Joachim Spill and Father Niklaus Brantschen on crises and how to overcome them

Transformations

The world economy is in one of the worst crises for decades. Not only global players but whole economies are faltering. The economic aid and recovery packages have reached astronomical dimensions. And no one knows which way things will go. The world is undergoing dramatic changes.

*EYe*Catcher *spoke to two very different men about the crisis, the transformation process that it has triggered and the opportunities it provides for a new beginning: Transaction Advisory Partner Joachim Spill and Swiss Jesuit Father Niklaus Brantschen, priest, licensed Zen teacher and cofounder of the Lassalle Institute for Ethics in Business and Politics.*

"The transformation of the markets also means that we need to change. That is a big challenge – and an opportunity at the same time." Joachim Spill in his EYe*Catcher* interview at the Eschborn/Frankfurt am Main Ernst & Young office.

"A crisis thus provides an opportunity to grow in the meaning of change and recovery. Without crises there would be no growth and no wisdom." Father Niklaus Brantschen in his Eye*Catcher* interview in the meditation room of the Lasalle House in Bad Schönbrunn.

"Hope is not enough to see us through"

EYe*Catcher:* What strategy would you recommend to companies that face a crisis?

Joachim Spill: Their management should endeavor to safeguard all that makes up the company's identity and strength. They should try to make sure that their employees stay on board and keep their customers. A downturn is always followed by an upswing – which is not to say that everything stays the same after a period of drought! It may well be necessary for companies to adapt their business model.

EYe*Catcher:* Is a merger one way of dealing with this situation? What advantages can it offer?

Joachim: A merger can indeed be the way to go in times of crisis, especially when the competencies and products of the companies complement each other, creating cost and sales advantages. That enhances their flexibility and strengthens their market position.

EYe*Catcher:* How should companies prepare and what factors require special attention for the merger to be a success?

Joachim: A merger should be prepared for thoroughly and be carefully managed. Hope alone will not make a good merger happen! In times when uncertainty is high, stress scenarios should be considered. What happens when markets are suddenly eroded or competitors appear out of the blue? The management must have solutions ready, even for such unwelcome scenarios.

EYe*Catcher:* What are the greatest stumbling blocks that could jeopardize a successful merger?

Joachim: Well, aside from not considering stress factors, if there is no post-merger integration, this can cause a merger to fail. The structures, processes and cultures of the two companies must be aligned with each other and combined. It is important to involve the employees and internal communication in this process. Otherwise, the advantages that the merger offers will be lost.

EYe*Catcher:* Germany, Austria and Switzerland have come together in the GSA Sub-Area. In your opinion, what are the key factors for successful cooperation?

Joachim: The main thing is to take into account the different cultures of the three countries, while at the same time bringing them together. On an emotional level, we must achieve a kind of community spirit among the three countries! Beyond that, I believe it is very important not to lose sight of the EMEIA and global aspect in all of our Sub-Area activities. After all, we are an international firm, and that should translate into an international mindset and action – across all levels.

EYe*Catcher:* Where do you see the greatest potential of our new Sub-Area?

Joachim Spill, continued

Joachim: The fact that we are very close in terms of culture and language is an excellent basis for sharing resources and team work. All three countries also have many small and medium-sized clients, which is again common ground where we can share experiences and team up. Switzerland has also brought some global players that it serves into the GSA, which is a great asset for us all.

EYe*Catcher:* And where should we go from here, do you think?

Joachim: I would like to see the word "crisis management" die out by the end of the year. The term suggests that we are facing difficult times, which we somehow have to manage and survive, and that everything will be the same again afterwards – that we can continue as we have been doing. But I don't think we can. The markets are undergoing fundamental changes, and when the crisis is over I don't think anything will be the same. We must start right now to adapt our business models; we must develop a long-term plan of how we want to proceed when the crisis is over. Doing nothing would mean stagnation. The transformation of the markets also means that we need to change. That is a big challenge – and an opportunity at the same time.

Interview held by Dr. Stephan Pietrowicz

▶ What does a crisis mean to you? How do you perceive the current crisis? And do you believe that a crisis can give rise to opportunities? Write us! The most interesting contributions will be published in GSA Connection. We look forward to hearing from you: *eyecatcher@de.ey.com*

"Building windmills in the winds of change"

▶ **EYe*Catcher:*** Father Brantschen, every transformation also contains a new opening. What do you understand by the two terms "transformation" and "new openings"?

Father Niklaus Brantschen: The expression "new openings" brings two things to my mind: opening up structures that have become encrusted, hardened and closed to the outside; but then again, "opening up" new perspectives. Opening up in this way can bring about transformation. I understand this to be a move to a higher level: A pattern or a paradigm that no longer applies is raised to another level, opening up new, forward-looking opportunities.

EYe*Catcher:* Crises of a personal, social or an economic nature: What do all crises have in common?

Father Niklaus: A crippling uncertainty, a lack of confidence and, most of all, a lack of a vision. Another thing crises have in common is that they can be mastered. Barack Obama is a perfect example of this: He doesn't trivialize anything, but provides an analysis of the crisis. At the same time, he shows how the crisis can lead to transformation using tried and tested means and values. And he emphasizes that the journey itself should already be the destination: He ended his inauguration address with the words that there is nothing as satisfying as giving our all to a difficult task.

EYe*Catcher:* How should people act in a crisis situation?

Father Niklaus: I would like to quote a Chinese proverb: "When the winds of change blow, some people build walls and others build windmills." The former react to a crisis situation with rejection. In society, religion and politics, this leads to fundamentalism and nationalism. Such conservative tendencies act as a brake. The latter find inspiration in crises. They are the people who build windmills – as individuals or as a society: They use the opportunity provided by the new opening to harness a new source of energy. They embrace the new and get involved which in turn brings about renewed confidence and certainty.

EYe*Catcher:* What purpose can a crisis serve?

Father Niklaus: Growth. Growing physically, mentally and spiritually as well as gaining in health. Perhaps a crisis will reveal to us that an old relationship was not quite as healthy as we thought and that a new start is needed. A crisis thus provides an opportunity to grow in the meaning of change and recovery. People become more understanding, they learn how to assess situations more realistically, identify limits, but also develop new visions. Without crises there would be no growth and no wisdom. I have to leave behind familiar things that I have come to love in order to grow and to achieve a new quality of existence.

EYe*Catcher:* In what way can businesses exploit a crisis as an opportunity?

Father Niklaus: A business entering a crisis reveals false dependencies and illusions. Some employees will notice that they have only been bystanders so far, or that they have always been too busy showing the yellow card to get involved in the game. Whenever the crisis is exploited as an opportunity, employees move closer together, a new solidarity is created and new motivation to make a personal contribution. New security grows in the same proportion as the employees grapple with the business, recognize what would be more realistic and sustainable and develop new visions and solutions. A new opening experienced together leads to transformation.

EYeCatcher: What is your recommendation for how the three GSA cultures should "move closer"?

Father Niklaus: The three-point model: unity, diversity, uniqueness. The GSA countries are a unit "by their nature": They are based on the common central European culture. At the same time, it is necessary to recognize the diversity. Just like in a family, not everyone has to be able to do everything; on the contrary, one should appreciate the special features that complement each other. Finally, there must be space for the uniqueness of the three cultures and must be brought to life for the others. Incidentally, the "moving closer" of the GAS cultures is not something that can be prescribed by management. Each employee should have opportunities to arrange and make use of personal meetings. A brief visit when you're passing by can mean much more than innumerable e-mails.

Interview by Fabienne Kaiser and Birgit Pestalozzi