

A RECENT WHARTON STUDY OF STOCK collapses following reputational hits found that price recovery on average took 80 weeks. The authors of that study, interviewed here on Page 34, believe it bolsters the argument for anticipating and preparing for crisis. But they acknowledge that a large body of behavioral research shows that we're not rational about risk. We tend to believe that calamity will strike elsewhere, not here. The dangers of that fallacy are starkly apparent in the context of national security.

"A terror attack is no time to learn how to respond," Brunswick's Paddy McGuinness, former UK Deputy National Security Adviser, writes on Page 53.

In the C-suite, quests for growth and prosperity are balanced more than ever by efforts to foresee and minimize threats

who once suffered a health-threatening collapse at her desk at the Huffington Post, and Jocko Willink (Page 40), a decorated Navy Seal turned best-selling author. Where Ms. Huffington sees "a crisis of well-being" marked by too much email and too little sleep, Mr. Willink laments a crisis of laziness and lack of discipline. Surely there's truth to both arguments.

Consistent in these pages is a message of hope. Automotive legend Bob Lutz, Vice Chairman of General Motors during its bankruptcy, recounts with pride its reemergence and revival (Page 22). The US bailout of troubled financial and industrial giants – heavily criticized in 2009 – led to a longer period of growth than anyone could have imagined, says Columbia University historian Adam Tooze on Page 27. In an amusing tale on

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old and new, and from every possible direction. "Don't let the discovery of a cyber attack be the first time you think about how you will handle it," advise a pair of Brunswick cyber experts on Page 47.

Not every crisis can be anticipated of course, and no set of management rules could apply to each and all. Some rescues, for instance, may gain force from *mea culpa* and apologies, as Brunswick's Stuart Hudson and Andrew Porter write on Page 59. But assigning blame during last decade's financial crisis wasn't the highest priority for US Treasury Secretary Timothy Geithner. Public outrage notwithstanding, he was too busy saving the economy. Among other lessons, Mr. Geithner (Page 12) says decisions must be made even in the absence of attractive options. "Plan beats no plan," he says.

In these pages, the complicated nature of crisis is reflected in the disparate messages of Arianna Huffington (Page 36),

Page 77, Kansas City reaped a benefit from an embarrassing internet prank.

Also clear from this Review is that crisis can offer executives the chance to serve larger-than-usual constituencies. New research shows that companies now contribute a greater share of natural-disaster aid than governments and aid organizations (Page 90).

There is also the rousing influence of character. After a third of his colleagues and his two fellow senior partners perished in the World Trade Center attack (Page 42), Jimmy Dunne's determination to rebuild their boutique investment banking firm became an inspiration to all of America.

We hope that this edition informs and inspires you. ♦

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