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Emerging Stronger Through Times of Change - by Desi Williamson

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No doubt, we're living in some very challenging times. Real estate prices are tumbling, gas prices are through the roof, and consumer confidence is dwindling...but fear not! We've been down this road before! Whether it's overcoming the perils of the great depression, surviving the turbulent 60's, the gas shortage of the late 70's, or the decade of greed in the 80's, we will emerge stronger, and hopefully wiser than before.

In the 1930's, during the height of the great depression, Mary Parker Follett rose from the ashes to be one of the first female millionaires in American history. She was a pioneer management guru who taught things such as cross-functional teams, servant leadership, customer-first strategies, and a multitude of ideas that came into business lore which, at the time, were thought to be new and revolutionary. Mary Parker Follett practiced what we consider to be basic fundamentals today.

I believe that in order for us to become centered during these challenging times, we must get back to the basics. The 80's taught us that greed was good...well, it was not. The same philosophy followed into the new millennium with an unprecedented real estate boom - housing prices soared, the stock market roared, and we all became intoxicated by our good fortune.

During my 25-year career in corporate America, I was part of three reorganizations with three different companies: PepsiCo, Rain Bird Sprinkler Manufacturing and Cadbury-Schweppes. In order for the companies to emerge stronger, it was necessary to strip themselves down to the bare bones and rebuild from the inside out. We first had to take stock and admit we had some serious problems. We identified those problems. We then reorganized the business in a way that cut unnecessary expenses and activities which did not lend themselves to profitability or growth, and installed new disciplines to help us capitalize on the opportunities that did exist given our new environment.

When I started investing in real estate in 1983, if you were able to secure an 11% interest rate, you were living in high cotton. I could still remember how excited I was when I bought my first duplex and got a 10% interest rate. I was ecstatic! If anyone would have told me 34 years later I would get a 5% rate on my most recent investment, I would have called them crazy. The real estate market has not yet shaken out. Prices were so inflated for so many years that experts say it may take another 3 to 5 years before things truly bottom out and the "Real Value" has emerged. In the meantime, this is a good time to regroup. There are still great bargains for those with patience and a tolerance for risk.

The point of the matter is to understand that where there are problems, there is also opportunity! And sometimes the best strategy is to simply reorganize, just like the big companies: re-think, re-strategize, re-tool, and then advance. For the first time in years for many of us, it's READY, AIM, FIRE!, instead of READY, FIRE, AIM!

Let's get back to the basics of saving by paying ourselves first, paying off debt, eliminating the need for immediate gratification, and in some cases that will require some sacrifice. We must understand though, that our most basic needs of today would be considered great luxuries by our ancestors.

When the stock market crashed in the 1930's, researchers say it took 43 years to get back to even in relative terms. I would like to think we're in much better shape now than we were then. We have entire industries in technology, communication and information that didn't even exist at the time. We obviously have challenges to go along with that, but history has shown it's not wise to bet against the resiliency of the American people.



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