

# Podcast

## Transcript

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Zebrina Warner:

Welcome to our IDB Podcast, where we will explore thought leadership ideas and experiences within academia, the Department of Defense, and private sector communities. I'm Zebrina Warner, IDB Program Director, and your host for today's episode, as we look at novel crises and their unexpected ripple effects.

How do we as leaders manage unexpected and infrequent situations like those we are currently experiencing with the pandemic? Today, I am interviewing retired, RADM Mike Lyden, who is currently an IDB Executive Fellow, and an expert on leadership and crisis management environments.

Admiral Lyden, welcome and thank you for being with us today.

Admiral Lyden:

Well, hello. Thank you. It's great to be here, and I am certainly excited to be working with IDB as it drives dialogue on the key issues for leadership today. So great, if I could, I'd, just a couple of comments to start us off, and talk about how important I think this is today.

You know, you mentioned novel crises, and for everybody, I think that is a key point. Most of us have worked with risk management throughout our careers where we plan for routine or expected crises. You know, we assess our operations, identify the critical processes and potential adverse impacts, and develop mitigation plans. You know, great examples are COOP and disaster recovery plans.

But what you mentioned, "novel risks," and "novel crises," are the, you know, they're the least expected, normally not predictable, if at all, and certainly not routine. They demand focused leadership. It's unique cases for real leadership, and that's why it's so important. It's unprecedented, this pandemic, and the timing is perfect for leaders to think about the topic, even though we are still in the midst of it, still. It's different, you know? It has worldwide impact, and at its start, we had very little knowledge of the threat's specific causes. And, at its best, I've had it

described as a “volcano of issues and conflicting priorities,” for leadership, and that’s a great, a great expression. But what really makes it challenging, and what I’d start with is that it embraces full range of consequences that leadership must address. And that’s different on this one, because normally, you know, you’ll have supply chain, or something. But this one’s people, medical, financial, supply chain, economic, geopolitical, psychological... I could keep going. So it’s all those different thing that it embraces, so it’s a much more complex challenge than I think leaders have seen. So bottom line, it’s a leadership process with innovation and problem-solving that really important here for crisis management.

Zebrina Warner:

Wow, you summarized that in a very succinct way, and absolutely highlighted the importance of this. Admiral, you have extensive leadership experience having established and led NATO’s Support and Procurement Agency in Luxembourg as well as 33 years in US Naval Supply Corps as an Officer. So, needless to say, you’ve seen a lot. If I may, what crises management lessons have you taken from what is going on today?

Admiral Lyden:

Well, you’re making me feel really old here, but... it’s a very important question. I think you agree with me that leaders should always being learning from their experiences. And I think, looking at the crises today, there are probably three areas I could pull out. They’re not new, certainly, but I think they have taken on special significance in the current crisis.

And the first one, no surprise, is people, because you must acknowledge that there is anxiety, there is fear, and uncertainty... And that’s not just for the people on our teams or our organizations, but it’s for ourselves as well. We as leaders are experiencing those same things.

And the second key is communication. Again, always an important one, but even more so here because all of the people that you’re going to be dealing with are so widely dispersed. I mean, we’re all on Zoom, we’re all on telephones, we’re all on conference calls. There’s no direct interaction and it’s a much more dispersed audience now. But still, a regular stream of information to your key audiences is essential. You know, we talk about upstream, downstream, outside, internal... all of those things. And it’s always important to remember the old adage that, you know, “if there’s a void of information, people will always fill it.” And they’ll fill it with their own version of events. And that may not be the truth, or that may not be actually correct. So it’s important to control that message. You know, the ideal is a single spokesperson. You know, the ideal is a single spokesperson, but at least you want to have a single authoritative data source. Just like we talk about in the IT world, but really public communications as well; one data source where its coming out of. And, obviously, the last point under communications, you gotta appreciate the impact of social media and the instantaneous flow of information. If you’re gonna say something, you’re just gonna have to appreciate that it’s going

to go everywhere, and it's going to be ubiquitous. So that's the second one.

The third one might be a little bit different. I've kind of seen somethings where we talk about it as actionable intelligence. Now, obviously, it's not just... we use data all the time, but the difference here, it's not just for information, but it helps you understand what's happening and what you need to do. So through all of the information and data going around, what's really important to you there? There's so much, there's so much out there, you can get lost and you team can get lost. So the important thing there is that you've gotta find good, you know, the good sources. Which ones can you can you depend on, and from whom, and those sort of things. And going back again, and obviously thinking about the extent of information today, so reliable sources are absolutely critical. And finally under communication: it's not static, as we all know. I mean, you gotta constantly be updating, because, it changes not by the day, or by the hour. It changes by the minute; it changes by the second. It might change your impact, your strategy, or your action plan you're doing to go after the crisis there. So, those would be the three things then: people, communications, and actionable intelligence.

Zebrina Warner:

Great, that's so incredible, the insights you've provided. And since we can't plan for these types of crises, what should leaders of organizations of all sizes be doing, right now? And what should they be thinking about for the future?

Admiral Lyden:

Yeah, and that's very important. And, even though we're in the midst of it, we don't know where the end is. And we're not quite sure sometimes where we are in the process there. So, that kind of leads me, there's two points that I look at when I think about leadership actions in this type of crises. And the first one is to understand that you're managing a crisis lifecycle, not just an event. You know, lots and lots have done events, but a whole lifecycle of an evolving crisis... that's something different. And then the second is probably more traditional, and that's just that having a clear construct to focus your actions and your way forward there.

So, let me talk about the first one, what I call the crisis lifecycle. Three phases to it, really: triage, stabilization, and transformation. And not just knowing the three. It's critical to understand where you are across those three because that will impact what you're doing.

So let's talk about triage first. It's probably pretty apparent, you know. It's just like on the battle field, the emergency room... you're dealing with the immediate needs. What are those? People. People. You know, accounting for those people, making sure you know where they are, and that you can account for them, their health, their safety, you know, and their fears. So, people, financial solvency, you know, the market, hitting your investments, revenues potentially going down, looking at those very quickly to get cash flow and your access to capital, and what it's going to continue to say about your financial viability as you go forward. Or is it

going to down there? You know, can you look at your discretionary expenses and project your cash flow. What it eventually comes down to is developing some sort of financial mitigation plan. So, people, and kind of your understanding of your financial position and what kind of mitigation actions to get you started and get you going out of this first, sort of, crisis. And finally, you've got to gather the team. You've got to start your process. So, your small group, your quick reaction, you get the triage done, and then you move into stabilization. How long that lasts... well, I'd say we're in stabilization a little bit right now. It's not where you settle in and get comfortable by any means, but stabilization means adapting to the current environment. And we've all seen this: workplace adjustments, remote working, protocols, having to wear PPE, you know, the masks, and social distancing, and that. And, of course, technology; we're using Zoom here right now. So, all of those things are part of the workplace adjustments and the stabilization period.

And you have to also think about your operations. What can you stabilize? What level of operations can you sustain, you know, how are you going to do it? Where are you going to do it if you have multiple outlets or multiple plants. And who's going to do it? And then, also, don't forget the finance. You have to keep working on that financial mitigation plan that you came up in the beginning, and make sure that... "if you're out of money, you're out of business." So you have to keep that as the foundation as you go through the stabilization.

And then the third one is one I don't think a lot of us thought about before. So we had triage, we had stabilization, and then transformation. And then, again, probably not absolutely new, but its making people think. And this is, how has the crisis impacted your strategy long term? What cultural changes has it drive? Are you going to go back to a normal, or is there, as we say now, a "new normal"? And what will that new normal be? And probably what's interesting or good aspect of the transformation phase in the midst of all of this, you know, challenge, is that there's opportunity. And I think that you're seeing that left and right, right now, you know? We're using innovation, or people are using innovation to come up with new ideas to respond to this novel crisis and they are solving issues in real time with new ideas. And the question is, "what do you do with those new ideas?" Can you leverage them, and institutionalize those ideas and innovations? And the best thing people say is, as you're thinking about getting back into business, "if you could do it from scratch, would you do it the same way?" I love that one. I mean, and it's really a good thing when you think about it, you know? How many times in the course of your business did you say, "man, I wish we could just start over." Well, in a lot of respects, that's part of this transportation thing. Some places, you're going to be forced to do it, some places you'll just have the opportunity to do it. So that's the lifecycle element I would think about for leadership: triage, stabilization and transformation, and knowing where you are on them.

And another thing I mentioned is the construct that you're going to use. You know, this is pretty traditional for leaders, you know? "What's the framework you're going to use for this thing?" And, I would say, in

overview, you're establishing and leading a process of problem-solving and innovation. And some people, you know, they say, "you're leading the response." Well, what are you really doing? You're leading a process of problem-solving. And a big player in that is innovation, and new ideas because these are new problems, and an old issue. The old answers are probably not going to work, or they're going to be detrimental there.

So, in this new construct, what are you thinking about? First is structure, and we can think about the news and what we've seen. Establishing an incident management team which oversees all aspects. You know, that identifies the issues, sets priorities, frames the question, drives planning. And think about the examples of this we have seen recently, you know, on the news or in the country today. You can see how important that structure is with the incident management team on the middle of it. Who's going to be involved? Lots of people are going to be involved. Some of the people you want to involve probably won't be available, and so you have to think about that very carefully. Who's going to be involved directly, and the other people indirectly, probably. You know, and I emphasize the... oh, and you need a diverse group of thinkers also. I'm just thinking about this, that you don't want the same traditional thinking. You want lots of ideas to feed into your problem-solving process. So when you build that incident team, the direct ones and the indirect ones, you want to have some diverse though there. Not everyone saying the same thing, not everybody just agreeing to what the first answer on the table is.

But the other parts, so, we did structure, who's going to be involved, and then there's the process of problem-solving itself. And this one's, you know, people will laugh, but what's going to be your approach? And, you know, here people can rely on the OODA loop: you know, the observe, orient, decide, act... Okay, so I'll change it around just a little bit. How about if I say: look at the data, decide what's important, assess the options, take action, repeat. And the repeat's really important because this crisis is changing, and it's throwing new stuff at us every, you know, every few days as we go along there. So, that's the construct I would think about, you know, structure, who will be involved, and the process of problem-solving, and remember, this is a problem-solving process for leadership.

Zebrina Warner:

There's so many valuable tools that you've provided there, and, if I may ask, you know, a crisis environment is...one that is urgent, and there's a lot of fear involved. How does a leader create a "creative environment" that balances innovation and actually solving a problem?

Admiral Lyden:

I guess that the problem-solving comes first. And if I go back to what I talked about before. You know, looking at the information, identifying the issues. And the issues, will naturally solicit innovation. And if it doesn't, then the leader has to drive the process in that direction. So, it's like I said, the problem-solving process for leadership. So, walking through the thing, "we have these challenges, we have these issues," you know,

“what are our options?” And this is when you have that diverse group of people, lots of different thought, lots of different skillsets coming in there, and your information sources you can go out to, if you need more ideas and things like that. And I think just that process will actually drive innovation... Well, we don't have to call it innovation; it will drive ideas. New ideas, and a lot of those are going to be very innovative. So, that would be it. I think a natural leadership process is going to drive you, the problem-solving process if going to drive you towards innovative ideas. You just have to keep working that process if it doesn't come naturally, and you just have to work with your team some.

Zebrina Warner:

Sounds incredibly organic, and something that takes practice over time. Well, in terms of your personal experience, having navigated in a number of crises, how would you navigate the storm that's going on right now?

Admiral Lyden:

You can't forget my Navy background here. So, I think it's a great question, and I'm going to fall back on my Navy experience and illustrate crisis leadership in terms of a ship in a storm. And we hit some big storms out there, and there are crises, for the moment. But really, it starts before the storm. You know, when I think of a Navy ship, with building a strong, prepared, confident team. You know, you can't do that at the last minute. You can't build a team when the crisis hits. You have to have that team. And that's what we train for. Not just in the Navy, but in all the services. We train, we're prepared. We don't necessarily know the scenarios that are going to happen. If we go out into heavy weather, for instance, or go out into battle, you don't know what scenario is, but you're trained, you're prepared, and your skills are ready... And the storm hits on the ship, so what does the captain do? Just like triage, he has to take some immediate actions to secure the ship. You make sure it's watertight, you make sure all of your crew is safe. Sounds familiar? It's kind of like the things we talked about before. And then up on the bridge, you know, in the command suite, the C-suite, you're giving clear intent and direction using the best data available. So the captain or the officers are on the deck, on the bridge, and they're taking in all the data they have, you know all the data sources, diverse data sources, they're synthesizing that, and they're giving out at least their initial intent and direction. What's that do? You tell the helmsman, “steer course 030.” So you head off on that course and that gets you going. Then you get kind of into the stabilization period or weather. You've got the information coming, you adjust course and speed as your information and the situation becomes clearer. And throughout though, you have to be vigilant and alert. You know, it's not just a single course-change. It's a course change, settle in, adjust to things going on, and be alert for changing situations. You know, like on a ship, you might be sailing on a great course, and all of a sudden you've got a 50 foot rogue wave, completely unexpected. So you have to be alert for those changing situations, and adapt to them. You know, be flexible, be adaptive, but all of that means you have to be alert, and your teams has to be alert, and watching the data coming in, watching the situation changing. So when the storm has passed and we're out of it, what do you do? We do a “hot wash-up.” We discuss what went well,

what didn't do so well and what we need to do, to change to be better prepared for the next storm. And hopefully you can see the parallels between this and leadership of a civilian crisis.

Zebrina Warner: Absolutely. There is a very strong analogy between the two. And if you're looking at new leaders that are coming into their positions, and they're planning, and they're preparing for novel crises, how would you advise them to train for scenarios that are unexpected.

Admiral Lyden: My answer, it's being positive and building a positive attitude in your teams, and whatever organizations you're leading, or you're associated with. Why? Well this gives them faith. It builds their confidence, both in you, and yourself, and it builds confidence that the team can effectively face any challenge. So think about that, what we've been talking about this afternoon. You're going to face an unprecedented, unpredictable challenge. The team has to be a team. It has to have the confidence to realize that it can face this challenge. As crazy, and as everchanging as COVID-19 is. So, you've got to build a positive team spirit, but it can't just be happy thinking. I mean, that doesn't do anything. That's detrimental. You have to build a rational basis for this optimism. "Because we're trained, because we're ready, because we've got depth, we can address any challenge that comes along." And I leave you with a quick anecdote about a topic that I think is very appropriate. We've all heard of ADM Stockdale, the highest-ranking Navy officer POW in Viet Nam, and he was held there for nearly eight years in the "Hanoi Hilton." And he would later receive the Medal of Honor for his leadership.

Jim Collins, for those of you who have read his book, *Good to Great*, he describes what he calls the "Stockdale Paradox." So what does it say? It's the idea of hoping for the best, but acknowledging and preparing for the worst. And what does that mean? You need to be brutally honest with your situation. When he was going through torture, and his men were going through torture, and all kinds of terrible things were happening, you can't not say that it's there. You have to be brutally honest about your situation. Like I mentioned before, false hope is only detrimental. But you need to, within that, build a rational basis for hope. And that's what he did. Not that we're going to be out of there tomorrow, or be out of there the next day, that we can persevere, we have values, we have strengths, we have character, you know, we can meet this. And we can succeed. So, the paradox is a great way to frame leadership of crises, particularly today. And I'd urge each person to think about it in their leadership role, whatever it might be.

Zebrina Warner: Admiral, thank you so much for your time, insights, and wisdom. And for those listening, thanks for joining us, and please stay tuned for our next IDB podcast!