



David Reimer, CEO of The ExCo Group



Leading in the B-Suite

Powerful conversations about life, race and leadership

"In a Crisis, Leaders Have to Create a Sense of Momentum and Purpose."

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[Note: This article was published as part of our original "Leadership Moments" series. The series has since been changed to "Leading in the B-Suite" for a new focus on conversations about race in corporate America. The first interview in that series is [here](#).]

*The COVID-19 pandemic is creating the toughest test for business leaders since the financial collapse of 2008. How do you project confidence while acknowledging the challenges? How do you create a plan amid so much uncertainty? I asked my colleague, **David Reimer**, the CEO of **The ExCo Group**, to share the lessons he learned from an earlier consulting role, when he worked with hundreds of companies and leaders as they navigated through significant restructurings.*

Q. Before joining The ExCo Group a decade ago, you spent years as a consultant helping hundreds of companies work through restructurings and layoffs. What are the patterns you saw in the leaders in those times of crisis?

A. There were three kinds of leaders I saw in those moments. Some would simply disappear. That wasn't their intention, but perhaps they were thinking to themselves, "I've got a lot to do. I don't have time to soothe people's concerns right now or to say thank you and goodbye to the people we're having to let go. I should take this time to go visit a big customer or meet with investors, because that would help our business the most."

But to everyone else, the leader had vanished. That's probably the most destructive approach, because the organization needs someone to stand at the podium to help everyone understand where they are going and why. Who's providing some level of clarity in a moment when nothing's clear and everything feels uncertain?

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Another mistake is to try to provide a greater level of certainty than can be reasonably predicted. As an executive, you may want to provide assurances to help everyone get back to work and not worry. Even in the best of times, there's only so much certainty you can provide, but in times like these, there's much less.

So the leader who stands up and says everything's going to be fine and nothing will change ends up being incredibly destructive to the culture long-term, because invariably something else will change. There's just too much moving too quickly, and people will just remember that you said nothing was going to change, even though it was said with the best of intentions.

The best leaders in those moments would step up and say, "Look, there's a lot we don't know. There's a lot we don't understand. But let's remember who we are as an organization, what our core values tell us to do and be, and let's understand that we're going to navigate this set

of challenges together. And by the way, here are the next three steps. I'll keep talking to you, but know that this is where we are.”

That's very different than saying everything's going to be fine. Even if there's an underlying theme in there that says the world will look different, so is the message that we will get through this, and there's also a start of a roadmap in there.

Q. What if a company has a core value that is some variation of “We're a family,” but then has to cut 2,000 employees during a crisis like this? How do you advise leaders in those situations?

A. When the tech bubble burst, I was in the Bay Area and working with a couple of companies that had between 20,000 and 40,000 employees. One of them had never done a layoff before, and had a very deliberate discussion about what that meant for the company's core values. “We've made our people the focus of our success and our future,” somebody on the leadership team said. “Do we put that aside right now and say we'll get back to them on the other side of this?”

And the CEO, the head of HR, the head of engineering all said, in so many words, “This is the time for us to live our values, so if we are going to cut people loose, how would we do that in a way that is in accordance with our values?” The first thing they decided was that nobody was going to be walked out of the building by a security guard. They were going to talk to everybody face-to-face, and have them come back at the end of the week for a goodbye party.

And at those parties, the top execs in the company stood up and said, “Thank you for everything you’ve done. We’re sorry we’re doing this, but we have to, given the market conditions. You matter to us and we wouldn’t have had the success we’ve had to date without you.” I didn’t see anybody else doing that in Silicon Valley at the time, and it made such a difference to the people who were staying with the company, as well as those who had to leave. It was an important demonstration of values.

Q. In times of crisis, many leaders wrestle with how transparent they should be about all the bad news. They don’t want to hide it, but they also don’t want to focus too much on the negative.

A. Everyone’s talking about the importance of maintaining calm right now, and that’s true, but there are three elements of that. One is, don’t underestimate the symbol of you as a leader, and so be very deliberate in the moves you make as a leader and be aware of how you’re showing up.

Second, there is value in decisiveness. Part of decisiveness is making the statement, “We are going to stick to our values while we navigate this terrain, and we are going to be as transparent as we can be. I’m not going to be sending you an email every day, but you can expect an update from me every Friday unless something really big happens, and then we’ll pull a quick town hall together and you’ll know.”

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Third, you need to supply the organization with a narrative. We are planning creatures, and if you don't provide a narrative, people will supply their own, and this is particularly true in a crisis — they'll start making decisions based on their own narrative, and once that horse gets out of the barn, you're chasing it on foot, and good luck catching it.

As just one example, there's a small restaurant chain in the Northwest that is being hammered like everybody else, and the people who work for them are highly dependent on tips. Once this pandemic hit, they immediately laid off almost every employee across all of their sites, but the leaders said they were doing that so the employees could apply for unemployment immediately. They also said, "We will hold your jobs and you will have your jobs on the other side of this."

Now, reasonable people could argue about whether or not that's a good strategy, but it did create clarity for everybody there. It also is a statement of "We value you, and this is the best way we can take care of you." In situations like these, people lose a sense of agency — "I don't know what tomorrow's going to look like or what I should do next" — so it's a leader's job to create a path and help people start to plan.

It relates to this broader point of what's the narrative of our organization? These are the moments in a crisis where you have to

define who you are and who you want to be. As leaders, you have the power to help people be their better selves.

Q. Other insights from your experience working with companies in crisis?

A. I was in Asia at the tail end of the SARS crisis. What was interesting was the degree to which some companies embraced the question of how they could work differently long-term, while others just said, “We need to get through the next four months and then we’re going to go back to business as usual.” Many of those organizations faced an incredibly difficult period over the next years after SARS, despite all the growth in Asia. They’d chosen to just survive, rather than to evolve.

The point is that we’ve all got our business strategies, and those are pretty good maps of where we need to go. But there’s an old saying that “the map is not the territory.” Crises are good moments to really navigate the terrain we’re in and not stick to the map we have. It’s not that we throw out the map and lose sight of it, but in my experience the companies that try to really understand what true north is in these moments inevitably do better over time. We will get to the other side of this, and it’s really important to treat this as a learning experience that permanently changes that map you started with.

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The final point I'll make is that there is value in activity right now. People can start stewing in their own idleness, and the relentless headlines can be paralyzing. So there is value for leaders in creating thoughtful work streams for everyone, including solving problems that maybe have been sitting there and nobody had time to get to before.

This is a time to remind people of that quote from Theodore Roosevelt: "In any moment of decision, the best thing you can do is the right thing, the next best thing is the wrong thing, and the worst thing you can do is nothing." In a crisis, leaders have to create a sense of momentum and purpose. And as a leader, take your own medicine on that, too, because the idleness can really get you spinning.