BE VULNERABLE, BE DECISIVE
CEOs share tips on crisis leadership

A group of key local executives came together virtually to share leadership insight as they navigate uncertain times. Puget Sound Business Journal Publisher and Market President Emily Parkhurst moderated the panel including YWCA Seattle, King, Snohomish CEO Maria Chavez Wilcox, Seattle Chocolate Company owner and CEO Jean Thompson, Glass Distillery founder and CEO Ian MacNeil, and PEMCO Insurance CEO and chairman Stan McNaughton.
MACNEIL: We are trying very hard to not bite off more than we can chew. People say all the time in business you need to grow, set attainable goals. But in this particular case we were one of the first distilleries to produce hand sanitizer, and many other distilleries followed. Other companies that were not distilleries started chassing what they thought was gold, and I kid you not, people were looking around at tanker trucks at isopropanol and rail cars of ethanol! This is a crazy game of musical chairs, and I've stressed to my staff and volunteers that we're keeping it small. No 50,000-gallon batches – instead, make 100, and give 50 to organizations in need.

PARKHURST: I love that. Stan, do you want to jump in here?

MACNAUGHTON: The biggest tool we have all is communication—talking with our people about what our assumptions are, how we're making decisions and the "why" of each decision. And this is not just for employees but our customers, our suppliers and ultimately, our community. The challenge is trying to do it in this really new environment, collaborating with people now isn't five years out. It might be three months.

MACNEIL: Communication is imperative, and everything you've got to do, no matter what size or scale or your industry, must be open-book; you share with your team our strategy and our goals. Take the feedback and suggestions then work with it. We've started a little teatime every day at about 5 p.m. We data-dump with one another and make sure we're all on top of the news, because we're working up to 12 hours a day seven days a week so it's amazing how much happens in three days.

PARKHURST: Jean, you were talking earlier about the challenge of managing a team remotely and not having little conversations that help guide the business. Retailers especially have to be a ton of uncertainty right now. Would you talk a little bit about that?

THOMPSON: When we first entered this crisis our first thought was, how do we keep our workplace safe? We were considering a necessary business because we had an online operation, so we've been operating the whole time but we rejiggered our production layout, started taking temperatures, wearing masks and staggering shifts. We realized that we were hit hard when flights stopped and airport traffic dropped by 90%. We quickly pivoted to online, which is doing really well. Success here and our small victories keep us feeling hopeful.

MCNAUGHTON: When this thing hit, we had to be clear about one thing: what was to be taken care of employees. This meant leaving the offices and getting our people out of the field until we knew what was going on; they were our number one concern. Then we moved into this "normal" thing. At this point we're moving back to the customer being our priority but still taking care of our employees along the way. And you've got to constantly communicate about that.

MACNEIL: Are there specific skills, or things you've noticed, that successful leaders possess in an environment like this, when we're all full of uncertainty? Things that have worked better than other tactics?

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PARKHURST: Yes, when social distancing is not required. REMC's been offering input as part of the governor's network, so we saw how those early phases were developed. For now, we don't have to be in the office to do business. When you stand back and look at the medical projections — it's going to be a vaccine and antibody passports to make it okay for us to return to those offices. We're paying a high cost for being home, but it's better to stay put and get better at being home. Once you announce you're going to be home for a length of time, other decisions start falling into place. Like, what kind of equipment do people need? How about ergonomics?

CHAVEZ WILCOX: People seem to love this. I share things like the loss of an account, or the importance of transparency and how important it is with staff. I'm careful. I filter what I say. I don't share every worry or fear that I am having. I'm going to keep that to myself until I'm clear on what needs to happen. I try to put a positive spin on things, because they're looking for me to set the tone.

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right? Another sounding board has been a select group of great community leaders. In the end, though, it’s a lonely job for all of us, because we’ve got so much on our shoulders. Some days, you just need to acknowledge that you don’t have all the strength that you need, and that’s OK. It’s hard sometimes for me to reach out to friends; I don’t want to burden them with my professional stuff.

MCNAUGHTON: Unlike the rest of us, you’re a first responder. You’re right on that line and you see the human tumult with a greater degree than we do. I have walked communities and met owners after big wildfires and shared their tears over everything they lost. So, I have a sense for extended loss like that, but I don’t have that experience right now; you do. Don’t be too hard on yourself. Thank you for what you’re doing.

CHAVEZ WILCOX: I love what I’m doing and I’m grateful for that, because I feel I’m taking action, I’m doing something good to address this craziness. And being able to help others is a real gift.

THOMPSON: I think you’re on to something there. Of course it’s the nature of your company and who you serve, but even for our company it’s amazingly comforting. We had some chocolate that was the spring line, it was no longer being sold. We delivered it to hospitals and wherever else first responders are working. We felt so empowered by that; it made us feel involved and less helpless. Taking action always makes people feel better. You may not know the answers, but if you take action in a small way, it helps.

PARKHURST: I know it’s really difficult to think beyond three months, but part of what you have to do as a leader is think beyond that. So how are you weighing that uncertainty with the need to think about the future for your business?

MCNAUGHTON: Our executive team is spending a lot of time discussing that. We know we’re going to be in this for quite a while. We’re going digital-first with a lot of things; we’ve always had that strategy but we’re really pushing it forward. We know the longer this lasts, the more we’ll change human behavior. The economic fallout is going to be one big hangover — and that’s going to change behavior, too. We have to start thinking about a post-Covid environment, but we’re also talking about how much of us will have changed. How should we use this time to grow? We’ve ramped up a lot of online training and we’re encouraging our people to use this time well. We will all be different post-Covid, and we want to be different in a better way.

PARKHURST: What about you, Ian? You totally shifted your business model, and obviously at some point you’re going to have to shift back. How are you thinking about that?

MACNEIL: Early on, I determined that I’d price the hand sanitizer appropriately. Unlike my vodka, it is not a luxury item; it doesn’t matter if sanitizer comes in a jug or a fancy bottle, it’s all the same. I looked at pricing from a year ago and said, OK, can I make it for that? Can my business survive? Can I keep my people employed and still do something great for those in need? I believed the answer was “yes” and so we led the way. But now I realize that this need is never going away, there will always be a need for hand sanitizer here or somewhere else in the world. So, when my vodka business is operating again, I’m going to dedicate a portion of my alcohol production to producing sanitizer.

MCNAUGHTON: Unfortunately, we are going to lose a lot of small businesses and retail, and that’s going to open up quite a bit of property. Hopefully, none of you will have to make that move. We may find that we are more efficient after working on a thinner profit margin; our organizational skills are enhanced.

MACNEIL: I had long-term prospects for my distillery business and was investing in different areas to grow it geographically. Unfortunately, distributors in several states now have discontinued distribution of our products and informed me that Glass Vodka is too small a brand. My sales have imploded and I’m nearly back to where I was 7 years ago. So, I’m focusing on what we can do right now without overextending financially and that’s why my staff keeps hearing me talk about this musical chairs game.

PARKHURST: To wrap up, would each of you briefly weigh in on how you are inspiring your people; how are you giving them hope right now as you look toward the future with so much uncertainty?

CHAVEZ WILCOX: I continue to give them stories about the women and families that we’re helping and how we are making a difference and showcasing that. And it’s because of their hard work that that’s happening. So yes, we are having some casualties. We may have had seven Covid-19 clients, but we’ve served a total of 11,000 clients. And it’s because of them showing up and working every day. If we just help one more family, one more woman, one more young girl achieve health, and shelter over her head, we’re doing our jobs.

THOMPSON: When we have success, whether it’s a social media campaign where our products are posted and appreciated, or somebody enjoyed receiving a care package, we share those with our entire team. I think the success that we’re having with the pivots to online is really inspirational because people understand at their core that that’s the future. The fact that we’re showing success in an area that’s probably going to be relevant and healthy for a long time gives people a lot of hope.

MACNEIL: Beyond communicating with my team, I’m also increasing their level of responsibility based on our ability to keep our pivoted business model moving forward. I’ve actually taken one of my team members and moved her from hourly to full time employment. She now has a full-time salaried position with an increasing level of responsibility. Helping our community through this new business has been rewarding for them, not just financially but personally.

MCNAUGHTON: In the insurance business, sometimes we earn front-line first responder status when your house burned down or you’re a telling auto accident. You need help. Our mission statement is “Free our communities to worry less and live more.” We get our work done through small businesses; we don’t fix houses, we don’t provide hotel space when somebody needs it, we don’t fix cars. We remind our people all the time where we sit in this value chain and how we help make all these things happen. We start every meeting with a customer story. This unifies everybody; you constantly look for ways to help people see that we’re all participating in this together; everyone has an important role. And I ask myself every day, how can I be better at that?
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