



## Keith Wandell, former CEO of Harley-Davidson, on value-focused leadership

### [Transcript](#)

**Mike Kearney:**

Just think about some of the most iconic brands in the world. I will bet you that Harley-Davidson is on the top of your list. It certainly is for me. Because if you ride a Harley, that's what you ride. You don't ride anything else.

My dad was a San Francisco police officer, and I remember vividly, back in the '80s, when he was a motorcycle policeman, him coming home and talking about the fact—really being jealous of the California Highway Patrol because they got to ride Harleys and he did not. You know what, how many organizations or companies do you have where customers actually tattoo the logo of the company on their arm? I can't think of any.

So we all know that Harley-Davidson is one of those iconic brands. But if you go back to the mid-2000s, they were impacted significantly by the financial crisis. Did you know that from 2006 to 2009, motorcycle shipments dropped by almost 50 percent? Now, if that's not a crisis, I don't know what is.

**Keith Wandell:**

I've always said, you know, "Give me somebody that has fire in their belly and we can teach them the rest. And if they don't have fire in their belly, it doesn't matter how much you teach them. It's not going to work."

**Mike Kearney:**

Welcome to [Resilient](#), where we hear stories from leaders on risk, crisis, and disruption, and we get those stories by jumping in a plane and meeting those leaders on their home turf. My name's Mike Kearney and I lead Deloitte's Strategic Risk practice. And if you've listened to past episodes, you know that this is not about Deloitte and this is absolutely not about me. This is about hearing the stories from the leaders who are on the front line. Today I'm in Savannah, Georgia—a beautiful place—for my very first time at the Harley-Davidson dealership, where I am totally fired up to be meeting with Keith Wandell, the recently retired CEO of Harley-Davidson. If you don't know Keith's story, you are in for an absolute treat.

Keith became the CEO of Harley-Davidson in 2009 after a very successful career at Johnson Controls. And to say that he and his team were successful at getting Harley-Davidson riding again would be a major understatement.

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**Mike Kearney:** Hey, Keith. Welcome to our *Resilient* podcast. And I've heard you had a pretty good day today so far. You won a golf tournament.

**Keith Wandell:** Well, that was—yeah, my partner and I, we won a little tournament at the club there this morning. So had to take a shower quick, get dressed, and rush down here to this beautiful new Harley dealership in Savannah.

**Mike Kearney:** I know, this is incredible. So the reason why I really wanted to talk to you and been excited about this interview is, first of all, when I think about iconic brands, Harley-Davidson probably comes in my top five globally. And you took over Harley-Davidson as CEO, during kind of a very challenging time. So I was wondering if you could take us back to that moment and just talk about the state of the business when you were named CEO in 2009.

**Keith Wandell:** Right. Well, late 2008 was the Lehman Brothers debacle that sort of started the whole housing issue and all the ripple effect that that had through the economy. And it just so happened, at that time, that Harley was looking to bring on a CEO. They were in a CEO transition. And there was a question, I think, even among the board, you know, "Should we promote somebody from within? Should we hire somebody from outside?" There was a very, I think, exhaustive search done. And somehow, they were able to locate me, and we were able to work things out. So I ended up starting on May 1<sup>st</sup> of 2009. And sales were off about 40 percent from their peak in 2006. And, well, there were just a lot of issues in the company at the time, needless to say. So we were faced with a lot of challenges.

**Mike Kearney:** So I'm curious: You mentioned that there was a CEO transition. Was that something that—you were obviously at S.C. Controls for quite some time, had a great career there. Was that something that you were aspiring to do, was become CEO, or—

**Keith Wandell:** No, not really. I—

**Mike Kearney:** Not really?

**Keith Wandell:** As you mentioned, I had actually spent the majority of my career with Johnson Controls, right there in Milwaukee, and I loved it there. I had a great job. I was president and chief operating officer of the company. It was, at the time, a roughly \$40 billion company. It had three businesses around the world. I was very invested in the business. When I got the call regarding the Harley opportunity, it was just something that sort of struck a nerve, and I thought to

myself—quite honestly, I thought to myself, number one, they'll never hire somebody from the outside anyhow, so—

**Mike Kearney:** Right.

**Keith Wandell:** So why go talk to them? But I told my wife, I said, "This could really be interesting." So I went and met with them, and things just sort of worked out.

**Mike Kearney:** Worked out. And did you see how I butchered the name of your previous company? So I just want to recognize that on the podcast.

**Keith Wandell:** Well, that's okay. That's okay, though, but they're still going.

**Mike Kearney:** They're still going, yeah. Before we get into some of your initial priorities when you took over, I'd love to kind of go to your backstory. Because I've done a lot of research, we've had some conversations. And I think your upbringing and the things that you did before you even got to school and ultimately got to Harley is, I think, what makes you as a leader. So where did you—maybe just go back to the early days. Where'd you grow up and—

**Keith Wandell:** Well, I grew up in Lima, Ohio. I was sort of—well, I was very fortunate in a lot of ways. Number one, I was raised in a great family, had great parents, and—but my father was—had been raised in an orphanage. And he had graduated from high school and had gone to work in a factory and was in the union. It happened to be a UAW local union. It was Local 711. And he had become bargaining chairman at a young age of 23 years old, and management had then convinced him to get into management. And he progressed through the ranks and really ended up running that company.

So it was a great role model for me to grow up with. But more importantly, what stands out in my mind is .... That company was called Superior Coach and they were building school buses. And always in the summer, it was very busy because all the schools were getting new school buses for the fall. So they would always run two shifts. And a lot of times my father would go back to the factory on second shift, and he would ask my brother and I if we wanted to go along. And I never said no. I always looked forward to it. And I always remembered walking through the factory with my dad and him talking to the employees, and just what an impression that left on me. And then I had the fortune to work in that factory every summer while I was going to college.

**Mike Kearney:** So about when you were 18?

**Keith Wandell:** Right, yeah.

**Mike Kearney:** Yeah. You want to hear something interesting? There was an article in *The Wall Street Journal* probably about five to seven years ago, and they chronicled what was the one common success factor of—it was, like, 37—and I don't know how they came up with 37, but—CEOs that they sampled. The number one thing was

a job like that at a very early age. It was the only thing that was common amongst all of them.

**Keith Wandell:** Oh, yeah. You learn—just learn so much, and just having the experience, right? And that paid so many dividends for me throughout my career because I came up at Johnson Controls, again, as an example, through operations. And I ran factories, I ran plants, I ran multiple plants, and the experience was just invaluable.

**Mike Kearney:** So let's go back to your dad. You said that, as you were walking the floor with him, you could just see the respect of the employees. If you were just to describe your dad, maybe his value set, what would you say?

**Keith Wandell:** Well, I had folks say to me, they'd say, "You know, your dad is the best listener I've ever known." And that just, at a young age, left such an impression on me, thinking, "Geez, that's what's important?" You know?

**Mike Kearney:** Yeah, listening is the secret sauce? Who knew?

**Keith Wandell:** Right, right. But then you learn in life that, I mean people want somebody to listen to them. They have issues. They have problems. They have concerns. And they don't want somebody telling them, "You do this. You do that." They just want you to listen and just help them.

**Mike Kearney:** So let's move into—you come into Harley-Davidson in 2009. Can you talk about—because we've actually studied quite a bit about executive transitions. And one of the things that we've learned is it's very important, obviously, to understand kind of current state and then also not be overly ambitious. Because there's only so many things that you could get done. I don't know if that resonates with you. But what did the first few months look like for you?

**Keith Wandell:** The first few months for me was a big learning curve, right, because it was a whole new business and a whole new—this whole idea of the brand and the consumer, you know, direct-to-consumer. And so there was a lot of new things. So I was very inquisitive and spent all day, every day just asking people questions, right? "Why are we doing this?" Or "why are we doing that?" Or "why is this this way?" Or "why is that that way?" Just trying to understand the lay of the land. And I also understood, going in, that this brand was very strong and it meant a lot to people. So I wasn't going to go in there in any way, shape, or form and start trying to mess with what made the brand what it is.

**Mike Kearney:** What about—and I don't know if I read this, but when you went out and you talked to people, was it just within the executive ranks or—

**Keith Wandell:** Oh, no.

**Mike Kearney:** No?

**Keith Wandell:** No, it was everybody. It was in the factories. A funny story, I started in May and I had said to my admin, "I need you to set up factory visits for me right away. I want to get out to all of our factories, all of our shifts, introduce myself, meet our employees, talk about the business." And about a day later—a couple days later—she came back to me and said, "I got all your plant visits set up and they're in October and November."

**Mike Kearney:** And this is May.

**Keith Wandell:** And this is May. I laughed and I said, "Really? Why is it going to take so long?" "Well, because so-and-so needs to go, and so-and-so needs to go with you, and so-and-so has to be there." And it was just a matter of coordinating everybody's schedules.

So I said, "No, listen." I said, "I'm a big boy. I don't really need anybody to go. I mean, people are welcome. Anybody that wants to come along is certainly welcome to come. But I'm going next week, and that's what I want to do. I want to go out, meet our folks in the factories, talk about the business. It's very important to me." So we did it the next couple weeks instead of waiting until October or November.

**Mike Kearney:** That's changing the culture. So describe those first visits. Any big takeaways?

**Keith Wandell:** Well, yeah—no, no, they were—for me, they were eye-opening. Just saw a need for a lot of improvement. And I was really somewhat taken aback by how things were being done and the sense of urgency and those kinds of things. So there was a real need to sort of pick up the pace in terms of our operations.

**Mike Kearney:** It's almost like, early on, part of your leadership style is to set a tone for the way we're going to do things.

**Keith Wandell:** No question. I mean, I think that's something that every leader needs to really think about. And I've always sort of had this mantra, if you will, that says, "Look, when you go into a new role or a new job or whatever, if, after six months, you haven't changed the things that—or put in motion the things that need to be changed, then you're part of the problem."

**Mike Kearney:** That's interesting. So I was referencing the transition research that we've done, and 180 days is exactly what you described. That's what we found in our research. You need to make major changes within that time period.

**Keith Wandell:** Well, because look, Mike, here's the bottom line. Here's the bottom line. I mean, there's a lot of things that are going on in a company that all the employees see. And they're questioning, "Who's running the show here? Why are we doing this?" Or "why are we doing that?" I mean, it's so obvious that it's not efficient or it's not effective. And they're looking for leadership. And if you go in there, and after that length of time, nothing's changed, they're going to look at you and say, "Okay, so you're just part of the same old problem."

**Mike Kearney:** It's interesting, because a lot of times, there are always people—and I'm sure you came across this—that resist the change, right? I'm sure.

**Keith Wandell:** Oh, absolutely.

**Mike Kearney:** But I think you hit on a really important point, and I've seen this many times, is that there's maybe a silent majority, is maybe a way to say it, that wants change to happen.

**Keith Wandell:** Well, there is a silent majority. I think—was it Richard Nixon, I think, that talked about the silent majority? But here's the deal: You go into an operation, you go into a company, you go into whatever, and at least this has been my experience. You've got 10 percent of the people who are going to be self-motivated, self-directed, come to work every day, they're going to do their job. They don't need anybody to—nothing. You got 10 percent of the people who are the rabble-rousers, the hell raisers. They're going to make a point, whatever. And you got the 80 percent in the middle, just watching what's going on, and they're the silent majority saying, "Okay, what's— "

**Mike Kearney:** "What's this guy going to do?"

**Keith Wandell:** Exactly. "Which way are we going to go here?"

**Mike Kearney:** Any other surprises that—now that you reflect on your time there when you first took over?

**Keith Wandell:** Well, I was really surprised that—you know, I—I mean, you think about Harley-Davidson and everybody knows it's a strong, iconic brand. I was just taken back by how strong the brand is, and with our dealers, and I always just had the utmost respect for our dealer network. I mean, they do a great job—our employees, our customers. I would get—in a month's time, I would get, I don't know, just an untold number of letters. I mean, every month from elementary kids, from kids in junior high, high school, college, get them from people that were in prison, people who were terminally ill, people from all over the world simply asking if I would sign a business card and send it to them or a hand—

**Mike Kearney:** Because you're the CEO of—yeah, yeah.

**Keith Wandell:** Yeah, exactly. I mean, it's really humbling.

**Mike Kearney:** That's incredible. I don't want to say it was necessarily turned around. But obviously, sales dropped precipitously during that 2006 to 2009 year. And one of the things that we've found is that you have to have an executive team that understands the urgency, understands the things that need to get done. Do you have any perspective on what you look for in kind of the senior executives that are really driving change?

**Keith Wandell:** Well, yes, I do. I mean, to me, it always has to be values-driven. And is the person a team player? Number one. Do they act with integrity in every

interaction that they have with every employee, every customer, every dealer, every day? Are they curious? And do they seek to always continuously improve? I've always said, "Give me somebody that has fire in their belly and we can teach them the rest. And if they don't have fire in their belly, it doesn't matter how much you teach them. It's not going to work."

**Mike Kearney:** How did you understand who had fire in their belly and who didn't?

**Keith Wandell:** Well, I mean, I—what you do is—at least I did. I spent very little time in my office. I mean, I used to walk around. When I first got to Harley—this is a funny story because people were just completely taken back, right? I would—

**Mike Kearney:** Like, you weren't like the previous CEO, I guess—

**Keith Wandell:** No, no, no.

**Keith Wandell:** I would just literally walk into meetings and say, "Why wasn't I invited to this meeting?" And people would just, they would just stare at me like, "Oh my God, who is this guy?" And I would just sit down and start participating in the meeting. But, you know, so, through my interaction with people and through delegating and—you can see—

**Mike Kearney:** You'd see it quickly? Yeah.

**Keith Wandell:** Oh, you can see who's got the drive and the motivation and who doesn't.

**Mike Kearney:** I'm just reflecting on if we had Kathy, our CEO, come into one of my meetings, how that may rattle me just a bit at first.

**Keith Wandell:** They got used to it.

**Mike Kearney:** Right.

**Keith Wandell:** And then I think, sort of in a perverted kind of way, they started looking forward to it. But it was really something at first.

**Mike Kearney:** I was going to think that, then, your calendar became full with all of these meetings.

**Keith Wandell:** See, because—look, look, I don't—see, because I don't really—I never looked at myself as being any different than anybody else.

**Mike Kearney:** Right, you're just part of the team.

**Keith Wandell:** Exactly. I'm just another—I'm a person just like everybody else. I don't look at myself as, "Oh, I'm the CEO, so therefore, you have to look up to me," or what—no, no, no, no, no. That's not how it works. So I just always viewed it that way. But I think other people sort of sometimes think, "Oh, my God, he's the CEO and he can't—he's going to think this or think that," whatever, so ...

**Mike Kearney:** You know, it's funny. Reflecting on this podcast, I've now had an opportunity to sit down with several CEOs. And that's probably one of the biggest misnomers that's out there, is that they truly are kind of in this elevated air. They're different from all of us. And everyone that I've spoken to so far, that's not the case. Maybe it's just because I'm getting the right people on.

**Keith Wandell:** Well, I don't think—and I think, probably, that's—you're right, and I'd say probably 95 percent of the cases. Look, I've taken psychological tests and been evaluated psychologically like everybody else, you know? I always used to joke a lot at Johnson Controls because when I first got hired in there and did my psychological evaluations, said I was of average intelligence of all Johnson Controls managers. So I would always say, "I'm just of average intelligence, so you know I'm trying to learn here."

**Mike Kearney:** I have a good friend that says, "I'm just a Nebraska boy."

**Keith Wandell:** Yeah, yeah, yeah.

**Mike Kearney:** That only goes so far. You know it's interesting, I've mentioned before we even started recording that we got connected by my mentor, Steve Wagner. So Steve, that's a callout to you. But what's interesting is most of our conversations with former CEOs always mention mentors. And what we're finding is, we're getting college kids listening to these podcasts. So how did you seek out your mentors, or was it just kind of organic and it just happened?

**Keith Wandell:** Yeah, no, I think in my case, it was more organic. But I would tell you, I would reflect back on my father. I mean, he was absolutely—and this was why I've always considered myself to be so fortunate, right? Because not every child has that good fortune in their life, but my father was absolutely my best mentor.

**Mike Kearney:** That's a great comment to make. One of the things I read was that you were able to negotiate labor contracts pretty quickly. Any thoughts, perspective on that? Was that a challenge or did that work out fairly easily? I would imagine that that could be one of those things that would be a pretty big challenge, but—

**Keith Wandell:** Well, yeah. I mean, I think that always depends, right? It always depends on sort of all that's going on in the economy at the time and different—the competitive landscape. I think what you might be referring to was at Harley, possibly.

**Mike Kearney:** Yep.

**Keith Wandell:** And, yeah, I—. Look, as I mentioned, I was sort of taken [aback] when I went to our factories and sort of saw some of the things I saw. And it became apparent to me that we needed to transform how we manufactured products, and we needed to do it very quickly. And so we set about it, I mean, like, right now. I mean, we didn't wait until the contract was up. We just went and met with the folks and said, "Look, I'm sorry, but I'm not going to be part of how we're



operating today. I'm not going to be part of it. So we're going to change it. We're going to change it one way or the other. We're either going to move the factory or we're going to get the factory here to—we're going to do something different and get this thing back on track." So I think there was that sense of urgency there that everybody understood and that it wasn't a negotiation for negotiation's sake.

**Mike Kearney:** This was –

**Keith Wandell:** This was real-life stuff. And quite frankly, what I told our board was—because I had to—you know, I had to get alignment with our board. Because had we failed—and particularly in our first negotiation, which was in our York, Pennsylvania, plant—had that failed, we were moving the factory. We were moving to Shelbyville, Kentucky.

**Mike Kearney:** Like it or not, yep.

**Keith Wandell:** No, we were going. I mean, I had been in a helicopter with the governor. We'd—I'd been—had viewed the site. We had engineers hired. We were designing the factory. And I said, "Look, we're going to fail either now or three years from now, the way we're going. So we have to have a sense of urgency about how we get this thing changed." And so I think that was sort of what brought that to fruition more quickly.

**Mike Kearney:** What about maybe looking at a more positive side? When you think back at your time at Harley, any innovations that you were kind of particularly proud of that you drove under your leadership?

**Keith Wandell:** Well, I think the one, in particular, when I—one of my very first few days there, I started asking, were we working on developing an electric bike? And the answer was, they had looked at it and had been some work done. But there really wasn't much being done. And so, actually, Harley does, today, have an electric bike called LiveWire. It's not been put into production yet. It's been, for the last couple years, traveling around—I think a fleet of 20 or 30 traveling around the world, gaining consumer feedback. But this is an awesome bike. It has very quick acceleration—

**Mike Kearney:** So you don't lose a lot in performance?

**Keith Wandell:** No.

**Mike Kearney:** Not at all.

**Keith Wandell:** No, it's got—and it's got a real unique sound to it. It's got a specially wound transverse electric motor, sounds sort of like a jet engine. Because, you know, the Harley thing is really the look, sound, and feel, right?

**Mike Kearney:** Right.

**Keith Wandell:** So I was pretty proud of that.

**Mike Kearney:** That's very interesting. What about the decision making behind selling MV Agusta—hopefully I said that—and Buell?

**Keith Wandell:** Yeah. Well, we'll start with MV Agusta. You know, when I was being recruited by Harley—and you can imagine I was trying to look up everything I could look up to read about the company and, you know, prior annual reports and 10-Ks and whatever I could find. And I saw that in the prior August, they had acquired this Italian sport bike company called MV Agusta.

**Mike Kearney:** Yep.

**Keith Wandell:** You know, I don't know. I mean, I'm not the kind of person that sits around and thinks about things forever and ever. I mean, things sort of just strike me and they just seem right or they don't seem right. And I thought to myself, I thought, "Well, that's kind of odd. I mean, does that make sense? Does it fit?" Whatever.

**Mike Kearney:** Does it fit with the brand, and then—yeah.

**Keith Wandell:** Yeah, you know, and then all this. And so, among all the other things we were doing when I first started Harley and the quest—I mentioned I was asking all these questions. And so, "Let me ask you a question," I said, "Why do we own MV Agusta?" And employees would just look at me with this blank look on their face and say, "I don't know." And I'm talking about executive-level people. I'd ask the next one. "I don't know. Doesn't make sense to me." I'd ask the next one. "I'm not sure why we did that," you know?

And they're really—and so then, all of a sudden, I'm thinking, "Okay, well—" so I got on the airplane, flew over to Italy, met with the people, met with the owners, trying to understand, myself, why we were in this business.

**Mike Kearney:** Right.

**Keith Wandell:** And then I learned, while I was over there—

**Mike Kearney:** I was going to say, did you get an answer?

**Keith Wandell:** Well, no. I was trying to—because, look, these are big decisions, right?

**Mike Kearney:** Right.

**Keith Wandell:** And so you don't want to go in there and just say, "Well, we're not going to—this doesn't make sense," or whatever. You want to understand it, but I don't want to take a year to understand it. I want to understand it in a week.

**Mike Kearney:** Right.

**Keith Wandell:** Okay. So what I found out when I was over there, MV Agusta, they actually had three brands—MV Agusta, Cagiva, and Husqvarna. They had already sold Husqvarna to BMW and sold the manufacturing plant with it. So when we bought MV Agusta, there was no manufacturing plant. There really wasn't a distributor network in place. And so then I said, "Okay, fine, well, how long is it

going to take us to break even? How—" And it just wasn't going to work. And so we got rid of it, and actually, it was unfortunate because we ended up not really—

**Mike Kearney:** Selling it for what you bought it for.

**Keith Wandell:** Yeah, we'll just leave it at that. So—

**Mike Kearney:** Yeah.

**Keith Wandell:** And then Buell was a whole other issue. Buell was a company that had been in business for, I think, almost 17 years and had not been profitable. But it was sort of Harley's idea, I think, as sort of an entry-level bike. But again, we didn't have a lot of time and money, because we were starting to lose money in this downturn. And so, what the decision was, was, "Why don't we take all of our resources and focus it solely on the Harley-Davidson brand and make sure we don't dilute the brand, and we'll get rid of these other things?" We didn't really sell Buell. We just closed it down and just have focused on the Harley-Davidson brand since.

**Mike Kearney:** What about—I know people are very important to you. You've already talked about it quite a bit. You've had to lay off some people. Any reflection on that?

**Keith Wandell:** Well, yeah. Look, and I—and I took a lot of heat, as you might imagine. Because there were folks in our plants and—that, as we went through these negotiations—who had come to work every day of their life and had done, I think, what—

**Mike Kearney:** They were asked to do or—

**Keith Wandell:** They were asked to do. What leadership had asked them to do. And they had families, and I'm sure those jobs meant everything to them. And so, as we went through the negotiation process and ended up outsourcing a lot of jobs on things that didn't really make sense for us to be doing in the factory, certainly, there were people who were impacted. And that's always tough. But you know, what I've always said is you've got to, at the end of the day, you have to be able to separate church and state. I'm sorry. And you have to be able to make the tough decisions to drive the company forward in a very positive way. And so, wasn't happy about that, wasn't necessarily proud of it. And what I would tell our employees and our management team afterwards was, "Shame on us. Shame on us for not leading in a great way, and shame on us for allowing things to occur and become the norm that we did."

**Mike Kearney:** So it's almost like the fact that this wasn't necessarily dealt with in the past, now, we have to make very difficult decisions.

**Keith Wandell:** And that's true in a lot of companies.

**Mike Kearney:** Absolutely. Right.

**Keith Wandell:** That's true in a lot of companies.

**Mike Kearney:** Let's pivot to protecting the brand because that's one thing, obviously—that's why I was so excited about this .... Once again, one of the most iconic brands, and one of the things that I've learned is that, obviously, to continue to grow, you've got to expand kind of the folks that ride Harleys, right? And so that's going to propel you into potentially new products and new motorcycles. How do you go about that by really kind of maintaining the trust of your loyalists—that's why I think that's why you're so successful—while expanding the brand? That seems like it's a challenge.

**Keith Wandell:** That—you did it. Mike, you hit it right on the head. At least for Harley, that is the slippery slope. Harley means so much to so many loyal customers. And you know, quite frankly, I mean, for a lot of years—I mean, this has been an extremely—if you look at the company over the span of its life—

**Mike Kearney:** Seventy years or something? It's more than—

**Keith Wandell:** Well, no, it's 100 and—it was 1903, so it's 113 years.

**Mike Kearney:** Wow.

**Keith Wandell:** And so, on balance, there's been some ups and downs, some puts and takes. But on balance, it's been a very successful company. Why? Because of the customer. Because of the loyalty of the customer. But if you think about, in Harley's brightest days—which they are bright today and will be in the future.

But if you think about the '80s, the late '80s, the '90s, when there were waiting lines—look, I went into a Harley dealership in 2002 to buy a Harley-Davidson. Had been on a vacation with my family at the Outer Banks. These guys were out there, riding their Harleys up and down. I got the bug, told my wife I was going—I went into the Harley dealership in Thiensville, Wisconsin, what was a Monday evening, walked around for 10–15 minutes. Nobody said a word to me. Finally, I said to this guy, "Excuse me, do you work here?" "Yeah, why?" I said, "Do you sell motorcycles?" "Yeah." I said, "Well, I'd like to buy one." He looked at me and he kind of laughed and he says, "Yeah, you and everybody else."

I'll never forget this story. I said, "Well, what's that mean?" He goes, "Well, do you own one today?" I said, "No." He said, "Well, we'll put you on our waiting list." You know, and I left, and I was not happy, and I didn't go back. And I want to tell you: I'm not the only one out there like that. There's a lot of people that happened to. So there were waiting lines. The demand was greater than the supply and people were neglected. There were a lot of people that ended up not feeling welcome, I think, to come to a Harley dealership. Female riders is an example. African American riders, in some cases, Hispanic riders, younger riders, these were all markets that were untapped when I got there.

**Mike Kearney:** That's interesting. I wasn't even going to go down this path. But what you're ultimately getting at is, when you walked through that door, you want your customer to feel like gold, that it's a great customer experience. Is that something that you gave a lot of thought to, made investments in while you're this—

**Keith Wandell:** Oh, absolutely. And Matt Levatich, the fellow that has succeeded me, has been extremely focused on that as well and continues to be. And I think that's one of the things that I think we worked hard to turn around, was that whole customer experience. You know, from the minute they walk in the door all the way through the lifetime of them being a customer.

**Mike Kearney:** Well, it probably goes back to a comment you made about 20 minutes ago, which was: Listen. Listen to what people want.

**Keith Wandell:** Yeah, exactly.

**Mike Kearney:** They'll tell you.

**Keith Wandell:** And I think a lot of our dealers, in some cases, were very judgmental. You know, when you'd walk through the door, they'd size you up in, like, three seconds, thinking, "Oh, you're never going to buy a Harley."

**Mike Kearney:** "You're not a Harley rider." Right.

**Keith Wandell:** Yeah, "You're not a Harley—" yeah.

**Mike Kearney:** So I've got my most important question. My wife is so against me getting a motorcycle. What did you say to your wife?

**Keith Wandell:** Well, you know, my case, I didn't—it wasn't much of a discussion.

**Mike Kearney:** There wasn't much of a—that was the way it was going to be.

**Keith Wandell:** That was in the job description. But I will tell you a funny thing about my wife, and what she said was, after about three months on the job, she said to me one day, she said, "Keith, did they hire you to run the company or ride motorcycles?" I mean, that was very, very important to our employees and to our dealers and to our customers.

**Mike Kearney:** That you were a rider, yeah.

**Keith Wandell:** Oh, yeah.

**Mike Kearney:** When you—you kind of came from the outside as you—

**Keith Wandell:** Oh, yeah.

**Mike Kearney:** How did you develop that trust with employees and maybe even—maybe it didn't matter so much with consumers. Maybe it did. I don't know. But what did you do?

**Keith Wandell:** Well, it does. Look, I think what you have to do is, you just have to be open, honest, transparent. You have to be out there—you have to let people meet you, have a chance to talk to you, and it really boils down to every interaction that you have every day.

**Mike Kearney:** God, I'm—so the question I have now is, we all recognize that Harley-Davidson is an iconic brand. Is there anything that you would do as a CEO to protect and monitor—I know that's kind of a—sounds like an academic conversation. But one of the things that we have heard CEOs always say, "Our brand and our reputation is the number one risk." But it's one of those things that's very difficult to get your arms around.

**Keith Wandell:** Extremely difficult. I mean, you just have to constantly be out front, communicating to the employees, to the dealers—this is what the brand ... Harley's done a lot of work over the years, work around the brand promise, the brand, what the brand stands for, personal freedom, those kinds of things. And you've just got to—you just have to make sure—look, we have—think about this, Mike. We have—and I can't remember the number—1,600-plus independently owned dealers around the world.

**Mike Kearney:** Wow.

**Keith Wandell:** You know, how do you monitor every move that every one of them makes? I mean, you just can't do it. So you have to do it through constant communication: "This is what the brand stands for. This is what we should do to—" and build that trust and build that communication and just keep driving forward.

**Mike Kearney:** So one of my goals at Deloitte in this practice that I run is—this is going to sound somewhat cheeky—but it's to make risk matter to CEOs. And one of the things that we've found is that, oftentimes, the way risk groups within organizations manage risk doesn't necessarily align with the way a CEO thinks about running the business. I don't know if that resonates with you. But if you step back and you think about it, the biggest risks that you take are not necessarily financial or compliance or those type of risks. It's strategic risks.

**Keith Wandell:** Oh, yeah.

**Mike Kearney:** And one of the things that we're trying to figure out is how do you connect with a CEO on some of those risks that are kind of core to the ultimate strategy? I'd be curious your—maybe your just general thoughts on that. But if you've got any reflections from your time at Harley-Davidson around how you connect those two, because it's something that is very interesting.

**Keith Wandell:** Well, I would go back and just use the electric bike as an example. If you want to talk about a risky move, that's it when it comes to Harley-Davidson, right?

**Mike Kearney:** Yep.

**Keith Wandell:** So, here you're sitting there as the CEO and you're thinking, "Okay, so what's the world going to look like in 25 years, 30 years? What do we have to do differently as a company to make sure that we're going to be successful?" And certainly, when you think about the electrification of vehicles, I mean, that's one that just jumps out at you. And yet, Harley-Davidson? Electric bike? And so there's a perfect example of the risk profile of the company and the risk you take and how do you do it, you know?

**Mike Kearney:** And are you comfortable taking that type of risk—yeah.

**Keith Wandell:** So we were very, very careful about that. But the interesting thing was, most of our dealers, they loved it. They were encouraged that we were doing it. The feedback that we've gotten from customers has been overwhelmingly positive. And so, sometimes, you're just standing in your own way.

**Mike Kearney:** Yeah, I get the sense part of your leadership style is both kind of a blend of gut instinct—I don't know if that's on—but then also taking risk, but managing those fairly nicely.

**Keith Wandell:** Oh, a lot of gut instinct. I think you—I think that's important. But you have to manage the process or else it tends to sort of go off on its own.

**Mike Kearney:** What about when you personally reflect on your time and just kind of lessons on leadership? Anything—and I think I know where you're going to go with this—anything you would have done differently at Harley?

**Keith Wandell:** Well, you know, and I've been asked that question before, and not to be self-serving. But as I look back on what the situation was and what we did and where we ended up, I really don't. I think we did the things that needed to be done. I think we did them in a good way. Unfortunately, you know, we talked about some of the folks that were impacted negatively, which is never a good thing, but I—when I left Harley, I felt like—proud of what we'd accomplished. I felt like I had—I mean, we had done a lot, but I mean, me, personally, I felt like I had accomplished everything and more that the board hoped for –

**Mike Kearney:** That you set out for—yeah.

**Keith Wandell:** —when they hired me. And I think that's all you can hope for.

**Mike Kearney:** We talked earlier about, you know, sometimes CEOs operate in a kind of rarified air. That was not you, but who would check your decisions? Because one of the things that we've found—and we've heard this over and over again—is when you're the CEO—actually, I think Bill Roper, one of our first guests, talked about the fact that he was taller, everybody said he wore better suits. Like, when you're the CEO, you're the man or the woman. Who would check your decisions, call foul on your thought processes?

**Keith Wandell:** Well, you know, I really think that the whole executive team felt comfortable doing that. I encouraged them to. I learned early on in my career, you have to

ask for feedback. As an executive, and particularly as a CEO, you absolutely have to solicit feedback from people, or otherwise you will not get it. And if you don't get it, then you just go on being who you are and other people are perceiving you differently than you're perceiving yourself. And it becomes problematic.

**Mike Kearney:** Right, and did you see that that had a trickle-down impact to your broader executive team?

**Keith Wandell:** Oh, yeah. Yep, yep. I think so. I think when organizations see that and they see that there's an openness and a transparency there, I think that becomes the culture.

**Mike Kearney:** One of the things that we've found in our research is that companies experiencing—I'll call what you guys went through a crisis, but maybe it's something else. But going through some of these very challenging times is on the uptick, whether it's cyber breaches, financial issues, whatever it may be. Coming in as a CEO in a very tumultuous time, what one or two things would you tell a CEO that is kind of taking the lead of a crisis?

**Keith Wandell:** Well, I think number one is, again, I would be very, very inquisitive of folks that have been in the organization, have been there to sort of see the history and what's happened. And I would just be relentless in asking them questions.

**Mike Kearney:** Goes back to your curiosity.

**Keith Wandell:** Right, about why things are the way they are, because you will learn a lot and you'll get the straight scoop. And then again, I would ... to me, it always starts with being value-based. And so I can remember my very first day at Harley, and in spite of all the things that were going on and everything else, the very first meeting I had with the executive team was, "Let's talk about what values we're going to live by and what leadership behaviors we're going to hold each other accountable to." And they looked at me like I had four eyes and fifteen ears and everything else. But that is so important. It is so—

**Mike Kearney:** It is the most important thing, yeah.

**Keith Wandell:** It is absolutely the most important thing. And until you get that established and then everybody in the organization understands that there are no exceptions and everybody walks the talk every day. Until you get there, there's no hope.

**Mike Kearney:** It's funny because I think we've all gone into—pretty much every company has their values, their—I don't know—five to seven values that sit on their wall. And invariably, probably 99 percent of employees couldn't even recite half of them. What did you do to push the values down into the organization? Because that's one of the challenges that I oftentimes see.

**Keith Wandell:** Well, quite honestly, I—and I was personally involved in this, and I spent an inordinate amount of time on it. We actually set up our whole compensation system based on—



**Mike Kearney:** How you're living your values and—

**Keith Wandell:** That and leadership behaviors.

**Mike Kearney:** Interesting.

**Keith Wandell:** Absolutely. And I think at the time that was necessary to do. I don't know if it's still being done there or not. But here's what I said: "Look, here's my expectation. My expectation is that you're great at what you do, okay? So if you are the CFO, my expectation is, you are the best finance and accounting person that we could possibly find. And you know the numbers, and you know the rules, and blah, blah, blah. If you're an engineer, you're the best engineer. But guess what? If you do not behave according to our leadership behavioral model and our value system, you're not going to work here. I don't care how good you are. It doesn't matter."

And then we incentivized—that's what we paid people. That's how they got their annual increases. That's how people got their bonuses, was based on 360 feedback from the organization about how they behaved, et cetera, et cetera. And I made it very clear: "I expect you to do a great job every day. This has nothing to do with you not doing your job."

**Mike Kearney:** Yeah, nothing to do with your capabilities. It's how you operate and act.

**Keith Wandell:** Yeah, and Mike, that's—to me—and this may sound corny, I don't know. But to me, that's how you drive the change. You make it real. You make it so that people understand it, that they got skin in the game, there's no exceptions, and you drive it.

**Mike Kearney:** You're like an HR leader's dream by saying this because—

**Keith Wandell:** Well—

**Mike Kearney:** You know how often we talk about these types of things, like values should drive an organization, but doesn't happen, always.

**Keith Wandell:** No, I know, and that's just how it worked. And I believed it—going back to being that little third- or fourth-grade kid, walking through the factories, and seeing how people responded. I mean, that's just how deep it goes with me.

**Mike Kearney:** So do you recognize this quote? "People will run through barbed wire for him."

**Keith Wandell:** Yeah, that was one of our directors, Barry Allen, who said that.

**Mike Kearney:** So why did he say that? What do you think you'd do to instill that type of—I don't know, craziness, but loyalty, really.

**Keith Wandell:** Well, again, I think—look, I think what people knew about me was I—you know, and I always have said, "We've got to separate church and state." I mentioned that. So I'm not looking for friends at work, okay? I have my family, I have my golfing buddies, and I have all those folks that love me and I love them. I'm just

looking for respect. I want to respect you and I would hope that you would respect me. And if we live by our values, we behave the way we're supposed to behave, we do our jobs, and then we learn to have that kind of mutual respect because our families depend on it, the community. Then we become friends, that could be very—and I think that's what people knew, and I think that's why they trusted me, and I think that's why he said it.

**Mike Kearney:** You know what's interesting? I know that you say, "Well, it's not just about friends." But nobody would run through barbed wire if they didn't love the person. So I think you're a pretty humble guy. But my guess is they didn't just respect you as a leader. They loved you as a leader.

**Keith Wandell:** Well ...

**Mike Kearney:** I could say that. You can't. So when—was there a point in time where you said—where you stood back—not in your chair because we know you walk around—where you say, "Wow, we may have really turned this thing around"?

**Keith Wandell:** Oh, there's a lot of ways to measure that. I mean, certainly, the financial numbers demonstrated that. I think feedback that we were getting from the dealers demonstrated that, feedback from the customers, but I think what—what I always said to our folks was, "Look, let's just come to work every day like we're in a damn war, okay? And that our lives depend on it. Let's don't ever look over our shoulder, take a deep breath, and say, 'Wow, we've really turned the corner here. We're doing great.' No, no, no, no, no. Let's just keep plugging ahead. Let's come to work every day and just absolutely fight like we're in a war, and let's just keep getting better."

**Mike Kearney:** So we named this podcast *Resilient*. And one of the things that we're doing is talking to a lot of CEOs, board members, and others that have gone through a fairly tumultuous time. Any thoughts on what are some of the key capabilities or skills of a resilient leader? Or what do you think of when you hear that name, "resilient leader"?

**Keith Wandell:** Well, I think of, you know, if you get knocked down, you get back up, right? If you get knocked down, you get back up and you just keep going. And you don't sit around and brood and stew over what might have been, should have been, or could have been. You have a clear vision, a clear focus. I would recommend to anybody in any role, stay focused on what's important, stay focused on those few things that are going to make a difference, and just drive them relentlessly.

**Mike Kearney:** So there's so many—first of all, Keith, this has been incredible. I've learned so much and I really have enjoyed this conversation. There's so many things that I probably could list that I have learned, but there's probably a couple things that—two or three things that really kind of jump out. The first is just how humble you are as a leader. I think it's pretty cool to see. And also, I guess one of the words that comes up is kind of "salt of the earth." Like, you're just like

any other guy, and I think you even talked about that. Like, "I'm not the CEO that sits in the office and doesn't come out. I engage with people. I go to the plants. I'm part of the team."

I also love how you also talked about—like, when you see an issue, deal with it. Don't wait six months. Don't wait for the consultants to come in. Just take care of it right away. And the thing that's also going to just stand out to me for this interview is when you described who you are as a leader. You just kind of rattled off some of the things: very transparent, fair, you communicate, you treat people like they should be treated. I mean, those types of things are, I think, so important in a leader nowadays. And then I guess the last thing is just the value system. I think it's one of the things that oftentimes is overlooked. And one of the things I took away is that, in many respects, creating kind of a value system in an organization is not one of those nice-to-have things. It is actually the number one thing. So, I don't know, any final comments before we close this out?

**Keith Wandell:**

No, I think that you—I think you summarized that very well, and—I would say that—you mentioned about being humble or whatever. I don't know about that. But it's always embarrassing. It was always embarrassing to me when somebody would treat me like I was on a golden platter or something because I was a CEO. It was just—it was embarrassing because we're all just people. We're all made of the same stuff. We all care about the same things. We all have the same issues to live with in our lives. And I think if we all help each other more in those ways, then we can all just be better, the companies can be better, and—

**Mike Kearney:**

You know what, I think going back to the comment we had a few minutes ago, the quote, "People will run through barbed wire." That's why. That's why. It's how you treat them.

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**Mike Kearney:**

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