

THE POWER OF POSITIVE ACTION

HOW LEADERSHIP IS FORGED DURING A CRISIS

By *Carla Kalogeridis*

Here is the best crisis management advice from six people whose leadership was actually forged during a crisis. The common underlying theme with them all? Don't underestimate the power of positivity.



RAJEEV KAPUR
PRESIDENT AND CEO, 1105 MEDIA

RAJEEV KAPUR'S 1105 MEDIA was making most of its revenue in one of the hardest-hit businesses of the pandemic: live events. As a leading B2B media, event, and marketing services company, 1105 Media's sweetspot was in the face-to-face at a time when the world was suddenly told to stay home.

Kapur noticed the earliest signs that trouble was brewing in January and early February. As a very tech-oriented company, 1105 does business in China. "At the beginning of the year, budgets were slow to come out and we didn't yet know why," he says. "Usually, about 15 percent of our event attendance is from overseas, and we saw that drop off to 2 percent. All I could think was, 'Oh, no.'"

Watching the whole thing unravel as event after event was cancelled, Kapur had to make a move and make it fast. "On March 16, we started developing a completely new virtual event technology," he says. "We went from cradle to implementation in two weeks." And now, that new technology





CRISIS TIP:
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 TO PIVOT TO AN
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is helping to sustain the company and even grow it.

What gave him the courage? Kapur had been there before. When 9/11 hit, he was an executive for Dell in China. During the Great Recession, one of his start-up businesses went under. From past experience in crisis management, he knew to act quickly. “I got the team together and said, ‘We’ve got to start taking action now.’ I got pushback from some business units. They didn’t see it, and there was enough talk floating around on social media to suggest a potential pandemic was a hoax. But I’m CEO, so it was my call. And we had to have some hard conversations.”

From his past crisis management experiences, Kapur had some insight on decision making. “There are only three ways you can go: a good decision, a bad decision, and no decision,” he says. “A bad decision, you can always fix. But you can’t fix no decision. You have to think positively and proceed believing in the decisions you make.”

Here’s Kapur’s crisis leadership checklist:

See what your exposure is. Events were being canceled faster than 1105 could keep up. His first step was to make sure the company and its people were protected. Kapur made sure everyone could work from home and had the right communication tools in place.

Monitor your exposure. “You’ve got to stress test your business,” Kapur says. “What if you can’t do any business for the next three months? How about if it’s until the rest of the year? What should you do to slow the burn? If your cash line is going away, what do you do? You’ve got to put your stake in the ground and say, ‘This is where we are. Now, how do we defend against this position? How do we keep the revenue from coming down? Can we build other products? How can we go on the offense?’”

Prepare yourself for the bounce back. What do you need to be doing now so that you are poised and ready when the bounce back occurs?

Be willing to make decisions. For a CEO, cash and employees are the most important things. “No one is going to make decisions for you. And you can’t depend on anything,” he says. “Gather all the data. I rarely make a decision on a gut feel. Start with intuition, but then go get the data. Talk to customers and employees. Look at the competition. The only bad thing is that data can be manipulated to say whatever you want it to say, so get lots of thoughts and opinions from your team and your board. Managing up is just as important as managing down.”

Transparency with customers is key. Kapur says sometimes leaders get caught up in the day to day and forget to find out what their customers are thinking. Stay connected. Have important conversations with customers.

Don’t cut costs without thinking about the future. Making cuts is easy, says Kapur. Going on the offense is much harder, and leaders often forget about that in a crisis. ■



SHANE SKILLEN

CEO, HOTSPLEX INC.

SHANE SKILLEN LAUNCHED a technology company in the middle of the dot-com crash. Fresh out of graduate school, he coached himself not to think small and raised money to build a survey engine technology platform. “But our business model crashed itself,” he says. “We had to adjust and pivot to where there was money to be made.” The company was reborn as the first market research firm with a digital-first platform.

Skillen admits that the crisis has been “incredible for us” because research firms can’t do focus groups face to face anymore. “That has allowed us to capture clients that previously were not using digital for their market research,” he says. “Being in this position of strength today is the result of completely rethinking our business model during the dot-com crisis. Real leaders understand that crisis is opportunity. You get to figure out the core of your business, and anything on the fringe that you were fooling around with gets lost.

“Leading through a crisis is a double-edged sword — painful, but exhilarating,” he continues. “Look for those moments of brilliance. Uber and Microsoft were born in a crisis. And look at what’s happened to grocery stores...this crisis fast-forwarded their e-commerce by 10 years. This is our chance to make lasting changes and not slip back into our old ways.”

One opportunity from the pandemic crisis is for companies to rethink how their work gets done. “Instead of working one or two days from home and the rest of the week in the office, we

CRISIS TIP: “BUSINESSES ARE RETHINKING THE ROLES THEIR PRODUCTS AND SERVICES PLAY IN PEOPLE’S LIVES. WE HAVE SEEN NOW THAT FUTURE-PROOFING COMES BY BEING DEEMED ESSENTIAL, AND THAT’S ONE WAY TO PROTECT YOUR COMPANY AGAINST THE NEXT CRISIS.”

now see that the model could easily flip to three to four days working from home and only one to two days in the office,” he says. “Companies would have access to a greater workforce if they moved to this model. Plus, commuting is a soul-sucking experience that is bad for the environment. Money spent on big office leases could be better invested in employee training and deliverables for clients.”

Skillen predicts that the positive results from people sheltering at home during the pandemic will bring attention to the science of global warming. “Don’t f-ck with the planet, because the planet will win,” he says. “That’s one of the lessons we need to take from this. There’s more to this game we all play than profits. This is the first time in our history that all of humanity is united against a common enemy.”

Skillen urges leaders to express gratitude regularly when going through a crisis. “Be grateful that this crisis can be an awakening for some companies,” he says. “Businesses are rethinking the roles their products and services play in people’s lives. We have seen now that future-proofing comes by being deemed essential, and that’s one way to protect your company against the next crisis.”

While no one wants to hear this, Skillen predicts that COVID-19 will be a dynamic, long-term crisis. “People have their heads down engaged in hand-to-hand combat trying to navigate daily change,” he says. “But leaders need to be looking ahead and thinking, ‘What does all this mean for my company moving forward? How should my strategy evolve and change?’”

Skillen says leaders should be engaged in creating guiding principles to impact their decision making in a crisis. For Skillen, these include keeping the cashflow positive, deciding how you want to be remembered, putting employees first, and clients’ needs ahead of the needs of a company’s leadership. “We need to reflect well beyond the average reflection,” he says.

“Lots of challenges will emerge from this,” Skillen concludes. “The biggest thing I’ve learned is that nothing — nothing — is more important than your network.” ■



JULIE FAUPEL

FOUNDER, REALM

JULIE FAUPEL IS THE KIND OF LEADER to whom nothing has ever come easy. She attributes a good work ethic and internal grit for getting her through most business situations. “In a crisis, I’m the one saying, ‘Keep at it. Stick together. Things will always get better.’ So much of effective crisis leadership is keeping people focused on positive thoughts.”

Faupel’s crisis leadership experience first came in April 2009 when the real estate company she was with in Jackson Hole, Wyoming, went bankrupt in the throes of the economic downturn. “We took the assets of that company and started something new, something with a new model,” she says. “We made \$100 that first year. Leadership grown through adversity takes massive

CRISIS TIP: “LEAN IN AND LEARN. THE TIME WE’RE IN RIGHT NOW — THIS IS YOUR TEACHER.”

amounts of humility. Most people who have made it are people who first lost it all.”

No doubt, the pieces of that company were broken, but Faupel and a mentor put them back together in a platform that could be sustained in the marketplace. As bad as it got, they were able to keep all the employees and the same marketing budget. And when they saw other real estate businesses getting into trouble, they reached out to help.

“We grew by being the safe harbor for other companies,” Faupel says. “If a company was about to go under, we said, ‘Don’t do that. Bring your people and come under our umbrella.’ Our philosophy was that we don’t want to be the only one winning. Now, people want us to buy them because they love our culture.”

Faupel says they defined their reputation and personal brand during that recession and rebound — even though they didn’t realize it at the time. “We became known as people who were good to their word,” she says. Today, the company has 115 offices and \$800 million in sales annually.

Then, in January 2020, just as the pandemic was beginning to gain the world’s attention, Faupel launched her second start-up during a crisis. REALM, a membership-based global community, brings luxury real estate brokers together through patented technology and high-powered global networking. The proprietary platform — developed by technology leaders, investors, and futurists — uses artificial intelligence to allow members to share and match listings to client lifestyles. REALM

already has over 200 members representing nearly 15,000 clients. “We’re like the Match.com for luxury real estate,” she says.

Through the launch of the first business in the Great Recession and now this second one in the midst of a global pandemic, Faupel remembers moments when it was hard to see the light at the end of the tunnel. Her advice to other leaders who may be in that place now is to look for solutions where you wouldn’t normally find them. “Keep looking and be confident that there is a solution,” Faupel says. “Know that the solution is there. Look outside your own industry. That very process lends itself to great creativity.”

She also encourages leaders not to resist change because adversity shapes who you are. “If you don’t disrupt yourself, the gift of disruption will be given to you by someone else,” Faupel says. “When you disrupt yourself, you’re really just accelerating change that was already in the pipeline.”

“Real estate has always been about bricks and mortar, and now, with this pandemic, we’re realizing that we don’t necessarily need all that office space,” she points out. “Change makes people fearful. Break down all the lies you tell yourself that keep you small. The best thing success has brought me is self-awareness. Don’t make a decision based on fear; make a decision based on opportunity.”

Faupel recalls a Buddhist saying that when the student is ready, the teacher will appear. “Lean in and learn,” she says. “The time we’re in right now — this is your teacher.” ■

MELISSA ORR

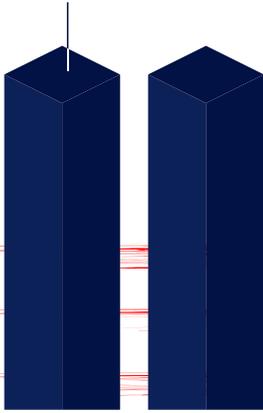
CEO, SB PLUS PARTNERS

MELISSA ORR OWNS AND RUNS

a group of Mr. Rotor franchises, a business deemed essential during the pandemic but certainly not immune to an economic fall-off in this market. Orr, who describes herself as someone with “a sales background,” started her first company, a third-party sales organization, just a few years before 9/11 hit.

“When 9/11 happened, we had a huge conference planned for groups like T-Mobile, who had not only paid for the conference but also the expense to fly in all their





CRISIS TIP: “YOU CAN CHOOSE THE SCARCITY MENTALITY OR THE ABUNDANCY MENTALITY. IT’S DEFINITELY EASIER TO TAKE THE HUNKER-DOWN ROUTE. BUT WHY? WHEN YOU PLAY OUT ALL THE SCENARIOS, IT’S BETTER TO SPEND YOUR TIME IN A CRISIS TO BUILD LOYALTY WITH CUSTOMERS AND EMPLOYEES.”

reps,” Orr recalls. “My personal leadership was definitely forged during that crisis.”

Orr describes herself as a “really hardy leader” who uses “brute instinct” to power through whatever is going on. “I’ve always had to be scrappy and learn on the job.”

When her conference was abruptly cancelled after 9/11, she learned an important lesson to put herself in other people’s shoes when leading during a crisis. “People just weren’t comfortable flying across the country at that point,” Orr says. “I had to put myself in their position and understand how they were feeling. I had to really slow down and listen.”

During this trying time, she found great advice in *The 15 Commitments of Conscious Leaders: A New Paradigm for Sustainable Success*, by Jim Dethmer, Diana Chapman, and Kaley Warner Klemp. When facing a crisis or conflict, the book challenges leaders to ask: “Am I above the line or below the line right now?” Above the line is being conscious of your speech and actions; below the line is unconscious of the same. Below the line is to be closed, defensive, and feeling the need to be right. Above the line is to be open-minded, curious about yourself, focused on personal growth, and feeling positive that every experience contains a valuable lesson.

“I particularly liked the idea in the book about the importance of asking ‘wonder’ questions,” she says, “like, ‘I wonder what we could say or do to make these customers more comfortable?’ Or, ‘I wonder how we can keep our field techs more connected to our goals?’ When leaders ask these kinds of ‘wonder’ questions, they really need to lean on their staff and see what they have to say. A crisis is not your everyday, run of the mill business challenge. You need support and advice.”

When 9/11 rocked the United States, Orr’s business had barely turned profitable. One of their largest clients closed down and was unable to pay its outstanding invoices. “Even though the client stiffed us, I honored my financial commitment to the reps, which built an incredible bond between us,” she says. By the time she sold the business in 2007, she had 3,000 employees.

“When we sold the company, potential buyers would always ask, ‘How many lawsuits do you have?’ And I always answered, ‘None.’ And they would say, ‘That’s not possible. Every business has lawsuits.’ But it was the truth. We had 3,000 people and not a single lawsuit. The crisis of 9/11 revealed what kind of company we wanted to be.”

Orr says that when leaders look at furloughing employees during a crisis, they need to think about it carefully. “Of course, every business is different, and in this pandemic, businesses like restaurants didn’t have a choice. But culture is A #1 in building an organization,” she says. “During a crisis, you have to double-down on culture, listen, slow down, be vulnerable. Let your team be vulnerable. These aren’t values you put on your wall. These are values you really live.”

Another thing she learned while leading through 9/11 is the importance of transparency and honesty. “Take the time to articulate your values during a crisis,” Orr says. “In fact, a crisis is the best time to do this. How you act as a leader when delivering tough information will define your future.”

Although Orr believes in acting with confidence, she says that during a crisis you can’t just stand up there and spill out something positive. “During a crisis, I tell people, ‘I don’t know how we’re going to do this effectively, but I’m letting you know

that we’re all in it together,’” she says. “It’s always better to be really honest and say, ‘I don’t know.’”

Today, Orr is the self-described “mama bear” behind a group of Mr. Rooter franchises. She started out just as an investor but ended up doing a leadership series for the franchise managers and decided to stay on. “During the pandemic, we have been focusing on culture and showing it in our decisions,” Orr says. “Every organization has a culture — whether you’re aware of it or not — and during a crisis, that culture comes out. It’s up to you if that’s a good thing or a bad thing.”

Orr says her strategy has been to stay in close communication with the team, so she knows what’s on their minds. She is also spending some of the company’s reserves to up their marketing. “We are being bold, taking risks, and investing in building our brand.”

For Orr, this is the best way to lead in a crisis. “You can choose the scarcity mentality or the abundance mentality,” she says. “It’s definitely easier to take the hunker down route. But why? When you play out all the scenarios, it’s better to spend your time and resources in a crisis to build loyalty with customers and employees.”

Her advice to Type A personality leaders: “Self-awareness is key. In a crisis, you will learn and flex your leadership style. If you’re in a dark place, remember who you are. Work hard. Work smart. Work with your team to get to the other side. Ask people you trust to give advice. Be the person you need to be,” she says.

“Ten years from now, we’ll be looking back on this time and realize what we learned and how it made us better, stronger leaders.” ■

JAMIE SIGLER O'GRADY

FOUNDER, J PUBLIC RELATIONS

IN MARCH 2020, JAMIE SIGLER O'GRADY was looking at her company's best year ever. "We were like a rocket ship — and then we just fell out of the sky," she says. The founder and leader of a powerhouse public relations agency for the travel, tourism, and lifestyle space, O'Grady says, "Every day until the pandemic crisis is over is like 9/11 for our industry. It's so hard to be a leader when there's no end in sight."

O'Grady, whose business philosophy has always been that relationships come first, says real leaders must remind themselves that no matter how bad things get, they still have their good name and their relationships. Leading through the pandemic has brought her closer to her employees and clients than ever before. As a PR professional, O'Grady is a master of crisis management — she's led travel industry clients through SARS, the Great Recession, wildfires in Northern California, and drug cartels in Mexico.

O'Grady started her agency in 2005, not long before the Great Recession began. "As bad as that was, nothing could have prepared us for the last 30 days," she says. "When COVID-19 started unraveling, we went back to the basics," including these lessons learned from past crises:



CRISIS TIP: "UNDERSTAND THAT THE WAY YOU REACT IN THIS CRISIS IS GOING TO DEFINE YOU AND YOUR BRAND FOR YEARS TO COME."

Give employees a voice in the crisis plan.

After the first couple of weeks in crisis mode, O'Grady and her partner called everyone together and said, "Are you willing to do whatever it takes to save the job of the person to the left of you and the person to the right?" They gave employees a choice of keeping everyone on the payroll at the same rate but cutting their hours 40 percent or undergoing another round of layoffs and keeping the remaining people at regular hours and regular pay.

"Everyone voted to take the reduction in hours so that their teammates would still have a job," she says. "We vowed to work harder and smarter than ever to bring back employees who had been laid off that first week. The feeling of unity in our company has never been greater."

Let your team see you're only human.

"So many leaders are afraid to be vulnerable in front of their team," O'Grady says. "I cried when I told them I had to lay off one-third of the employees. Was I proud of that? Yes. I'm a human, and real leaders show their human side. I told them it's OK to feel scared and that I am scared, too."

React as fast as humanly possible.

"The speed at which you react can make the difference between coming back to something or coming back to nothing," O'Grady says. "Understand that the way you react in this crisis is going to define you and your brand for years to come."

Keep your eye on a positive future.

O'Grady also found courage by focusing on the fact that she just needed to keep the team in place and survive until business opened back up. "Once people start traveling again, we are going to be overwhelmed with business," she says, "and that thought sustains us."

Stop the freefall.

One of the first things O'Grady did was pivot and change to stop the company's downward spiral. "I found hope by figuring out what we could do instead of what we couldn't," she says. The travel industry had ground to a halt, but O'Grady and her team volunteered to handle PR for manufacturing companies that were taking on new roles in the fight against COVID. "We know how to help, and we could change what we were doing so that we could help. Companies from other industries saw what we were doing and started sending us business."

Make sure you communicate clearly.

Since March 2020, O'Grady's firm saw its revenue drop 75 percent with no warning. After week one, they had to lay off one-third of the staff. "We were making decisions in a matter of hours that should have taken weeks or months," O'Grady says. "In two more weeks, 50 percent of the employees were going to be gone."

Then one night, as she was struggling with what was happening to her business, O'Grady came to a clear and confident decision. "My partner and I decided that nobody else was going to go. We began holding weekly updates with the staff, and we were completely honest with them. We said, 'We don't know what's going to happen. The company is on life support. We've only got enough to carry us through June.' This honesty rallied the employees around us."

O'Grady told her employees that no one else had to lose their job, and she told them that she and her partner were no longer taking a salary. They made it clear that they were willing to do whatever it took to keep the company solvent.

See the good.

"Having a specialty is what enabled our company to grow so fast," O'Grady says, "but now, pivoting has given us strength through diversification. We are constantly seeing the positive side and expressing gratitude."





ZOE CUNNINGHAM

MANAGING DIRECTOR, SOFTWARE

IN 2016, ZOE CUNNINGHAM'S SOFTWARE COMPANY was facing an economic crisis. There was a significant downturn in sales, which meant the company would not be able to meet costs. The firm had no real expenses outside of payroll, so cutting costs meant cutting people.

"We've always focused on attracting the very best people and then keeping them," Cunningham says. "We didn't want to lose any of our people."

Cunningham decided to get ahead of the crisis and take it to her people. "I said, 'We have a choice. Sales are trending down, and I want to get ahead of the problem. Do we all want to take a pay cut, or do we want to go through losing some people?'"

The vast majority of the company chose pay cuts. "And they were more positive about doing it because they had chosen it," she says.

As it turns out, the team closed a large piece of business, and the pay cuts were unnecessary. But the surprise takeaway is that even though they didn't have to take action on their crisis plan in 2016, when the pandemic hit this year, their survival strategy was already in place. Here are some lessons learned in 2016 that Cunningham is applying to get through the current crisis:

Communication during a crisis is always more important than you think. "Leaders sometimes think, 'If I'm not communicating anything, then I can't get it wrong,'" notes Cunningham. "But with no information, people work out the truth for themselves, and they often get it wrong."

CRISIS TIP: "TELLING YOURSELF THAT EVERYTHING IS COLLAPSING IS POINTLESS — AND IT'S NOT NECESSARILY REAL. YOU CAN EXPECT A DOWNTURN, BUT DON'T FORGET THE POWER OF EXPECTING AN UPTURN."

Trust is the most important thing in crisis leadership. "People will forgive all kinds of mistakes, if they trust you," Cunningham says, "if they know your values and what you stand for. Otherwise, they analyze everything you say, and try to figure out what you really mean." Bottom line: If you've been behaving in a trustworthy manner already, you'll reap the benefits during a crisis.

Focus on the now. Cunningham meditates to help keep clarity of thought. That includes focusing on the current time instead of ruminating over past mistakes or worrying about future decisions. "Leaders have to determine what is real and what is not real," she says. "Telling yourself that everything is collapsing is pointless — and it's not necessarily real. You can expect a downturn, but don't forget the power of expecting an upturn."

Use what you've got. A crisis may lead to loss of revenue, people, or clients, but Cunningham says leaders can find courage in remembering the qualities they have that earned them success in the first place. "You may be going through a crisis, but you still have all your skills," she points out. "You're still the same person." ■