

Nelson Mandela

"Education is not preparation for life; education is life itself."

John Dewey





Experience to Draw Upon











"Education is the most powerful weapon which you can use to change the world."

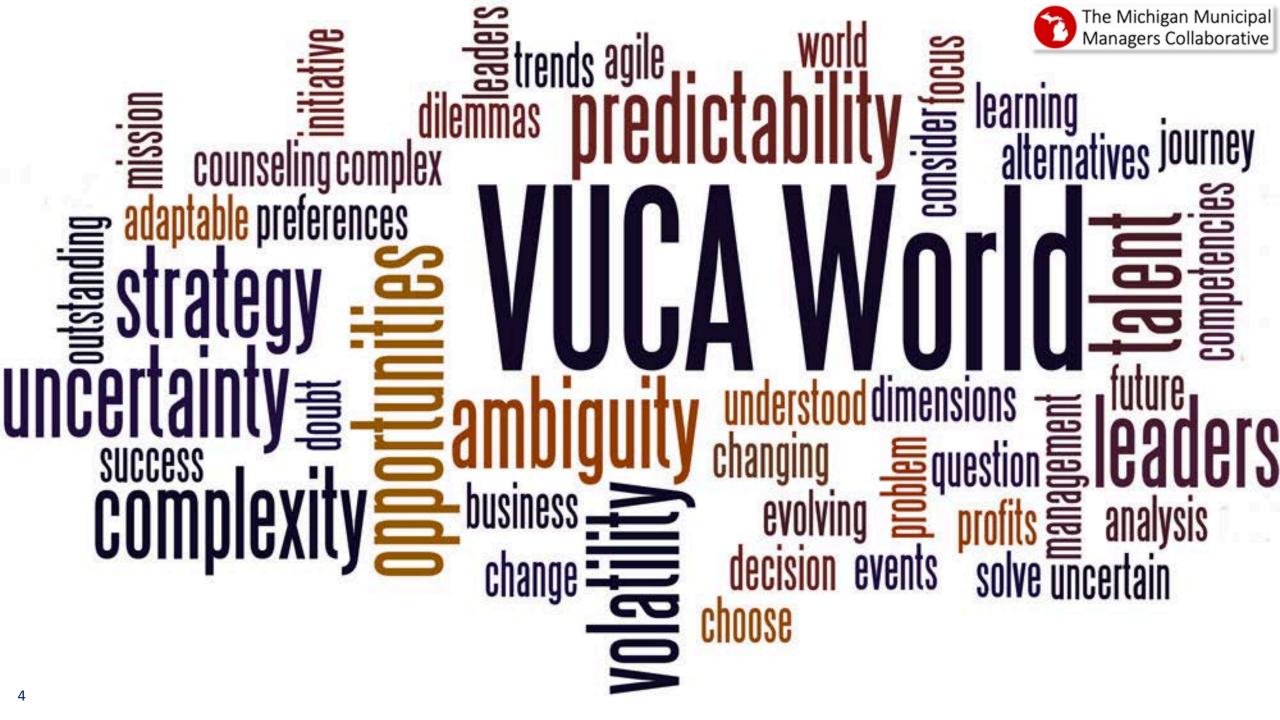
Nelson Mandela

"Education is not preparation for life; education is life itself."

John Dewey











By Rob McLean, <u>CNN Business</u> Undated 5:17 PM FT. Tue July 30, 2

CAPITAL ONE DATA BREACH



- *1 million Canadian Social Insurance numbers
- =80,000 bank account numbers
- Undisclosed number of names, addresses, credit scores, credit limits, balances, and other information

CNN BUSINESS

Capital()

HACKER ARRESTED IN MASSIVE CAPITAL ONE DATA BREACH









R. Kelly's music label has reportedly dropped him

RCA Records and its parent company, Sony, appear to be distancing themselves from the singer in the wake of Lifetime's Surviving R. Kelly. No Constance Contr. | (Reconstancespecty | Jan 15 7008.400cm EST

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129 ...



A probable rails on the resain industry to #AAstellitaty in Distago on January S. | Scott Class Cotty Image

According to new reports in Variety and Billboard, R. Kelly has been dropped by his record label, RCA Records, While RCA parent company Sony Music has not officially commented on the story, Kelly no longer appears on the artist roster on the label's





In Our **VUCA** world, things can go sideways in an instant.

When they do, the importance of Leadership becomes very clear

Leaders must be willing and able to step up and lead when stakes are high, leadership is needed most, and there's no playbook!











bp

Crisis?

"Maybe it is time to stop trying to plan our way out of problems and consider an alternative managing them."



crisis <u>noun</u> cri·sis \ 'krī-səs \: an unstable or crucial time or state of affairs in which a decisive change is impending; especially: one with the distinct possibility of a highly undesirable outcome

- 1. In a crisis, People will look to leaders for tangible leadership
- 2. When they look, they want and need leaders to believe in
- 3. People don't expect their leaders to be perfect or omniscient, but they do expect them to be visible, courageous, and committed to the best possible path forward.

People? Stakeholders with vastly different perspectives.

"Maybe it is time to stop trying to plan our way out of problems and consider an alternative managing them."







In EVERY Crisis: Each Group of "Stakeholders" Has Unique Concerns

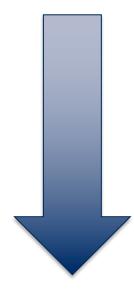
When Leading
Through a Crisis,
Each Group
Will Require
Unique Care and
Support

"Maybe it is time to stop trying to plan our way out of problems and consider an alternative managing them."









"Maybe it is time to stop trying to plan our way out of problems and consider an alternative managing them."





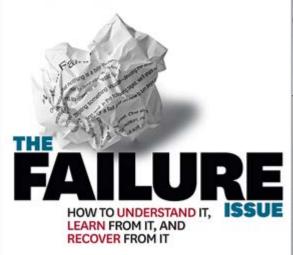
Harvard **Business** Review



Learning from Failure

Former P&G CEO A.G. Lafley: "I Think of My Failures as a Gift"

Building Resilience





The Excellence Dividend

Meeting the Tech Tide with Work That Wows and Jobs That Last

Coauthor of In Search of Excellence



WTTMSW! **WSTMSUW!**

"Maybe it is time to stop trying to plan our way out of problems and consider an alternative managing them."



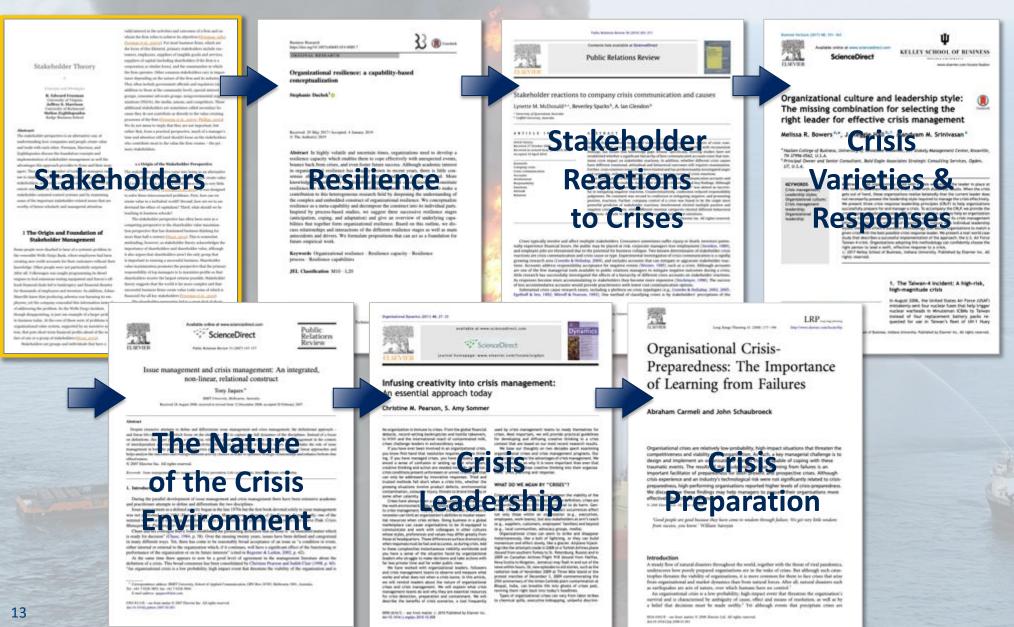




"Maybe it is time to stop trying to plan our way out of problems and consider an alternative managing them."



Crisis Leadership Foundational Concepts



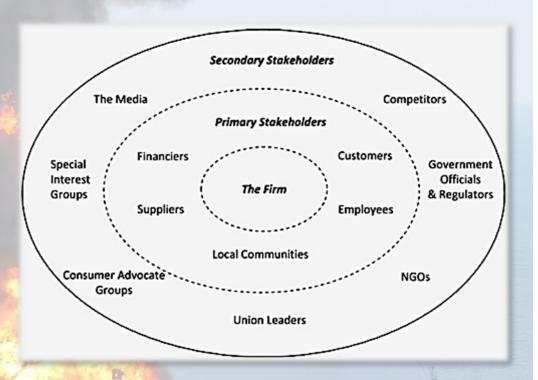


"Maybe it is time to stop trying to plan our way out of problems and consider an alternative managing them."



Stakeholders

- 1. Who are they?
- 2. Value Propositions?*
- 3. How would "a or this crisis" threaten this VP?
- 4. In a crisis, how should each group be engaged?
- 5. Message?
 Mode? Media?
 Frequency?
 Sequence?



Stakeholder Engagement Goals:

- 1. Demonstrate ownership
- 2. Preserve & rebuild trust
- 3. Become THE source of "the facts"*



*Key Lesson

"No News
is News"

"Maybe it is time to stop trying to plan our way out of problems and consider an alternative managing them."





"Maybe it is time to stop trying to plan our way out of problems and consider an alternative managing them."





Crisis!

"Maybe it is time to stop trying to plan our way out of problems and consider an alternative managing them."

Gerald Meyers



"When the next major pandemic strikes, it will be accompanied by something never before seen in human history: an explosion of billions of texts, tweets, e-mails, blogs, photos, and videos rocketing across the planet's computers and mobile devices. Some of these billions of words and pictures will have useful information, but many will be filled with rumours, innuendo, misinformation, and hyper-sensational claims. Repeated tidal waves of messages and images will quickly overwhelm traditional information sources, including national governments, global news media outlets, and even on-the-ground first responders. As a result, hundreds of millions of people will receive unvetted and incorrect

hundreds of millions of people will receive unvetted and incorrect assertions, uncensored images, and unqualified guidance, all of which, if acted on, could endanger their own health, seriously damage their economies, and undermine the stability of their societies..."

What does this tell us about our communication responsibilities?









Crisis!







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Crisis Leadership Foundational Concepts





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Resilience

- 1. Not simply "bouncing back"
- 2. Anticipating
- 3. Coping
- 4. Adapting
- 5. Stakeholder relationships may be your most valuable resources



-- Duchek, Organizational Resilience: A Capability-Based Conceptualization, 2017

Resilience Goals:

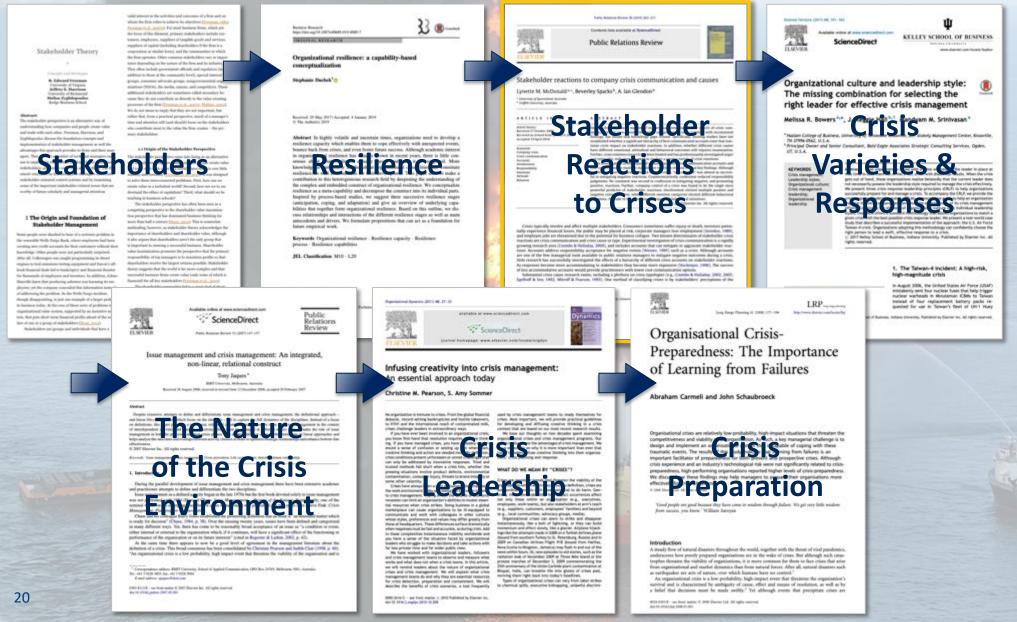
- 1. Engage your network
- 2. Involve your network
- 3. Demonstrate commitment to all key stakeholders



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Crisis Leadership Foundational Concepts





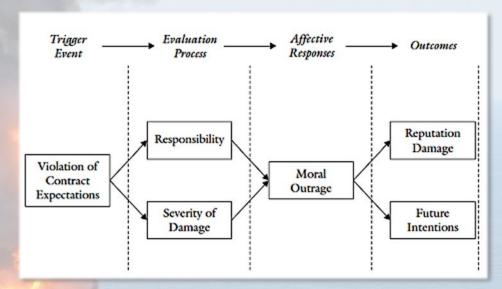
"Maybe it is time to stop trying to plan our way out of problems and consider an alternative managing them."



Stakeholder Reactions

- 1. A model is useful here:
- 2. Trigger Event
- 3. Evaluation Process
- 4. Affective Response(s)
- 5. Outcomes

Given this model, how can we proactively frame stakeholder engagement & communication?



-- Feduik, Coombs, & Botero, Exploring Crisis from a Receiver Perspective: Understanding Stakeholder Reactions During Crisis Events , 2010

Key Takeaways:

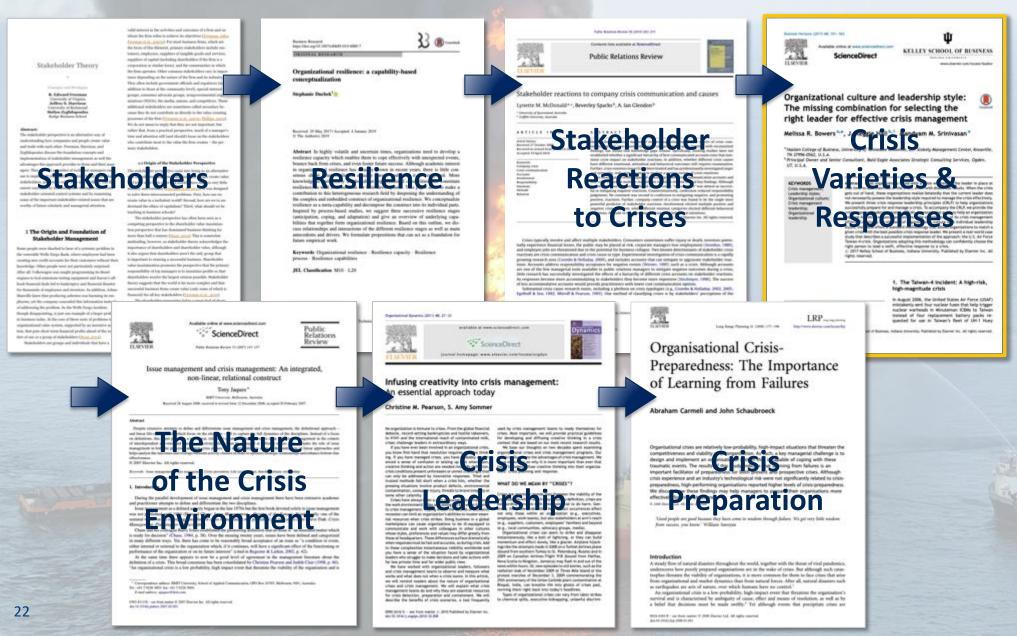
- 1. Appreciate SH reactions
- 2. Frame communications to address these reactions
- 3. If responsible: Own It!*



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Crisis Leadership Foundational Concepts





"Maybe it is time to stop trying to plan our way out of problems and consider an alternative managing them."



- 1. Why craft a Typology?
- 2. Categorical Lists

Different crisis types will impact a unique subset of Stakeholders in a unique way

A list of types (i.e., a typology) will facilitate the creation of crisis response plans

While each crisis is a snowflake, crises do tend to fall into a handful of categories.



"Maybe it is time to stop trying to plan our way out of problems and consider an alternative managing them."



- 1. Why craft a Typology?
- 2. Categorical Lists

9 CRISIS CATEGORIES

- 1. Public Perception
- 2. Product Failure
- 3. Market Shift
- 4. Cash Shortage
- 5. Management Change
- 6. Merger / Hostile Takeover
- 7. Regulation and Deregulation
- 8. Human Capital
- 9. International Events



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- 1. Why craft a Typology?
- 2. Categorical Lists

PWC'S CRISIS CATEGORIES

- 1. Financial
- 2. Legal
- 3. Technological
- 4. Operational
- 5. Humanitarian
- 6. Reputational
- 7. Human capital



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- 1. Why craft a Typology?
- 2. Categorical Lists



- 1. Acts of God
- 2. Business Operations
- 3. Corporate Moves
- 4. Legalities
- 5. Rumors
- 6. Staff
- 7. Scandal



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"POLITICAL RISK" CRISIS CATEGORIES

- 1. Geopolitics
- 2. Internal Conflict
- 3. Laws, Regulations, and Policies
- 4. Breaches of Contract
- 5. Corruption
- 6. Extraterritorial Reach
- 7. Natural Resource Manipulation
- 8. Social Activism
- 9. Terrorism
- 10. Cyber Threats

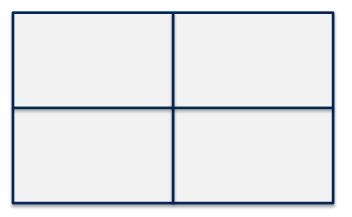


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- 1. Why craft a Typology?
- 2. Categorical Lists
- 3. Two-Dimensional Typologies

Characteristic #1



Characteristic #2



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- 1. Why craft a Typology?
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Predictability

Hard

Easy

Unexpected Crises: ER

Crises: ER

Conventional Crises: QC

Crises: Simplify

Easy Hard Influenceability



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- 1. Why craft a Typology?
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Locus of Cause

Inside

Outside

Employee Sabotage	Negligence
Terrorist	Failure due to
Sabotage	External threat

Not at All Controllable

Controllability of Cause



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- Why craft a Typology?
- **Categorical Lists**
- 3. Two-Dimensional Typologies

Locus of Cause

Inside

Outside



In lieu of a list, perhaps a

combination of characteristics

helps differentiate crisis types

and helps prepare responses

Intentional Accidental

Intent



"Maybe it is time to stop trying to plan our way out of problems and consider an alternative managing them."

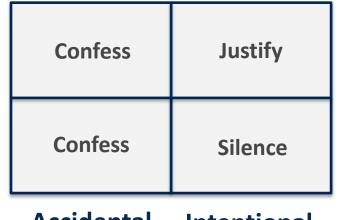


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The Michigan Municipal Managers Collaborative

- 1. Why craft a Typology?
- 2. Categorical Lists
- 3. Two-Dimensional Typologies
- 4. Combinations

Victim	Natural disasters	= Damaging acts of nature
	• Rumors	= False and damaging information
	Workplace violence	= Violence against current employees
	Product tampering and malevo-	= Altering the product to make it dangerous
Accidental	• Challenges	= The organization acting in an inappropriate manner
	Technical error accidents	= Technology or equipment failure causes an industrial accident
	Technical error recalls	= The product is deemed harmful to stakeholders
Intentional	Human error accidents	= Cause of accident is a person or people not performing a job properly
	Human error recalls	= Cause of recall is a person or people not performing a job properly
	Organizational misdeeds	= The organization knowingly ignoring regulations or providing harmful products

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What's the Point?

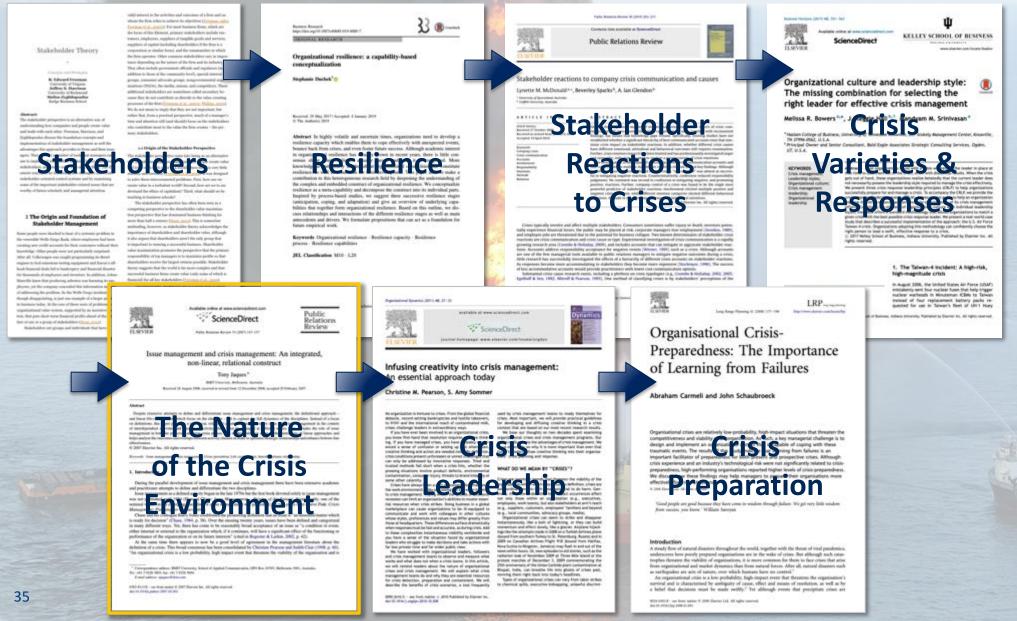
- 1. Responding to crises on the fly, without any sort of planning, is going to be very challenging.
- 2. Thinking through likely areas of exposure and how the firm should respond can be immensely helpful.
- 3. Recommended Action:

 Create a typology of your own

"Maybe it is time to stop trying to plan our way out of problems and consider an alternative managing them."



Crisis Leadership Foundational Concepts





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The Nature of the Crisis Environment

- 1. Threat, Urgency, Uncertainty
- 2. The result of multiple contributing factors
- 3. Complex systems make threat identification difficult
- 4. The very nature of the Crisis Environment creates a seemingly impossible situation for high stakes leaders

Being a high stakes leader will require you to face these realities; to embrace vulnerability; and to lead without a playbook.



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Crisis Leadership Foundational Concepts





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Given the Nature of Crisis, a Decision-Making Framework:

Borrowing from the US Army: Be, Know, Do

1. Be: Visible, Caring, Empathetic, Calm, and Assertive

2. Know: Vision, Values, Guiding Principles

3. Do: Communicate, Make Decisions with Limited Info,
Take Responsibility, and Engage Your Stakeholders

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- Be: Visible, Caring, Empathetic, Calm, and Assertive
- Know: Vision, Values, and **Guiding Principles**
- Do: Communicate, Make **Decisions, Take** Responsibility, and **Engage Stakeholders**

The New Hork Times https://nyti.ms/2WCwvcl

What 9/11 Taught Us About Leadership in a Crisis

Sept. 11 changed how U.S. Special Forces operated - and offers lessons for today's leaders.

By Stanley McChrystal and Chris Fussell

Mr. McChrystal is a former Army general and the founder of the McChrystal Group. Mr. Fussell is a former Navy Seal and the president of the McChrystal Group.

March 23, 2020

On Sept. 11, 2001, the job of every leader in the U.S. Special Operations community changed. In the ensuing years of fighting a highly complex, networked enemy, we redesigned how our organization communicated, shared information, made decisions and, most critically, maintained a cohesive culture while operating in almost every corner of the globe.

We're seeing a similar challenge today - except this time, it's facing the leadership of practically every organization in the world, from governments to Fortune 500 companies to the smallest nonprofit. They are now managing their teams through a crisis with no clear end in

Today's leaders didn't ask for this new role. But if history shows us one thing, it is that our greatest leaders emerge from the darkest

Leaders must be visible with their plans, honest with their words and adaptable with their actions - all while maintaining compassion for the situation and the impact it is having on their team. As part of our work at the McChrystal Group, we are in constant contact with scores of leaders around the country. For the past week, they have been fielding a constant stream of queries from customers and employees, and going through a series of increasingly drastic changes to how they will run their business.

Understandably, these leaders are already weary from a succession of crisis response meetings and market assessments designed to get their team through this change. While tiring, these are all necessary efforts. But the leaders we've spoken with also recognize that these are simply the very first steps of a marathon. They know that the real challenge lies ahead.

In any crisis, there is a natural temptation to simply wait it out. Today's leaders cannot give in to this instinct. We're facing a perfect storm of economic downturn, social isolation and a fast-spreading pandemic. The answer to this problem will not suddenly reveal itself; leaders must create solutions. Any leaders who are not already on a war footing and preparing to fundamentally change their organizations for the foreseeable future must start moving today.

Here's what that means.

First, don't hunker down. At the height of the Royal Navy's dominance, British naval officers, impressive in ornate uniforms, were expected to stand erect on the ship's decks during battles, clearly exposed to enemy fire. It was not that little value was placed on their lives. Rather, ever greater value was placed on their leadership. Their job was to be visible to their sailors, and show calm amid the chaos. Today's leaders must also stand and be visible to their organizations, their communities, and their families.

Second, demonstrate candor - and demand it from the leaders below you. In combat, when things look bad, the front-line troops always know it before the leadership. Denving reality makes your people assume you're either lying or out of touch. Organizations can handle bad news and tough times if they feel their leaders are focused on solving the issues at hand. Today's leaders must be honest with their people to a level that will and should feel uncomfortable.

Third, give up more authority than feels natural. Fighting through complexity requires quick and informed action at the edge. This is dependent upon fast, transparent and inclusive communication. Organizations will need teammates making independent decisions close to the point of action, not waiting for direction. It's tempting in times of crisis to grab the reins and yank back, but this will be more disruptive than it is helpful. Be connected, listen and adapt based on what your front line is telling you.

Finally, be more compassionate than you think you need to be. As your organization disperses to remote-work status, the loss of personal interactions will quickly sink in. It will be easy for leaders to overlook or undervalue the fear and stress their people are feeling because of this isolation. All of us learn by watching our teammates, and we gain confidence through informal feedback from our colleagues or bosses. Your organization has lost that person-to-person contact. You must immediately take your culture online, and learn to reinforce camaraderie, esteem, and compassion, via digital platforms.





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- Know: Vision, Values, and Guiding Principles
- 3. Do:
 Communicate, Make
 Decisions, Take
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 Engage Stakeholders

jetBlue

JetBlue Provides Update Related To Coronavirus

Mar 18, 2020

NEW YORK--(BUSINESS WIRE)-- JetBlue (NASDAQ: JBLU) today issued the following message to its 23,000 crewmembers.

Dear Crewmembers

It has been a very tough few weeks. We are so proud to see once again how the JetBlue culture brings us together during times of crisis. Thank you for continuing to serve our Customers and deliver the JetBlue experience, particularly when your own lives are being disrupted in so many ways.

With safety our #1 value, we continue to take the measures necessary to protect your health. But as it relates to our business, we are not going to sugarcoat it. Demand continues to worsen, and the writing is on the wall that travel will not bounce back quickly.

We'd like to give you some color on what we are seeing. Last year on a typical day in March we took in about \$22 million from bookings and ancillary fees. Throughout this March, our sales have fallen sharply and in the last several days we have taken in an average of less than \$4 million per day while also issuing over \$20 million per day of credits to Customers for canceled bookings. This is a stunning shift, which is being driven by fewer new bookings, much lower fares, and a Customer cancel rate more than 10 times the norm. If you do the math, \$4 million per day does not come anywhere close to covering our daily expenses. It is hard to predict how long these conditions will last and how much more challenging the environment may become.

Even though we entered this from a position of strength with a strong balance sheet and cash in the bank, because of the dramatic fall-off in bookings, we need to reduce our spending immediately so that we can continue to fund JetBlue's operations and ensure your jobs are protected. We have already announced an initial capacity reduction, pay cuts for our officers (VPs and above), voluntary time off programs, re-negotiated Business Partners agreements, and other spending reductions.

We've taken swift and decisive actions to protect you, but we must do more and do so quickly to weather this storm.

Reducing our flying to reflect demand

We are reducing our capacity in the coming months, with a reduction of at least 40% in April and May. We also expect substantial cuts in June and July, and given the unpredictability of this event, we will ground some of our aircraft. We know this is not an easy move – it will impact hours for many frontline Crewmembers, but it is also essential that we reduce capacity in the face of dramatically falling demand.

We will be notifying Customers of their specific cancellations in a phased approach so that we do not overwhelm Customer Support as they continue to receive exponentially more calls than they ever have before.





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 Calm, and Assertive
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- 3. Do:
 Communicate, Make
 Decisions, Take
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 Engage Stakeholders

Dear Amazonians,

This isn't business as usual, and it's a time of great stress and uncertainty. It's also a moment in time when the work we're doing is its most critical.

We've changed our logistics, transportation, supply chain, purchasing, and third party seller processes to prioritize stocking and delivering essential items like household staples, sanitizers, baby formula, and medical supplies. We're providing a vital service to people everywhere, especially to those, like the elderly, who are most vulnerable. People are depending on us.

I'm not alone in being grateful for the work you are doing. I've received hundreds of emails from customers and seen posts on social media thanking you all. Your efforts are being noticed at the highest levels of government, and President Trump earlier this week thanked this team profusely.

Across the world, people are feeling the economic effects of this crisis, and I'm sad to tell you I predict things are going to get worse before they get better. We're hiring for 100,000 new roles and raising wages for our hourly workers who are fulfilling orders and delivering to customers during this period of stress and turmoil. At the same time, other businesses like restaurants and bars are being forced to shut their doors. We hope people who've been laid off will come work with us until they're able to go back to the jobs they had.

Much of the essential work we do cannot be done from home. We've implemented a series of preventative health measures for employees and contractors at our sites around the world – everything from increasing the frequency and intensity of cleaning to adjusting our





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Given the Nature of Crisis, a Decision-Making Framework:

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Crisis Leadership Foundational Concepts





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Being Prepared for a Crisis...

Market Shift

Data Security Crisis

Take charge

Human Capital Crisis

Leadership **Change Crisis**

Product Failure Crisis

Safety/Compliance Crisis

Execution Failure Crisis

International **Events**

Public Perception

Crisis

Executive Team!

Channel Partners?

Community Members?

Employees?

Media?

Customers?

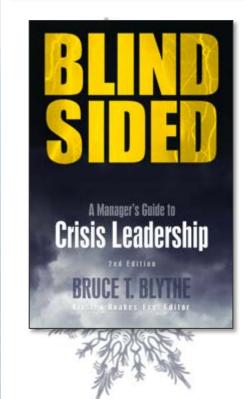
Employees' Families?

Regulators? Advocates?

Investors?

- **Understand the** circumstances
- Define the problem 3.
- Rank the options
- Move decisively
- Eliminate the cause
- **Prevent recurrence**





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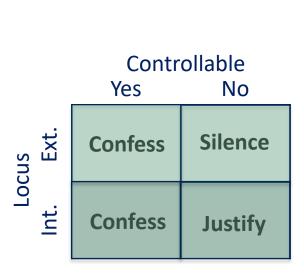




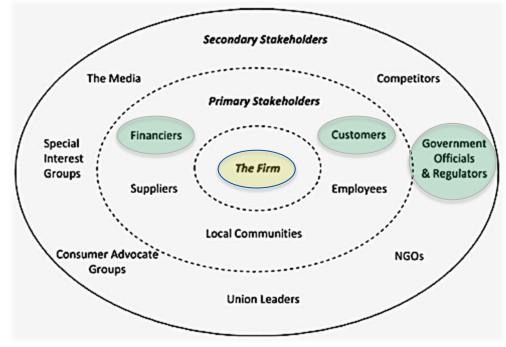
Pro-Actively Develop Crisis Response Strategies

Categories of Potential Crisis

- 1. Public Perception Issue
- **✓ 2. Product Failure**
 - 3. Execution Failure
 - 4. Data Security Breach
 - 5. Safety/Compliance Failure
 - 6. Market Shift
 - 7. Human Capital Crisis
 - 8. Change of Control
 - 9. International Events



Preparation => Resilience



In a crisis, what will The Firm do

Who does what? Roles, Responsibilities, Tools?

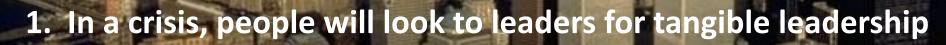
Stakeholder Engagement/Communication Plan?





will

You can't be over-prepared for a crisis.



- 2. When they look, they want and need leaders to believe in
- 3. People don't expect their leaders to be perfect or omniscient, but they do expect them to be visible, courageous, and committed to the best possible path forward.



Effective High
Stakes Leaders
understand how
to address the
unique needs
and concerns
of ALL
Stakeholders

They are willing and able to step up and lead when leadership is needed most, and when there is no playbook!



