# A BIG-PICTURE VIEW OF THE ALWAYS A WINNER ORGANIZATION

# CHAPTER 1

# Why Recessions Are More Dangerous than Any 10 Competitors

*When a recession hits, the best surprise is no surprise.*

—Ron Vara

A recession can do far more damage to your organization than any 10 competitors. That's a lesson I both regularly teach to my executive MBA students and preach to corporate audiences. Without question, it is one of the most important lessons that business executives around the world have all-too-painfully learned in the wake and carnage of the crash of 2007 to 2009.

Contrary to a popular view before that historic crash, the business cycle is not dead. Nor has this highly volatile and often destructive cycle even been tamed. This is a lesson sharply underscored by the culpability of America's own Federal Reserve and central banks around the world in helping to trigger the crash of 2007 to 2009 by first creating, and then perpetuating, a bubble global economy.

Because recessions can do far more damage to your organization than your competitors and because recessions will continue to be as inevitable as death and taxes, the 2007–2009 crash should serve as every business executive's epiphany about the need to recession-proof one's organization. The purpose of this book is to help you learn how to do just that.

The goal of this book is not, however, simply to teach you a valuable set of recession-proofing skills. More broadly, this book will also show you how to strategically manage your organization over the entire course of the business cycle—from the depths of a recessionary trough to the boom times of a robust economic expansion and back again. By learning to strategically manage the business cycle, your organization will be able to create a powerful competitive and sustainable advantage over your rivals and thereby find the grail sought by every executive team in the world: superior financial performance. In this way, you will be "always a winner."