



Bad news does NOT get better with age

BY Collin Quiring

One of the mantras of Project Management is COMMUNICATION. Study after study shows that one of the consistent reasons for failure of a project is a lack of or poor communication. This goes for both positive and negative information. December was spent on holidays and dealing with the fact that bad news does not get better with age. Rather than being told there was an issue and trying to help resolve it, I have spent my time trying to understand and adjust to the effects of the issue.

I think it is human nature to try and gloss over rough edges or to avoid tough conversations about issues that will be taken negatively. However, the statement “Bad news does not get better with age” still applies. When somebody avoids the tough conversation they might be making life easier on themselves for the moment, but it will probably only get worse as time goes on.

I once worked with a company that had a culture of avoiding negative issues. This was strongly encouraged by management in the way they dealt with each other and with employees. This only meant that more money and time was spent fixing issues that had become critical and unavoidable - when they could have been addressed much sooner during the project. Most issues were seen early in the life of the project and if those that knew the information were encouraged to speak up, rather than punished, they would have become true partners in fixing the problems. That company would be stronger today since it would have an employee base that was “bought in” to the company and were “part of the solution”. Instead, as the economy got weaker, and more potential issues arose, the employees ran for cover, which created more issues and so on and so on. The same concept holds true for vendors, customers and contractors.

We all know that 2009 was a rough economic year for many companies. Some managers/owners have shared the bad news of financial downturn with employees – ranging from pay cuts, to cutting all “discretionary” expenses (another post on that some other time!) to forced time off without pay; or, ultimately, layoffs. Some have kept the bad news secret and then end up at the same point. In these two cases, the facts don’t change but the ability of the employees to help does. Even banks have come to the realization that it is better to work out new terms with loan customers than to foreclose on every mortgage or business that they can – because it is better for everybody in the long run.

A lot of companies won’t share bad news because they fear the consequences – some real and some perception. They want to look strong and that they are weathering the economic storm. However, when a company knows it is having a hard time, it should go to its vendors, customers, employees and contractors and ask for help. I know of some companies that have gone to their vendors and asked for restructured payment terms. I know of companies that have talked with contractors and employees about modifying work or payment structures, or any of a myriad of other options.



I also know of companies that have pretended all is well and then just not paid vendors. I know of companies that have said everything was going great and then they shut the doors. How many of those cases would have worked out if they had shared the bad news sooner? Yes, some companies would still go out of business, and yes, admitting a problem sometimes creates additional issues. However, what of the reputation of the company and management when they don't admit to issues and end up having to shut the doors? And, what about when people eventually find out there is an issue – it may be too late to correct it at all and it is possible that a vendor that could have helped weather the storm becomes the catalyst that forces changes nobody wanted (including the vendor).

Bad news does NOT get better with age! If a company is experiencing issues, they should be honest enough to confront it themselves and then determine a communication plan. That plan might be to tell only tell a select few vendors, contractors or customers. It may be that if one or two big customers pay a little faster and one or two vendors accept getting paid a little later that everybody can weather the storm together.