



ISSA[®] INTERCLEAN[®] NORTH AMERICA

NOVEMBER 4-7 • ORLANDO, FL • USA

2014 SHOW PREVIEW



**THE DANGERS OF
COMPLACENCY**
AMSTERDAM 2014



Perilously

Complacent

By Michael Schaffer

After the fatal explosion and oil spill in the Gulf of Mexico in 2010, a study was commissioned to determine exactly what happened, how it happened, and most important, how a similar accident could be avoided in the future. When the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling report was released in January 2011, one of its key conclusions was unexpected. According to the report, “The Deepwater Horizon disaster exhibits the costs of a culture of complacency.... There are recurring themes of missed warning signals, failure to share information, and a general lack of appreciation for the risks involved.”

Complacency is, of course, not limited to this disaster; it is a common human characteristic. We’ve all heard the expression, “If it isn’t broken, don’t fix it.” But this strategy can have its pitfalls, and we have seen this over and over again in history. Some say the *Hindenburg* explosion, for instance—which took place in May 1937 when Germany’s most technologically advanced dirigible exploded over Lakehurst, New Jersey, killing 36 people—was the result of complacency. Engineers had become overconfident in what they had put together and failed to keep testing the system under different conditions and situations.

In our own jansan industry, we have seen examples of complacency. Two decades ago, there were thousands more jansan distributors than there are today. I worked with many of these people. While they were bright, honest, hardworking, and certainly committed to the industry, many failed—or refused—to see that the world of distribution was changing. Many of these folks eventually made the necessary updates to adjust to a changing world, but others remained complacent, confident that the business model that had served them well for decades would keep them afloat. Unfortunately, that did not work.

Examples of this lethargy exist in all segments of our industry.

Leaders in our industry must always stay one step—or many steps—ahead of the game, trying to understand where the industry is going, plan for the unexpected, and determine how their businesses will survive and thrive in a changing jansan world. One of the best ways successful leaders do this and avoid complacency is by questioning—asking themselves and their staff the questions that need to be answered to move forward in the years to come.

A Culture of Complacency

There are times when a company or organization has done well for so many years that its management leaders ignore the realities of a changing business environment. While there are many examples, one that hits home is Sears, Roebuck and Co. Sears was founded by Richard Warren Sears and Alvah Roebuck in 1886. From its mail-order beginnings, the company grew to become the largest retailer in the United States by the mid-20th century, and its catalogs became famous.

Sears was a vibrant and, at one time, a very innovative company. It even had its own radio station starting in 1924, specifically to provide information tailored to the needs of farmers, a market Sears coveted at the time. But challenges accelerated in the 1970s. Some observers said that the company was drifting away. At about this time and continuing into the present, the company changed CEOs and management leaders several times. However, they all found it very difficult to breathe new life—and new direction—into the 150-year-old company.

So what was going on? A whole new world of competitors cropped up in the 1970s, among them Wal-Mart, Home Depot, even K-Mart, which Sears later purchased. The business model Sears had been based on for decades was no lon-

ger working in this new environment. However, for the most part, the management ignored these changes, thinking good times were just around the corner.

For instance, as reports came out in the 1980s that the company was being challenged in a new marketplace, Sears management rebuffed these as “mean-spirited journalism and biased reporting.” According to authors Peter Pascale, Mark Milleman, and Linda Gioja in their book *Surfing the Edge of Chaos*, “Sears became so immersed in denial and complacency that its ability to learn was marginalized.”

Over the years, Sears has had to sell some of its most valuable assets, from the Sears Tower in Chicago, IL, and Discover Card, which the company started, to Coldwell Banker. While the official reason typically given was that the company wanted to focus on its core business, what many analysts suspected was that they simply needed the cash.

Today Sears continues to struggle to find its brand. Its current leaders acknowledge that the company lost its way, and they probably even realize complacency played a part in this. Whether the company survives or not and in what form is anyone’s guess.

What We Should Ask

I hope none of us will ever find ourselves in such a dire situation. But we all know that the janitor industry, our customers, and our world are changing quickly. So what are some of the key questions we should be asking ourselves today so that we can secure the future of our businesses in the coming years?

Here are several questions I ask myself, and I suggest business leaders in our industry ask themselves:

1. Who is our key competitors today, and how are we going to position our product line against them in the future?
2. Will the cleaning tools and equipment we make today be relevant five years from now? How about 10 years from now?
3. What green and sustainable issues will our equipment face five years from now: water efficiency, energy consumption, or something else?
4. What industry segment/market do we want to dominant by 2020?
5. What is it like to work for this company?
6. What is it like to work for me (asked by the CEO)?
7. Are we paying enough attention to our distributors, reps, and partners (or are we taking them for granted)?
8. What should we stop doing or producing?
9. What does our company stand for and what—exactly—is our “brand”?
10. How easy is it to do business with us, and how can we make it even easier?
11. What benefits do our customers see in our competitors today, and will these be the same five years from now?
12. What trends are evolving that will impact how we sell products in the next five years

13. Why do our customers buy today; how are they likely to buy five years from now?

14. Who will be your customers five years from now, and what challenges will they face?

15. Who buys your products now, and who will be the purchasing agents of the future?

Don't Let Your Company Fail Through Complacency

Learning and networking are two of the best ways to gain new information and keep your company and team from growing stale. Learn new methods. Witness new products in action. Meet new people. Gain new ideas. Attend ISSA/INTERCLEAN® 2014, November 3-7, Orlando, FL. For more information and to register, visit www.issa.com/show.

The Takeaway

One of the most important roles of a business leader is to be a risk manager. This does not mean dealing with crises as they come up, but rather, looking for ways to avoid them in the first place. This is how we overcome complacency, and the best way is by asking ourselves the difficult questions today that must be asked and answered.

I believe William Taylor, cofounder of *Fast Company* magazine and coauthor of several books on how businesses can compete in the 21st century, said it best when he wrote in the *Harvard Business Review* online (“Are You Learning as Fast as the World Is Changing,” January 26, 2012):

“Today, the challenge for leaders at every level is no longer just to out-hustle, out-muscle, and out-maneuver the competition. It is to *out-think* the competition in ways big and small, to develop a unique point of view about the future and help your organization get there before anyone else does. Which is why a defining challenge of leadership is whether you can answer a question that is as simple as it is powerful: Are you learning as fast as the world is changing?”

Let’s not let complacency hamper our businesses. As leaders in the janitor industry, in a business environment that is changing faster than ever, we have an obligation to our staffs, our companies, and our industry to ask questions and “learn as fast as the world is changing.”



Michael Schaffer is a senior executive with Tacony’s Commercial Floor Care division. He is also president of Tornado Industries®. He can be reached at mschaffer@tornadovac.com.