



SUDDEN VOLATILITY

Navigating the Storms of
Rapid Change

By Isabella Fugaccia

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She heard the soft ping of a notification on her phone. Elisa glanced down, expecting another routine status update. Instead, her heart froze the moment she read the email:

“Our supplier has ceased operations immediately. No further shipments. Effective now.”

It felt like the foundation beneath her had given way, leaving only free fall in its wake. Her entire career in high-performance adhesives—crucial to aerospace and medical applications—hinged on ensuring one thing: stability. And in a single line of text, that stability vanished.

Yet, as Elisa gripped the edge of her desk, she recognized the deeper truth: this crisis had been smoldering for months, like magma beneath a dormant volcano. Regulatory crackdowns, ruthless budget cuts and freezes, and fractious leadership priorities had paved the way. Now the volcano had erupted—and Elisa would have to lead others through the ash and fire.



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A Fragile Ecosystem in Flux

For decades, the polymer industry ecosystem had been steady, almost predictable: suppliers and manufacturers forged long-term contracts, and demand followed reliable patterns. But recent years brought sweeping shifts. Geopolitical tensions disrupted shipping routes, environmental regulations forced smaller players to fold, and competition for raw materials grew fiercer by the day.

Elisa, as Global Director of Supply Chain Operations, had long tried to ring the alarm: “If our sole supplier faces even a minor crisis, we could lose everything,” she’d cautioned in numerous meetings. “I’ve run the numbers—our inventory will not last longer than three weeks. The solution is to approve this second supplier now, before it’s too late.”

Her repeated warnings, thorough data, customized reports, and personal appeals to multiple stakeholders in the organization collided with a new CEO’s cost-cutting focus. Even her own manager, Jonathan—a respected veteran in the polymer industry—counseled caution: “Elisa, pressing too hard might be seen as overreacting. Let’s be patient. Timing is everything.”

Unsurprisingly, the proposal for a second supplier was shelved, a casualty of political caution and budget-slashing directives.

A Company in Transition and Turmoil

The departure of the previous CEO shook internal power structures. In his place, the newly appointed leader arrived with a mandate to streamline operations and deliver swift returns, largely by slashing budgets and freezing resources. To him, risk mitigation was just another line on a financial statement—until this very moment proved otherwise.

Jonathan, who had only a few years left before retirement, felt torn between Elisa’s concerns and the new leadership’s demands: “I understand where you’re coming from,” he would confide. “But we can’t challenge the CEO on every point. I’ve seen this before, and maybe it’ll blow over.”

That was before the supplier’s sudden closure placed million-dollar orders in jeopardy. Their aerospace and medical clients—who demanded flawless, on-time, high-quality deliveries—now eyed the company with growing apprehension.

The Volcano Erupts

News of the supplier shutdown spread like wildfire through the organization. The COO demanded solutions; the CFO insisted on immediate damage assessments; and the new CEO, who had previously dismissed Elisa's proposals as "non-urgent," asked tersely, "Why did we not have a backup plan in place?"

Elisa felt anger and heartbreak swirl within her. She had warned them, repeatedly, offering simple preventative action steps. Still, she steadied herself, recalling a mantra she often shared with her team: "We can't change what's behind us, but we can shape the path forward. Let's focus on what's within our control."

Navigating the Eye of the Storm

An emergency video call brought together Elisa's Team Leaders:

Raj (Production Lead) outlined how they might extend inventory by adjusting batch sizes and eliminating non-critical runs. "We could buy ourselves a week or two at best," he warned.

Carl (R&D Head) stressed that switching to a new polymer would demand rigorous testing, especially for aerospace and medical clients. "There's no shortcut here. One oversight could mean catastrophic failure in the field."

Marisol (Logistics Manager) rushed to arrange partial shipments and expedite freight, though customs delays loomed threateningly.

Throughout it all, Elisa listened intently and guided them with unwavering poise: "Let's prioritize each step. And always ask: Does this align with our safety and quality standards? Based on what we know now, I want to brace you that we might only fulfill 80-90% of orders, but that's better than leaving clients stranded." Her calm yet decisive approach helped the team balance urgent timelines with the precision and meticulous care their industry required.



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Hidden Mindsets and Power Plays

Beneath the onslaught of emails and crisis meetings, each key player struggled with inner conflict:

- Jonathan (Elisa's Manager): He prided himself on diplomacy, but now feared dire fallout for failing to champion Elisa's warnings. Guilt gnawed at him, replaying Elisa's guarded presence each time they crossed paths. Had his instinct to "play it safe" caused more damage than he ever intended?
- The CFO: Torn between the board's profitability demands and glaring gaps in risk management, a sense of dread kept him awake. He knew that no clever spreadsheet maneuver could disguise the truth: they had ignored critical warnings, and this would cost them dearly.
- Elisa: Publicly, she kept her directions firm and grounded in a calm energy: "Let's coordinate partial shipments while we test alternatives. We'll preserve client trust by communicating frequently and honestly." Privately, frustration and fatigue weighed on her. She replayed moments where she had pushed for backup suppliers and more robust risk strategies.

The High Cost of Playing Small

As the crisis escalated, Jonathan's earlier reluctance to speak up showed its toll. In hushed conversations, people labeled him a "yes-man." Morale in his division plummeted, and his once-warm relationship with Elisa grew detached.

Late one evening, he stopped on the threshold of Elisa's office, voice trembling slightly: "I'm sorry. I never thought it would go this far." She nodded, exhaustion clear in her eyes: "This isn't about blame," she said gently. "But we need real changes—words alone won't rebuild trust."

The Turning Point

Over seven weeks of frantic recalibrations, regulatory wrangling, and near-constant R&D efforts, the company managed partial deliveries to its most critical clients. The cost of lost revenue, penalties, and expedited logistics soared to \$8.31 million—a devastating blow to the company, but not a total collapse.

Elisa felt a bittersweet mixture of relief and disappointment. Her team's grueling work had prevented clients from abandoning ship, but the crisis should never have erupted this way. She could not forget the days blurring into nights, the bleary-eyed conference calls at 2 a.m., or the emotional strain on her team.



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The Debrief

Eventually, the leadership team convened for a post-mortem. The COO reeled off a list of "avoidable losses"; the CEO demanded an explanation for how the company had arrived here. Jonathan looked on, uncertain whether to speak or keep silent.

Elisa laid out the facts: reliance on a single supplier, \$8.31 million in direct losses, and partial orders that barely salvaged core client relationships. She felt the silence strangling the room and knew she had to break it: "We could have cut those losses by at least 78% had we followed through on backup plans. This wasn't just one mistake—it was a series of decisions fueled by fear and hidden politics that got us here."

No one openly apologized, but the tension in the room made it clear they understood. Jonathan cleared his throat, eyes scanning the room: "I want to acknowledge my part in this," he said. "Elisa urged me to push for a second supplier, but I hesitated. I was focused on the cost-cutting measure mandates and was trying not to rock the boat. Now I see what that cost us."

A hush followed. Even the CEO, who'd been demanding answers, looked momentarily disarmed. Jonathan drew a breath: "We need a formal risk assessment review—something we update regularly, not just when trouble strikes. I'll back whatever budget we need to avoid another scenario like this."

Elisa saw an opportunity for cautious optimism. She slid a stack of copies of reports forward: "This is a draft dual-sourcing strategy. It reflects our best information today and outlines how to onboard alternative suppliers without skimping on quality. I propose we refine it—together."

The CFO, who had listened silently, finally spoke up: "I won't argue anymore about the cost of ignoring vulnerabilities. I'm in, but I'll need projections on how this affects the bottom line—especially upfront."

"That's fair," Elisa conceded. "We'll build out the numbers. But I urge everyone to remember that saving a little money in the short term can cost us far more in the long run."

The CEO nodded, clearing his throat: "We still answer to the board, but given all this, I'm willing to revisit the budget with the CFO," he said, glancing at Jonathan. "Let's do status updates every two weeks—keep each other informed."

A profound and collective understanding in the discussions settled in the room: they could not let fear and hidden politics kindle another crisis. New protocols, collaboration, and tentative mutual trust would guide them forward.

After the Storm: The Weeks That Followed

The organization lurched back to a more familiar pace, though scars remained. In the weeks ahead, each major player wrestled with how to move forward:

Jonathan's Hard Conversations. He opened a one-on-one meeting with Elisa late one afternoon. "I let you down," he admitted. "I was afraid of pressing budget issues and losing face. I see now what that cost us—and you." Elisa's gaze stayed steady. "Thank you for saying it. But to rebuild trust, we'll need consistent action. Are you ready to push for the changes we talked about?" He nodded. In subsequent leadership meetings, he championed Elisa's ideas, advocating for monthly "risk assessment updates" and actively promoting transparency.

The CFO's Shift in Perspective. After tallying the fallout with finance and legal, he recognized how devastating intangible costs—damaged trust, battered morale—could be. He had never experienced this kind of volatility in his career, but began to realize the business had changed. Quietly, he drafted a proposal for a "Risk and Resilience" fund. Some executives balked at the timing, but he compiled data illustrating how strategic investment in backup suppliers and supply chain resilience could head off multi-million-dollar losses.

Elisa's Relentless Rebuilding. Determined to restore client confidence, Elisa organized virtual roundtables where R&D, production, and even client-side engineers openly discussed the challenges ahead. "Transparency is the only way to rebuild trust," she emphasized. "If we hide from our mistakes, we learn nothing." Though these conversations started out tense, they gradually soothed client worries and reasserted the company's commitment to reliability. Elisa also publicly praised her own team's tireless work, reinforcing a broader company culture where speaking up was valued.

The New CEO's Reluctant Realization. He never publicly apologized, but began asking R&D for regular compliance updates and invited external experts to brief leadership on global supply chain vulnerabilities. An assistant overheard him remark, "Cost-cutting alone isn't a real plan—sometimes you pay more in the end if you're too cheap."

These small shifts gave Elisa hope that future proposals for proactive measures would find more open ears and minds.



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Glimmers of a Positive Way Forward

Slowly, the atmosphere lightened. Caution lingered, but conversations shifted from "Where else can we slash costs?" to "How do we prevent another crisis?" Jonathan worked to rebuild camaraderie, acknowledging past missteps and affirming Elisa's authority in key forums.

The CFO launched his cross-functional task force, dubbed the "Resilience Roundup," uniting procurement, finance, R&D, and supply chain to identify and mitigate potential weak points. Engineers and supervisors—once silent to avoid "rocking the boat"—now spoke up more confidently, hoping their ideas and analyses might avert future pitfalls.

What was once a culture dominated by solely by quarterly metrics began its slow metamorphosis into something more transparent, collaborative, and ultimately resilient.

Final Reflections

One evening, after a marathon strategy session, Elisa stood in the parking lot, watching the office lights wink out. She breathed a weary but renewing sigh. Recent weeks had been consumed by blame, budget fights, and hastily patched solutions. Yet, she felt a shifting tide—her peers, once entrenched in fear and politics, now seemed more willing to confront reality together.

She repeated to herself what she'd often told her team in private: "Volatility isn't the enemy. Our refusal to face warnings and collaborate causes real harm. We can't stop every storm that arises rapidly, but we can always choose how we respond."

And so, she drove home with some concrete evidence of people putting into play more effective ways of thinking and doing. If they continued the demanding work of dialing up honest communication and collaboration, proactive planning, and shared accountability, they could navigate even greater challenges together.



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Takeaways

Playing Small Has Hidden Costs. Jonathan's reluctance to champion team member Elisa's early warnings shows how the fear of "rocking the boat" often creates bigger conflicts and costs later.

Volatility Is More Than Financial. Beyond an \$8.31 million loss, relationships fractured and trust eroded. Repairing these intangibles demands time, energy, genuine dialogue, consistent follow-through, and empathy, in addition to that of the day-to-day work.

A Deliberate Shift Toward Resilience. Conversations with candor, authentic apologies for poor decisions, and sustained collaboration can pivot a reactive culture into one poised toward a response that anticipates and navigates risks—a crucial evolution in a fast-changing world.

Embracing the Journey Forward

We all experience sudden volatility, but we can enable each other through our stories and strategies to navigate the winds of change with clarity and confidence.

Join us! 

We welcome your thoughts and insights in the conversation!

Together, we can grow and adapt even better to manage volatility.

Questions for Reflection

1. *Unspoken Risks, Unseen Consequences.* Where in your organization might fear, silence, or "business as usual" mindsets be masking vulnerabilities that could escalate into major crises?
2. *Rebuilding Trust Beyond Words.* What concrete, visible steps can leaders take to show they truly value people's concerns and expertise—especially after trust has been shaken?
3. *Transforming Crisis into Catalyst.* What is one way you could harness sudden volatility as a spark for deeper collaboration, foresight, and resilience that benefits you and everyone involved?