

To Do Or Not To Do: Taking Positions In a Divisive World

Today's corporate Boards face enormous geopolitical, political and reputational risks that make uncertain exactly what is the right public response to offer—it often seems that a company gets slammed for support, nonsupport, and even silence.

To determine what responses to offer on what topics, a comprehensive review of an individual company's competitive landscape focused on the following topics/questions is in order.

- Global geopolitical fragmentation and U.S. political, generational, and cultural population fragmentation are here. Given the above as a business reality, what are the trends that could curtail business growth, in what areas and how? What are the trends that, once captured, could produce significant business returns, and how much of a return? Is the return sustainable? What are the costs of doing so? What are the costs of not doing so?
- Disruptive technologies (Al, social media, quantum communications, etc.) are here, present everywhere, and growing. Given this situation as a business reality, what are the trends that could curtail business growth and in what areas? What are the trends that, once captured, could produce significant business returns, and how much of a return? Is the return sustainable? What are the costs of doing so? What are the costs of not doing so?

Three questions that help determine when a company should offer a public response or not are given below. The answers to these questions are considered adaptive insights because they reflect the level of adaptability within the Board and company as to how much capability exists to push the boundaries of what is known, expand meanings assigned to events, and include more complex human forces underlying issues. BTW, there are no right nor wrong answers to these questions.

- Mirroring: do the company's actions/stances mirror its public messages to its major stakeholders (buyers, customers, employees, government, investors—whoever is deemed important to the company)?
- Response: does the company listen/adjust course to align to feedback that it receives from major stakeholders?
- Willingness: is the company ready to embrace changes needed to resolve disconnects in mirroring? response?

If the answers to the above three questions are in the affirmative, then the Board can craft a <u>push-forward strategy</u>—i.e., go on the offense like in football, which is characterized by proactive engagement that demonstrates:

- Balance—seeing and accepting polarities/dilemmas not as problems, but rather as opportunities to find answers/responses that reflect a balance between the opposing forces.
- Strength—to embrace each situation's uniqueness while incorporating it into the organizational structure and culture.
- Flexibility—to leverage new behaviors in response to changing circumstances or shifts in requirements.
- Endurance—to withstand and adapt to challenges, setbacks, and pressure while maintaining focus on goal achievement.

If the answers to the above three questions are negative, then the Board should craft a <u>defensive strategy</u> characterized by strong legal positioning and minimal/no public responses on most issues so as to safeguard the business against potential risks.

To do or not to do, it's truly a question that reflects each company's viewpoint, marketplace, customers, and relationships.

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