



08 OCT 2008 RESEARCH & IDEAS

# Book Excerpt: A Sense of Urgency

by John P. Kotter

---

Urgency can be a positive force in companies, says leadership expert and HBS professor emeritus **John P. Kotter**. His new book, *A Sense of Urgency* (Harvard Business Press), makes that conviction clear. Our excerpt describes how leaders might skillfully transform a crisis into an organizational motivator for the better. Key concepts include:

- Always think of crises as potential opportunities, and not only dreadful problems that automatically must be delegated to the damage control specialists.
  - Plans and actions should always focus on others' hearts as much or more than their minds.
  - If you are at a middle or low level in an organization and see how a crisis can be used as an opportunity, identify and then work with an open-minded and approachable person who can take the lead.
- 

The problem with using crises to reduce complacency and create urgency is that the tactic is a potential diamond sitting on a rock surrounded by quicksand and very nasty beasts. Any naiveté about the downside risks can cause disaster.

**Big Mistake Number 1:** Assuming that crises inevitably will create the sense of urgency needed to perform better.

An example. At a major European retailer, margins were shrinking year after year because fashionable boutiques were taking its top-of-the-line business, and discounters were taking away its low-end business. Then the European edition of the *Wall Street Journal* published an explosive article spelling out many of the firm's problems. The CEO had two weeks' warning, but instead of alerting others or working to kill the story, he deliberately chose to do nothing. Not only did he not warn others, except one close confidant, but he also did little to analyze in advance exactly what would happen the day the article came out and what precisely he should do to channel fear, anger, and confusion into a determination to act fast and succeed.

The day came. A full-blown crisis was created. The CEO waited for a great wind to start pushing his organization off its complacent platform and into a good direction. But it didn't happen. Instead of mobilizing people into action, the crisis led many managers into making fewer decisions because they didn't want to be accused of mistakes with the press and public watching. Many other managers were genuinely afraid that is they rushed into actions their decisions might accidentally create harm. So they held back just at a time when the CEO most needed their help to get the organization moving swiftly into a better future. [...]

Without needed planning and action to leverage the crisis, the situation grew worse, not better.

**Big Mistake Number 2:** Going over the line with a strategy that creates an angry backlash because people feel manipulated.

No one wants to feel manipulated. If people sense that someone has created a crisis that deliberately puts them in harm's way, especially if it is not strongly connected to real business problems, they may suspect sabotage or lunacy, both of which can create anger and not a steely determination to act fast and win. The crisis-creating strategy not only fails but makes matters worse.

Because his managers and employees would not change to meet new market demands, the head of the largest division of a Midwestern manufacturing company reluctantly drew the conclusion that his only alternative was to engineer a crisis. [...]

But energy within his organization did not emerge as a strong sense of urgency to act. New energy formed more as anger looking for someone to blame for the crisis. Suddenly, a rumor started that the plant manager had purposefully taken steps in the prior year in order to create the severe problems the company faced. Any energy to confront the facts and deal with the real business problems was redirected at the plant manager.

**Big Mistake Number 3:** Passively sitting and waiting for a crisis (which many never come).

A major problem with passive strategies is that nature may not cooperate by providing the right amount of lightning in the right place at the right time. A passive, hopeful, wait-and-see strategy fails.

The CEO at an electric utility was actually looking forward to deregulation as a means of unfreezing a tradition-bound monopoly that was not adequately preparing for a more competitive future. But deregulation came slower than he anticipated and with fewer new freedoms. [...] No crisis was thrust upon the firm. The enterprise continued to make money even as it turned slowly to lose market share in a post-monopoly world. The positive net income helped greatly in supporting complacency. In frustration, his change agents waited and waited for a powerful legislation that they knew must happen in the current year. But it never did, and the crisis never came.

**Big Mistake Number 4:** Underestimating what the people who would avoid crises at all costs correctly appreciate: that crisis can bring disaster.

Example. Using a technology recently made available because of ever-shrinking microchips, a new competitor took away dozens of a firm's key customers. The crisis could have been anticipated. But because the management believed that only an unexpected burning platform could help push a complacent organization out of its comfort zone, it didn't pay attention to the danger signs. Revenues collapsed, losses mounted, the stock tanked, people were laid off, and some good employees jumped ship. The platform burned for all but the most complacent. Yet the economic collapse meant there was little or no funding left for new plant equipment, a new IT system, and a new R&D effort, all of which were required if the firm was to leap into the future. Even the few employees who were mobilized into action found that the firm's needs were overwhelming. Morale sank. Losses continued to grow. Then the firm was bought by someone at a bargain price, someone who sliced and diced the company out of existence. In summary, a burning platform, yes; a changed organization equipped to meet the needs of the future, not even close.

Of all the risks associated with crises, this last one is obviously the biggest. Instead of creating a sense of urgency, you end up out of business. You don't find this happening often, because people sense the danger and work very hard to avoid it. But crises sometimes do cripple or destroy organizations. Here is the strongest demonstration yet that crises, though they can be highly useful, are not necessarily your friend when urgency is needed.

## The Bottom Line

Don't be naïve. Management control systems and damage control experts serve a critical purpose. But don't let that blind you to an increasingly important reality. Controls can support complacency in an era when complacency can be deadly. Handled properly—and we know the rules for proper handling—a crisis can offer an opportunity to increase needed urgency, an opportunity that cannot be disregarded.

Best evidence available today tells us that crises can be used to create true urgency if these principles are followed:

- Always think of crises as potential opportunities, and not only dreadful problems that automatically must be delegated to the damage control specialists. A crisis can be your friend.
- Never forget that crises do not automatically reduce complacency. If not monitored and handled well, burning platforms can be disastrous, leading to fear, anger, blame, and the energetic yet dysfunctional behavior associated with false urgency.
- To use a crisis to reduce complacency, make sure it is visible, unambiguous, related to real business problems, and significant enough that it cannot be solved with small, simple actions. Fight the impulse to minimize or hide bad news.
- To use a crisis to reduce complacency, be exceptionally proactive in assessing how people will react, in developing specific plans for action, and in implementing the plans swiftly.
- Plans and actions should always focus on others' hearts as much or more than their minds. Behaving with passion, conviction, optimism, urgency, and a steely determination will trump an analytically brilliant memo every time.
- If urgency is low, never patiently wait for a crisis (which may never come) to solve your problems. Bring the outside in. Act with urgency every day.
- If you are considering creating an urgency-raising crisis, take great care both because of the danger of losing control and because if people see you as manipulative and putting them at risk, they will (quite reasonably) react very badly.
- If you are at a middle or low level in an organization and see how a crisis can be used as an opportunity, identify and then work with an open-minded and approachable person in a more powerful position who can take the lead.

Certainly we need to be prudent. But in a more rapidly changing world, finding opportunities in crises probably reduces your overall risk.

## To Learn More:

Watch a [video](#) of John Kotter discussing urgency on his blog.

---