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Crisis Leadership

Steven Sinofsky

15-19 minutes

Leading in a crisis is something that is easier said than done, fortunately most don't have to actually lead through a crisis. Some thoughts...(an annotated Twitter thread.)

Crisis leadership. Leading in a crisis is something that is easier said than done, fortunately most don't have to actually lead through a crisis. And fortunately most also don't have to live through a major organizational crisis. Some thoughts... 1/

What is a Crisis? A crisis comes about when the fundamental underpinnings of an organization or value proposition of a company are disrupted in such a manner that immediate action must be taken to prevent an irreversible course. This contrasts with really bad problems. Really bad problems can be approached by normal problem solving means—research, hypotheses, iteration, testing, etc. A crisis response can't be A/B tested and you are almost always acting with incomplete, conflicting, or unreliable information.

This note is about a crisis of business, nature, personnel. This is not about a "PR crisis". A PR crisis is when there is bad information of perception or thought that can be "damaging to reputation" or "actions of an individual" but is not in and of itself damaging. Handling a PR crisis is a similar playbook, but involves much more emotion than dollar cost.

2/ Many things *_seem_* like a genuine crisis, and in the moment they might be. But a true crisis is an unforeseen event that can bring catastrophic and irreparable harm.

Managing through a crisis is entirely different than managing through really bad problems.

3/ The first thing about a crisis that seems different is that a crisis is almost always complete chaos. Systems break down. Everyone's job is disrupted. Nothing happens normally. Nothing normally done can be done.

One of the first crisis situations for me was the arrival of a major computer virus attacking Office. I heard about it by a phone call from a reporter. By the next day the front page of every newspaper (that's how long ago it was) was calculating the costs of the virus in billions of dollars. The problem was that the virus was not exploiting a bug we could fix—the product was behaving as designed. On top of that, we had no way to change the code on all the installations of Office around the world, even if we had a "fix" that didn't exist.

4/ If you're fortunate there are plans in place. You break the glass and execute on those plans.

The thing about a genuine crisis is that the plans also break down. That's when you really know you're in a crisis. "Everyone has a plan until they get punched in the mouth." — Tyson

Almost always a crisis plan proves to be only marginally useful. In fact, I might go as far as to say that the definition of a crisis probably includes the idea that there are no plans to handle it. After the 9/11 terrorist attacks, most every conference and large gathering built contingency plans for what would happen if there was such an awful event in the future that disrupted air travel and security. These plans were in a sense derived from plans for events that came about after weather disasters impacted some major events (for example 2004 Hurricane Katrina put into actions plans for management pending a major Microsoft conference in New Orleans.)

5/ People in an organization rapidly break into factions, and the intrinsic behaviors take over. In a software org for example, Engineering looks for a technical fix (or cause), Marketing thinks about comms, Success thinks about customers...

Everyone is right. But also wrong.

The thing about the initial response to a crisis is everyone wants to help. Everyone is genuinely acting from their perspective and expertise. The problem is a crisis is almost always defined by incomplete information. The other challenge is that everyone is acting from their own native position of expertise. Their solutions are all derived from what they can do skills-wise and organizationally. Most everyone thinks they thing they can do is the most important or most urgent action.

When we faced that virus in Office, the marketing team felt the most important thing was to communicate with customers. The support team needed to figure out how to get an answer to individuals. Of course PR needed to communicate with press. The development team was proposing code changes. And so on. There's a cacophony of solutions and help.

6/ This is where “everything is different.” During normal times, you want to have meetings, share opinions, analyze alternatives, socialize... This takes time and almost always during a crisis the lack of time is a defining characteristic.

Stroke physicians say “time is brain”.

Time is the most critical element of crisis. It is evaporating before your very eyes. It seems that as every minute passes you have fewer and fewer options and less ability to solve or address the problem. Sometimes you visualize the passing of time through a giant counter—number of customers impacted, dollars flowing out the door, further loss of confidence, and so on. In the Tylenol tampering case discussed below, one could easily visualize the crisis as number of actual lives lost, victims of tampering.

7/ @bhorowitz contrasts peacetime versus wartime CEOs in this post. There is no debate, that during a crisis wartime leadership is required. The post has many excellent examples of things that work do not work in different times.

8/ One can believe the lack of a contingency plan that works, the inability to use “normal” management techniques, and the lack of time to be a recipe for “just be a jerk and jam things through.” The problem is that everything in an organization is working against you.

Nothing brings out the worst aspects of a dictator boss or manager than a crisis. Invariably they take the idea of wartime general too far and start to act like wartime dictator. The other side of this can also happen during a crisis which is some leaders become overly collaborative. Instead of acting like a jerk, they become unusually interested in getting feedback, understanding all points of view. This sounds great on paper in times of unknowns and uncertainty, but in reality it spreads a lack of confidence rapidly and enhances chaos. Finding the right tone as a wartime leader is difficult and unfortunately it usually takes going through the process a couple of times to learn.

9/ The thing a crisis needs the most in order to effectively work it, is organizational trust. Leaders must be trusted. Employees must be trusted to act. Trust is the resource you have been building as a peacetime leader — to act during a crisis you dip into that reserve.

Because as a wartime leader you are going to act a bit out of character and jerky to some, you need to have the trust of the team to act. If you have trust then your temporary jerkiness will be overlooked because the team will understand or believe you have some greater good in mind.

10/ Invariably, org factions will arrive at a variety of “solutions” based on respective DNA. Some will focus on trying to find the root cause. Some will quickly arrive at a grand solution to prevent a future crisis. Some will simply be frozen or panic — all speculating on a “fix”.

As solutions begin to be considered, the most important thing is to focus on what is actionable. The Office virus I mentioned was a fascinating experience because of the ability for people to come up with solutions that would have been great, but were wholly unworkable such as finding out who caused the virus or working with antivirus vendors to do updates (not everyone had A/V software).

11/ All this speculation needs to end quickly. The enemy of acting in a crisis is uncertainty over actions. Some lacking guidance will begin to act. Those actions might not be useful or might even be counter-productive. To end speculation, the leader needs to DECIDE AND ACT.

It really is that simply. You have to find something to do that big, bold, uncomfortable, and dramatic. That's what it means to deal with a crisis. If you find yourself splitting babies or compromising then you almost certainly will lengthen or deepen the crisis. If you think you can do one thing that doesn't “cost” anything then you're just wrong (or it isn't really a crisis.)

12/ The first thing that needs to happen is to communicate. Acknowledge the existence of a crisis and put in place a timeline for an action plan and when people will hear next. It is amazing how often leaders retreat to a conference room immediately and assume everyone can wait.

Communication is key. You have to communicate constituency by constituency. The good news is the internet makes this easy. Get out there and create a channel. You have to realize that questions will be obvious and overwhelming, immediately. But you have to take them. If you ever see those doctors in a press conference after a big accident and everyone is asking "will the patient be fine" and the doctor really doesn't know but they are talking and saying what they do know. Communication is also not a one and done sort of thing. Plan on regular, scheduled, releases. Create a written record of communications and update them, correct them if needed. Acknowledge the questions being asked. If you think you don't know anything then realize others know even less.

The golden rule of communications is that the questions will continue to be asked and absent direct information from you, the questions will get answered by others. And, you really won't like the answers.

13/ What differentiates a crisis from developing a plan, besides time, is that there is almost never a crisis response that can "fix" things. Most all crisis response is about containing damage and buying time to actually put in the right approach for medium/long term fix.

14/ So step 1 is to stop thinking about fixing and think about containing and mitigating damage. That is often the best thing to communicate to the team — it stops the people architecting for the future (often there's a partitioning of effort — eg, small team on the future).

You have to put a stop to whatever is happening. That's the most important thing. It seems so obvious but at the moment of a crisis no one cares about a long term solution or the root cause analysis or anything other than "make it stop."

15/ Step 2 is to define what everyone needs to "go do". Every action needs to be crisp, simple, clear, and doable on a timeline.

Responding to a crisis is almost always painful, difficult, and something you'd never thinking of doing.

tl;dr It's a CRISIS! Get over yourself.

Stopping the bad thing from happening is ALWAYS painful. That's why it is a crisis. The most time gets wasted in developing a response in trying to find a solution that doesn't hurt or isn't costly. If a company has a security breach and thinks the best approach is to try to say "no big deal" because well maybe some view it as not a big deal (compared to other breaches) then, well, good luck with that.

16/ What a leader does during a crisis is to literally "free" people to act in these painful ways. Using the accumulated trust, leaders can provide direction and at the same time free people from the consequences of responding in such a counter-intuitive manner.

Because the response to a crisis is going to "hurt" many people will resist. They will look at metrics, scorecards, goals, etc. or even personal costs and fight against it or more likely try to argue for a different path. The true act of leadership at this moment is letting people know that the chosen course of action is painful and that everyone has license to execute knowing that it disrupts the normal course of actions of a company.

The Office virus I mentioned required us to literally break Outlook—we disabled, took away, and declared "never to return" key features of the product customers relied on. My job was to communicate and own that approach—freeing sales, marketing, support, and more to break our promise of compatibility and extensibility.

17/ A leader also puts an immediate end to pointing fingers and finding scapegoats. It is amazing how much energy an organization can put into blaming something for a crisis. It is almost always the case that the thing being talked about the most is the least relevant action.

Good grief do people love to spend time during a crisis debating root cause. During the Tylenol tampering case, the news was obsessing over the source of the poison. J&J did not know. They could not know without a thorough investigation. Some would argue that the action might be different if they knew the source, but waiting to know that would permanently destroy the brand and product.

18/ Crisis responses have massive costs, by definition. Costs might be angry customers, lost revenue, opex \$ spent, or human costs in some form (jobs, salary, etc.)

These are all painful. Failure during a crisis comes from fear of acting or thinking there is a less painful path.

19/ The most (most!) classic crisis response is 1982 Tylenol product tampering case, still studied today (even though there was no social media to amplify or misdirect).

The perfect example of counter-intuitive action was to recall ALL product even before any scope was known.

20/ Recalling all product cost millions, had brand risk, and more. Leadership “absorbed” those costs.

At the same time, it absolutely capped the max immediate damage and it gave the whole of the company a focus and action.

Watching this happen was the most incredible thing. A product that was in most every household in the country (and world) was literally pulled off shelves and destroyed. Every home took the Tylenol they had and threw it away. Tens of millions of dollars (or more) just destroyed. And no one knew the cause of the deaths yet (was it in one city or many, a certain product, done at the factory or distribution or at a store, and so on.)

21/ Through all of this there was communication on action and next steps. I vividly remember all the TV news footage of stock clerks going up and down aisles literally shoveling every Tylenol bottle into garbage bags.

Many said this was too dramatic or costly. It was mocked too.

22/ With the problem contained, then the organization has time to begin to work towards root cause analysis, revisiting processes to prevent future problems, and begin to make things right.

When I think of crisis response I always think of that first and most critical action.

The thing is once that action was taken, painful and extraordinary as it was, the company then had time to work the problem in a relatively normal way. Engineering could go out and design for the future. Marketing could work on a new campaign about trust. Sales could equip customers with information and new approaches to selling.

23/ That first action is one everyone understands, realizes cost yet goes for it anyway, and has a clear sense of what the effect of the action will be in the immediate.

No one knew why, how, by whom Tylenol was tainted but every employee knew the actions stopped more problems.

I always think about this step the most. The crisis caused chaos and then the first action accomplished two things: it contained the damage AND it gave focus to the organization. While “remove from shelves” seems like one action, it touched every part of the company and everyone had a role in acting. Literally the crisis brought the team together to act.

24/ When such a crisp action is taken and works, it turns out that teams gain confidence and trust. Everyone can breathe again and the best work to repair, prevent future incidents, and more happens.

I love that innovation came out of a crisis.

25/ There are books and case studies about this crisis. A good summary is here where you can also read about several other lesson-containing crises. // END

PS/ Yes this was a subtweetstorm.

One of the most enduring elements of successfully responding to a crisis is that once a team or organization (and individuals) go through this, they are invariably a better team and better teammates. While no one wants to ever go through a crisis, the upside, if that is the right word, is this improvement in collaboration.