can cause even the most strategic intentions to fail, come apart, or simply appear not to work.** Even the most adverse of circumstances and the worst of surprises have recognizable elements and even reasonably similar event sequences. Here are some examples:

- ***Terrorism*** – These are powerful acts of communication and message sending meant to humiliate, embarrass, and terrorize non-combatants. They are designed to mobilize non-combatants against their government and other organizations that give society shelter, protection, and safety. The change in the pattern we saw on September 11th was a much more sophisticated approach, a monumentally devastating message, and the clear signal that this generation of terrorists expects to be consumed by the delivery of their message. The war against terrorism is a series of pattern responses based on real information and hypothesized circumstances based on information from the past that can be projected into the future.

- **Corporate succession** – The shorter the period of time between the end of one leader’s tenure to the succession of the next, the more likely it is that what is planned will actually occur. This is the pattern of success. The pattern of failure is when the current chairman announces his/her intention to retire 24-30 months out, names a successor, and then spends the remainder of the term of office trying to establish his/her immortality, build his/her legacy, and torpedo whatever it is the incoming successor might plan to accomplish. Such successions rarely succeed.
- **Corporate restructuring** – Often announced with big ballyhoo, projections of substantial cost savings, and perhaps even some new directions, restructurings frequently are accompanied by substantial cuts in employment combined with justifications and re-organizations. What is less often reported is that the proposed savings are more than consumed by the incredible cost of laying off hundreds, perhaps thousands of individuals. The turmoil caused by restructuring is often so destructive that key people, who were essential to the success of the fundamental concept, leave. The cycle repeats itself, usually within a few months or years.
- **Mergers and Acquisitions** – Virtually all mergers and acquisitions are takeovers in one respect or another. If you’ve been on the side with less than 51% equity, even though the merger or acquisition was described as “the perfect combination of two great companies,” you know firsthand that it was really a takeover. The acquired company goes through a pattern of paralysis, loss of momentum, and loss of key people while everyone waits for the plan to be announced and implemented. Ironically, similar patterns are occurring in the acquiring company.

While there is eagerness to get on with the job and absorb the acquired institution, room has to be made, at least temporarily, for some key executives and officers from the acquired firm. Even though everyone’s life is in total chaos, this is supposed to send a positive signal that keeps folks working and producing – at least until everyone discovers that there is no real plan.

Lots of paper may have exchanged hands, but the deal takes longer than planned to finalize and looks quite different from that originally envisioned. By the time things are ultimately squared away, the really valuable people in the acquired firm are beginning to execute their departure strategies, while many others are simply cut.

There never is a really well thought out integration approach, plan, or process. Some deals never come together, yet enormous damage is done.

About due diligence, there is often such pressure to do the deal that rigorous analysis is actually avoided. This is another crucial reason why virtually all acquisitions and mergers fail in some respect.

- **The plant shutdown** – In the typical scenario, the decision to close a plant and reduce operations is “secretly” made by a small group of executives, then shared with a larger working group within a day or so. The target date is set for 60-to-90 days in the future (some times it is 3-to-4 times this long) so that “preparations” can be made internally to manage the process.

Naturally, as the “secret” plan proceeds, word and rumors leak out (sometimes within hours of the original decision). Rumors of the shutdown plans often cause sudden and powerful increases in

productivity and quality at the affected facility. The announcement is finally made (it may have been delayed two or three times due to “corporate scheduling”). Everyone in the affected facility is totally puzzled by the decision because they have been performing so well that, “Certainly someone would have noticed this by now.” The decision is firm; the plant is scheduled for closing.

The unions announce that they and their international parent are working with a Wall Street investment banker to find a white knight to purchase the facility from the parent company. Failing that, the group will attempt an employee buy out in the hope that they can operate the facility themselves. High work quality and productivity continue, yet the parent company’s decision remains firm. No buyers are found. The plant ultimately, belatedly, closes.

also maintain company-specific “war story” files. Examples include Arthur Andersen, Catholic Church, Coca-Cola, Disney Companies, Enron, Firestone, General Electric, and Hershey Foods, to name a few.

- These war-story files also contain articles, e-mails, and other available resources that seem appropriate in building useful reference information about the topic or issue. At a moment’s notice, these files can be put to use. These files provide a basis for forecasting behaviors of key players, e.g., government, employees, labor unions, activists, critics, and neighbors and victims, even senior executives. Patterns of media coverage in specific situations can also be determined. In addition, analyzing the behaviors of the key players in these dramas can be used to develop lists of things to avoid or plan for based on the nature of your organization’s specific circumstance.

THE LESSONS OF PATTERNS

Lesson #1: Patterns are the foundation of strategy and are what make the strategist an intelligent forecaster.

How does one master learning the patterns of events? “War story” files are one helpful way practitioners can begin the transition to strategists. These are essentially news clip files organized by topic, which contain significant print and video on issues of interest. At present, The Lukaszewski Group maintains more than three hundred “war story” files, and a couple new ones are developed almost every week.

A “war-story” file contains the following:

- Articles and clips related to a given topic or issue, e.g., acquisitions and takeovers, advocacy advertising, air crashes, animal rights, anti-terrorist activity, asbestos, Astroturf, and auto parts scandals. We

Lesson #2: Translate Relevant Patterns and Problems Into Useful Strategic Tools Before Problems Occur

Maximize the value of your “war stories” collection by selecting the most damaging, dangerous, or de-stabilizing situations and then translating them into hypothetical scenarios for your company or organization. Let’s take an example:

Your company has manufacturing and distribution operations in a variety of “back area” locations in various towns and cities, large and small, all across the U.S. However, most of your chemical treatment activities and heavy industry processes are located primarily in what are considered lower income, even poor areas.

You could someday be the subject of litigation or government action involving “environmental racism.” If you were to search

on the Web for the terms “environmental racism” or “environmental justice,” you’d probably come across the Environmental Protection Agency’s Web site, www.epa.gov, very quickly. If you search the site for “environmental justice,” you’d find the EPA’s federal register insert of Friday, July 23, 1999, regarding severe penalties, compliance and protection orders, “Draft Architecture for the Revised 2000 Strategic Plan,” and “The EPA’s Environmental Justice Strategy,” a memorandum dated April 23, 1995. You may be referred to www.whitehouse.gov/ceq/environmentaljustice for guidance under the National Environmental Policy Act. You may also come across references to the Center for the Study of American Business in Washington, which has published a number of position papers on this subject from a business perspective. Within less than an hour, and even before you seriously reviewed your clippings, you could be extraordinarily knowledgeable on this subject from very important sources, and have one or two brief case studies to back up your impressions, early information, and initial thoughts and recommendations.

Remember, the strategist’s job is to provide an adequate explanation for the circumstance being discussed, described, debated, or deliberated; to understand and relate the nature

of the threat or opportunity; to provide several options for management to consider and a recommendation for a particular approach complete with a brief analysis of the negative unintended consequences that could result from the various approaches.

Lesson #3: Focus Most of Your Work on Non-Operating Scenarios

Ninety-five percent of the adverse situations that affect most organizations come directly from day-to-day operations. These are the areas in which there is significant resident expertise. The strategist looks at the other five percent, those non-operating circumstances that present the greatest threat to organizational stability, reputation, and market share and cause damage that is difficult to repair. Managements tend to be at their weakest in responding to non-operating problems.

If you’d like a list of the more technical non-operating problems, simply e-mail your request to me at tlg@e911.com.

For more information on this and other communication management topics, visit the author’s Web site at www.e911.com.