

Financial agility will help combat the doom and gloom

 By [Helene Vermaak](#)

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We are living in a perilous time financially. The fuel price is constantly rising, the Rand seems to be weakening daily and an interest rate hike is imminent.

Financial agility is a requirement for every business and home, more now than ever. We need to be empowered so that we can respond to economic threats. The more agile your response to changing financial conditions the more money you will save.

We know through extensive research* that major financial adjustments are more a human problem than a technical problem. We have seen that behaviour, rather than the quality of data, processes and policies have a direct effect on financial agility.

Through research, international innovator in corporate training and organisational performance leader, VitalSmarts identified four crucial moments that happen in every situation that predict how well and how fast an organisation or individual will respond to an economic threat. To avoid the risk of a financial resolution being taken out of your hands, below are the four moments that need to be addressed in every aspect of your work and home life.

1. Debate, dithering and denial

This is the first crucial moment and it occurs when a team, partnership or family is confronted with financial data that may or may not signal a crisis. Because of the unknown, people often don't agree on the urgency of the matter and how it should be handled, therefore creating a delay in responding effectively and allowing for a crisis to deepen. An agile team will address the issue head-on and will ultimately be nine times more likely to solve the issues and avert a potential disaster.

2. Undiscussables

This usually occurs when teams or individuals are hampered by being unable to discuss certain elements because it is politically incorrect to do so. Allowing 'prickly' issues to delay resolutions can derail any form of financial reprieve. Vermaak says that it is important to find ways to raise sensitive issues so that they can be effectively dealt with.

3. Silent collusion

Financial agility is hampered when decisions have been made and a plan has been put in place, and predictably, someone goes back on the agreement and gets away with it. As a result, commitment slides, cynicism grows and the entire project will suffer. This moment speaks to the importance of being able to hold one another accountable - something we all tend to struggle with.

4. Irrational slashing

This financial crucial moment is in some ways the result of failure to address the previous three moments. Individuals feel a lack of trust and support from one another and act out their misgivings by taking an irrational approach and provoking more gaming than teaming. The consequence is generally an executive decision to cut expenditure across the board - a decision that may not be in the best long-term interest of the business as there may be areas where expenditure is needed at the expense of other areas in order to stimulate growth.

The need for financial agility is greater today than any other time in recent memory. The greatest barrier to financial agility is not a lack of intelligence or time but rather a lack of focussed and unified dialogue.

**VitalSmarts surveyed more than 2000 managers and executives from 400 different companies to learn what it takes to be financially agile.*

ABOUT HELENE VERMAAK

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