

Boris Kornev

# TO WAIT IMMEDIATELY

*Crisis Project — Management of Relationship  
and Changing Expectations*

York Publishing Services  
2015

**Kornev B.** To Wait Immediately: Crisis Project – Management of Relationship and Changing Expectations

ISBN

In this book the well-known specialist in management of crisis opens the main aspects of the complicated process of interaction between a businessman and a consultant. He describes different stages of a trusting relationship with a business owner, starting with the first contact and ending with collaboration over business reconstruction project, hit with infra-conflict consequences and mistakes in management. He shows an innovative character of processes used at crisis resolving, specialties in extreme projects management in uncertain conditions and with a large number of participants. Through the neutral examples he introduces the bright formulae of crisis projects, their participants' psychological portraits, particular errors in administration.

The book will interest the owners and leaders of various companies, consultants of crisis situations and management specialists, students specializing in the field of psychology and management economics.

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## *Contents*

### *Introduction* 6

|                                         |    |
|-----------------------------------------|----|
| <i>Chapter 1</i>                        |    |
| LINE-UP                                 | 9  |
| Crisis, first steps                     | 9  |
| Initiators, problem carriers and owners | 11 |
| Businessman's doubts                    | 16 |
| Crisis consultant's uncertainties       | 19 |
| Client identification                   | 23 |

|                                          |    |
|------------------------------------------|----|
| <i>Chapter 2</i>                         |    |
| THE MOMENT OF TRUTH IS A JOINT RISK      | 30 |
| Client – consultant. Relations structure | 30 |
| External crisis consultant's             | 34 |
| Contact!                                 | 36 |
| Once more of the issue of trust          | 40 |
| Project formula                          | 42 |
| Success “cost”                           | 44 |

|                                                               |    |
|---------------------------------------------------------------|----|
| <i>Chapter 3</i>                                              |    |
| ART OF A CRISIS PROJECT                                       | 50 |
| Three components of management                                | 50 |
| Relations and changing expectations management                | 53 |
| All processes catalyst                                        | 59 |
| Devil hides in small details – or in a whirlpool of paperwork | 61 |
| Architecture of partners relations                            | 76 |
| Sixty to forty                                                | 80 |
| A big fat nothing                                             | 83 |

|                              |    |
|------------------------------|----|
| <i>Instead of conclusion</i> |    |
| ALCHEMISTS                   | 86 |

|                |    |
|----------------|----|
| Used terms     | 90 |
| Reference list | 93 |

*It is not friendship or love. It is a vivid and special unity of striking personalities, each of them owning unique talents, philosophy and personal values. This is why sometimes they can be so intolerant to each other. Yet, they meet again and again and join their time, money, knowledge, experience and their souls for a common goal.*

*Devoted to my partners.*

It is an autumn morning. A forest path is running along the cold sea. The faded grass is rustling, there are wet yellow leaves on the ground. The air is fresh with the night rain which has been pleasantly tapping on the window.

It is windy... The waves are running against the shore, trying to bite it and rolling away weakly. The birds are flying beautifully. A gust of wind from the sea is blending into the tangy scent of fading. There is a brood of falling leaves in the air...

*The early autumn is  
Like fresh water,  
Having washed in it,  
All thoughts  
Will become new...*

(I.Takuboku)

You need to wait just a little bit, to take a chance, to dream and believe... Then the spring will come, leaving the winter out. The buds will swell, the first flowers will come through the yellow leaves, everything will come to life and blossom with wonderful colours...

Is it a fairy tale? Does it not happen this way?

## Introduction

It is a hard time for business. Is there ever an easy time? Crisis... It means fast and drastic changes in everything. Some companies are merged by the other companies which split up and join new companies in their turn. All known companies and banks, which have been part of the institutes of market economy born in Russia and leading for years, suddenly change hands or disappear overnight. They discover virtuality of their capital, business credit failure and an unpleasant fact of existence beyond their means. The process of secondary distribution of property and repartition of the market is becoming permanent...

The numerous participants of medium and small business get drawn into a crisis coalition. We can witness a bitter fight in high-tech industry, in the sphere of creative potential and intellectual capacity usage. The change rate doesn't allow competing designers to take a breath. Each new invention is displaced with a more perfect one. Partners have no time for the improvement of the quickly created infrastructure, up-to-date innovations in growth strategy management and development. Creative impulse doesn't really match the thoughts of the specific character of the joint activity capital, ownership structure and its maintenance. Side by side with the creative work, or sometimes instead of it, the relationship problems between the parties of business projects, property relations among shareholders of a company or investors and intellectual product creators grow. Intellectual proper-

ty protection takes a bit of doing, which exceeds the prime cost of patents. Words "intracorporate fight", "conflict of interest" and such can be heard more and more often...

Everything is changing and the important thing is that the changes are becoming permanent and all-pervading. Only those who can quickly sense the vector of changes and optimize their business processes, highlight key points correctly and identify priorities have a chance of winning. You will have to cut to the quick, to chop off everything unnecessary, to give up everything in the way of business: the former business administration, a learning experience and habits, old and reliable principles and gathered traditions.

*Only those who can quickly sense the vector of changes and optimize their business processes, highlight key points correctly and identify priorities have a chance of winning.*

The problem with interpersonal relationships can be seen in a new light. The human being understanding, his opinions, principles, value system and character are becoming important.

The reality is changing but life stereotypes are quite strong and little recognized... Very often we don't notice that we continue to act according to the stereotypes set tens of years ago. People try to live in a world that doesn't exist any longer. Even today many people are confident that children are brought up at school, old people should be provided for by the government, success comes only from talent and misfortune is the result of some incomprehensible force. It is very convenient to be inside a system created by yourself where a human being is free from taking decisions. However, to keep the delusions is very energy-consuming. Sometimes it takes all your life force. It is followed by a crisis and the necessity of making decisions.

Business is the most dynamic reality sphere. It is the modern business, especially in general financial and economical crisis, that is the arena of the most dramatic events, falls and insights. It is equally timely for the owner, manager and contractor. As Niccolo Machiavelli said five centuries ago, "There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things"!

This book is about the crisis in business, about the personal and psychological mechanism of its progress. It is about how it starts and what can help to overcome it. About what you can do and what you should be like to control the crisis situation under extreme conditions of total uncertainty.

The reader surely knows the most important thing in the crisis is to sense it in time and to start killing it professionally in good time. If you don't you will be left with nothing. Hopefully everyone who has read this book will also understand another thing. Extreme project management under the conditions of a crisis usually has to do with something that doesn't shape. What is more, it can't be expressed in usual categories "money", "facilities", "generating capacity", "management structure", "information bits", "plan of action", etc. It is about emotions, relationships, ideology and partners' energetics and the crisis project itself. It is the "big fat nothing" without which nothing can exist. This is where its centre is, the heart of all core forces. It is not anything materialistic but something unperceptive, "nothing" is what means 95% of any business. It also has a dangerous attribute to turn into a "black hole" swallowing good initiatives irreversibly as well as economic and political structures which appear immutable.

Someone is bound to say, "These are little things in life, intrigues and attempts of non-business people. You can spend ages on this sweet nonsense if you forget that power and money are the basis of everything. Without them you don't have to bother yourself with any pseudo-scientific refinement". That's right! But you have to remember one simple thing. Of course, there are more processes than goals. This is probably why some people think they are little things. What a simple but most dangerous mistake! The devil is in the detail and here he keeps in touch. Power and money are his favourite forms of existence.

While there are leaders of different ranks, owners of big and small businesses, big and small politicians who have no respect of these unperceptive small things, there will be a crisis followed by a purge. We will watch vivid, socially coloured or hardly noticeable processes full of the inner tragic elements. We will see someone's power shake because of these "little things" or someone's money go in the wrong direction... That means the crisis project will always be in great demand.

B. Kornev

## *Chapter 1* **LINE-UP**

### CRISIS, FIRST STEPS

Business can't be and mustn't be without problems. Did a problem arise? It is good, it is great! It is a symptom of development, a symptom of life. If you don't think you have problems you are likely not able to see them. If you don't see them for a long time, a crisis is formed, that is a situation of existence failure without a drastic reconstruction of the system.

Of course, the best thing would be not to bring the matter to the crisis. However, there are positive things in everything. It is possible to miss some problems, even important ones, but you cannot but sense the crisis. It will be evident with anxiety and endless attempts to solve it, later on it will show tiredness and depression. All means you know have had no effect. In this case the stronger the tiredness is, the better: it will make you stop immediately and wait. To wait in order to think and clarify – you don't see any way out!

A crisis is searching a new strength. It will help you start a new turn. A crisis is a test. Only through a test you can feel and be aware of your strength. One of the most valuable acquisitions in a crisis is probably an ability to ask for help. An opportunity to trust someone else.

Tens of good books have been written about consultants and management consulting. It is true most of them reflect developed business culture and are usually addressed to consultants who are busy with

important and complicated, but also specific, matters of the functional business. Unfortunately, this circumstance restricts educational potential of this kind of literature. Enlightenment itself is rather a map for a tourist. When the issue is about a crisis, there is no place for scientific journeys!

*One of the most valuable acquisitions in a crisis is an ability to ask for help.*

In the West it has become a usual thing to refer to a specialist without losing any time if you have a problem. There they know the price of labour and respect a professional. In Russia things are quite different. People ask for help anyone who is ready to give them advice. Of course, in the event of a crisis you don't have to refer to professional consultants, you can ask for well-informed people's advice. There is an undeniable advantage in this – the service will cost you much cheaper. However, let me remind you of the words of the famous wise man, "The most expensive advice is free advice." At the best of times this advice will change nothing. If your adviser is a really thinking person he will certainly advise you to refer to a specialist in crisis consulting.

*The most expensive advice is free advice.*

When someone started business from scratch and has risen to a great height, he believes in himself and his strength of course; he knows the field he works in, he has succeeded as a businessman and there is no denying that. However, usually those who have succeeded in a specific area can't work in a crisis situation. Not because they are not capable. Because business administration in a crisis is a different sphere of knowledge, which a businessman may not possess, sometimes the reason being extreme success.

*Business administration in a crisis is a different sphere of knowledge, which a businessman may not possess, sometimes the reason being extreme success.*

Every crisis has a lot of reasons, its evolution involves many facilities, and the personal, psychological mechanism is among them. Let's

have a look at the particular situation factors and a personality in it cause the situation to develop negatively, lead to the system crisis and eventually resolve it tragically. It goes without saying we will not refer to real people, especially the former clients of the crisis consultants, we will not give them fictional names. They would still recognize themselves. This would not be nice. If anything, for the convenience and simple perception, in this chapter we will look at the examples from the famous works of fiction and fairy tales, the fiction characters we all remember from our childhood. We will try to look at the plots in a different way – to see initiators and carriers of a crisis situation, to understand their roles and tasks and also to identify the main character who we will call "problem possessor", because the existing crisis system places his personal existence in question.

## INITIATORS, PROBLEM CARRIERS AND OWNERS

We all certainly watched the wonderful fairy film "Cinderella" in our childhood. We remember Cinderella, nice and hard-working, her wicked step-mother, the kind fairy, the prince and the king. However, there was another character. It was Cinderella's father, the Royal forester. Strange as it could be, he was the husband of the wicked step-mother!

Now try to imagine for a second there are only Good and Evil. So there are Cinderella and that mean old woman who always tries to use other people for her own profit, who schemes, blackmails, intimidates and takes revenge... Would they ever find themselves in the same closed system of relations? Not in a million years! These two powerful opposite personalities generally are not able to interact, at least because of their different value systems, unruly ego-centrism of the first one and extreme kindness of the other one. They need here a mediator, an unusual and, I would say, strange person, who loves his daughter but somehow managed to fall in love with her future step-mother. He fell in love with her just because, as the fairy tale tells us, she was very pretty. Here it is – the primary source of problems! It is an amorphous, sometimes even indifferent personality, without any steady principles

at all. With the fact of creating and keeping the harsh scheme of family relations it extinguishes the colossal potentials of good and evil, accumulated in the main two characters of the fairy tale, like icy cold water, makes them co-exist and interact forcedly.

*Two powerful opposite personalities generally are not able to interact.*

What is a step-mother in this system, which was created artificially with efforts of Cinderella's father? She is an initiator of problems for the others. She just can't live in a different way. Had there not been Cinderella and her father, she would have found some other "acceptors" caused by her problems. What is important is that the crisis system has been created and it is a closed system. Existing during the crisis process is provided by Cinderella, strange as it may seem. It is her who doesn't mean ill to her father and gratifies her step-mother's primitive blackmail, accepts her constant bullying and smooths over her step-mother's real nature and doesn't let it show outside the family system of relations. It is Cinderella's life which becomes unbearable. At the same time her father usually spends time in the woods, does things he loves and thinks of various tall stories about his allegedly courage and vigour in a fight with a frightful bear, wood bandits and other evil carriers, compensating his own inferiority complex.

You can make a following conclusion. A system crisis process is under way here, the process specified by participants (problem carriers) and their quite definite and fixed role sets. Cinderella's existence is supported only by magic interference. As we know, magic is impossible to forecast...

The fairy tale ends in the wedding. Cinderella changes her status. However, all the elements of the crisis situation stay behind, as the step-mother remains Cinderella's father's wife. In other words, all the bonds remain, "father and loving daughter", "limp husband and dictatorial wife", "step-daughter and step-mother", "loving mother and her daughters". With the new bond "Cinderella – prince – king" this crisis system raises its status and is projected from a domestic family level to a kingdom ruling level.

So what are the most likely options for the future events? What will a crisis consultant, who will probably happen to take on the project

at the king's or prince's – to be exact, at the problem owner's – request resolve conflicts, pull the parties out of the crisis, see?

The configuration of the crisis will be determined by the step-mother, who is an active initiator of problems (they say "difficult character" about people like her). Spatial separation seems the easiest way out. They kind of promised in the fairy tale the step-mother would leave the kingdom. But then Cinderella would have to part with her beloved father (he is still the source of the problem). Staying in the same kingdom where Cinderella would become the queen, the step-mother is very likely to implement accumulating a feeling of dissatisfaction and failure and to try and take revenge. Her energy perhaps will be output in two directions.

Firstly, it will be revenge to Cinderella. She will invent combinations which even Shakespeare's Iago didn't dream of. Cinderella's family life will be always under threat.

Secondly, it is penetration into the power structures of the kingdom and conducting her own greedy and aggressive policy. In both cases Cinderella would still be an involuntary guide of her step-mother's motivations and her limp father would cause that abnormal crisis state. Plus the fatal inevitability is mostly dictated by the level of the step-mother's connections which not only her husband but also the kind fairy and the king talk about with piety. These connections would allow her many times to plot intrigues and spoil life for others, first within her family, then in the kingdom. She will be able to afford a quarrel with another kingdom as well as initiation of war. As a result, a) the infantile prince will die and Cinderella will wither away from grief, or b) the weakened due to fighting neighbouring kingdom in the face of its prince will agree to marry one of the step-mother's daughters, in which case there is a possibility of a peaceful respite in the fairy kingdom – the malicious energy of the step-mother will be spent on settling down in the new place.

For innovation in the management of this permanent state of crisis we do not need to remember of the power of relationship or Cinderella's step-mother's evil, but we must remember of the necessity of the key figures' separation in the crisis combination and about neutralization of the mediator – Cinderella's father.

There is a similar situation in another fairy tale – "Tale of the Fisherman and Fish". The difference is the initiator of the problems here is

in general a positive character – the golden fish who, trying to self-protect, gives the fisherman a chance to choose, which always creates a problem, and under the additional conditions causes a crisis, which is often a result of the unfair personal gain. The problem owner is an old woman who, unlike Cinderella, is a negative character. As it always happens in life, the money and power she got display the human being, make clear everything hidden in the state of humiliation. As is known, eventually the old woman ended up with nothing. However, she doesn't really attract sympathy. It looks like she found herself in this position naturally – even in fairy tales ego-centrism and irresistible lust for power leave people with nothing.

The main character, primary source of the problem is the old man. As it happened, he was in the right place at the right time. All he did was lower the net in the water, pull it out, find there the golden fish and then agree to let it go in exchange for inadequate compensation. It was he who subtly handed over all the problems of choice caused by the gold fish's bewitchment to his wife, thereby he made the crisis relationships a closed system. Later on, he just needed to keep on the situation, agreeing to every whim of his wife.

As a result, he lost everything he had gained in an unjust way. How typical! Such policy of conciliation carried out by the old man, as well as Cinderella's father and many famous politicians and businessmen, including those from recent history, always leads to a conflict, problem or crisis. This is probably the most important and difficult element for identifying and correcting in many projects of the crisis and confidential consulting.

It is a completely different picture where there is no permanent crisis, where there is a normal and even happy life. We are talking about the tale "As if by Magic". The main character Yemelia's natural laziness appears even in his fantasies. Together with an unlimited number of given opportunities (unlike many other tales) for his dreams to come true, his laziness (saving actions) provides in general the right direction of his choice, adequate to his level of maturity, formed skills, habits and needs. On the contrary, the usual rush of the other characters (and not just them) when trying to fulfill their three wishes, creates an extreme situation uncovering personality problems. Note, Yemelia doesn't demand mountains of gold and palaces. He just wouldn't know what to do with them and he is too lazy to learn what he could

do. His problem is his relationship with the tzar who thinks his daughter's choice is inadequate. But this problem is sporadic and is not related to the personal characteristics of the tale characters. Yemelia is an instructive character and an example of a lucky person. It is the princess he is asking the palace for, not for himself. For himself he is asking for what he has been dreaming of – being handsome and having a red kaftan.

By the way, having received good looks and a palace for the princess, Yemelia solved all his problems in his relationships with the tzar.

A fairy tale is a lie, but it contains a hint...

In real life everything is clearer and more complicated... It is clearer because there is hardly ever magic and we will not argue about such categories as Good Luck, Providence and Fate. It is more complicated because the human characters are not so stereotyped and their roles are not so clearly defined.

Here is a simple example – a frequent plot. A business owner, or to be exact, his actions, initiate the development of a problem. As a result, the business owner becomes a problem owner. The subject of his "wrong" actions are often his relationships with his partners or employees. His errors in the determination of areas of functional responsibilities in the control system or wages lead to a change in the configuration of basic relations. An employee may gain control over a significant fragment of the business and consider himself a co-owner. It is even more difficult when one of the partners withdrew himself from the management, avoiding his ??responsibility, and the other, being a managing employee of the company, "has filled the power vacuum". These collisions may be the cause of a conflict, problems and, ultimately, the crisis. In either case, it does not matter how adequate the claims of the employee are. He really controls the entire fragments of your business. This ensures that the transition of the businessman's mistakes in management into his own problem of the actual loss of part of his business. Another popular plot is the problem of "dual relationships", which often occurs when a couple or friends start a business. Here, any natural changes in the relations between them are colliding with their joint business. Depending on its condition, the cause of the conflict is in the differences in development strategies (if reasonably everything is fine) or in excess of costs, losses, and even theft

(when everything is already poor). In any case, the crisis associated with the urgent problem of this section, in most cases can not be solved purely by legal means.

## BUSINESSMAN'S DOUBTS

A developing crisis situation is very much like a fire. On seeing the smoke and flames coming from everywhere, one will try to cope with the fire. Only when all of the building is on fire which devours everything in its way, one asks for help. Of course, he knows the rules of fire safety, he has a fire extinguisher, or even two. However, he is not a fireman. He has no idea about how the flame spreads over, what it will destroy in the first place, and what it won't be able to get. He does not know how to fight the fire and where it can be localized and extinguished... There is no need to prove that the earlier the fire brigade turns up, the smaller the damage from the fire will be. But it can be so difficult to try and extinguish the fire and call for help loudly at the same time!

There are many reasons that prevent getting started with the problem in time. As a rule, the first reasons are purely psychological. Very often it is those aspects of personality, that led to the success of a businessman, for instance, independence, authoritarianism, mistrust a tendency to rely only on your own strength, the inability to take into account the interests of other people, in the changing conditions lead to a crisis. However, they reflexively intensify because of the too powerful influence on the person of his past positive experiences of success and his unwillingness to see a problem in himself. It is a chain reaction. It makes the situation uncontrollable. Some people can deal with it themselves, but it is very rare. It is very difficult to be your own adviser.

*It is very difficult to be your own adviser.*

A person whose business is in crisis, is followed with persistent doubts. A risk of the loss of the "main business" causes doubts about the competence of their own. When trying to find the right decision

we get "squared doubts": self-doubts are multiplied by self-doubt as an advisor. A person finds it difficult to be objective towards himself, to see his strengths and weaknesses. In a crisis we are extra emotional, and therefore we act stereotypically. We will seek a way out of the crisis in the place there was an entrance, therefore, we will be going around in circles. In vicious circles. As long as we have strength. By the way, in the circumstances, the emotional and physical depletion has a positive side – unproductive activities end, like it or not.

Another factor complicating the work with the problem is well-known biases on the expected action by the consultants. It is not surprising, many people remember very well a quote from the book by R. Townsend "Up the Organization": "Consultants are people who borrow your watch and tell you what time it is, and then walk off with the watch." It is not just about the cost of services.

*Consultants are people who borrow your watch and tell you what time it is, and then walk off with the watch.*

The main obstacle here is probably anxiety. Figuratively the situation can be compared to the sufferings of a man who has a toothache, but is scared to sit in the dentist's chair. By the nature of his activities a businessman may be familiar with the various forms of cooperation and reasons in the following way, "It is one thing – to hire someone to work in a company or use someone else's service. One can cooperate on the basis of a contract with other companies that would serve equipment, delivery of goods, repair facilities, etc. If you have partners from other companies that have their share of the business, it is also good. These situations are clear and therefore safe".

You can't say this about the cooperation with a consultant. The first person in the business finds it strange and even scary to work directly with a consultant and to conduct an open dialogue with him. "How can I hire someone and pay him for his advice? Firstly, it's a crisis, and we are short of money, secondly, does it mean hiring someone else to check on his advice? After all, it is not a problem of selling violet bananas. This is my main business! One mistake – and that is it! Who will follow this advice? My deputies? They can't. They can buy, produce, sell well... But to change something in this? No, I don't think so.

What if this “adviser” wants a share in my business? Indeed, if the consultants are so good, why is everyone so careful about them and often treats them with hostility?”

*Few people like to be told what to do, especially if we are talking about accomplished and wealthy businessmen.*

There are plenty of reasons for that. Firstly, few people like to be told what to do, especially if we are talking about accomplished and wealthy businessmen. It was due to their own skills and efforts (coincidence is not considered), that they were able to achieve much. Secondly, the services of consulting companies are usually expensive, and the result, according to their customers, quickly forgetting about the recent trouble, is not always as high as their fees. And thirdly, there is a very common misconception, which doesn't allow the entrepreneur to seek advice. It is thought that asking for help is admitting your own incompetence, recognizing your inability to cope with problems. Perhaps this is the right belief with respect to any life situation, but when it comes to business, it can only hurt the already complicated situation.

*Crisis consulting is imperceivable service and, as already mentioned, it is quite expensive. People usually notice the appearance of problems and forget their disappearance almost immediately.*

Businessmen do not hide their distrust of the consultants. This is due to the fact that it is not always possible to get them to do a quality service. As in any other business, very often we can see in consulting a motive to get a profit motive here and now, even at the expense of their own reputation. For a number of objective reasons clients sometimes simply do not have the ability to appreciate the work of the consultant.

Crisis consulting is imperceivable service and, as already mentioned, it is quite expensive. People usually notice the appearance of problems and forget their disappearance almost immediately.

## CRISIS CONSULTANT'S UNCERTAINTIES

Let's imagine a businessman in a crisis and a crisis consultant knowing about each other and keeping each other in sight. What are the conditions of their productive working alliance? Let's try to analyze the situation from the consultant's point of view. What is his vision of the problem? How will he look for an answer to the question: “Shall I start a project with a potential client in a crisis situation, or is it impractical to do?” As an example, we will look at simple situations.

### The ball

*Our Tanya's sadly sobbing,  
On the waves her ball is bobbing.  
Don't cry your eyes out so:  
Rubber balls don't drown, you know.*

(A. Barto)

So, will the consultant need to start working with the problem or not? What do we know from the text? Firstly, someone talks about the problem. Maybe it is Tanya's parents or her friends who have been playing with her. For her parents or friends she is “ours”. It is also unknown whose ball is in the river – whether it belongs to all of the children or just Tanya and her parents. The answer to this question dictates who you will need to deal with, whose problem is described in the poem.

Secondly, it is not quite obvious that Tanya is crying because of the ball fallen in the river. It is not a fact. Is there a comma or a colon between the two events? If there is a colon, the cause of tears is really the loss of the ball. However, if there is a comma, then it can only be the order of the observed events. We will immediately rule out the possibility of Tanya's conscious action, aimed to make her parents buy her a new, more beautiful ball. This is a topic of another study. Maybe she is crying as she is annoyed because someone has pushed her. The fact that the ball fell out of her hands of course is sad, but it is not a tragedy. Then who pushed her? Actually, it is quite difficult to drop the ball into the river(!). To do this, we must at least be near the river or stand on the bridge. Both assumptions are unlikely due to the age of the girl.

Thirdly, does Tanya have any other toys? Or is the ball: a) her only toy, b) the only one of its kind – big or blue, for example? The answers to these questions will determine the level of the problem due to which

Tanya cries, and to answer the question whether it is worth dealing with the problem for those who respond to her crying. Maybe a minute later there will be another toy, and Tanya, will scream with joy, as if nothing has happened. Experience momentum is zero.

The end of the “story” is very important for the situation evaluation. Someone says, “Don’t cry” proposing not to call for help. Within the meaning of this it is more to the expectations of Tanya’s opponents. Caution! The narrator’s identification starts. He says, “Rubber balls don’t drown, you know!” This could have been said by an enemy or rival who would certainly pick up the ball down the river but at the moment he just doesn’t want to attract the attention of passers-by. He has revealed himself in this phrase. The story is coming to its end and he has come out of his shell. He would have better said, “Dad will buy you a new ball, you know”.

So, what have we got? Tanya, a little girl, has been playing with the ball with her friends near the river. The ball probably belonged to Tanya. While playing, one of her friends – say, Katya, – really liked the ball and decided to get it into her property illegally. Katya captured the moment, pushed Tanya who dropped the ball, which rolled down to the river. The river downstream had a little bend, just around Katya’s house. It was there where her elder brother usually played. He knew everything and was prepared. The main thing for him was for the ball not to drown.

This is a formula of a crisis situation. Now let’s talk of a chance to start a project. Tanya is asking for help. This is important. It doesn’t matter she is not asking you in person. Who is the problem owner – Tanya or her parents? It remains uncertain. Is that their main problem? It is uncertain, too. There are too many questions. At the moment all we know is that we have got to look for the answers and only after that to make a decision.

Another example illustrates the behavior of a potential client in the pre-crisis state. It can be used to model the behavior of a client in a crisis situation.

### **The Wooden Bull Calf**

*The bull-calf walks with shaking knees.  
The funny thing’s so small.  
The board is ending soon, he sees,  
And he’s afraid to fall.*

(A. Barto)

In this situation, it is clear that the crisis will inevitably come. Moreover, by its nature it is clearly integral. The owner of a problem, the same as the cause of the crisis, is obvious. Do we need to get involved or not? There are several options for a consultant to approach the crisis. The potential client is not asking for help. It is obviously bad. Instead of asking for help he is just afraid. It is not clear why.

The first answer could be – of fatal hopelessness. He is just a systematic failure. One should, of course, have a look at his previous businesses and finally make up their mind to refuse to participate in the project.

The second answer is that there is a display of the nature of the potential client’s features – inclination to exaggerate the failure, to accumulate negativity, to gain the critical mass which is necessary to include security mechanisms of this unique personality. This is getting interesting. But it is very risky. You might not be in time. Especially when a consultant’s assistance is not about lending a helping hand (this is from a different area: Ministry of Emergence Situations, Ambulance etc.). Such assistance would teach the client nothing, especially if he is so acutely aware of the ending of the problem.

There they will likely need to form his stable demand in the exact settlement of the starting enterprise, in predicting risks, minimizing their costs, in finding assistants or partners. And this, as you know, will take time, break stereotypical behaviour, and most importantly, the desire of the client to do it all together with the consultant.

Finally, the third answer is: the potential client is afraid solely because of his gnawing doubt – whether or not to call for a consultant. “After all, he will start telling me about a business plan, about safety, but at the end of the day he will take my good board and that will be it! He’d better just hold out his hand and somehow rock the board, perhaps, for my jump to the other side of the stream... Do I really need the consultant? It would be enough just to join someone who has another board or who can at least help me a little...” It makes sense to wait for the transition of “being afraid” into this kind of thinking and this potential client’s problem disappears.

All three answers are opposed to the professional consultant to begin reacting to the situation described above. In any case, with the consultants or without, such a client will be getting new problems. Now they will be associated in his mind with the consultant, who foolishly came to his help.

(Note: In the cases described above and below it is only about the business, and nothing of the above has anything to do with the help in the household meaning.)

All these specific situations are where the consultant has to clearly define the personality traits of the future client in crisis and to take the right decision in time.

Now let's try to get away from the concrete content and formulate the most important, in our opinion, peculiarities of the customer's and crisis consultant's interaction.

Usually the client waits till the last minute, and it is quite understandable – no one wants to see a fire brigade in their house. Until it turns up, you can still pretend the situation is under control. But in the end there comes a turning point, the businessman comes to the consultant, speaks out of his most hurtful problems, and his inability to cope with them. He clearly asks for help. This is a very important event for the consultant, even if the client identifies the crisis, inside him there hides a businessman and he “trades” the situation. He speaks of it easily and casually as if it is some trifle. In this situation, if the consultant obviously offers his services, then, first of all, no matter what he says, he offers the service only for the solution of that very trifle the client told about. Secondly, the client will believe that he could just hire someone for the crisis to disappear.

So, for the decision to start the work on the crisis project the first condition is fulfilled – a specific request from a potential client has been received.

*The first condition is a specific request from a potential client has been received.*

What about the consultant? He has been here all the time, with a heartache watching the business collapse. Often (we must pay tribute to him) after getting acquainted with the situation he knows what it involves. But he is in no hurry to help. Not because he is “trading” in his turn. He just knows – he is not his client yet, and his problem might never become a project. Interaction with the petitioner will only aggravate the situation. Very soon because of the unprofessional, sporadic “help” of the previous advisers there might be many new chal-

lenges. Only now in the mind of the customer will be contacted and have the appearance of a professional consultant.

Who is the client then?

## CLIENT IDENTIFICATION

There are heaps of obstacles for a person asking for help to turn into a customer, and the plot of his story into the project.

Unfortunately, it does happen that a potential client, having gone through all the sufferings, is unable to work effectively with a crisis specialist. He cannot break the habit of coming to his workplace every day and resting, doing his favorite, but unfortunately not his job, replacing his deputies and interfering in everything. And here the consultant cannot change anything. Integrated crisis processes have their own laws time frame. If the customer does not change in time with the help of a consultant or the consultant is not be able to change the status of the client in his organization, the trouble is updated and it will complete its inevitable disastrous deal.

*If the customer does not change in time with the help of a consultant or the consultant is not be able to change the status of the client in his organization, the trouble is updated and it will complete its inevitable disastrous deal.*

## From materials of project “Momentum of Habit” Analysis of the Crisis

*...Commercial enterprise. The court has been involved thanks to the external enemy. Two specific mistakes made in the share box a few years ago by the general manager, and at the same time the owner of a large stake in the company, are being used. There are two months left until the final decision of the court and the arrival of bailiffs. Currently there are no prohibiting judicial decrees, they need urgent maneuver reorganization, the creation of subsidiaries, transfer of assets, overcoming exist-*

*ing internal conflicts. They need a cold-blooded defense in court, involving of specialists, etc, etc. Constant personal attention of the general manager to all these activities is required.*

*But he should not get the director to carry out his direct responsibility – to ensure the future of the enterprise. It is a very strong habit to deal with current affairs, and the idea that you can only save your business and yourself if just someone else is in charge.*

*No. It is not a client.*

From the very beginning, the consultant must be prepared for the fact that the only prospective customer comes after a number of meetings and contacts. You must not see the goal in everyone and worry every time about a missed opportunity. Even if a consultant was almost sure of success, and the project had not started, it was just part of his job.

*The only perspective client turns up after many meetings and contacts.*

On the contrary, if the consultant sees a potential client who is in no hurry to use his services in every client, then of course meeting with any businessman can be perceived as a failure. This set-up is fundamentally flawed. The failure of any business depends entirely on how a person defines this concept.

*The failure of any business depends entirely on how a person defines this concept.*

Professional crisis consultant understands that in his work almost any contact with representatives of the business community brings some benefits. Even if a businessman does not intend to seek the advice of a specialist, he will be aware of this possibility and have it in mind. Suppose he does not use it in the nearest future, but it is possible that someone of his partners or business colleagues will need help.

There are some obvious signs indicating businessman's readiness to cooperate with the crisis consultant:

- he sees the problem and intends to do everything in his power to solve it;

- having recognized the critical situation, the client has already taken some steps, but they did not bring the expected results;

- he realizes that he would not be able to keep the situation under control on his own and he needs professional help;

- he has heard about the effectiveness of the consultant's work and believes in mutually beneficial cooperation and a favorable outcome.

The ability to see and recognize these signs is also part of the consultant's work.

We have already said that the consultant works with a specific person. But who is this person? Maybe, he is the Head of Marketing who is concerned about a decrease in sales? Or Deputy Director? Maybe he is even the director himself?

With all due respect to these people a crisis consultant can not regard them as customers. Only the owner can be his client! Under no circumstances can a manager be his client. He cannot solve anything, because with the collapse of the organization he has hardly anything to lose. Even if he loses, then not much. Far less than the owner, for whom his business is the well-being of himself and his family. It is part of his life, which he had been investing strength and knowledge, risking and winning for many years. He will protect your business to the last moment, and the time will come when he is ready to throw away everything that sucked him into the abyss, including managers. This moment will be the beginning of the crisis recovery.

Managers are not likely to fight for the life of the organization. Just because they are the managers of a particular case. Seeing the case go to the bottom, they can easily give up any struggle and the problems associated with it, they can sell or give up their penny stock and get a job at a rival.

In this aspect there is a very clear example of a Moscow company, which due to the protracted internal conflicts in the choice of directions of its development and the passive attitude of the main director found itself on the verge of an uncontrolled collapse (project "A "nice" director"), not civilized break-up, but a real collapse, with all the attributes that accompany this sinister process. One striking feature of this project was the original long co-existence of the two main managers with opposite personal characteristics. We will give a detailed psychological portrait of both of them. This will allow the reader to anticipate the actions of each of them in a crisis and once again to see the error of business

owners wishing to be near a comfortable, pleasant in all respects manager, often allowing them to his field of responsibility. As is usually happens, the interference on trifles formed the General Director's sustained reflex that stopped any of his good intentions to manage anything.

**From materials of project "A "nice" director"  
Psychological portraits of the company general manager  
and his deputy**

**General director**

*Employment history in the company – 4 years*

**Overall impression**

*Produces an ambiguous impression – on the one hand, a pleasant and sociable person, on the other – spoiled and capricious. Shows increased anxiety. Sufficiently private person, at the same time trying to look a friendly and open person. Focuses on the attributes of success – status, image, prestige, appearance, etc.*

**Attitude to work**

*Work is important rather as a confirmation of success and prestige. Does not tend to improve the professional level, non-initiative. The level of communication and interpersonal competencies is medium. The level of self-organization and self-management is low. In his work he finds important first of all the prestige and comfort. Customer-oriented to a greater extent than to business owners.*

**Strengths**

*Demonstrates ability to mediation (forms a positive image of the company and the product in the outside). Sufficiently educated. Capable (if required) to coordinate personal goals with the interests and goals of the organization. Capable to win over, create long-term satisfactory business relationships with the client.*

**Weaknesses**

*Average ability for analysis and synthesis. Skills and abilities to work with information underdeveloped. Low ability to overcome difficulties. No motivation for learning and professional development. Low stress tolerance and self-reliance. Exaggerated self-esteem.*

**Forecast**

*In a crisis situation will not sustain the stress load, will not be able to take an independent position, targeted to resolve the crisis. Will try to*

*get away from the situation – will submit a letter of resignation and is sure to be in demand elsewhere, probably at a rival company.*

**Deputy**

*Employment history in the company – 5 years*

**Overall impression**

*Confident, at first glance a little too confident (self-confident, knows his own worth). Energetic, with an increase of anxiety is too talkative. Can be harsh. Wants to appear as a skilled, sophisticated person. Agile, quick, lively. Ambitious.*

**Attitude to work**

*Considers himself a professional. Self-esteem is exaggerated, but generally adequate. In his work, first of all values ??his status, recognition of his own achievements and a solid team. Expresses a desire to work in a team. Wants to be a managing director in the central office or the branch office. Sees his role in the creation of an optimal structure of the company's management. In the team tends to dominate, has the need for self-affirmation. Capable of leadership. Good negotiating skills.*

**Strengths**

*Excellent negotiator, knows the market conditions, adventurous, sociable. Good leadership skills. High activity, stress resistance, ability to work with information. not afraid of "difficult" customers. Confident. Quite initiative, has a good ability to learn. Ambitious.*

**Weaknesses**

*Slightly overestimates his abilities. Average loyalty. Gives priority to personal goals. Will be loyal as long as the goals of the organization do not conflict with personal ambitions. Inert style of thinking, not creative enough, hence can appear as a non-initiative person. Tries to avoid responsibility if doubts in the success of the decision. Emotional, hot-tempered, impulsive. Does not tolerate criticism.*

**Forecast**

*In a crisis, he is recommended to be included in the crisis team to spot for general manager or a possible interception of management, as well as for designing the project. Needs a clear statement of goals and objectives by management.*

The predictions certainly came true. As soon as the situation became difficult, the general manager, without a clear instruction from

the founders, could not physically exist in uncertainty for more than one month and resigned losing many payments stipulated by the contract. He was immediately taken to another company as a deputy director. In this status he will be able to exist and effectively carry out specific and competent instructions of his leader, and not business owners. Indeed, although the latter are interested in the success of the case, nevertheless, their efforts, which are often unsystematic and irresponsible from the point of view of the law and the company's by-laws, only harm.

What is important for the consultant in this story is that the client needs to be looked for somewhere among the owners. He has not approved himself yet, and without external assistance he might not show at all. He will just not feel the impending irreversible negative processes in his business.

Nor can we exclude the situation where the owner of the “failing” business can simply get rid of the unnecessary problem. Especially if this business is not the only one for him. In this case, he may count and compare the costs of the resolution of the problem and lost profits from reduced activity in numerous other areas of his business.

As an example, we can look at the situation that developed in one of the banks which establish a law firm resolve the invested capital problems.

### ***From materials of project “1/10”*** **Baseline description**

*The company activity is the usual issues related to the courts: law-suits, complaints, orders, judgments, appeals, cassations, etc. But even these seemingly obvious questions of professional activity of the lawyer demanded nontrivial approaches to address them in each specific situation. Own employees, usually immersed in a pile of current affairs, were often not capable of it. When deciding on a major cooperation it was important for the consultant to find two aspects: what proportion of the total heap of affairs was the problem and whether the company was capable of a partnership with a consultant or whether it wanted the consultant just “to sew on a button to a faulty suit”. That’s how it turned out. The company did not imagine any other forms of interaction, and as for the problem, it was only one out of ten, which the company dealt with.*

*It was clear that when the situation was difficult, the company would simply throw off the problem and forget about both the problem and the consultant, like a bad dream.*

The client is an owner. The owner may be one person, two, a few or a very big number of people. But the consultant can only deal with the person who makes or is authorized to make strategic decisions as an “owner”.

A client can not be a shareholder or investor if he does not feel a crisis problem in the business or if this problem is not the most important for him.

*The client can only be the owner of a major problem, and it is the second necessary condition for the beginning of the project.*

The client can only be the owner of a major problem, and it is the second necessary condition for the beginning of the project.

## Chapter 2

# THE MOMENT OF TRUTH IS A JOINT RISK

### CLIENT – CONSULTANT. RELATIONS STRUCTURE

The owner of the main problem starts to work with a consultant in a new business for himself. His subject might be the intra-settlement of the conflict, resolution of the integrated, complex customer problems in his relations with state institutions, media, rivals and partners, customers and employees. In this case, any consultant can take different positions, but only affiliate position leads to the success of a crisis project. Forming partnerships in the field of crisis is a complex multifactorial process. There is a good reason for one of the basic mechanisms of the crisis to be the problems coming from the sphere of partnerships. Once bitten, twice shy. A good consultant would appreciate the difficulties of the client, his anxieties and fears. I have compared the anxiety of the owner of dying business to the fear of a person going to the dentist. They say that in the dental practice there have been cases of deaths – patients died of fear before any medical intervention.

*Forming partnerships in the field of crisis is a complex multifactorial process.*

The client's concerns about the possible "seizure" of his own business, even though it is falling apart, mistrust associated with the idea

that the consultant only earns money on him and his trouble problem – all this is a source of powerful resistance to the productive process of cooperation. The ability to work with this resistance is a necessary professional quality of a crisis consultant.

There are various mechanisms to overcome such resistance, which means that in the future there is a possibility of establishing the necessary partnerships. A good confidential crisis consultant always tries to be helpful from the very beginning. If he is really interested in the new project, and he already has some interesting ideas, he will not keep the information to himself and reveal all the cards only after signing a cooperation agreement. Usually he takes a productive business activity straight away, demonstrating his good attitude towards the customer, and a sincere interest in his success. Why? Firstly, there is nothing more beneficial in a moral and financial way, than genuinely helping people. Secondly, often the client alone cannot implement the best offers of the consultant. As they say, you can give advice, but it is hard to give the ability to take advantage of it!

*There is nothing more beneficial in a moral and financial way, than genuinely helping people.*

So, one of the most basic skills of a crisis consultant is the ability to feel the very possibility to establish a partnership with a potential client. It is the third most important condition for the beginning of any crisis project. The transformation of this possibility into reality of interaction is contributed by the stability of quality behavior of the consultant. In the initial phase of the work it is of particular importance to listen to the client. The ability to listen to the client, without criticizing or evaluating his actions is the basics of any advisory practice. Out of special personal qualities for a successful consultant his ability to accurately identify the emotional state of the client and the capacity for empathy are important.

*The third condition is to feel the possibility to establish a partnership with a potential client.*

Of course, the consultant should have a high communicative potential. However, it is impossible to require from him the ability to

establish productive and comfortable relationship with anyone. In sociotics, a special science of human interaction, it is claimed that for every type of person there is the opposite type, called a “conflicter”. Interaction with a person of this type will always cause tension and conflict. We are talking about those rare cases when interacting people are absolutely incompatible and cause nothing but irritation and hostility. Therefore, if in spite of these efforts the relation tension is high, it makes sense to leave before the conflict breaks out.

*There are no motives, that could make a consultant work with a person who is unpleasant to him and be useful, faithful and sincere to him.*

In this situation, the consultant can not act according to his ideas about a caring trusted adviser. There are no motives, that could make a consultant work with a person who is unpleasant to him and be useful, faithful and sincere to him. This is a short relationship. It may even be shorter than required for the project. The consultant worsens the outcome, trying to work on the clients who understand that he does not like it. The damage from this kind of communication will be much higher than the reward. It is not possible to choose an equivalent of stressful experiences and permanently spoiled mood.

However, a person who is impossible to get along with by one consultant may be an ideal customer for another one. The consultant will show a certain far-sightedness, releasing a perspective client; it will save a lot of nerves and an impeccable reputation.

Crisis consulting is provided by a process of close interaction with the client, mandatory joint discussions and shared responsibility for decisions and their implementation. It is important to note that the crisis work by no means coincides with the current activities of the managers and the organization of the production process. What is more, the specific production process often is not connected with the introduction of innovations in management. For the time of development and implementation of the crisis project (usually it is the general manager) must transfer the current affairs to his deputy. The project carrier and the owner of the main problems spend much of their time with the consultant. This is not an exaggeration and not a desire to exceed significance of a crisis consultant. We should not forget that

the issues are strategic, basic and important to the client as an individual and as a business owner.

*The crisis project itself is always probabilistic in nature.*

All of the above conditions are essential for the start of the project. The crisis project itself is always probabilistic in nature. A failure to comply with the necessary conditions reduces this probability to zero. The whole experience of fifteen years working with various clients allows us to declare this so categorically. Violation or absence of one of the above conditions literally prohibits the crisis consultant to begin the project.

Certainly, in such a complex process there can not exist a fixed starting point. The phenomenon of the beginning of the project is not less complex than the partnerships necessary for it. They are both a process and a result at the same time. The main criteria is in the subjective sphere and cannot be clearly formalized. The moment of truth must manifest itself in a consistent sense of sharing the risk of the client and the consultant. But its occurrence should be prepared by the provisional, sometimes volume work of the consultant as a researcher of existing conflicts and the possible forms of aid and investment. Perhaps the project realization would require new members involving into the structure of the project – this is an additional risk for the consultant that requires an accurate assessment.

*The moment of truth must manifest itself in a consistent sense of sharing the risk of the client and the consultant.*

For the client the beginning of work on a crisis project is the beginning of a new partnership. Psychologically, this is a very difficult task. It is impossible to offer a universal algorithm for a partnership. In the initial stages of cooperation there are no other indicators of the effectiveness of the consultant, except for subjective feelings of his client. Ultimately, the overall assessment of the consultant will be provided by the client and in many ways it will depend on his subjective perception of the situation, his emotional state, and personal attitude

towards the consultant. An unhappy, worried or hostile client will not see positive changes or will accredit them to other circumstances. Experience shows that the best and the most preferred type of cooperation is the one in which the client gets a clear idea that the problems have been achieved not only with his participation, but also with the primary meaning of his own ideas, his word being decisive.

## EXTERNAL CRISIS CONSULTANT'S

As they say, the process has begun! The client's problems are slowly but surely turning into a project. In an organization in crisis, there is a new face. Usually the new person is presented as the external crisis consultant. What are status and responsibilities?

Firstly, he does not take a managerial position. At the same time he is not a subordinate and has no one to keep in hand. He has no right to vote in any of the authorities of the company, he is not of equal status to any of the existing functionaries.

Secondly, he does not have any power. He cannot give orders to anyone, have a say in anything or and indeed take any action.

Thirdly, all his workings out, observations and conclusions are only advisory in nature, i.e. they can be taken, partially implemented, and may be rejected.

Fourthly, he never gets engaged in practical realization of his own ideas and does not appoint performers for that. All is at the discretion of the client.

Fifthly, the consultant himself is not subject to anyone, even to the head of the organization. Nobody has the right to give him jobs or use his services, except for those specifically designated in the contract.

*A consultant conducts a systematic analysis of the whole problem field and determines what it is necessary to invest in the project – money, people, relationships...*

The main task of the consultant at this stage is to analyze the problem and develop a strategy project. A consultant conducts a system-

atic analysis of the whole problem field and determines what it is necessary to invest in the project – money, people, relationships... Everything that concerns the project is excluded from his jurisdiction. If his practical recommendations are not met in full and within the specified time-frames, the consultant cannot guarantee the successful completion of the case. Moreover, he does have the right to cancel the contract if the client significantly breaks the provisions of the contract or certain points, and if there is suddenly some emerged information showing a reasonable probability that the project can not be implemented. In other words, the consultant is not responsible for the technical implementation of anti-crisis measures. Under the contract, the consultant does not undertake, and subsequently can not be responsible for any liability of any costs, compensation, benefits or claims of third parties. In this case, the customer agrees to compensate the consultant any such costs in full, except for the cases where the court of competent jurisdiction, whose decision is not subject to appeal, finds that these costs are caused by gross negligence or intentional acts of the consultant.

That is it! This is approximately the way some highly respected consulting firms write their contracts. They indicate in details specialists of which status will be involved, how many hours and how much is one hour of their work, as well as what they are not responsible of if – and then comes the listing in two sheets. It must be said that this practice of consulting has been tested in the West for many years.

A crisis is a completely different thing. Here the result is the most important thing. The consultant will have to persuade the customer of the need to adopt his recommendations, including nominations for their performers. He will need a lot of stamina to settle bad customer contacts and, if necessary, to convince his client in insolvency of highly skilled professionals. Both the client and highly skilled professionals are vivid personalities but, as a rule, they are not ready to cooperate at this stage. The consultant will need to create a more comfortable environment, simplify understanding, ease interaction, become partners and associates with the client. It is a direct responsibility of the crisis confidential consultant.

“Change is the essence of consulting projects, and a consultant on management issues plays a key role in the implementation of these changes” (C. Markham).

A job of a crisis confidential consultant has full personal orientation. In the absence of other partners in the project, he usually works with a key person – the manager or owner of the organization (a more complex, but also more realistic option, which requires the participation of several partners, will be discussed later). In the temporary absence of the first person in the company his role in relation to the consultant usually does not go to the deputy or person acting as director. At the same time, with no formal authority, but using his independence, and above all confidential nature of the interaction with the owner of the main problem, the consultant is able to influence the situation and the head at a much greater extent than his familiar surroundings.

*Change is the essence of consulting projects, and a consultant on management issues plays a key role in the implementation of these changes.*

## CONTACT!

*I shared my heart and soul  
Talking to a friend...  
But it seemed to me,  
I lost something.  
So I hurried away from him.*

(I. Takuboku)

Friendly relationship of trust is the cornerstone of creation and success. When there is no mutual trust or affection between people, they will not build prospects, make investments, work for a common cause in good faith and with interest.

To find a qualified specialist who will show you where and what is wrong, in general, is pretty easy – you just need to contact a good consulting firm. It is much harder to find someone with whom you do want to work, who you can trust your main problem and with whom you can be yourself.

In typical consulting practice the more visible and influential the consulting specialist is, the more the consulting person goes to the background. A specialist is expected to show skilled actions and a person is expected to demonstrate understanding and sincerity, and hence the possibility of people feeling confidence towards him. In a crisis project confidence turns out to be the deciding factor. What is more, this is where it is at a maximum. As a great medieval philosopher Francis Bacon wrote, “The greatest trust between man and man is the trust of giving counsel”.

*It is much harder to find someone with whom you do want to work, who you can trust your main problem and with whom you can be yourself.*

The main criteria for the client is the state of his business. If you are able to quickly take the heat off your business or to offer a clear plan of action, the credibility of the consultant as a professional increases dramatically.

Here the technical skills open a huge opportunity. However, with all the confidence we can assert that for a client whose business is in danger, the emotional factor will not play a smaller role, and most likely, will prevail over rational choice.

*The greatest trust between man and man is the trust of giving counsel.*

It is known there are people to be trusted or distrusted, as well as there are trusting and suspicious people. It is believed that these features are fairly stable character traits. Doing business usually does not contribute to the development of a trusting relationship or strengthening credulity as a personality trait. In the private conversations of business clubs and serial versions of business life on television screens there is a very popular word – “kidok” (cheat). This word has become a part of the normal vocabulary of everyday life. And yet, paradoxically, it is for the businessman that a problem of trust is vital. For business is impossible without risk. Risk and trust are the two sides of the same coin. The ability to take a risk is the ability to trust.

*Risk and trust are the two sides of the same coin.  
The ability to take a risk is the ability to trust.*

Why is building a relationship of trust crucial to work on a project crisis? There are at least two main reasons. The first reason is due to objective factors. The crisis is the state of disorganization, and thus it is a violation of the monitoring system. When you create a crisis project, as in the beginning of any new business, a careful consideration of all risks is not possible, especially in an emergency option.

Another reason is more difficult and in fact more important. There is no need to describe the state of a person on a sinking ship, even if he is wearing a tuxedo. But the crisis project, the same as inventions, is exclusively a creative process. To have an opportunity to work, one needs special conditions, both internal and external. To paraphrase the words of the wise Al-Ghazali, we might say, “Consulting must be in the right place at the right time and in the right society”. Especially crisis consulting, and even more a crisis project.

*Consulting must be in the right place at the right time  
and in the right society.*

We can often hear about condescending and envious comments about a successful businessman, “He just found himself in the right place at the right time...” There is mysticism of business in these words. We know – permits to these “places” are not issued or are issued in some other dimension. In the words of the correct (right) place, time and society it is reflected not mysticism of consulting, but consultant’s skills. A professional in the field of crisis consulting is well aware of the importance of the primary (which means basic) structure of relations.

He understands the fundamental importance of the relationship of trust. And most importantly – he is able to create it. The ability to inspire confidence is a distinctive quality of a consultant. This is not some special gift from the above. This is one of the many skills that a person learns in the course of his lifetime. Of course, if he wants it. Like all other experiences, the formation of this skill requires a certain amount of knowledge, desire and efforts. In general, the problem of trust is one of the most popular in practical psychology.

*The ability to inspire confidence is a distinctive quality  
of a consultant.*

Sometimes just one detailed substantive discussion is enough for people to start seeing the situation clearly and see the situation completely on the other side. You see something that you have never noticed before, many unknown and unclear details become understandable. There are many mechanisms of such wonderful “insight”, but the simplest of them is that just talking to another person, we change our view of the situation in order to make it understandable to another person. But this is not enough. Each consultant knows how to behave, or rather, what they need to be like so that there is that special atmosphere of understanding and trust, which is often referred to simply as a contact.

Talking with a consultant, the client feels unmistakably whether he is understood or not. For the client, the fact of the need for interaction with a consultant is always associated with concern and anxiety. At the initial stage of cooperation, the client necessarily gets a painful feeling that he entrusts his fate into someone else’s hands. These emotions are amplified as soon as the client begins to observe the work of the consultant. He feels less perspicacious and competent. And this feeling is not pleasant. And of course people will not sympathize with or trust someone who makes them nervous with a worried look, frightening, complex and incomprehensible terms and critical judgments. An ability to listen well is the first golden skill of a consultant. The second one is to help the client to think and speak. After all, to recognize the problem, and even just to say it aloud means to take it under control.

*An ability to listen well is the first golden skill of a consultant.*

## ONCE MORE OF THE ISSUE OF TRUST

*The trick of making  
Confidence is  
To avoid all the tricks.*

(G.Weinberg)

Customers appear to often have fears that the consultant is not professional enough, incorrect or too selfish. In some people, these fears are transformed into beliefs. To build a good relationship with those clients can be very difficult. But as they say, the more complex the task is, the more honorable it is. To overcome these barriers, the consultant has to operate on the principle – before getting something, you have to give something. “But I have already given so much away!” a consultant will groan to himself. He has spent years to acquire knowledge, necessary skills, to establish necessary links, he has read so many books, there have been so many successful projects! But all this can have no weight in comparison with the one seemingly insignificant skill – the ability to get the client to believe in you. If there is no trust, everything else has no value, because there is no real opportunity to use your knowledge and experience.

*A professional differs from a good specialist in the first place by the fact that the customer care is included in his values of life.*

When talking with a potential client, if a consultant devotes lots of time to himself, his client will lose an interest in him. The more the consultant says about himself, the less he is thinking about the customer. Customers know that for sure. However, he should show a genuine concern about someone, and this will be noticed. Any little thing can be decisive.

A professional differs from a good specialist in the first place by the fact that the customer care is included in his values of life. This is his vision of their own business. He uses all available opportunities to demonstrate to the client his good attitude and desire to help him in solving problems.

Someone would think that it is more of manipulation, insincerity, an effort to look more careful than you are.

To be or not to be, to be or to look is an eternal problem. Every person decides it for themselves.

Carl Rogers talked of a really subtle facet of this problem. He considered a client’s understanding to be the main mechanism and condition of help. And he came across a difficult question, “How do you know you understand the client?” Rogers was an outstanding scientist and his answer is worth thinking about, “It is enough to be willing to understand!” A sincere interest is always felt by another person. Crisis consulting has never looked like a conversation between a teacher and a negligent pupil, who is indicated his errors, given a failing grade to his actions, to what should be the right decision, and advised to continue to be more prudent and far-sighted.

*Crisis consulting has never looked like a conversation between a teacher and a negligent pupil.*

“Every consultant knows his clients are his teachers and he lives at the expense of their knowledge. The consultant is not more intelligent. He has just seen more” (D. Maister and others). He doesn’t offer ready-made solutions although it is the simplest way for him, but he creates an opportunity for the client to choose the surest and the most appropriate option in the current situation. The consultant is in no hurry to answer your questions, thinking together with the client, weighing out the pros and cons, drawing subtle touches. He is willing to patiently explain, even if he believes the choice is obvious. He chooses the path depending on his perceptions of what knowledge his client has, what his mood is like, what style of training he is ready for. The professional does not use the short-term objectives. He cares about what is going to happen to the client and his business tomorrow, next year or ten years later. Moreover, as a wise teacher, he will find a specific approach for each client, choosing the most effective ways to influence him. The consultant sees positive qualities and strengths of character in his client and, figuratively speaking, he activates them and makes them work.

*The consultant sees positive qualities and strengths of character in his client and, figuratively speaking, he activates them and makes them work.*

## PROJECT FORMULA

But let's go back to the potential client who despite all the difficulties of nature turned to the consultant for help. He is the owner of the main problem and he is ready for partnering with a consultant in the project. Together they define the essence of the project, they designated its formula.

Along the way, the formula of the project may change, but every time it would be specified. Unforeseen events may occur and discover new facts that require a revision of the original definition of the goals, objectives, roles of the consultant and client. Insisting on the project participants adhering the originally formulated tasks in an extremely dynamic environment of the crisis is at least unwise.

The systematic refinement and, if necessary, adjustment of the formula project are extremely important. Only common understanding of goals and a clear hierarchy of objectives will create enough positive energy for the project work.

*Along the way, the formula of the project may change, but every time it would be specified.*

Speaking about the project, we want to emphasize the aspect that often comes out from the area of ??attention. When it comes to a positive conclusion of the project, it does not mean that the organization began to work as a result of, say, her resuscitation. Overcoming the crisis of production or increase of effectiveness is a narrow understanding of a positive result. Life is much more diverse than that. Sometimes you need an effective enterprise liquidation or bankruptcy, the return of investment (project "Investor"), formation of an effective management system or legitimate interception and retention of management (project "Interception"). There are such a lot of options. As an example, we will show you the cases that are rare in nature.

### **From materials of project "Interception" Analysis of the Crisis**

*...Over the years, the bank's head was the owner of 16% of its shares. 75% of the shares were in the hands of the state and its enterprises.*

*Using the disinterest of the state enterprises in the management of a commercial bank, its president had repeatedly exceeded his powers, admitted misconduct, etc. At some point, his interests went into conflict with the interests of the holders of majority stake.*

*In cases like that, it would suffice to hold a shareholder meeting to replace the former leadership, to redirect cash flows. make the management more effective and the financial flows transparent. However, the shift of the bank's leadership is very difficult. He and his team have many opportunities to resist such intention. In this project, the bank's management had gone on unacceptable from the point of view of the moral and law actions, which, however, would be extremely difficult to challenge in court. In particular, without the permission of the Board of Directors there were issued promissory notes, the presentation of which would cost license revocation and bankruptcy. The situation was complicated by the fact that the new head of the bank, who was elected by shareholders, according to the instructions of the Central Bank of Russia, was not entitled to financial signature for some time. The former head, dismissed by the decision of the shareholders, formally continued his activities for the presidency and won reinstatement through the courts. There was a situation of dual power – on the one hand, the new president had no right of signature and waited for a decision of the Central Bank, on the other hand – there were powers of attorney issued by the former president for his deputies, who, in accordance with these powers of attorney had the right to financial signature.*

The formula of such a project is a legitimate interception and retention of its management for some time in the absence of the right financial signature and upon presentation of bills, providing a bank failure. The important thing here was to gain time. The new head was meant to have enough time to get the right of signature, and the police – to take action against illegal promissory notes being ahead of the decisions of arbitration courts of their immediate repayment.

### **From materials of project "Investor" Analysis of the Crisis**

*It is a large industrial association. A potential client acted as a person who has invested their own money in the development of specific*

*areas of work of the association. Refund to the investor was possible in the case of fulfillment of obligations under the contract on the part of the enterprise and in the case of investor's participation in the development of particular technology. With that, any changes in management, change of directors, pre-bankruptcy state of the organization hindered the investment agreement. Objectively the process of implementing the agreement stalled. In the system "company-investor" an obvious crisis took place. For the investor, it had an integral character.*

In this case, the formula of the project was specified as "providing conditions for the realization of the investment contract".

Content of the project was:

- deceleration and regulation of the general process in the bankruptcy;
- ensuring the election of a general director, loyal to the investor – in fact, the project carrier;
- separating of profit centres from weakening large organizations, including invested technology.

As a result of successful implementation of the project the client-investor received a legal refund, despite the verge of bankruptcy of the organization.

## SUCCESS "COST"

Of course, you don't have to draw the client into a system of relations, into all phases of the beginning of the project and the subsequent anti-crisis measures. You can, as they say, advise for the money. If there is a crisis, the client asks for help and is keen to contribute, but cannot change his outlook, his rules and principles and is not able to work with a consultant, as a partner, then what is left? In this case, the consultant either leaves or just gives "cold" advice "for money", shows the ways, explains the technology implementation of these tips. But, alas, it has almost nothing to do with the result, the reason being because the advice received certainly will not be realized. As working in a crisis that does not mean to create a special department that will change everything. The same as the introduction of the post of Quali-

ty Deputy will not increase the quality of products, especially of high-tech products. The quality of such products or services, as known, is one of the integral factors of the company in general. It practically depends on everything from the organization's culture and ending with organizational culture.

*To work in a crisis does not mean to create a special department that will change everything.*

In cases like this, the consultant is risking his reputation. Even if he does it for a lot of money, is it worth the risk? In business called "crisis consulting" reputation is the fixed capital. Confidential crisis consulting is a special kind of service that does not tolerate publicity. This is known not from advertising or newspapers, but only at first hand. A negative result of the starting project is a crushing blow to the image of the consultant.

*Confidential crisis consulting is a special kind of service that does not tolerate publicity.*

The question of the consultant's wages can become a very difficult problem of the starting partnership. There are many jokes on this topic – just remember about the "hours" for instance! There are not many books on crisis consulting, and even less discusses on the fees. And if, logically, it is necessary, then the issue is indicated modestly – it's expensive. How expensive is it? Or is it expensive for that client and cheap for another one?

Yes, certainly a specialist who knows his own worth will not tackle the problem, saving a dubious office, for a meager fee. Naturally, he would prefer to work with a reliable company that will deservedly reward him for his rare skills. But the main thing here is to highlight key points. It is possible that a professional will think about his own image and profit, but until then let them remain on the sidelines, because if it is successful it will surely take place. Money is not a goal for the consultant. The priority is the very affair which he is committed to, a positive result and a fundamental possibility of systematic initiation of projects. In the same way as for an upscale surgeon it is no money or recognition which are of vital importance, but the life and

health of the person lying on the operating table. The money will definitely appear. Success and money will come to someone who does not put them as their primary objective.

*Success and money will come to someone who does not put them as their primary objective.*

The problem of payment is perhaps to reveal the need for partnerships in a critical project brighter and clearer. We will look at a number of situations to try and identify approaches used to compile the formulae of possible rewards.

In life sometimes there are critical but at the same time simple options. For example, there is a «zero» option – «well past the sell-by date», that is, the client has already lost everything, and he is sure of it. Hence, it can only be the creation of a new business or the return, not the preservation, namely the return of the part of the old. Here the problem of partnership becomes transparent. The new business is a new business, with all its accompanying problems and their partners. Most often, it is not associated with the experts on the crisis. Regarding the return of the lost part of the business, we need to stress that the work only at the shareholders, arbitration or law enforcement field often does not produce the desired result. Firstly, none of the parties of the conflict will be able to negotiate constructively. All emotions cut off any thoughts. The rights of such shareholders at the meeting are already unreal. They will be “shunted” a priori by the new owners. Courts with their slowness and procedural thoroughness are not quick enough with their definitions for newly created companies where the assets will go further and further away. Law enforcements will work only if there is a crime. And if they start, then it will be quite unlikely to succeed in returning anything. Moreover, as it happens fairly often, both sides will get into trouble.

Having got pleasure from participating in all these “industrial” processes, the businessman begins to realize that he needs delicate work. So gradually, not immediately, crisis specialists appear on the crisis “clearing”. I cannot definitely say why (in this case everything is important), but they get things moving, turn the clock of the process back and “convince” the opposing party in the necessity of justice. I guess they will do it with the help of a quiet but undeniable force of

logic and persuasion, as well as using a large arsenal of tools and methods for dealing with crisis situations. But will the client be able to return? In what form? Money, part of his business or part of his assets? Clearly, this is something less than he had originally. After all, there are no free errors. The main part of the remuneration lies in this uncertainty. When and how to get it or not? Maybe to become a member of the returned business? It depends on a variety of conditions associated with a particular client, crisis project and all its participants.

A private case of such an extreme situation looks a bit more complicated. The client has a sense that he “can still get everything back”. With the thoughts on the “remains of luxury”, he is torn between different “advisers”, spends his last resource on “the best lawyers”, “the smartest consultants” or even “the most powerful psychics”. Erich Fromm has a very clear image of the “inexperienced chess player” who thinks and sweats on the next move. All other, experienced, players can see that “in any case there will be a checkmate in three moves”. The game has already been lost, but the inexperienced player cannot see it, he honestly thinks that he could still win and he moves the chess pieces...

It is in this state, that the client clings to any irresponsible promise or significant hint of another “senior adviser” to easily and most importantly quickly “remove” all the problems and to do so in the future. He would not ask for a lot – “just to let him” into your crisis business for ten or fifteen percent or (and) just give some money to send to someone very mysterious and all-powerful. Have you ever tried to work professionally with the client when he is persuaded this way from all around him every day? And most importantly, clients almost always like them much more than systematic, new to him efforts to overcome the crisis. It is good if the crisis consultant has already done something and the client has trust in him. What if the technological period required for this has not come yet? They would have to give the client time and help to let him part with such an illusion.

*In the course of the business losses, as well as many others, there is a so-called “point of return”, after which going back is not possible.*

In the course of the business losses, as well as many others, there is a so-called “point of return”. Having crossed it, it is not possible going back at least because of the economic considerations. The costs are very high.

In aviation, this point is easily determined – you have so many miles more – and the plane will not be able to return to the home airfield without refueling! The crisis of a particular business can be compared with this point. Without external refueling the business will break or be forced “to land” on the opponent’s airfield. A crisis project often fulfills the function of refueling. However, fuel for each case is different, and as the result of such a refueling the plane does not always stay a plane. It can turn into a boat, a rocket or just money. Well, the crisis project is a very creative process!

The most common variant can be called “to catch the last train”. A little bit more – and the crisis will crush or take part of the client’s business. A large and well-known consulting company cannot afford the implementation of such a crisis project. It is a very high risk of failure. Then the whole system of small, maybe, subsidiaries connected with peculiar trust agreements would get involved. The last of them will specify what should be achieved, how much money it will take, and if you’re lucky, it will mark the approximate dates. Then on a monthly basis it will receive half of this amount. Of course, it will be enough to repay the costs incurred by the company. It will get the second half and a decent bonus later, after the implementation of the project. There is no risk! If the consulting company likes this kind of crisis business, it will ask for a small share in it. There is one catch! This is possible only when a complex, but very specific purpose has been achieved, which is to find an investor or partner, the implementation of the restructuring of the company, or a return on asset using the court, etc. It is good if someone in the integral crisis of a particular business has determined responsibly that this is the main goal today, determinant for its saving. It would be interesting to know who it is. However, even if this is the case, everything can be ruined by the technology of “expert” work from a local consulting firm, trained by well-known western companies. There a specialist in finance or economics is taught skills of the profession, but the work ethic and culture of the relationship with the client can only be comprehended with the years and only with experience. We have already identified in this chapter

the main provisions of the contract with the client to perform these or similar cases. Responsibility for decision-making is always on the client. The right to cancel the contract for any reason is always with a consultant. He doesn’t want to take at least a small part of the risk. This is what usual consulting means!

A crisis project, as has been repeatedly emphasized, provides something else. A collaborative way out of trouble is needed. Here the concept of “catching the last train” is due to the last train of the “going” from the client business. Nobody is going to “go into” the structure of the enterprise and to assimilate it, divide it into parts and revive. All this is often prepared and is almost independent of it (the company) in the new, jointly with the client, venture business structure. Moreover, it may be either real or virtual. But the risk of failure is on it or its partners. Indeed, it is not necessary to establish a special company on equal footing with the client. Indeed, in its assets there is only know-how and information about what is happening inside the business and how to take it out of the crisis. It is enough to understand and agree with the beginning of the partnership of those who are in trouble with those who help. Then you need to make this “factory of assistance” profitable, that is, to successfully complete the crisis project, the joint business of the partners. This is a joint risk. It is important not to confuse the “crisis company” with the “factory” bringing it out of the crisis.

*It is important not to confuse the “crisis company” with the “factory” bringing it out of the crisis.*

## Chapter 3

# ART OF A CRISIS PROJECT

### THREE COMPONENTS OF MANAGEMENT

To control the unknown it is useless to use the traditional methods based on careful planning and precise processes. This approach in crisis projects does not work. It is necessary to take high uncertainty as the norm, to learn to exist in it, knowing exactly only one thing – in this “swamp” there is not a single “bump”, which you could rely on.

In the crisis the new openings act much faster than the procedure of planning the crisis management processes. At that, the environment of the project itself, the mood of the participants, the processes carried out by them, moments of manifestations of inherent problems long ago obstinately continue to be chaotic, unpredictable and randomly changing.

*In the crisis the new openings act much faster than the procedure of planning the crisis management processes.*

With such “comfort” the innovations are worth gold, and generating an alarm amorphous environment becomes a norm of life. Innovations for extreme projects are not the creation of new technologies, innovative products and services. Here in the first place the creation of innovative processes and management practices of the project are required, as a result of which there are advanced products and services.

So what is a “crisis project”? And what is the subject to management?

Let’s start with the fact that a good head of the company would never replace the other project participants. If the manager does not comply with this rule, then most often he does not lead anything, or his company then dies.

To find the most general aspect which is not subject to other participants of the project, but is main object of control for the head, we need to seek help from a science that studies the most general terms.

*...first of all it is necessary to create innovative processes and management practices by the project, as a result of which there appear advanced products and services.*

It is well known that the nature of objects appears in their various relations. To understand these relationships means to know the nature of the items. However, in this case, the category of “relationship” is used as the single whole and undivided, which undoubtedly reduces its utilitarian features with the knowledge of various processes or objects. From an ontological point of view, it certainly is possible to say that the world is a set of relations. But only relations looked at in all their aspects. In our case, such a holistic relationship is a common informative, energetic and emotional picture of the project. It includes separate elements – the participants, processes, products of processes or the project as a whole – and the relationship between them. This means that, with the interaction of all the above elements of the project, their properties are disclosed, which cannot be produced in any of the individual elements (for example, one of the project participants or one of the products of its activity) or any of their linear combinations. Here we have a kind of “group” or “cooperative” effect.

This is the way a crisis project is arranged. It is a complex structure. It includes a variety of elements – partners and participants, competitors and declared enemies, customers and investors, situations created by them, products, services and impeding or obstacles of various kinds. Moreover, their relationship is a complex web of communication which is constantly changing under the influence of any new information. Although the head sees all this “flower arrangement” as a whole, his main

objective is to manage only psychological, informational and energetic environment of the project. The specific processes, negotiations, created products and services are the competence of the other participants.

*The first is the formation of the changing optimal designs of the project participants' relationship based on their individual characteristics.*

Crisis project management is a holistic process. It is a combination of three major components.

The first is the formation of the changing optimal designs of the project relationship of the participants based on their individual characteristics.

The second is identification of emerging variations, flow direction of thoughts, emotions and relations between the participants of the project aimed to the final result.

*The second is identification of emerging variations, flow direction of thoughts, emotions and relations between the participants of the project.*

If the confidential crisis consultant is capable of this, he is the head of the crisis project. He performed the role of a socio-investologist, realized what, when and in what order he needed to “invest” in the crisis project — money, professionals, new partners. He began to carry out all this. The hardest part is that the ever-speaking mediator and facilitator, he is trying to bring new partners to the project. The scheme of the project has been already formulated, its strategic lines have been marked. A sporadic, almost uncontrollable process of joint work of separate bright personalities has started, they can haul the whole, quite independent layers of the project. Now you need to do everything that distinguishes a project manager from a simple expert or a confidential crisis consultant. It is neither more nor less – to take responsibility for the decisions, which up to this point has been depersonalized.

*The third is the timely correction of these deviations, the direction of flow of thoughts, emotions and attitudes of project participants to achieve the final result.*

## RELATIONS AND CHANGING EXPECTATIONS MANAGEMENT

A crisis management project is primarily an interpersonal process. Thoughts, emotions and relationships of participants in the project are its driving force. The quality and vector of these relationships determine the quality and value of the results achieved. Such a definition of the project and its management shifts the emphasis from managing artifacts towards creating conditions that contribute to the common thinking, positive energy, free and reliable cooperation relationship. It is blood and vitality of a successful crisis project. In fact, content of the final outcome of the project and the ways of achieving it are produced in the process of its implementation.

*Content of the final outcome of the project and the ways of achieving it are produced in the process of its implementation.*

Usually success is achieved for three reasons. Firstly, the head of the project is aware that you cannot control something unknown and unpredictable by the same methods that control something known and predictable. Secondly, crisis management is focused on establishing and maintaining a commitment to the project mission by creating a stable relationship of trust between the main participants in the project. Thirdly, the crisis project management relies on the dynamic control of the project, ie. the relationship between the participants, as well as their changing expectations.

The inability of the team to achieve a technically achievable result is rarely a cause of the project failure. Many beautiful solutions, systems and products have been gathering dust on the shelves up to this day for the sole reason that they do not meet the real needs of a particular customer or priori are not feasible in the current environment. On the other hand, the project's success is inseparable from the quality of life of its participants. If the members of the team spirit falls or they are forced to significantly change their usual way of life, the project will inevitably suffer apparent losses.

*The project's success is inseparable from the quality of life of its participants.*

What determines the success of the project? If the projects are its participants and their relationship, then the relationship management becomes the main task of the project manager of the crisis. People are a key factor in its success. From an organizational point of view crisis projects are complex. They affect many people, systems and processes. Therefore, the community of the project participants can become rampant. Managing conflicting expectations of the participants is the most difficult task facing the head of the crisis project. How can he solve it? Maybe there are some kinds of regularities for all crisis projects? Let us try to formulate them.

*Relationship management becomes the main task of the crisis project manager.*

### **“To wait immediately”**

The less movements the better. As Charles Maurice de Talleyrand-Perigord said, “Il est urgent d’attendre!” (“It is urgent to wait!”). For a crisis project is a good old principle. Everything begins with this. The crisis consultant often encourages customers to move away urgently and do nothing. And only then to think, better with a consultant, “If I do not do what I wanted, will anything go wrong?” They will quickly realize that the wrong often comes from what has already been done. They have to restrain themselves. No action in the external environment of the project is needed, just careful observation of any events taking place in the still incomprehensible and dangerous field of the crisis project. Adapt to external events. Move in phase with them. Wait for the moment when you can and need to make a premeditated and prepared specific action against the enemy, competitor, investor or partner (give a call, send a letter, initiate or at least give motivation to the actions of others). In other words, move “in traffic”, and do entertain yourself with illusions, associated with a neat passing “too close to the pavement”. As you know, this tactic does not lead a motorist or a crisis consultant to any good.

To illustrate the meaning of the word “wait” my partner always gives a simple but remarkable dialogue in employment:

- What can you do?
- I can dig.
- What else can you do?
- Not dig.

You would agree, not everyone will be able to do nothing and be at the same time always ready to make the only right action in the right time. More often we can observe chaotic behaviour, immediate, almost reflexive reaction to everything that happens around, both in the external and internal environment of the project. The problems pop up one after another, some of the participants of course suggest the ways to address them, and all the others rush to implement these raw plans to “sew a button” on a “faulty suit”. Working on the crisis, one needs to learn not to put out the alarm with active operations, but to store it. Sometimes one problem with time can liquidate another. You will have to accustom yourself to living in a state of controlled anxiety.

### **Controlling justice**

Owners of crisis business, consultants, specialists in crisis situations, investors, other participants in the project join together as partners for the implementation of a specific crisis project. Their contribution into the common affair, the use of their knowledge, skills and capabilities are different. This contribution may be very small, but always certain, and the main determinant for the project as a whole. Otherwise, there would be no reason for the project participants to become partners with all the consequences. From this it follows that each of them is indispensable to the implementation stage of the project. This is true only in the case where a separate area of the project is closely tied to the implementation of the project. Then each partner has an opportunity, as they say, to “control the validity” of the cost going to the other direction, the distribution of income and other basic fundamentals of any business.

Sometimes it happens that due to the objective circumstances the formula of the project changes. We have already seen that this is quite a common phenomenon. In particular, a “separation of the project”

takes place. It looks like business partition. It is more difficult, because the output of some participants of the implementation of one of the branches does not entail their exit from the project. The interdependence of all partners remains. Only the conditions of their participation in the project, the configuration of relations and their responsibility have changed. If these changes in the relations of participants have not been noticed or are uncontrollable, then they are dangerous to the project, especially if the changes occur in the area of liability and risk of the participants. All directions developed by the project participants were the one coordinated system. “Separation of the project” leads to the appearance of the lines of business that fall out of the one system of project control. They come out of the responsibilities of the project manager, so he must be prepared for the process of “separation” to be associated with an increase in small controllable costs and the availability of additional agents or partners. In such a situation, additional monitoring tools and leverage are needed. In the case when there is actual and legal “separation” of the project into separate components, the number of these levers is drastically reduced. In such circumstances, instead of the joint creative work there are only all kinds of written agreements between the former partners of a single project left.

*“Separation of the project” leads to the appearance of the lines of business that fall out of the one system of project control.*

### **Not to reduce the possibility of choosing**

Another important principle of crisis management – “expanding entropy” – is not to do anything that reduces the number of opportunities for the project. Everything that will be taken to the examination of the particular situation and possible consequences for all elements of the project taken into account will create another problem for sure. In practice, less becomes more – the less actions and processes the less control and standard procedures, the more freedom, creativity and responsibility in the actions of each project participant. Anyway, it is not possible to foresee and check everything. Therefore, it is im-

portant to remember the third principle – not to reduce the possibility of choice.

One of the clients had a crisis manifesting itself in relation to his active efforts to restore leverage on his partner. Actions taken were not successful; on the contrary, the collapse of the partnership became irreversible.

The situation was as follows. One of the partners for several years had been funding the development and manufacturing of the main product at the company of the project customer. As the product was getting ready to implement, the company actually became the property of the investor who had chosen his marketing strategy, virtually uncontrolled by the former owner of the firm and the principal author of the product. The lack of proper accounting of the past financial flows, the formal approach of the founder of the company to performing his functions, the fact of the gradual taking over of the company, as well as the loss of the prime product and income from its implementation led to a crisis of the total system, which included the authors of the product. All the steps taken to resolve the situation were wrong and gave a rise to additional problems, dramatically reducing the possibility of using other ways to resolve the crisis.

A similar situation took place in another project (“Dual relationships”). There the general manager was one of the main partners. Accumulated contradictions of a personal character among the main participants in the business gradually transformed into a controversy over the development strategy of the company. In this case, the risk of the sale of a controlling stake got clearly indicated. In such uncomfortable conditions the manager-partner just “dropped” the only asset of which was once a common business – all the regional network and trademark on the company.

They immediately needed to pay off the sporadic efforts of the client, “defuse mines”, established by his erroneous actions, to focus on the incompetence of the former partner’s actions relating to the transfer of assets controlled by the company. The main mechanism used was a switch operation, the vector of impact of former partner was transferred from the client directly to the crisis consultants. The main work was the preparation and carrying out of transactions between the participants of the crisis situation.

## Optimizing the flow of information

In extreme projects everything is happening very quickly. Its participants need strategic information about the progress or failure. This will enable them to join together in groups in a timely manner for decision-making. The project partners must share the project documentation and have constant access to the tools of project management. Real-time communication implies the possibility of the creation of project infrastructure, which will provide access to information for all participants. And this, in return, will accelerate the flow of thoughts and decision-making process.

Keep anything you can in full view of all participants – changing project plans, progress, even if it has been achieved just in details, developed schemes, methodologies, reports, documents, determining the degree of responsibility of everyone of his direction. Constantly interact and communicate with customers, investors and other stakeholders in the project during the entire enterprise. That is, in addition to such a vaunted universal creativity and spontaneity, inevitably there are a lot of papers, documents, charts, emails. And it is not only the correspondence between the parties. Everyone finds the information on the interaction with the environment very important – with the enemy, with a potential investor, with a competitor, with various government organizations. It is very important for timely orientation in a changing environment, as well as for the sense of unity of all participants and a total focus and motivation to succeed.

There is only one catch. All of this is flowing to the project manager, and he then provides an implementation of this principle in full and given to the configuration of relations of the project participants. Because of the uncontrolled flow of information, the one who has peculiar strong inertia experiences, will fall out of the overall process, but one who is endowed with excessive sensitivity to changes, may simply drown. The information differs. It may be consciously or unconsciously incomplete, inaccurate, “coloured” or smoothed. In the end, it may simply be irresponsible or untimely. In particular, this is the responsibility of the head of the crisis of the project – to optimize the flow of information formed by the relationship configuration between the participants based on their personality features.

*The information may be consciously or unconsciously incomplete, inaccurate, “coloured” or smoothed. In the end, it may simply be irresponsible or untimely.*

## First simple tasks first, then complex tasks

The next principle can be described as follows – first simple tasks, then the complex. These, the latter, are clear. They will require much more time and attention. Secondary, seemingly light, “little problems” should be solved as soon as possible, because they, if left unattended, may exert their harmful or destructive impact on the entire project in some time. That is why, as well as the fact that most customers often cannot and don’t like to wait, it is important to show some results as soon as possible, even very small but successful results, which the customer, as well as other members of the project, can already use. Furthermore, this principle also applies to the process of analysing all situations. Performing the most difficult, risky or important work in the early stage of the project is the shortest path to failure. The client sometimes thinks that the project partners in the crisis make decisions slowly, show softness and hesitation. The reason is certainly different. The crisis consultants and specialists in crisis in general are able to see a lot of subtle details of an explosive nature, and until there is enough information about them, it is impossible to make the right decision. The main thing is that they have seen it. Now they know what information must be extracted.

*Performing the most difficult, risky or important work in the early stage of the project is the shortest path to failure.*

## ALL PROCESSES CATALYST

Head of the extreme project finds it very tempting to do something for the others. Firstly, it is harder to explain how to do things, and secondly, it is much nicer to do something that doesn’t waste his

nerve cells. And this is at the time when you need to devote yourself to the main thing – to establish mutual trust and enable innovations, guide (clarify, explain, correct) the flow of thoughts and emotions of all project participants to achieve significant results!

The leader's dedication and his confidence as a result are critical success factors. This is the energy that moves the entire project. Crisis projects executives act as catalysts or activators of all the processes involved in the project. They seem to be involved in a particular process, activating its start, accelerating, adjusting its vector or power, but leave straight away without accustoming anyone – and above all themselves – to carry out business which is not theirs. They organize the project so that it always remains active and productive state. Otherwise, the project will remain without a leader, and the leader without a project! Similar happened in a situation where at the beginning of the project the leader took responsibility for all of the company seal and registration documents. And all these letters, contracts, acts, orders, money orders... The purpose of such a self-sacrificing act is very euphonium – accelerated process study of the situation, its continuous monitoring, greater familiarity with the majority of the company's employees, as well as control over the hostile manifestations. From 10 am to 5 pm flows of people passed and documents passed through him. Two weeks later, everything was learned, including the personality characteristics of the principal officials of the company, even two upcoming financial violations were revealed in time. The problem was the members of the project with all their abilities and bright features in this golden time were left to themselves. One said something wrong to the other, and the third did not finish saying something very important to the first. As a result, they did not meet for adjusting their actions, etc., etc. The lawyers did not have anyone to get their urgent tasks from. And even if they did, it was not in the language they understood. Everyone thought their process and their main area of responsibility the most important, and of course they did not find the arguments for their expansion. They required a mediator as a minimum, or even a leader for all of those responsible parties.

*Executives of the crisis projects act as catalysts or activators of all the processes involved in the project.*

An important feature of any crisis project is completeness of the set of its constituent parties, components, aspects, elements. That is, in the project it is always possible to find components, which can never be obtained by any combinations of its elements. This means that the absence of at least one, very small part effects the holistic formation of the project. If we understand by this part something localized, then to understand the nature of the project is simply impossible. No effort is enough to compose a poem without knowing anything about its contents, even if there is a whole set of its constituent words and letters. Elements selected from the Whole do not make it possible to implement the reverse shift and to synthesize the Whole.

For the case of a crisis project, this means the following. Firstly, it is necessary to control not only and not so much the specific processes carried out by individual members of the project. It is important not to disregard everything that is uniquely identified by a less, but is more important for the whole project and is outside the area of responsibility of specific partners. The practical result of this approach is obvious. The substitution of the partners by the project manager led to the collapse of the project.

Secondly, if you select only the most important, the whole project and its formula, but do not pay due attention to small things (individual, or even the problematic elements of the Whole), we can lose the Whole, that is, the entire project, with the small things.

*The substitution of the partners by the project manager led to the collapse of the project.*

#### DEVIL HIDES IN SMALL DETAILS – OR IN A WHIRLPOOL OF PAPERWORK

The head of a crisis project is not an expert in a particular field: in law, in the banking industry or in the economy. His thinking is not burdened and is not subject to clear rules and regulations of a professional community. Usually this person has studied several sciences and has a rich experience that allows him to instinctively, subcon-

sciously use the mechanisms that operate at the intersection of different fields of knowledge. His opponent who is not an expert in the crisis, acts as a template using existing rules. He expects a response of the same template, the “right” steps, only possible in the professional environment. But he will not see them!

The devil is in the details. In crisis, we must be able to play on the details, which no one would even guess to pay attention to. We must cling to the unspoken phrase or hidden emotion. We must anticipate the enemy’s actions, feel bluff or a mine laid long ago by some wrong decisions, find the document, the existence of which no one remembers or even suspects. A character of the famous film about space said, “You won’t be able to fly on the pieces of paper!” I want to add, “You won’t fly up. But down – without the necessary documents – you surely will!”

*The devil is in the details. In crisis, we must be able to play on the details, which no one would even guess to pay attention to.*

Later on we will return to this subject and see how sometimes in a crisis situation it is the mere absence of the document or, even more interestingly, only the lack of instructions on how to perform the document that “kills” in the literal and figurative sense. We will see the devastating effects of frequent underestimation of document management. It is here that uncertainties are quietly laid, and then often intrigues consciously originate, and eventually problems are accumulated – mandatory crisis companions. It is in this whirlpool that the first ideal relationship of partners are choking, their good intentions are drowning, common ideology is blurring, business is dying, and not just business.

And now an example of crisis projects “Intercept” and “One Action” will show that an elementary blunder of the enemy has been used and helped to save the project.

*In a crisis the situation it is the mere absence of the document that “kills” in the literal and figurative sense.*

## From materials of project “Interception” Analysis of the Crisis

*The enemy is taking concrete action – submits great bills and payment instructions to transfer a large amount from the bank. Both the first and second actions individually and together will certainly bankrupt the bank, if the opponent does not stop. But for it to happen, you need, at least, not be a specialist in banking, because no banker would stop the payment order or be able to charge anyone else communicating with the notary of the Bank of major bills. They had to break this rule. The youngest female employee of the bank was instructed to meet the notary and witnesses. With her youthful and almost childlike appearance she so enraged the notary, sending him with a billion bill to the “counter number 8”, that he forgot to formally present her his license, which violated the relevant instructions. And in the court of arbitration, the lawyers of the bank who had fixed this fact made postponement of the court and re-execute of the notary with all necessary procedures for the presentation of bills. The next meeting was postponed due to the presence of some inscriptions in a foreign language on the bill, which of course required an official translation. At that point, the main thing was to win time.*

## From materials of project “One Action” Analysis of the Crisis

*...The company is owned by several individuals. One of them is the director. The rest of them receive dividends, but their influence is incidental and irresponsible, even though they are the owners. From year to year the director, of course, grows to feel like he is the only director and owner. It is not surprising that there comes a time when the other owners, concerned about the situation, begin to interfere with the activities of the company and turn to consultants. In this case, potential clients are primarily interested in the election of a new director.*

*The consultants raised awareness, formed stakes required to control the election of the director. Candidacy for the upcoming election of the person is respected among the members, but the opponents are on the watch. They are preparing an urgent court order banning the election of the company head at the next shareholders’ meeting. Moreover, a bailiff comes to the meeting and makes an official statement.*

*However, there was a specific solution to ensure that the order was not made by the bailiff, nor was the direct ban on a vote. That is, there was no specific instruction to ban the activities of the legal person employed under a contract for the organization of meetings of shareholders and the counting of ballots. There was no specific instruction prohibiting to throw voting papers into the ballot box. Yes, the court prohibited electing directors, but it did not forbid to vote on this issue. During the meeting, the shareholders had the right to put ballots in the ballot box, which they did. A legal entity, the organizer of the meeting of shareholders, had the right and counted the ballots, bound them securely, as required by the contract, and issued a report on the results of the vote on this agenda item. Only in the minutes of the meeting it was noted that due to the order of the court the results of the voting on this issue could be announced only after the abolition of judicial order.*

*As a result, a month later it turned out that the opposing party, fearing their own actions, just one day before the vote, withdrew their request. Shortly before the meeting the judge granted the request, but the judge was not notified in time of the bailiff order, neither was the defendant, as usual. So, a month later the election of the new head of the organization was announced. As it usually happens in such cases, a lawsuit was filed by the owner of one share.*

Here, the outcome of the case was decided by one small detail. If a specific claim had been formulated for a legal entity, who carried out the counting of the ballots, the idea of the opposing party would have been fully implemented. Usually the consultant-partner of the crisis project knows how the Russian judiciary works and perfectly sees all the disadvantages of its activities, which in skilful approach turn into a definite advantage. The difference of any consultant from his client is that he sees several options and modes of action, whereas the client operates only in his own, familiar to him, categories. The client and other project participants must be able to choose. For this, there is a set of feasible alternatives and prospects drawn, which will occur or disappear as a result of their choice. It is important not reduce the number of options with your own actions!

Almost everything that happens in any project, but especially in a crisis, requires information gathering, analysis, development and action schemes and of course their documentary support. All partici-

pants will need sets of schematics of the project, lists of priority measures, formulae of immediate response to the attacks of the opposite side. They should know this, keep in mind and promptly use for orientation in rapidly changing hostile conditions. Otherwise, various participants of the project will provide even the media with a variety of information, depending on their personality characteristics and relationship to a particular event. And it is wrong, not profitable and is sure to give the whole project a negative effect. 80% of the crisis reasons of any company is disrespect to documents!

***80% of the crisis reasons of any company is disrespect to documents!***

In documents everything is important! Is it administrative or normative? Will they need to be guided by or specifically performed? Who is it directed to perform, who is it for information and who is it directed to control for? They are all specific individuals, with their weaknesses and habits. If the document assumes a few performers, you carefully form their list and don't expect a special activity of the participants indicated at the end of it.

The sophistication of preparing an administrative document is astonishing.

So much hidden meaning, intrigue, influence on the decision-making process is laid there! Mastering this practice is necessary in cases where the crisis project is unfolding within a large organization or involves extensive external relations. Sometimes to understand the problem you need to know the history of the document – who carried out the preparation, how the sequence of its distribution in time and in order was determined. Virtuosos of documentary management software know how to advance the possibility of impunity for failure to lay a particular order and in fact, both in form and on terms. That is all power! This is where the power of the machine is born, the power of the functionary! Someone will be the first to receive the order and will be able to look about, take the necessary decisions. Someone will be the third when the first two are already aware and are able to withstand his expected aggressive reaction. And the last one will know that everything has been received, and he probably will not be involved to the best work for him. He will analyze the reasons, his own

mistakes, be nervous those few hours until he is delivered the document. It is a strong mechanism of influence on the official!

Not just an official! All of the Bolshevik Party in Russia in the early twenties of the last century was “turned upside down” after changing two lines in its Constitution. The authority for the preparation and determination of the essence of the decision was passed from the chairman to the secretaries of the party. And if the right to prepare and make decisions and to control their implementation come together to one place, make sure you wait for the first minor violations, then corruption, and in the end the crisis. It does not matter whether it is the whole state or an individual enterprise.

Mechanisms of power are fundamental social mechanisms that determine the very existence of human communities. In this sense, they are out of time, their shape can change, but the content does not. Whether it is today’s UN Security Council resolutions with its veto power over them, or the European Parliament without any rights at all, or a specific state in the anomalous power of one person, “floated” to the surface as a result of any kind of “colour” revolutions.

To illustrate the problem of the documentary maintenance management processes I would like to go back into the far past and quote a well-known tragedy of Schiller’s “Mary Stuart”. In this passage the whole spectrum of problems in the crisis management of any entity is clearly shown by the modern, I would even say “hardware”, language. I apologize for the length of the quote – Schiller is worth it!

### “MARY STUART”

*A paper sure cannot decide – a name*

*Kills not. <...>*

*Thy name, my queen, beneath this paper*

*Is most decisive – kills – ’tis like the lightning,*

*Which blasteth as it flies!*

(F. Schiller)

SCENE XI

ELIZABETH, DAVISON.

ELIZABETH.

*You may retire again –*

*(As he is going towards the door)*

*And, sir, this paper,*

*Receive it back; I place it in your hands.*

DAVISON *(casts a look upon the paper, and starts back).*

*My gracious queen – thy name! ’tis then decided.*

ELIZABETH.

*I had but to subscribe it – I have done so –*

*A paper sure cannot decide – a name*

*Kills not.*

DAVISON.

*Thy name, my queen, beneath this paper*

*Is most decisive – kills – ’tis like the lightning,*

*Which blasteth as it flies! This fatal scroll*

*Commands the sheriff and commissioners*

*To take departure straight for Fotheringay,*

*And to the Queen of Scots announce her death,*

*Which must at dawn be put in execution.*

*There is no respite, no discretion here.*

*As soon as I have parted with this writ*

*Her race is run.*

ELIZABETH.

*Yes, sir, the Lord has placed*

*This weighty business in your feeble hands;*

*Seek him in prayer to light you with his wisdom;*

*I go – and leave you, sir, to do your duty.*

*(Going)*

DAVISON.

*No; leave me not, my queen, till I have heard  
Your will. The only wisdom that I need  
Is, word for word, to follow your commands.  
Say, have you placed this warrant in my hands  
To see that it be speedily enforced?*

ELIZABETH.

*That you must do as your own prudence dictates.*

DAVISON (interrupting her quickly, and alarmed).

*Not mine – oh, God forbid! Obedience is  
My only prudence here. No point must now  
Be left to be decided by your servant.  
A small mistake would here be regicide,  
A monstrous crime, from which my soul recoils.  
Permit me, in this weighty act, to be  
Your passive instrument, without a will: –  
Tell me in plain, undoubted terms your pleasure,  
What with the bloody mandate I should do.*

ELIZABETH.

*Its name declares its meaning.*

DAVISON.

*Do you, then,  
My liege, command its instant execution?*

ELIZABETH.

*I said not that; I tremble but to think it.*

DAVISON.

*Shall I retain it, then, 'till further orders?*

ELIZABETH.

*At your own risk; you answer the event.*

DAVISON.

*Oh gracious heavens! Oh, speak, my queen, your pleasure!*

ELIZABETH.

*My pleasure is that this unhappy business  
Be no more mentioned to me; that at last  
I may be freed from it, and that forever.*

DAVISON.

*It costs you but a word – determine then  
What shall I do with this mysterious scroll?*

ELIZABETH.

*I have declared it, plague me, sir, no longer.*

DAVISON.

*You have declared it, say you? Oh, my queen,  
You have said nothing. Please, my gracious mistress,  
But to remember.*

ELIZABETH (stamps on the ground).

*Insupportable!*

DAVISON.

*Oh, be indulgent to me! I have entered  
Unwittingly, not many months ago,  
Upon this office; I know not the language  
Of courts and kings. I ever have been reared  
In simple, open wise, a plain blunt man.  
Be patient with me; nor deny your servant  
A light to lead him clearly to his duty.  
(He approaches her in a supplicating posture,  
she turns her back on him; he stands in despair;  
then speaks with a tone of resolution)  
Take, take again this paper – take it back!  
Within my hands it is a glowing fire.  
Select not me, my queen; select not me  
To serve you in this terrible conjecture.*

ELIZABETH.  
*Go, sir; – fulfil the duty of your office.*  
(Exit)

SCENE XIV  
ELIZABETH, DAVISON, SHREWSBURY.

Enter DAVISON.

ELIZABETH.  
*The sentence, sir, which I but late intrusted  
Unto your keeping; where is it?*

DAVISON (in the utmost astonishment).  
*The sentence!*

ELIZABETH (more urgent).  
*Which yesterday I gave into your charge.*

DAVISON.  
*Into my charge, my liege!*

ELIZABETH.  
*The people urged  
And baited me to sign it. I perforce  
Was driven to yield obedience to their will.  
I did so; did so on extreme constraint,  
And in your hands deposited the paper.  
To gain time was my purpose; you remember  
What then I told you. Now, the paper, sir!*

SHREWSBURY.  
*Restore it, sir, affairs have changed since then,  
The inquiry must be set on foot anew.*

DAVISON.  
*Anew! Eternal mercy!*

ELIZABETH.  
*Why this pause,  
This hesitation? Where, sir, is the paper?*

DAVISON.  
*I am undone! Undone! My fate is sealed!*

ELIZABETH (interrupting him violently).  
*Let me not fancy, sir.*

DAVISON.  
*Oh, I am lost!  
I have it not.*

ELIZABETH.  
*How? What?*

SHREWSBURY.  
*Oh, God in heaven!*

DAVISON.  
*It is in Burleigh's hands – since yesterday.*

ELIZABETH.  
*Wretch! Is it thus you have obeyed my orders?  
Did I not lay my strict injunction on you  
To keep it carefully?*

DAVISON.  
*No such injunction  
Was laid on me, my liege.*

ELIZABETH.  
*Give me the lie?  
Opprobrious wretch! When did I order you  
To give the paper into Burleigh's hands?*

DAVISON.

*Never expressly in so many words.*

ELIZABETH.

*And, paltering villain I dare you then presume  
To construe, as you list, my words – and lay  
Your bloody meaning on them? Wo betide you,  
If evil come of this officious deed!  
Your life shall answer the event to me.  
Earl Shrewsbury, you see how my good name  
Has been abused!*

SHREWSBURY.

*I see! Oh, God in heaven!*

ELIZABETH.

*What say you?*

SHREWSBURY.

*If the knight has dared to act  
In this, upon his own authority,  
Without the knowledge of your majesty,  
He must be cited to the Court of Peers  
To answer there for subjecting thy name  
To the abhorrence of all after time.*

This is a prime example of using a crisis situation for personal gain of one of the parties of the conflict. Here both objective and subjective reasons, external and internal conditions united. On the one hand, several factors were operating – the lack of a unified strategy for the development of the state and ideological support of this process, a crisis in the relations with its neighbours and religious differences, family issues of inheritance and the interests of different clans at court. These are the problems which are of an objective nature. On the other hand, there is a lack of information flow, adapted to the management level, uncertainty of the first person in making decisions and abuse of the official position for personal gain. Then the first person used a whole bunch of mistakes made his courtiers – the absence of documents go-

verning document, neglect of duties by the Royal Privy Seal and, as a result, the delayed appearance of a completely unprepared Secretary of State (Davison) on a responsible post. This set of events was enough for them to be fully and skilfully used by Queen Elizabeth of England for the tragic historical crisis solution.

It is interesting that, as in the case of “Cinderella”, in “Mary Stuart”, neither the authors of these works, nor the subsequent interpreters, script writers, etc. indicate the direct culprit of the crisis. That is, they do not see, or do not pay attention to this stuff. Even in the illustrations there is no portrait of either one or the other. In the first case – the father of Cinderella, and the second – the Royal Privy Seal.

All this is the basics of hardware work. It is interesting that in business they are hardly felt. And they lose a lot because of this. Business by its very nature is the essence of knowledge, characteristics and methods used in the various fields of activity, whether it is a science with its own logic and analysis, bureaucracy with documents and procedures or power structure with rigid and clearly defined boundaries of competence.

*Business by its very nature is the essence of knowledge, characteristics and methods used in the various fields of activity.*

One day I found an old piece of paper with a drawn diagram tracking the passage of our document in the departments of the Government of the country. It was a special project for the conclusion of the crisis of the complex associated with the development and manufacturing of high-tech equipment (project “Quality”). In those times we prepared the decision of the Government to withdraw from a number of institutions and enterprises from the ministries, the establishment of the first joint-stock company on their base and the sale of its shares to foreign entities. On an old piece of paper there were left records of telephone numbers and names of the secretaries of the department heads, who were entrusted with the coordination of our document, names of responsible persons and the number of government orders, which they were engaged with, the timing of their implementation, etc. Separately, in a different colour on a sheet there were labeled officials, for various reasons opposed the passage of the resolution draft.

All this was linked to the existing Regulations on records management in the federal authorities of executive power, in particular its paragraph 6.3.2 which provides huge opportunities of document management services to influence decisions made by officials in the ministries. Workers in these services keep records of all orders, all the instructions, and it is them who prepare reasoned resolution drafts for the head. Through these services we knew in what corner of the table of the deputy chairman of the Government there is our document, which turn in the folder it is, when the respected and very busy man would come to his workplace. We knew he did not have time to read the entire folder. But assistant was required to report of our document and our project solutions...

As an example, I want to demonstrate how much can be achieved by one, almost imperceptible act of an employee of the Secretariat (project "Elections").

#### **From materials of project "Elections"** **Situational fragment**

*The Deputy Director was sacked by the company. Of course, illegally. On this issue, there is a corresponding court decision. A bailiff came and ordered the director to sign an order for the restoration of unlawfully dismissed employee in the position in his presence. The director signed the order. Then, in accordance with the law, he signed the next order warning the same worker (his own deputy) of his dismissal after a month because of this and that. In the same order he was offered a vacancy of a cleaner or a plumber. It is worth mentioning that the one who signed the order, and the one who was fired – they both participated as candidates in the election campaign for the post of the head of the company. If all the heads of the departments received both orders at once, the fate of the twice dismissed candidate for the position of director would probably be solved. The meaning of his victory – reinstatement by the court – would have been nullified, and the strength, power and persistence of the other candidate would have been demonstrated in time and convincingly. But it wasn't to be. The first order came to the office for registration, number assignment, replication and distribution at 2.50 p.m. And the other one – at 3.15 p.m. According to the approved order of the instructions, processing of incoming documents in the current day ends at*

*3 p.m., which is when the work related to the preparation for tomorrow's external correspondence starts. Thus the second order left for the divisions only the next day. Only by 2 p.m. In addition, you can try and remind everyone of the need to pick up the order from the office, but you don't have to do this.*

As a result, for more than a day everyone had been feeling the victory of one over the other, and this could not but affect the balance of forces. Many had taken certain irreversible decisions, given an assurance, made assessments of the situation in front of the co-workers...

There is another example on this subject – on the mechanism of power – in the project "One to five".

#### **From materials of project "One to five"** **Situational fragment**

*A large financial services company in Moscow. One of the deputies of the head, using the absence of all other deputies, prepared an order, fundamentally changing the balance of forces at the impact on personnel decisions, and got the head to sign it. However, the order, as any document, should have a number and a mailing list. But the deputy did not think to check this point. Let one copy lay in the administrative office, and nobody would know about it! Even when everything is finished and distributed, as expected, orders normally do not work for 40 percent. And this one... Of course, failing to assign the number to a signed order for a long time is unacceptable conduct of the administrative office. But what can you do if there is no unambiguous rule on this account, as luck would have it! The staff of the administrative office may have their own ideas about the "correctness" of the order.*

*Deliberation of the administrative office afforded time to review all procedural violations committed by the initiator of the order in its preparation. It was proved that such decisions were the responsibility of the collegial body and not the chairman (it would be pointless to argue about the nature of the order, because it had already been signed by the prior person!) and the decision of the Board, similar to the order but, with two or three other commas and slightly changed appointments of the responsible persons, was initiated in the prescribed manner.*

As my partner says, “commercial risk, criminal negligence or theft on a large scale differ only with paperwork and maybe the intention. although the latter is subjective”.

*Commercial risk, criminal negligence or theft on a large scale differ only with paperwork and maybe the intention, although the latter is subjective.*

## ARCHITECTURE OF PARTNERS RELATIONS

Speaking about the specifics of any holistic formations, which the crisis project is authorized to refer to, we can clearly see the dual nature of their constituent elements. The latter means that the elements or some combinations of them retain their properties when changing the external environment of the project, whereas others do not have this ability. Hence, the project is a kind of “selection” of the most intensely interconnected with each other partners, processes or products of these processes. Change in the conditions of the project leads to the fact it is these components of the project that play a crucial role.

*Groups of participants, where the intensity of connections and relationships are the greatest, start to play a leading role in the interaction of the project and the changing environment.*

Such arguments are of course highly approximate, but they do allow some insight into the architecture of the project, created by its leader. Groups of participants, where the intensity of connections and relationships are the greatest, start to play a leading role in the interaction of the project and the changing environment. Such groups are a kind of an “active center”. This term can be fully preserved to describe the role of the project manager in the formation of the relationship configuration of its partners and in the functioning of its active site in the interaction with the changing of project aggressive environment.

Indeed, the active centre of the project at first glance is like a simplification of a complex manifold relations between the project participants. However, this simplification is only a form. The active center is not a separate entity. Its appearance and disappearance is largely determined by the nature of the impact of the environment on the project as a whole and each element separately. The interaction of the whole project with the environment is much more close and multifaceted than the interaction with the environment of its individual elements or their combinations. At the same time, the project is generally a more stable form and therefore less affected by environmental changes. This independence is expressed primarily in the fact that the variations of the medium as such project can be saved in a wide range of environmental changes due to the regulation of relations between its constituent elements. In this way, the active sites of the project carry out its adaptation to the changing project environment.

### From materials of project “Dual relationship” Partners relationship

*Project participants worked in isolation from each other (no signs of teamwork). Communication on work problems of the project took a minimum proportion of their time (up to 5%). Within the group of participants of the project there were problems associated with the lack of information, psychological isolation and the formation of sub-groups of communication.*

*This situation increased the role of the personal component. A change in external conditions resulted in the raise of the status of individuals, and not the subgroup as a whole. The inertia of the personal relationships is usually more difficult to change psychologically than formal relationships.*

*The most significant barriers to work on one of the aspects of the project (“Business”) was a number of participants’ lack of the necessary skills to communicate with partners, the need for operational data collection and analysis for solving the problems of strategic management, drawn-out process to secure a loan or investor.*

*In addition, the increased personal responsibility for the flow of business processes in different regions, combined with a lack of understanding of mechanisms of influence on them reduced the share of the responsi-*

*bility of a particular party. This was manifested in the unconscious self-elimination from initiatives relevant to the preparation of analytical forecasts and economic feasibility of the proposed activities. Such documents were psychologically perceived as additional commitments to partners.*

*In these circumstances, an important task of the project manager was to identify the participant, optimally ready for interaction, and the formation of the active site, collecting all the information on the project and developing operational decisions related to both the environment and the relationship within the project. Saving a project required to narrow down its general scheme – to reduce the number of areas of work involving various subgroups of partners. Changing the balance of influence on each other of all the project participants led to a change in the architecture of the whole project.*

Each project is carried out in a particular environment, determined by external and internal conditions. External conditions are associated with the business: competition, law, suppliers, customers. Internal conditions consist of thoughts, goals, emotions and relationships of the project participants, which take the form of opinions and expectations and continuously influence its content. Internal conditions are also associated with the organizational structure and corporate policies. All internal variables interact with each other, creating a general attitude towards the project. But if the prevailing attitude towards the project from the active group of the project or its leader becomes negative, then any, even the most powerful, the most deliberate and prepared by other members of the movement will be seen as worthless vanity.

The main complexity of implementing projects in the crisis is that they are living in a rapidly changing environment. External conditions are not only unpredictable and volatile, they are usually bad. Competitors foil the plans, the political situation changes, new laws and regulations of the government somehow relate to your project, technologists and marketers are changed in the midst of work, third-party vendors abandon you to your fate. In such a hostile environment the leader should first take care of a good attitude to the project and its favorable internal environment. He can only do it through the active group, cultivating success-oriented thinking and constantly

adapting to changes in the project of external and internal conditions. For the head of the crisis project it has a special meaning: his task is managing moods and providing value motivation. In a sense, the leader of the crisis project is a catalyst, a mediator and a facilitator of all processes. The environment of the crisis project has a much greater influence on success than the specific content of the project. The extreme project manager, acting as a leader of the process, reveals the forces available, instead of concentrating them in his hands. A good leader turns the conflicts in the partnership into a springboard for innovation. His main objective is the preservation of the project stability in an unstable environment.

*The extreme project manager, acting as a leader of the process, reveals the forces available, instead of concentrating them in his hands.*

A crisis project may combine large numbers of people participating in the project. The basic structure of it is formed in accordance with the relations of the most important figures surrounded by the main project team. Formation of the internal structure is associated with the identification of differences in interests, motives, approaches to the solution of specific problems. Emerging conflicts between the project participants may complicate its development as a loss to the process of making critical decisions. One gets the well-known situation of the Swan, Pike and Crawfish. Whether the “cart” of the project will move further on, will largely depend on the ability of the project manager to become its leader. Up to this point the manager can take an important, but not decisive for success administrative position. His work will be limited to performing complex calculations and tabulation.

When maturing and identifying inconsistencies between the project participants the major solution to the problem on the leadership becomes the most important. In the absence of the leader the project will plunge into turmoil, and the participants will be working in an uncoordinated and disorderly way.

They would need to make every effort to ensure to meet or at least neutralize the conflicting needs of key project participants. This is where people are told what they have to do and imposed the wrong

decision. There is not a wise man who would know all the answers of the extreme crisis project. Managing the process, not the people, the head gives them the possibility of self-organization.

“Management does not let bad things happen. Leadership lets good things happen. Managers tend to minimize changes and to establish firm control over the people and procedures. Leaders look for reasons to change and rely on their intuition, common values and relationship management” (D. DeCarlo). To rule or to be a leader? It is necessary to comply with a reasonable balance between the two. The ability to influence is of utmost importance in an environment where managers of crisis projects have insignificant power over the members of the core team and have no power over key project participants.

*Disorder can not be eliminated. It can only be controlled.*

Even if the project manager has the power which he is lacking so much, it may do him a disservice. Very often, he starts to suppress the ability of those who are closest to the problem. The words “Disorder can not be eliminated. It can only be controlled” should become the motto.

The rule, borrowed from the system theory states that an element of the greatest flexibility (or variability) will determine the behaviour of the entire system. The system can consist of people, machines, or both of them at the same time. This helps us understand why so many managers do not manage their projects: it is actually projects that manage them. In implementing the crisis project there arises a set of behaviour of the community members and external events, that it becomes impossible to avoid all possible deviations, which will have to be dealt with. The ability to establish relations and the implementation of the role of the project leader is a personal and unique factor to the effectiveness of the crisis project leader.

## SIXTY TO FORTY

Business is not insured for the occurrence need of a crisis consultant. The consultant in force of his profession looks for a potential

client. They find each other and the problem of one of them becomes the problem of both of them.

The first thing the consultant has to say to the client fixated on fussy, sporadic attempts to get out of the situation is “To wait immediately!”

A confidential crisis adviser starts working. He acts as an investigator of all communicative processes. related to clients, explores the existing system of professional and personal relationship of crisis members, partners, customers, investors, hired personnel... He determines when, how, how much, what exactly (and not necessarily money) and where exactly they need to invest to achieve a change in the direction of success. He is looking for those who will do it all, constantly acting as a mediator and facilitator, simplifying the project participants' understanding of each other. He is gradually transformed into a new quality – the head of the crisis project. That is him who is responsible for information, regulatory, emotional and energetic components of the interaction of many people, one way or another connected with the crisis.

*This is a kind of surfing when the waves are rapidly succeeding each other, and the project needs to be able to go back to the crest of the wave again and again.*

How is the project materializing onwards and what is the role of its leader? It is necessary that all of the proposed solutions and contacts were held to professionally and the earned crisis project to work without errors, it is necessary to have no new problems in the presence of an ocean of hostile forces, permanently changing in their manifestations and effects.

This is a kind of surfing when the waves are rapidly succeeding each other, and the project needs to be able to go back to the crest of the wave again and again. This is a bundle of knowledge, experience, art and sincere feelings. “Swimming” in the laws, seeing and sensing people with their thoughts and feelings, including a systematic approach to any problem suddenly appearing, even the smallest. Being sincere, compassionate, sympathetic... and constantly investing time, part of your soul and heart.

There are no universal methods to overcome the crisis, there is no general recipe, no “right company,” which sets an example. There is

always a particular situation and there are people who live and work in it. The adviser-project leader can see and feel everyone. He creates an atmosphere in which people's despair is replaced by faith in the victory, and hopelessness is replaced by a desire for a new purpose.

One of the outstanding features of a good leader of a crisis project, and a consultant in general, who managed to become a real confidential crisis adviser, is that he does not disappear from view when the client has come to truly difficult times. The difficult and ambiguous situation will show what relationship has formed. Conditions of force majeure will bring the true state of affairs to the surface.

For customers, this may be the last battle for the business, the last attempt to save it. The chances of success are small, but the fear of losing everything makes them work with double the energy. Starting such a project, the consultant, the client and the other participants are well aware of all the risks: with negative developments one loses business, the others risk their reputation and time. And if the project participants, immersing in the project, are ready to accept the challenge, it means they will fight with all their reserves to the end.

It is possible that the result will not be called a success, and the loss will be much more significant... Any failure is both a bitter lesson and valuable experience. But even in such a difficult situation, a professional will find a way not to break off relations with the client and other project partners. He should be able thus to characterize all components of the project to the client, investor, and all the other participants so that they could see a clear picture of what is happening. Have there been any opportunities to influence the situation in a positive way? Have they been used and how well? Has the failure been a result of an error or have the external circumstances been too strong?

Maximum probability of a successful completion of a crisis project is in any case not more than 60%. That is why the success is most often associated with such irrational concepts as intuition, wisdom, endurance, sincerity of feelings. Everything else is professionalism. It makes 60%.

## A BIG FAT NOTHING

To somehow become virtual is a new trend in business. To remove the physical assets. To let employees be engaged in a local recruitment company. The best thing is to employ them on lease. This is convenient. Without trade union issues and the social component of the costs, without any effort to consolidate employees or maintain dynasties, without a hard peg to the site and its features. It is an obvious increase of mobility, dispersion of the business and the associated resistance to environmental change. It seems to be all right. Except for one point. The management issues of managing the new structure of relations and trust between its constituent elements are growing uncontrollably. The "relationship economy" is stepping forward. Most likely, such an organization will be strong only if its parts are subtly interconnected in a complicated way, if each of them can't act independently with greater effect than a single branched structure. The system of the central command and control does not work if the majority of its members are creative persons, voluntarily investing their knowledge, experience and emotion in the common cause. There would be a need to combine creativity and efficiency, to produce an environment for innovation and entrepreneurship, for motivation and prerequisites for activity.

How and what to manage in these conditions? It is the same question as for the crisis project. Searching of an answer, we will once again turn to the example of a scientific organization. Here they are hiring only the leaders and staff of the central office. The rest of the staff are independent, often working in other companies, institutes and universities around the world. They are self-sufficient. However, for all of them it is beneficial to work on a specific idea, the carrier of which is the head of this complex scientific community. The issue of corporate ownership is not important. Energy, character and creative unity are. The passion that they have comes mainly from the fact that they have an idea, both psychological and legal.

Very similar principles underlie the business in the field of recruitment. There is no property, no assets, but there is an extensive network of companies and individual employees bringing in orders. There are just franchise companies, in no way connected with the business centre, apart from the commercial use of its name and trademark. Of

course, this business involves transparency, honesty and many other rare qualities.

Interestingly, these companies are essentially engaged in search of jobs and give almost all of their income to their employees. The purpose of business of such companies and their own essence is the same: to provide jobs.

It is in this kind of business that it is eligible to ask: why should all the profits go to shareholders, who once invested their money, but not the time or skills? However, what is stock ownership or fictitious capital? It has never been entirely clear. At the end of the day, the shareholders of this kind of business will abandon the myth that they own the business. They invest their money, other people invest their time and skills. No one owns anything. It seems an absurd idea that a gathering of the “alchemists”, people who turn ideas into products and relationships, is someone’s property. The sources of wealth here are the ideas, information and relationships. However, this wealth is of different nature. I can give you everything I know, but the knowledge will still be with me, as opposed to property, money, etc. What matters is that it is not formalized. The main thing is the ability to access, not ownership.

*At the end of the day, the shareholders of this kind of business will abandon the myth that they own the business.*

In this sense, management consulting is perhaps one of the most “mysterious” types of business. There is no single answer, even to such fundamental questions such as “Who is the customer, an investor and a project manager?”, “What do customers pay money for?” And of course, it is needless to talk about creating a special legal entity – a “container” for processing business. There is another side to it: this business is quite impossible to take away. What is possible to do is to interest and motivate its key partners, members and employees. But it can easily be destroyed itself.

*It seems an absurd idea that a gathering of the “alchemists”, people who turn ideas into products and relationships, is someone’s property.*

Loss of control over the business often takes place where severe pressure from the outside forces partners to run too many sub-projects with limited human and financial resources. For most project managers and their teams the result of applying this approach to the business is a lot of stress, conflicts, insecurity, the mental strength fall and, ultimately, a failure. A failure in any of its aspects: falling profits, protracted conflicts between the partners, antagonism in relationship, crime.

*What matters is that it is not formalized. The main thing is the ability to access, not ownership.*

The desire to make it do everything at once, without the general consent in the strategy of the company and the mechanisms of its implementation generates a set of worst management practices.

## *Instead of conclusion* **ALCHEMISTS**

*“When you want something,  
all the universe conspires  
in helping you to achieve it”*

(Paulo Coelho)

Looking back, people often understand that for many years they have been doing the work that they are not fit for. Their inner voice was persistently claiming that they were not suited for the business but, alas, they did not take any notice of this. To persevere the unloved business and assume that over time they will like it is at least strange. There gradually comes the understanding that something is wrong. An internal crisis begins...

*You will find a mission where your skills match your opportunities.*

The “correct” way to professional earnings implies synchronization of what the man has been doing in his life with what is inside him. This does not mean that he has to separate his work from his personal life. On the contrary, his work should be a natural expression of his inside talents and acquired skills both at work and outside it. If he can honestly say that the “head of the crisis project” is not just his job, but his vocation, it means he is in his place in life. “Where your talents and the needs of

the world cross; there lies your vocation,” Aristotle said. That is the person who has been identified by a special method of UNESCO as the “most intelligent” in the world for all the centuries. So open your inner strength! A clear understanding of it will help to sustain any changes and stress – the main features of any crisis. Without a solid support, you would be hopelessly wandering around the surrounding world. To see yourself is to realize your temper, to determine your motivating abilities, to discover and get rid of destructive beliefs or complexes.

*To see yourself is to realize your temper, to determine your motivating abilities, to discover and get rid of destructive beliefs or complexes.*

Indeed, most business people have little knowledge of themselves. They put a lot of effort into understanding the people surrounding them, and hardly do anything to understand themselves. Probably because that’s what they fear most of all. Both in physical and spiritual aspects. It seems that if you do not visit a doctor, then you can’t be ill. It’s some kind of subjective idealism, like the words of a famous song, “The sun would not be rising in the morning, if it was not for me”. If they knew their true nature and align their life with its main component! Life suddenly would acquire a new meaning.

*This is the real crisis: somehow we are moving away from ourselves and forget about the development of our personality.*

In the meanwhile they often deceive themselves, thinking that this is the work that they want to do. Some people cut off a further way of development, being confined to the same “profession”. This is the real crisis – somehow we are moving away from ourselves and forgetting about the development of our personality.

Everyone has a natural tendency to an activity in which they achieve the greatest success, and enjoy it. It is their motivating abilities. When they use them, they feel most fully and in the right place. At some point in their life, they received a powerful impetus. Someone whom they respected, – a teacher, leader or parent – saw it as some kind of special talent and pointed it out.

I remember the ceremony of matriculation. Dean of the Chemistry Faculty, by the way, the future head of my doctoral dissertation, congratulated everyone on the first academic title of “student” and wished us... scientific impudence. He told us how working with Academician Kurchatov, a group of young chemists and physicists got a job to make an accelerator. Then they did not even know what it was! However, they did make it... I found myself in almost the same situation. My supervisor came up with an experiment and instructed me to prepare it. I did. Of course, it was not quite what he meant, or even more likely, it was not at all. It was impossible to hand-made something that worked at the temperature of liquid nitrogen, voltage of three thousand volts, pressure of ten thousand atmospheres and sensing currents in ten to the power of minus seventeenth Ampere. But the energy, commitment and arrogance did the trick. The main thing is that it was the first independently derived, almost scientific result. By the way, according to these characteristics of the experiment, it was the result obtained under extreme conditions. It was remembered for a long time and possibly laid the necessary foundation of self-confidence.

It just so happened that many years later, I plunged into someone else's extreme projects. The temper and character features, skills and connections, a long period of work outside the subordinate systems and bright bursts of activities in the construction brigades were joined together. However, from time to time, occasionally, I had to go back to my first education. Chemistry (“black magic” in Arabic) haunted me. I had to deal with crisis management in the academic Chemical Institute or to develop specific ultracapacitors – condensers with abnormally high capacity, then I came to grips with biochemistry, peptide synthesis for the pharmaceutical industry and the organization of the management of this process. I remember spending nearly a year to prepare and coordinate the decision of the Government on the establishment of the country's first joint stock company in the development and production of instruments for physical and chemical studies. I was constantly remaining in limbo. What was I doing? How did this relate to what I had learned at the very beginning, and even defended a dissertation?

A very clear life vector was given to me by a famous coach of the national volleyball team, a multiple world champion. Once, signing his book for me, he wished me success. Success... in the “chemistry of life”.

This somehow immediately removed all the clutter of mostly artificial and subjective uncertainties and ambiguities. In these words there somehow suddenly joined chemistry and alchemy, management, and documentation, law and psychology, and most importantly the emotions of relationships and innovations in the existing reality. This was the same trust crisis consulting, which I have been doing for nearly fifteen years. Only now the fluke of the first, basic education, related to the science of the changes that occurred as a result of interactions, became clear.

Unfortunately, most people learn the profession they have no real inclination to, and make this profession a source of their income. As a result, they forget about their natural abilities. I have got to say a commonplace. If you do not learn to distinguish a talent from skills, you can spend all your life without revealing yourself. It is hard to learn how to do this. And the more you test yourself to the limit, the closer you get to the truth. Perhaps this is the meaning of life: fall down seven times, stand up eight.

*Perhaps this is the meaning of life: fall down seven times, stand up eight.*

## *Used terms*

**“Alchemist”** – head of a crisis project, who turns ideas and relationships into the product.

**The active centre of a crisis project** – the crisis project participants through who the interaction of the project with the external environment is carried out, which is aimed to the maintenance and development of the project.

**External environment of crisis project** – legislation, the economic situation in the country and region, the media, law enforcement, judicial and tax authorities, local authorities, competing organizations, the initiator of the crisis.

**Internal environment of the crisis project** – the project participants of the crisis and their relationships.

**Group effect** – impact on the outcome of the project of its individual elements, enhanced by the optimal architecture of relations between them.

**Dual partner relationship** – the relationship of business partners, coupled with their other business relationships, as well as family, comrade and other relationships.

**Area of partner’s responsibility** – certain obligations of a party of a crisis project.

**Initiator of the crisis** – business participant, who is a source of problem/problems by virtue of his/her personal characteristics or other reasons.

**Client, businessman** – a person who is the owner of the main problem.

**“Controlling justice”** – a possibility of separate party of a crisis project to control processes undertaken by other parties, and to influence the results of the project to determine its actual future profit and its subsequent distribution in accordance with a prior agreement.

**Crisis consulting** – advice on saving, reorganization or termination of the business being in a crisis situation.

**Crisis project** – business system, elements of which are members of the crisis project, processes carried out in the framework of the crisis project formula, the results of these processes, the relationship between the parties, as well as between them and the environment of the project.

**“Not reducing the possibility of choice”** – a technique used by the active site of the project in the discussion of proposals or ideas in order to maintain the stability of the architecture and the crisis project with uncontrolled negative impact on it of the environment and changes in relationships that occur among the project participants.

**“To wait immediately”** – a technique used by the crisis project participants in the conditions of uncertain manifestations of hostile internal and external environment of the crisis project and to minimize the negative effects of premature activism having a reactive or reflex character.

**“Crisis project carrier”** – a crisis project participant, whose powers ensure the formal implementation of decisions according to the formula of the crisis project.

**“Optimizing information flows”** – machinery used by the crisis project leader to convey information to the project participants taking into account their personal characteristics.

**Optimum architecture (design) of relations between the crisis project participants** – the most effective system of relations between the project participants formed on the basis of their personal characteristics and aimed at the project implementation in accordance with its formula.

**“To sew a button on a faulty suit”** – negative example of technology used by the crisis project participants for the premature implementation of specific proposals or ideas which have not been discussed in the active site.

**Stratification of the crisis project** – a way out of the implementation of one of the aspects of the project or condition change (responsibility and risk area) of the project partners while maintaining their interdependence.

**Crisis project leader** – project participant, able to: a) generate an optimum architecture of relations between the project participants for the realization of the project formula; b) identify deviations in this architecture, occurring as a result of the negative impact on the project of changes in the internal environment or aggressive nature of the exterior environment; c) promptly correct these deviations.

**“First simple, then complex tasks”** – technique of implementing the crisis project formula providing the priority and urgent basis to resolve the existing problems in the design of small problems aiming to minimize the number and power of the possible negative impacts on the project during the implementation of key activities as well as for a quick demonstration of success elements.

**Main problem owner** – a person whose main business is in a crisis.

**State of controlled anxiety** – the mental state of the crisis project leader which allows to continuously monitor the relations between the participants of the project for compliance with the optimal architecture.

**Socioinvestologist** – confidential crisis consultant who studies the causes and consequences of disturbances in the relationship of partners and employees, managers of competing business structures, contributing to the emergence of a crisis situation, formulates the plot of the project, developing advanced mechanisms to overcome the crisis, and also determines the type and amount of investment required in the project (money, personnel, partners).

**Crisis project structure** – relationship architecture between all components of a crisis project.

**Crisis project plot** – crisis situation description drawn up on the basis of requests from the main problem owner, conversations with him and the primary review of relevant documentation.

**Crisis project participants** – the main problem owner, confidential crisis consultant, crisis situation specialists, investors.

**Crisis project formula** – short description of the crisis situation, its causes, project goals and alternative mechanisms of their implementation.

**Crisis project elements** – internal and external environment of the project, processes of their interaction and relationship between the project participants and processes of the project implementation.

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