

## **A PUBLIC RESPONSE TO TERRORISM NEEDED FROM OUR CORPORATE LEADERS**

Awakening to the sunshine of an early autumn day, America had no idea of the tragic scenario about to unfold before a shocked nation. Four commercial airliners filled with everyday travelers, business executives to families with children were about to be hijacked and purposely flown into landmark buildings to kill or maim both those onboard and tens-of-thousands on the ground. Welcome to the world of global terrorism, a world from which North America has been shielded, a bastion of safety and security from the ravages of ideological terror that have long menaced many of the developing nations and to a lesser extent, Europe.

As the leadership of the United States Government regroups to assess what was happened, how, by whom and why, in order to appropriately respond, U.S. corporate leaders as well, also need to respond in a very public and determined manner to this horrifying, undeclared act of war upon our nation and its economic system. When facing any enemy and particularly an unseen one, two forms of response are most critically needed. Both require a clear demonstration of corporate solidarity with our elected officials.

Initially, it is essential to assure our people, both within the corporate environment as well as the general public, that the leadership of corporate America will do everything necessary to cooperate with the government to minimize economic disruption. So far, 2001 has been a harbinger of ever worsening economic news. With layoffs and terminations now exceeding the one million mark, nearly everyone has either been directly affected themselves or knows someone who has. Although the outlook has been favorable for an economic turnaround beginning next year, supported by a return to steady if not meteoric growth, high energy costs and the continuing strong dollar have loomed as potential spoilers to recovery.

In addition to this, the nation will now be faced with a decline in tourism, travel, meetings, conventions, massive insurance claims and the costs of economic disruption that will naturally flow from the losses as well as the corresponding military and civilian counter-measures that will necessarily ensue from the terrorists' actions. All of which could offset the positive benefits expected to be derived from the series of interest rate cuts initiated by the

Federal Reserve and the Administration's tax cut program. Whatever terrorist group orchestrated this particular round of attacks, it is clear their goal is to intimidate and demoralize the people of the United States, realizing that if they can break the will of the people through the exercise of terror, our elected officials will become unwilling to aggressively pursue foreign policies the terrorists decry. Such tactics are the Achilles Heel of democratic governments world-wide and why the response coming from every quarter, especially our corporate leaders, must be one of unity and the unflinching determination demonstrated by England's Winston Churchill, who steadfastly refused to ever give-in to tyrants.

Moreover, corporate leaders should determine to willingly play a pivotal role in working cooperatively with the administration to assure the nation that although we have been stung several times by the terrorist wasp, the American free enterprise system will never bow to terrorism. Thus, business, investment and the American way of life will not only continue, but also prosper while our government seeks out and destroys those responsible for these acts, as well as their supporters and accomplices, much as we helped France and England destroy the Barbary Pirates in the 1800's. Meanwhile our people must be assured that the American way of life, as we have always known it, will continue.

The positive role of American corporate leadership in this regard should not be understated. Today we cannot be sure if what we have witnessed is the full extent of the enemy's blows or merely the first wave with more to follow tomorrow, next week or next month. At the outset of World War II, many expected that the attack on Pearl Harbor would be quickly followed by a full scale invasion of the Hawaiian Islands. Fear of the unknown is a debilitating enemy. We cannot know if more attacks are planned and thus, fruitless speculation will do nothing more than to further unsettle the public. What is needed is for our corporate leaders, in a very public manner and with resolute commitment, to reassure our nation that the doors of American commerce will not be shuttered by threats or acts of wanton terrorism. Apart from our government punishing the perpetrators, the next best way to thumb our noses at them and all who think alike, is to revitalize the economy and thereby once more demonstrate that the power of a free people operating within a free market system is greater than the power of fear.

Within twenty-four hours of the attacks, the nation had already seen evidence of profiteering by a small number of businesses, particularly in the petroleum industry. We are a nation at war. A war unlike any we have fought before, but nonetheless a war. Any who take advantage of this to gouge the nation are unworthy of our great country. It is incumbent upon our corporate leaders to guard against even the appearance of such practices.

A second necessary counterblow is for corporate leaders to demonstrate their resolve by boldly moving forward and not retreating in a struggling economy. We have seen massive layoffs throughout the year. Sometimes cost cutting is necessary, however, we cannot cut our way to growth. We must innovate, reconfigure our resources and if necessary, by the sheer grit of willpower, thrust our companies forward with the ultimatum to grow. It seems today that whenever we face the slightest economic adversity, our response as leaders is to pull back, retrench and "rightsize" in an attempt to protect what we have. It is time to remember that when the "going gets tough, the tough get going." We are now engaged in a war against tyranny and terror, a war that must be fought upon two fronts, the military/political front by our government and the marketplace/free enterprise front by our businesses. It is time to quit whining about the economy and begin to take concerted action as business leaders to turn it around. In war, one cannot accept retreat and failure. Why? Because one's very existence is at stake. Now, our economic livelihood is at stake and with it a way of life that we cherish and well we should, as it has made us the most prosperous nation in history.

To protect this way of life in the face of those who will stop at no atrocity, no matter how heinous, to destroy it and us as the world's super power both economically and militarily, we must bootstrap ourselves out of the current economic slump. This can be done and quickly, if as leaders we will commit to not accepting the status quo and all the comfortable excuses that come with it. If we, in our businesses will adopt a fighting mentality, understanding that we must succeed in order to protect our nation and our way of life, then we cannot and will not fail. This commitment requires that we abandon our preoccupation with short term results and adopt a mindset of investing into America's future. We have been short changing ourselves by focusing on today's bottom line. Our decision making must be guided by where we need to be in six months, a year and five years, rather than at the end of the present fiscal quarter. Furthermore, we must be willing to send that same message to our stockholders and debt markets. We are going for future rewards, not the present day payoff.

Given this renewed mindset, we can as a nation pull ourselves out of the present economic slowdown and get back on the high road to long term growth and prosperity. Some sectors that were over-invested will undoubtedly experience shakeout, but this is merely another beneficial facet of our free enterprise system. In so doing, capital will be freed up and reinvested into other sectors that offer more realistic opportunities for potential growth.

Today, we are at a national crises. Once again, we are threatened by an external enemy. Although what has happened is terrible and nothing will ever compensate for the enormous loss of life, suffering and grief, there is one redeeming aspect. It is the opportunity for men and women of vision who have been placed into positions of leadership to remind us once again that properly led, Americans will overcome any enemy, no matter how depraved. It is time for our corporate leaders to join forces, putting aside petty and selfish self interests, and publicly help our President in bringing America out of this dark hour. Our great nation deserves no less!



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