

## **Corporate America's Response to Terrorism can put the Economy Back on Track**

At the dawn of an autumn day, American citizens awoke with no idea of the tragic scenario about to unfold before a shocked nation. Four commercial airliners filled with everyday travelers, from business executives to families with children, were about to be hijacked and purposely flown into landmark buildings, killing or maiming both those onboard and tens-of-thousands on the ground. The event was an act of global terrorism at its most horrific. As the leadership of the United States Government regroups to assess what happened, how, by whom, and why, U.S. corporate leaders need to respond to the attack on our nation and our economy in a very public and determined manner. When facing any enemy, particularly an unseen one, two forms of response are most critically needed, and both require a clear demonstration of corporate solidarity with our elected officials.

### **Show Unity to a Mourning Nation**

Initially, it is essential to assure our people, both within the corporate environment and 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, high energy costs and the continuing strong dollar loom as potential spoilers to recovery.

In addition, the nation may now experience a decline in tourism, travel, meetings, and conventions. Massive insurance claims and the costs of economic disruption 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 this could offset the positive benefits expected from the series of interest rate cuts the Federal Reserve initiated. Whatever terrorist group orchestrated this particular round of attacks, it is clear their goal was to intimidate and demoralize the people of the United States, realizing that if they can break the people's will 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 unflinching determination.

Corporate leaders must willingly play a pivotal role in working cooperatively with the administration to assure the nation that although the terrorist wasp has stung several times, the American free enterprise system will never bow to terrorism. Thus, business, investment, and the American way of life will not only continue, but will also prosper while our government seeks out and punishes those responsible for these acts.

#### Perseverance Will Pave the Way for Recovery

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. However, we are now engaged in a war against tyranny and terror, a war that must be fought upon two fronts: the military/political front and the marketplace/free enterprise front. It is time to quit whining about the economy and begin to take concerted action as business leaders to turn it around.

To protect our American way of life, we must bootstrap ourselves out of the current economic slump. This can be done quickly if we as leaders commit to not accepting the status quo and all the comfortable excuses that come with it. If we adopt a fighting mentality and understand 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. By taking action and persevering, capital will be freed up and reinvested into other sectors that offer more realistic opportunities for potential growth.

#### The Time for Action is Now

Today we are at a national crises, 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. Men and women of vision who have been placed into positions of leadership have the opportunity to remind us once again that when properly led, Americans will overcome any enemy, no matter how depraved. It is time for our corporate leaders to join forces, put aside petty and selfish self interests, and publicly help our President bring America out of this dark hour. Our great nation deserves no less!



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