

Economic Crisis: Hitting the 'Reset' Button

Nothing like a few days of up markets and what looks like spring on the horizon to brighten the otherwise gloom of the times. Now we are beginning to see some forward-looking, after-the-crash thought pieces on how business and business management will change forever. For example, here's an excellent article from the [Boston Globe](#), I've culled some recurring trends that have been popping up in my reading, and paired them with thoughts from Harvard Business School faculty. (This is "View from Harvard Business" after all.)

Let's start our own list; I've added a few of my own thoughts down below.

- **Rethinking the advertising messages we send to consumers** "Reassuring messages that reinforce an emotional connection with the brand and demonstrate empathy are vital." -**John Quelch, Katherine E. Jocz**, *Harvard Business Review* (April).
- **Pressure on corporations to act for the good of the financial system** "A new challenge for senior business leaders is, what is his obligation to support the financial system he is part of versus his duties to shareholders, customers, and employees." - **Sandra Sucher**, CNBC
- **A new wave of technological innovation and entrepreneurialism** "With firms scaling back and with the scarcity of capital for launching new ventures, this creates huge possibilities for an entrepreneur to identify the opportunities, get creative about assembling resources, and go after them with the knowledge that the potential for competitive advantage will be greater than in a boom period. I have a lot of hope for the entrepreneurial momentum that builds during a downturn." -**Bhaskar Chakravorti**, [HBS Working Knowledge](#)
- **Rethinking what we teach MBAs** "We lived through an enormous extended period of financial good times, and people became less focused on risks and risk management and more focused on making money. We need to move that focus back toward the center." -HBS Dean **Jay Light**, [Boston Globe](#)
- **Weaning off credit** "As we attempt to jump-start the economy of 2009, we should recognize both the risks and the advantages inherent in a robust credit industry. Credit undergirded our economic expansion. If we close the spigots too tightly, we must be prepared to accept an economy that stagnates." -**Nicolas P. Retsinas** and **Eric S. Belsky**, [HBS Working Knowledge](#)
- **Increased government regulation** "If we don't reinvigorate regulation ... the credit system will remain sick, banks won't fully recover, and investors and borrowers will keep on believing — correctly — that they've been hoodwinked and fleeced." - **Thomas McCraw**
- **Emphasis on ethics** "The climate that these students are growing up in is dramatically different than what we have seen even in the last 10 to 15 years. This will change how they think in the same way our parents' views were shaped by the great depression. I'm confident they are now taking lessons out of it about things that they like, things they don't want to do, as well as hopes on what they could do better." -**Sucher**, who teaches ethics to first-year MBAs, on [CNBC](#)

- **Taking advantage of discontinuity** “Make sure the organization has a positive agenda; don’t just be doing the negative things. Get something done that is more hard to do in normal times. Your people will be much more comfortable with positive.” -**Michael Porter**, [CNBC](#)
- **Taking advantage of urgency** “A crisis provides the leader with the platform to get things done that were required anyway and offers the sense of urgency to accelerate their implementation.” -**Bill George**, [Wall Street Journal](#)

The AIG Factor

I’ll add one that has pushed to to the fore with this week’s outrage over AIG. Namely:

Do the Right Thing The public is clearly fed up with corporate greed; the BS detector is set to HIGH and phaser set to stun. We wan’t our politicians and CEOs to act with common sense, moral strength and for the good of society. Decisions that conform to these standards are more likely to be rewarded by employees, investors, customers and voters. Decision makers and brands that fall short of these standards will be flogged in the Internet court of public opinion, and dragged before Congressional subcommittees for shovelfuls of public humiliation. In this white hot environment, Google’s mantra “don’t be evil” is probably too passive as a governance standard.