

Uncommon Thinking for Uncommon Times

Andrew Jackson, James Stockdale, and Today's Business Leaders

Good news- I read a new book over the holidays, re-read another book, talked with some clients recently, watched the inauguration and did some of my own thinking.

Bad news- The economy is in its worst shape since the Great Depression!

Good news- I have provided some thoughts that might help.

Summary:

These are uncommon times. "That we are in the midst of crisis is now well understood. Our nation is at war, against a far-reaching network of violence and hatred. Our economy is badly weakened, a consequence of greed and irresponsibility on the part of some, but also our collective failure to make hard choices and prepare the nation for a new age. Homes have been lost; jobs shed; businesses shuttered. Our health care is too costly; our schools fail too many; and each day brings further evidence that the ways we use energy strengthen our adversaries and threaten our planet.

These are the indicators of crisis, subject to data and statistics. Less measurable but no less profound is a sapping of confidence across our land — a nagging fear that America's decline is inevitable, and that the next generation must lower its sights. Today I say to you that the challenges we face are real. They are serious and they are many. They will not be met easily or in a short span of time. But know this, America — they will be met." President Barack Obama from his inaugural address. 1/20/2009
Optimism counts and time will tell if it is well founded, but what we know is that these are uncommon times. And they call for uncommon thinking, and uncommon action.

The new book I read over the holidays was American Lion by Jon Meacham. The seventh president of the United States, Andrew Jackson, a scrappy frontier lawyer-turned-gentleman planter, was best described by a childhood wrestling mate: "I could throw him three times out of four, but he would never stay thrown." As I learned more about this "Lion", I found that I disagree with a number of his policies and actions (especially regarding Native Americans), but he was a resilient son of a gun, and a very good president.

The skinny, rangy Jackson was orphaned at 14. He was the only president ever to attack a would-be assassin, and the only one with a musket ball lodged in his chest! In Jackson's uncommon times, when South Carolina was already thinking of seceding and the economy was in dire straits, when he had recently become a widow, when he first won the popular vote but lost the electoral vote for president, ran again and won, when his vice-president quit, he didn't just sit back, he took action. He put together the first real cabinet. He fully paid off the national debt. He tried to abolish the Electoral College and the Federal Reserve System, and advised his citizens in their uncommon times to "take time to deliberate; but when the time for action arrives, stop thinking and go in." Uncommon thinking for uncommon times!

The book I re-read was Courage Under Fire by James B. Stockdale.

You might remember James Stockdale as a candidate for Vice President of the United States in the 1992 presidential election, on Ross Perot's independent ticket.

You might also remember his infamous vice-presidential debate. Stockdale was not informed that he would participate in the debate until a week before the event. He had no formal preparation for it, unlike his opponents Al Gore and Dan Quayle. Stockdale opened the debate by saying, "Who am I? Why am I here?" Initially, the rhetorical questions drew applause from the

audience, seeming to be a good-natured acknowledgment of his relatively unknown status. However, his unfocused style for the rest of the debate made him appear confused and disoriented.

You might not know that Vice Admiral James Bond Stockdale was also one of the most highly decorated officers in the history of the United States Navy. Stockdale led aerial attacks during the 1964 Gulf of Tonkin Incident. On his next deployment, while Commander of a Carrier Air Wing, he was shot down over enemy territory and became the highest-ranking naval officer held as a prisoner of war in Vietnam.

He was held as a prisoner of war for the next seven years. Locked in leg irons in a bath stall, he was routinely tortured and beaten. When told by his captors that he was to be paraded in public, Stockdale slit his scalp with a razor to purposely disfigure himself so his captors could not use him as propaganda. When they covered his head with a hat, Stockdale beat himself with a stool until his face was swollen beyond recognition. He told them in no uncertain terms that they would never exploit him. When he heard that other prisoners were dying under the torture, he slit his wrists and told them that he preferred death to submission.

He was awarded 26 combat decorations, including the Medal of Honor and four Silver Stars. Eventually, during the late 1970s, he served as President of the Naval War College. In a widely read business book by James C. Collins called Good to Great, Collins writes about a conversation he had with Stockdale regarding his coping strategy during his (most uncommon) period in the Vietnamese POW camp.

"I never lost faith in the end of the story, I never doubted not only that I would get out, but also that I would prevail in the end and turn the experience into the defining event of my life, which, in retrospect, I would not trade."

When Collins asked who didn't make it out, Stockdale replied:

"Oh, that's easy, the optimists. They were the ones who said, 'We're going to be out by Christmas.' And Christmas would come, and Christmas would go. Then they'd say, 'We're going to be out by Easter.' And Easter would come, and Easter would go. And then Thanksgiving, and then it would be Christmas again. And they died of a broken heart."

Stockdale then added: *"This is a very important lesson. You must never confuse faith that you will prevail in the end—which you can never afford to lose—with the discipline to confront the most brutal facts of your current reality, whatever they might be."*

Witnessing this philosophy of duality, Collins went on to describe it as the "Stockdale Paradox". **Uncommon thinking for uncommon times!**

One client discussion was with Tony D'Alessandro, IT Director at Rohm and Haas.

Tony and I discussed the pending purchase of Rohm and Haas, a one hundred year-old, \$9 billion specialty chemicals company, by Dow, a one hundred and twelve year-old \$54 billion chemical company. When I asked Tony how he was dealing not only with this economic downturn, but also the uncertainties associated with the impending purchase, he said, "It feels odd being the bought company, vs. the buying company, but I see this as an opportunity and combined with the economic downturn, we intend to work even harder to support the Rohm & Haas businesses of today and the combined Rohm & Haas/Dow businesses of tomorrow. We have specific goals and intend to meet them. We will also be offering some personal branding



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seminars for our people to help them through this mess, whether they stay with us or not." Uncommon thinking for uncommon times!

The other client discussion was with Rick Hepperla, VP and Regional Division Manager, Automation Products, ABB North America

With over \$30 billion in annual sales, ABB is the world's leading power and automation technology company. As recently as last May, ABB was planning to hire 120,000 more people over the next five years. Today, with the economy in its current state, ABB has a freeze on hiring. When I asked Rick how he was dealing with this economic downturn, he said, "*The Automation Products business has enough back orders to keep us going for 8-10 months, but in the mean time it just gets down to basic blocking and tackling. We have to continue doing what we do well even better; innovating, producing, marketing, selling and serving our customers. We have to keep the big picture in mind and always think strategically, but in these uncertain times, we need to also be very tactical. You can't change the direction of the wind, but you can trim your sails. With that in mind, we have already taken some cost reductions, but with our goals clear, our strategies sound and our tactical activity robust, we intend to come out of this thing stronger than we went into it.*" **Uncommon thinking for uncommon times!**

Applications:

I don't know about you, but I don't anticipate a bail-out or any part of the trillion dollars Congress is about to spend to help us, so I am...

- Staying positive like our new president. That's half the battle.
- Learning from Andrew Jackson: Taking time to deliberate; but when the time for action arrives, stopping my thinking and going in.
- Remembering the Stockdale Paradox: "Never confuse faith that you will prevail in the end ...with the discipline to confront the most brutal facts of your current reality, whatever they might be."
- Like Tony D'Alessandro, working harder, and doing more for my people (clients), even in the face of huge change and challenges.
- Like Rick Hepperla, blocking, tackling, trimming my sails, staying tactical and aiming to come out of this thing stronger than I went in.

And Finally:

If you want more thoughts about all this, or want to add your own, check out my blog. You can visit it at <http://richsteel.blogspot.com/>

Or to talk more about this and other topics, e-mail me (Rich Steel) at rsbvc@aol.com or call me at my office on 610 388 3680 or on my cell at 610 324 8466.