



# LEADING THROUGH CHAOS

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## A CONVERSATION BETWEEN:

Elise Awwad  
COO, DeVry University

Ilene Bieler  
Global Head, Investor  
Relations, State Street

Paula Davis  
Chief Communications  
Officer, Colgate-Palmolive

Nadine Hall  
US Men's Underwear and  
Sleepwear Executive Lead,  
Hanes

Cheryl Stokes  
CEO, CNEXT

## LED BY:

### PAT RUSSO

Former CEO, Lucent-Alcatel

**Leaders are challenged by a confluence of disrupting factors of economic, social, and political influence. COVID, supply chain issues, geopolitical risks, political divide, inflation, and recession worries. It's a time of a lot of uncertainty. How do you face disruption where the intensity is magnified and the time to act is reduced?**

*"I think the job of a leader is to get the team through to the other side having navigated the difficult environment and identified the opportunity that disruption has left you with."*

- Pat Russo

## 01 BE STRONG AND CLEAR

### Define the mission

Have clarity around your long-term purpose. To get through disruption, people need to know exactly what the company's goal is. Let your team know where you are going.

Define your mission and be clear about it. Create followership by building confidence in people through clarity.

*"Strong, visible, clear, and authentic leadership is most important during challenging times."*

- Pat Russo

### Align teams to the mission

Misaligned teams will not get you through tough times. Clear up misunderstandings quickly or remove people who insist on a different direction to the team.

## CASE STUDY

### Recover with clarity.

When Pat Russo became CEO of Lucent Technologies, the company had one clear objective: survive.

Lucent had structured its cost and expense base for a planned revenue of \$20 billion yet earned \$12 billion in the year of the crisis. Its stock price dropped from \$80 to \$0.56 and the NYSE threatened to delist them unless it was corrected.

Pat led 70,000 people with an additional 100,000 retirees depending on the company.

Pat helped the company focus its mission and led it to break even, regain profitability, create top-line growth, and finally merge with Alcatel to remain sustainable.

## CASE STUDY

### Address the hardest questions

When Pat addressed large groups of employees, she planted the ugliest questions that anyone would ask online or on employee forums so that she had the chance to answer them herself.

She wanted to do so consistently, authentically, and in front of everyone.

Leaders with different objectives can quickly divide an organization as they take their groups or divisions with them. Spend time with key leaders to ensure buy-in for the company strategy during disruption.

## Find ways to accelerate

Ask yourself and your team if you are going fast enough. Time is not on your side. What is it that's slowing you down? If you feel like you could go faster, why aren't you? Challenge your team to brainstorm about how could you move faster.

## Create context

Context is decisive. Create context for employees so that they make decisions that fall within it. Make it clear why they do what they do, why it matters, and how it fits into the bigger picture. Focus people on doing. Remind employees that the world will continue and that they have a goal to achieve.

# 02 BE VISIBLE AND AUTHENTIC

## Customize communication

Repeat key messages frequently and reiterate where the company stands. Personally engage with everybody on your team. Do not rely on cascading communication and engagement.

In times of uncertainty, people want to know how uncertain things are. Be straightforward about it and clearly articulate the path forward. Dispel rumors.

## CASE STUDY

### Lead through control

During Lucent's crisis, Pat understood that the revenue loss was industry-wide and beyond her control. So, she focused the company on reducing costs and preserving cash.

They unscrewed every third light bulb. They started collecting garbage every second day and readjusted heating and cooling. They stopped cutting the lawn and washing the windows.

Beyond the costs saved, Pat used these techniques as symbolic acts to communicate the severity of the problem to the entire company and rally people around the mission to survive.

When people sense something is wrong, all the organization's energy goes there. Reallocate that energy by providing certainty as fast as you can.

*“Clear, consistent, and customized communication, depending on the constituency, is really important”*

- Pat Russo

### Be honest

If you are honest with your employees about the situation, they may not like it but they will understand it. If you need to let go of people, be compassionate. Treat them with respect and dignity and help them in every way you can.

Figure out the emotional attachment you can create a connection to, to keep people's head in the game.

*“Employees, regardless of the level that they are at, run their own lives, run their own households, run their own families. They're smart, they're realistic, and they're capable.”*

- Pat Russo

### Communicate positively

Linguistics is important as it sets the company's tone during a crisis, especially among employees. Don't use phrases like 'I hope', 'I think', or 'We may'. Remain declarative. Be affirmative.

## 03 BE BOLD

### TEAM EXERCISE

#### Identify opportunity

Take advantage of a difficult environment to look around the corner and see the disruption left you with in terms of opportunity.

1. What new business models might be available?
2. How are people buying things differently?
3. How are people spending their time differently?
4. What does the demand picture look like that is different to before?
5. How does that relate to what you do?

#### Challenge potential

People and organizations are more resilient than you may think. Only by pushing them will you truly know what they are capable of.

#### Build relationships to break hierarchy

Dedicate time outside of the normal course and conduct of business to build relationships. Get offsite if possible. It will involve exercises and conversations that some may find uncomfortable and your role as a leader is to steer them through that. Establish ground rules for people to open up and be honest.

Progress is seen after a process, not a single event, but people will appreciate the difference in how they work together.

*“Relationships and trust are absolutely critical, and it doesn't just happen. You have to invest in building it.”*

- Pat Russo

#### Be inclusive but decisive

Not everything that needs to change will evoke excitement. Have the debate, hear people out, give them the benefit of listening to their viewpoints, but in the end, if you can't all get aligned then you have to decide. The job of the leader is to take the organization from A to B.

*“It's nice to always want to have everybody feel great. You can't always make that happen. Sometimes you just have to be demanding, and that's okay.”*

- Pat Russo

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