

McKinsey Accelerate

# General James Mattis on leading in a crisis and thriving in the next normal

The former US defense secretary shares lessons on how to emerge from the pandemic and prepare for what comes next, in a conversation with McKinsey global managing partner Kevin Sneader.



**Over his distinguished military career,** General James Mattis has dealt repeatedly with tough situations that require leaders to react to “cascading dilemmas” while planning for a range of future scenarios. Drawing on that experience, Gen. Mattis joined McKinsey global managing partner Kevin Sneader for a wide-ranging discussion, moderated by senior partner Daniel Pachthod, on how leaders can reckon with the fallout from COVID-19: the human impact, the complex challenges it creates, the uncertainty about its future course. Condensed and edited excerpts from their April 24, 2020, conversation follow.

### Preparing for the unthinkable

**Daniel Pachthod:** There’s been this shift in the past two or three weeks from managing the crisis to thinking about how to come out of the crisis. With that, there’s been a realization that the place we’re going come back to will be different from the place we came from.

**Gen. James Mattis:** The pandemic has upended things with breathtaking speed. Our planning horizons are being compressed, it seems, to almost nothing. We’re flying blind into a very uncertain future. If you make plans or draw assumptions that don’t embrace that, you’re going to miss something.

**Kevin Sneader:** It’s important to imagine multiple versions of the future over different time frames, because one of the realities that has been proven is that the unthinkable is now possible. In business terms, that could include company A and company B choosing to join forces, even though they used to be the bitterest of enemies. It could be that the market in which you’re competing has disappeared and isn’t going to come back, so you have to do something very different.

### How to maintain discipline in decision making

**Daniel Pachthod:** We feel like we are in this exponential moment where new issues and new topics arise by the hour. One CEO said that what typically happens in three months now happens in two days. How do you handle this as a leader, as a CEO?

**Kevin Sneader:** One of the realities is that, in a world of uncertainty, complexity goes up. The CEO must say, “Don’t bring me more uncertainty and, with it, more complexity. Help me see where I can make decisions and can make progress.” For example, you might know that your company must change its supply routes, because under any scenario, for all the uncertainty, you know they’re changing. So you can start working on that.

The pace at which things are moving means that the cost of delay is much greater now than it was before. It’s important to know what the triggers are that will lead you to act. One challenge is that you keep moving the goalposts because you hope something’s going to work out, even though the data’s telling you that it’s not. You deny that you’ve reached the trigger point that would move you to the next level of action, because you keep believing things will get better if you just give it a few more days.

**Gen. James Mattis:** Good feedback loops and data displays are critical. You have to start with data. If you can only quantify 10 percent of the problem right now, then start there. As more data comes in, you replace assumptions with knowledge. Then you need to apply your judgment.

One of the most important things is keeping someone at your side who will challenge you to balance the quantitative and nonquantitative inputs

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to your assessments, who will watch for gaps in your assessments. You know, when you make general or admiral in the military, they say, “Congratulations, General. You’ll never eat poorly again. And you’ll never hear the truth again.” Well, that’s the last thing you can put up with, even in routine times.

### **The importance of looking beyond the near term**

**Daniel Pachtod:** Jim, building on this challenger point that you made, I think a lot of leaders and CEOs have used the term “wartime leadership.” Because, to some extent, what is happening has a lot of similarities to it. And you have led us in some very difficult situations. How do you create enough leadership bandwidth to think ahead?

**Gen. James Mattis:** Plans will always have to be adapted. But planning is of great value for getting your organization to build confidence and awareness of what to watch for. However, there is a danger that the crisis draws senior leaders into tactical details. They’ll think they’re staying strategic, but strategic planning isn’t being done. They stay in a reactive mode and never gain the initiative.

If you see a propensity to pull all the decisions up to higher levels, even after the initial crisis is

determined and the problem is defined, then you need to concentrate on organizing your team. You get essential directions out to your subordinates, to your operations people, and try to place reversible decisions swiftly into their hands. Now, if something goes wrong, you can reverse it. Not to worry. But it does no good to keep the top level immersed in the immediate situation. The concentration of decisions at higher levels will slow the execution and relegate strategy planning to an afterthought.

**Kevin Sneader:** We’re all trying to make decisions that are here and now but at the same time look far enough ahead that we are doing things that will ultimately help, both on the health and safety side and also on the economic side. There has been a remarkable coming together around a singular focus: “Let’s keep everybody well.” Attention to the safety and health of people has not been compromised by business. Of course there are exceptions, but on the whole, that has absolutely been taken as job one. And the second part of this, finding a way to look after the customer, has also been a huge priority for our clients and for us. We’re getting rid of a lot of peripheral stuff that doesn’t help when it comes to achieving the main objectives: keep everyone healthy, be there for your customers. And I think that has made a big difference.

## A test of values and purpose

**Daniel Pachtod:** In this moment of crisis, you have to make a lot of game-time decisions. And I know both of you have been passionate about purpose. How do you balance purpose and action in an environment like this?

**Gen. James Mattis:** This is going to be a rough time. Routines are being ripped up. Values will be audited. A leader's ability to think under pressure will be assessed harshly. That's the reality right now. The business world has, at least in America, been much more apt to come out of a defensive crouch and protect employees or customers, account for massive revenue reduction, and follow that with as much swift and judicious action as it can, despite

how little data is available. But we need that: honest and calm reason-based thinking, with very deliberate consultations and assessments across the organization.

**Kevin Sneader:** This crisis, more than any other, will shed another light on how business operates, how it acts. Those of us who are leaders in business must recognize that there are more demands on us. I think we've just seen a real shock to the system, such that some of the basic assumptions we've made about how capitalism works have been shaken. As they get shaken, I think we'll have to continue the debate on corporate purpose. And I am proud of how the business community around the world has risen to the task.

**General James Mattis** is the former US secretary of defense. **Kevin Sneader** is the global managing partner of McKinsey, based in McKinsey's Hong Kong office. **Daniel Pachtod** is a senior partner based in the New York office.

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