



Paul Morell, former VP of safety, regulatory compliance, and environmental for American Airlines, on getting ahead of tomorrow's risks

[Transcript](#)

Mike Kearney:

So I think I've mentioned before, I fly every week. Every single week. It's great because I get to go see some great clients, meet some great people; a little tough on the body. But one of the things reflecting on this interview is that I, personally, - I think we all do - take for granted how safe it really is to fly nowadays. You know, 2016 was the second safest year on record. There was 19 fatal accidents; 325 deaths. Now, listen, for the folks that were impacted by that, that is the biggest deal in the world; I get that. But the fact that it is down to 325 deaths worldwide is just amazing and that's down from 560 in 2015. And let me put this into context – and I can't even fathom this number – but there were 3.5 billion air passengers flown in 2016. So if you do the math, that's just one fatality for every 10,769,230 travelers. It's unbelievable! Much safer than driving, taking the bus, the train, what have you.

So what does this mean for you? It means that when you jump on a plane, even though it may be scary for you, it is very safe. It also means that in the background, airlines take your safety unbelievably seriously. And in today's episode, we get this awesome opportunity to understand what airlines do. We are joined by Paul Morell, who for the last several years has lead safety at both American Airlines and US Air. We have so much to learn from Paul. I am actually pretty excited because I think there's a lot learnings that risk management and crisis management professionals can take in preparing for that novel crisis or preparing and responding to that big risk event.

Paul Morell:

The other perspective is just having the foresight to be looking at these things. Not living day-to-day of what we're doing today, but what we're looking at tomorrow. Then when we're planning for tomorrow, what are the risks that we might encounter and then staying on top of that because, as you well know, everything's changing.

Mike Kearney:

Welcome to [Resilient](#), where we hear stories from leaders on risk, disruption, and crisis. And we get those stories by jumping on a plane and – there’s no pun today because we are going to be taking about aviation – and meeting our guests on their home turf. My name is Mike Kearney, a partner in Deloitte’s Strategic Risk practice. And I have, like I say every time, this unbelievably good fortune of sitting down with great leaders who really define what it is to be resilient. I moonlight, I get to talk to these people, and I get to share their stories with you. And I will tell you my journey over the last year, I have learned so much. I have been able to integrate it into the way that I think about my life and also how I serve my clients.

And I have been blown away by the constant engagement that I am getting online. So many of you have reached out to me, telling that you have enjoyed the conversations. And in fact, in the last couple weeks, I guess, I have been getting so much feedback on my interview with Mallory Weggemann and how her story personally touched you. How you enjoyed the conversation. And how you have taken some of the things that she shared - totally outside of the business world - but applied it to your life, applied it to the way you to your work. And I will tell you I am actually pretty excited about this because, as I mentioned during the Mallory podcast, it has always been my dream to interview people outside of the business world to understand their story of resilience and apply it back to the things that we do on a day-to-day basis. So, I am fired up to find a lot more people that fit that description.

So, let’s talk about today. I am sitting in the beautiful Biltmore Hotel in Phoenix and it is a perfect – and when I say perfect – it is a perfect February morning. I was actually walking over to the interview and I told my wife, “I now actually get why people live in Arizona. It is beautiful.”

I am really, really looking forward to talking to Paul. He is going to have some great insights, some great stories, and some life lessons that he can share with us. So, enough of me prattling on. Let’s get to my conversation with Paul.

Mike Kearney:

I don’t think you know this, but I have always been fascinated with flying. And I think one of my earliest childhood memories was my dad was a—I’ve said many times on this podcast—he was a San Francisco cop, but he flew a little Pipe Comanche. He was getting certified on a twin engine.

Every Tuesday—I was in kindergarten so I didn’t have class in the morning. It was afternoon. I would go out with him and fly with him all morning.

Then when I was 16 I started flying lessons.

Paul Morell:

Oh wow.

Mike Kearney:

But here's the lesson to all the kids out there. I immediately stopped taking flying lessons the day I totaled my dad's car. So my dad said to me, he goes, "Ya' know, Mike, if you're not mature enough to drive a car, you're probably not mature enough to fly."

So I always had these aspirations that I was going to be a pilot someday. And it was that dumb decision that I made when I was 16 that took my whole life in a different direction. But that's my flying story—but always thought I was going to be a pilot either in the Navy or the Air Force. It was always my dream when I was a little kid. So there you go.

Hey Paul, I want to start off with one of the things that we talked about when we did the pre-call. I know you are very linked to the Sully Sullenberger "Miracle on the Hudson." I'd love to just start there because, at your request, I watched the movie. It was fascinating.

I think I also mentioned that Sully used to live in my hometown so I got to see him around. But the question I have for you—and I want to dive into this—what was, in your opinion, for all those folks that are not in aviation, what was miraculous about that day?

Paul Morell:

That's interesting that you mention that, Mike. And people call it the Miracle on the Hudson and I don't call it that. What I call it is a testament to all of the work that people have done over the years to ensure that we can take an airplane that had both engines that were hit by Canada geese. Both of those engines—one of them failed to the extent that it destroyed the airplane.

You have two pilots that were well-trained that were able to fly that airplane. We had the design of the airplane by Airbus that allowed it to land in the water. We had a flight control system that allowed Sully to be able to control that airplane as it was approaching the water and not stall it.

We had flight attendants that were trained. Air traffic controllers that were trained. Ferry operators that were trained. They all did all the things that we've been trained to do and that we designed that airplane to do. And 155 people survived.

So to me it's not a miracle. It's a testament to the work of many, many, many people over the years—of a success story.

Mike Kearney:

What's that quote where it says—what is it? Preparation meets—

Paul Morell:

Chance favors the prepared mind—

Mike Kearney:

Yeah. Chance favors the prepared mind. Let me ask you a question. So there was one thing in the movie—and I know that like all movies, probably half of it's all fictional. And this was not really brought up much in the movie, but he deactivated the auxiliary power unit—

Paul Morell: Well he didn't deactivate it. He activated it—

Mike Kearney: He activated it. Excuse me. Would that make a big difference? Was that critical?

Paul Morell: That was absolutely critical.

Mike Kearney: Why is that?

Paul Morell: I'll tell you. What happens is, on the airplane you have this fly-by wire system. And the fly-by wire system needs electrical power. It needs the main power of the airplane to do it. Well, when both those engines wind down, you've lost the main power supply.

So what it does is, if that happens, it reverts to what we call manual. When you're in manual you no longer have these protections that keep you from stalling the airplane if you pull back. So the airplane could stall.

When he started that APU, it also has a generator in it, and it ensured that that flight control system had full electrical power. So he had all those protections. When he got close to the water, he took that stick and he went full aft on that stick to get all the performance you could get from that airplane. And that fly-by wire system and those protections kept it from stalling and gave him everything he needed in order to land that airplane.

Mike Kearney: So that was part of his training to know immediately if I blow two engines I have to pull that? Or no?

Paul Morell: No—

Mike Kearney: Because in the movie they said it was like number 15 on the checklist or something like that—

Paul Morell: That's exactly right. So that's one of the things. One of the things we talk about is being prepared or thinking ahead of time for things. That's something that Sully did that most people probably would not have done. He had thought about that ahead of time and instinctively he said, "Let's start that APU." That saved, I believe, everybody's life.

Mike Kearney: What does that say? So are there any learnings? Because there is a check—I'm guessing that checklist actually exists if you blow both engines. Am I right?

Paul Morell: Well that checklist exists, but that checklist is predicated on the fact that you're at altitude so you have time—

Mike Kearney: Were they at 2,800 feet or something like that when it happened?

Paul Morell: That's right. 2,800 feet, not 28,000. So really, as a result of that accident, that checklist has been redesigned for a low altitude response type of thing and then a high altitude response.

Mike Kearney: So what does that say—because we work with a lot of clients in crisis and there's checklists, if you will. But what's interesting is he had the foresight to go around that checklist. Are there any learnings maybe for leaders around knowing what you're supposed to do because there is a checklist of things versus relying on—I don't know how many years he was flying, but 30-35 years—relying on your intuition? Is there any insight that you can bring to that around what you're supposed to do versus what you intuitively know you should do?

Paul Morell: Well I think checklists, in most cases, you want to follow a checklist the way it's been written. But in many cases, a checklist is only a guide. And it's going to get you started on where you need to go. So sometimes, like you're talking about, you may need to deviate from that. And that's where experience plays into it and that's where the circumstances that you're in play into it.

Mike Kearney: Absolutely. The NTSA was not profiled very favorably in the movie. I think that probably was not accurate. Can you maybe share a bit on that because it would be nice to set the record straight about the process that you go through and maybe clear up some of the misunderstanding if people have seen that movie?

Paul Morell: Sure. The NTSB really is an organization that is apolitical—they're all appointed and they have a term. The NTSB's whole purpose is to enhance aviation safety. So when there is an accident, their job is to try to determine what was the probable cause of the accident. And then what recommendations they can make in order to preclude another accident from happening.

So, in the case of the movie, they portrayed the NTSB as kind of the bad guys with the black hat. And that's not the case whatsoever.

The way it works in reality is, when there's an accident, they have a go-team that goes and the airline has a go-team. And all the different people that are involved, they all go to the accident site.

Mike Kearney: You were on the go-team, right?

Paul Morell: I was on that go-team. I was the party coordinator for US Airways. What we do is we set up different subgroups, working groups with the NTSB that are going to look into everything from the engines to the flight control systems to the pilot factors, flight attendant factors, survival factors—all types of things we set up.

We have representatives from not only the industry—the industry being the airlines—but also the manufacturers, laborers on it. And the FAA's on it. And all these people work together as a team in order to try to do the investigation and try to determine what caused the accident.

So it was a very—I would say, everybody working together. It was not adversarial in any way, shape, or form as it was portrayed in the movie.

Mike Kearney: So if you've seen the movie, what are some things that you think were portrayed correctly? What were some of the things that you think they did a really nice job on?

Paul Morell: They did an excellent job as far as the accident itself, as far as what Jeff Skiles and Sully Sullenberger did, what the flight attendants did, what happened to the airplane hitting the water, the survival to ferry boat operators. All of the technical things relative to that were right on the money. They were really, really well done.

It was the interface with the NTSB which was very poorly portrayed.

Mike Kearney: At the end of the movie—once again, I don't know if this is true or not and I don't even know if it really matters—but one of the things I loved about the end of the movie is Sully gave credit to everybody. I think somebody came up and said, "It was all you. Thank you very much." I think he recognized the flight attendants, his co-pilot, everybody that was involved.

I think one of the things I love is you always see great leaders, when times are good they deflect praise and when times are bad they take 100 percent responsibility. I love the fact that he basically gave praise to everyone. I'd love to get your perspective. Was it truly a team effort? Were all of the other folks that were involved in it as critical as he made it sound?

Paul Morell: Oh, absolutely. Without every person in there that he acknowledged, it wouldn't have succeeded as it did. It wasn't a one-man team.

One of the things they didn't put in there I thought was pretty interesting. Right before they hit the water, and you can see it in the transcript, Jeff Skiles says to Sully, "Got any other ideas?" Of course the answer was no and—

Mike Kearney: No. There we go.

Paul Morell: There we go.

Mike Kearney: Is there anything that you think a corporate leader can take away in terms of the way that Sully managed that crisis? What were maybe some of the attributes or things that he did in a time of living and dying—he was responsible for 155 people. Is there anything that our leaders could take away from that?

Paul Morell: Well I think the real key is the team. It's having established a team, working together as a team, relying on each other. And that's where you're going to succeed.

Mike Kearney: Great. So Paul, let's talk about you. Let me make sure I got this right. I think since 2005 you've been responsible for safety first at US Air and then American Airlines. Maybe can you give a bit of background on the role that you had at American Airlines and what you've been doing over the last, say, 10 or 15 years?

Paul Morell: Sure. I was in charge and I just recently retired and just got back from Costa Rica—

Mike Kearney: Congratulations on that.

Paul Morell: Back from Costa Rica. I'm ten days into retirement. I don't know what it's like, but I'm finding out.

Mike Kearney: It's hanging out with me in the Biltmore in Phoenix. Sorry about that—

Paul Morell: I know. And the weather's beautiful out there.

Mike Kearney: It is.

Paul Morell: In February. So, basically my responsibilities were safety and the safety with respect to everything from flight safety, in-flight safety, on the ramp, throughout the whole airline. So it's purpose throughout the whole airline. I had security—so security from every aspect. That's also with the TSA, the FBI, and also internal to the whole company.

I had environmental and risk management and regulatory compliance. Regulatory compliance ties in, again, with the FAA oversight.

So all those areas. The thing that we worked on throughout that whole 11 years that I was in there—they call it a safety management system, but I don't call it that. I call it a risk management system. And that's basically identifying hazards, identifying the risks associated with those hazards, mitigating those risks, and measuring how effective you are at it.

What I tried to do is go from a reactive type of culture to a proactive.

Mike Kearney: Proactive.

Paul Morell: Yes, exactly.

Mike Kearney: So how did you get into aviation? Maybe go back a few years.

Paul Morell: A few years, yeah. A few years, like 48.

Mike Kearney: I wasn't going to say anything, but okay.

Paul Morell: What happened was the Vietnam War was going on. It was time to go to college. So the Navy was very nice and they said, "We'll pay your way through college, but you're going to have to give us four years."

Mike Kearney: Where'd you go to college?

Paul Morell: Illinois Institute of Technology in Chicago and I trained to be a civil engineer. What I learned from that is I didn't want to do that for the rest of my life. I think a lot of people have gone through college and come to that conclusion, but it gave me a very good foundation on logic and engineering and things like that.

Mike Kearney: So then you went full time into the Navy—

Paul Morell: Well, I had to go in the Navy. Then when I went into the Navy it was like, okay, what do you want to do? Do you want to be a CD, which was civil engineering, or do you want to do something that sounds exciting? And that's fly airplanes.

Mike Kearney: What was the plane you flew?

Paul Morell: I flew the F4.

Mike Kearney: I love that plane; Phantom.

Paul Morell: Phantom. Then I was in the introduction of the F14 into the Navy. So I did that for eight years and I became an instructor on the F14. Then I got out and I went with the airlines.

Mike Kearney: Wait. You're skipping something I think is interesting, if I have it right. Were you part of Top Gun for a little while?

Paul Morell: I wasn't part of—I was involved with Top Gun, yeah. I was involved with Top Gun.

Mike Kearney: So were you an instructor?

Paul Morell: No. I was instructor on the F14. I was an instructor in what we call tactics. So that's your air-to-air combat type of thing. So doing the same type of thing.

Mike Kearney: Did you prefer the F14 or F4?

Paul Morell: I like them both for different reasons.

Mike Kearney: Since I like flying, what about the F4 versus the F14 and vice versa?

Paul Morell: The F4 is a basic airplane where you don't have all these computers doing all this stuff. So you're down to the basics. It's a real airplane.

The F14 has all types of computers doing all types of different things. So now you're in a completely different ballgame. So they have their—

Mike Kearney: It's almost like flying a video game versus—

Paul Morell: I wouldn't go that far.

Mike Kearney: I was just on the—oh my gosh. What is it? The USS Hornet. Are you familiar with that?

Paul Morell: Yeah.

Mike Kearney: It's an aircraft.

Paul Morell: That's an old one—

Mike Kearney: I spent the night on it a couple weeks ago—they had an F4 on it so I was showing my eight-year-old. I was part of Boy Scouts. I learned that it has the most kills out of any aircraft carrier ever.

Paul Morell: I'll be darned.

Mike Kearney: It was fascinating. So I got to feel what it was like to be a sailor for the night.

Paul Morell: You sure did. You keep thinkin' that, Mike.

Mike Kearney: I did. Oh yeah. I know, exactly. Exactly. So you're out of the Navy and then you went to?

Paul Morell: I went to Pacific Southwest Airlines at the time.

Mike Kearney: The one with the smiley face, right?

Paul Morell: The one with the smiley face. That's right. Then we merged with US Airways. Then we merged with America West. Then we merged with American Airlines.

Mike Kearney: Through this whole time you were a pilot?

Paul Morell: Well, I was a pilot, but after about ten years I got into the training department. So, in the training department, I started out as what we call a check airman. That's what you're doing is you're training pilots, you're evaluating pilots, and you're training them in the simulator, you're training them in the airplane. You're doing all those types of things.

Then from there I got into the management ranks where I was in charge of those programs. Before I was into the safety part, I was in charge of all the training of pilots at US Airways. So then it went into safety.

The thing that I think is important in all of this—and I'll give you a little philosophical thing as far as I'm concerned. When I say safety I'm really talking about risk management, but the thing that I found was that if you're in this department—which is rather small, but it's still very influential—you really don't do anything. What you do is you facilitate it and you help other people succeed.

The way you do that is that you are basically working with other departments and you're helping them identify risks, you're helping them determine how they're going to mitigate those risks, and you help them. You facilitate them doing their job.

The other part of it is the tool that you have is training. One of the tools you have is training. I don't own training and safety, but the training department does. That training department is the one that one gives the tools to the people in order to do their job and ensures that they're proficient with those tools.

If you can leverage the training department and be successful, you are now going to mitigate risk within your organization and you're going to operate much better.

Mike Kearney: This may sound like a silly question or comment, but we deal with risk managers all the time. I would imagine part of what made you successful was the fact that you were a pilot. And actually, the reason why I say it's kind of silly is, I couldn't imagine having somebody in that role that did not have all of the experience that you had. But one of the challenges that we oftentimes see with risk management is there are folks that don't necessarily have the deep competency across the business.

It's probably a no-brainer question, but I'm guessing that was probably critical to your success and credibility within the organization.

Paul Morell: Well, on the pilot side of the house, you have to remember we're also dealing in the maintenance side of the house—

Mike Kearney: Sure.

Paul Morell: —customer service and all that. So you're absolutely correct. I didn't in the beginning have that credibility, but I sure learned fast and I got involved. So then I learned all about our maintenance side of the house. I learned all about customer service.

Mike Kearney: How would you do that? Because that's one of the things that we try to get risk managers to do is almost get out of your silo, get out into the business, understand it, learn it so that people will respect you and that you have credibility. What did you actually do to learn those businesses?

Paul Morell: Well, I think it's multifaceted. The first part that made it easier for me is I reported to the chief operating officer and the senior VPs reported to the same person. So now we became a team. So now I'm part of that team. I'm not isolated away in some ways.

Mike Kearney: Which is the case with many risk management groups. Oftentimes they don't report to that.

Paul Morell: Exactly. I think that's really critical.

Mike Kearney: I do, too.

Paul Morell: Because now you're with those people, you're part of their team. Now you're creating that team working together.

The second part of it is our chief operating officer at the time was Robert Isom. Now he's the president of the company. His whole mantra and his most important thing—and he didn't just say it, but he did it—was safety, regulatory compliance, risk management. So that became the culture of the company. So, therefore, now you have credibility.

I know I haven't answered your question yet, but by being involved with those people and then dealing with the issues that come up, now you get involved with them and you start learning the business and you have the people working

for you. You have representatives from those parts of the business and you just get involved.

Mike Kearney:

I think you've hit on though maybe an even more important point than the question that I asked, which is where risk management should reside in an organization. What I'm taking away is not only the reporting relationship to somebody who actually believed and inculcated a culture, but also you were integrated into the group. So it wasn't like a risk management bolt-on. It was integrated into all the activities, processes, decision making, and so forth.

Paul Morell:

That's exactly right. Part of the safety management system I was talking to you about before that we work with the FAA in order to develop—and I call it really a risk management system—that is embedded in every one of the departments in every one of the operating departments. Also in the security department.

We have an environmental department now. We've expanded it beyond the operating departments or anything the FAA has anything to do with. So now, you have parts of these departments that are working in the same business that you are. Within that, I had representatives from my department that facilitate and work with them. So I have tentacles out there.

Mike Kearney:

Out into the organization—

Paul Morell:

In the organization. But the organization takes responsibility for the risk management. I just facilitate them doing it. And I also ensure that it's standardized throughout the organization.

Mike Kearney:

I was talking to a client about this exact same thing yesterday around risk management's role in facilitating—but the business ultimately owned it. Maybe that was just part of American and US Air's culture, but any insights—this is going to sound silly.

You have a risk management group. You have risk managers that go out into the business. Do everything right, but then the business may not take it as seriously as the risk managers would want. What advice would you give to maybe an organization that doesn't have to be as focused on safety and risk management as an airline does, but where risk management is so critical to their success. And they've got this challenge of risk management not playing that role as effectively as it could because the business rejects it to a certain degree.

Paul Morell:

Well, it's interesting. I just had a conversation two days ago with another airline that's having the problem you're talking about because they have all these pieces, but they can't seem to get it to create traction. With my discussions with them, really what it boiled down to is this. If you don't have the senior leadership that is on-board and says, "This is the priority," it's not going to happen.

So, like I said before, when Robert Isom, our chief operating officer, now the president—that was the top priority for him. When we first merged with American Airlines, he went to the board. And part of his presentation to the board was this triangle. Basically, the triangle is safety and regulatory compliance, then it's operational performance, then it is basically the customer experience. And he said, "My goal for the first year of putting these two airlines together is safety and regulatory compliance. Without that I can't have operational integrity and I cannot have the other. I have to have that foundation."

Mike Kearney: It's all built on that.

Paul Morell: So it's all built on that. So now, if you have the person that's in charge saying that, and living that, and doing it, then everybody that reports to him, the senior leadership, is going to have the same thing and it works all its way down. If you don't have that it's an uphill battle. You're hitting your head against a wall and it's going to be very, very difficult. I don't have the answer of how to solve that.

Mike Kearney: Well, I think you said one thing that I think is important is, in many respects, it also starts with board risk oversight. So the board should be asking the CEO these questions and it can't be just lip service. "Oh yes, of course risk management's important." Well, how are you actually demonstrating it day-to-day? How are you measuring it? How are you holding people accountable?

Paul Morell: I couldn't agree with you more, Mike. That's exactly right.

Mike Kearney: Great. Actually one of the areas in our pre-call that you touched on that I think is a trend now within risk management is using data to produce insights to get ahead of the risks. I know that's something that you're pretty passionate about. The question that I have is how did you guys do that within American Airlines? I want to drill down into how data was collected, how it was used, how the insights, but maybe if you could just touch on the importance of data to begin to predict potential risk issues and how you did that within American.

Paul Morell: It's kind of interesting. Can I give you a little background first?

Mike Kearney: So a great thing about the podcast, we could go off and give us stories.

Paul Morell: So when I started my career, it was back in 1978 with PSA Airlines. I started on January 19, 1978. On September 25, so that's what, eight months later? Eight months later there was Flight 182, PSA that ran into a Cessna 172 on a downwind into Lindbergh Field. 137 people were on that airplane. It crashed into a neighborhood in San Diego.

Mike Kearney: I remember that.

Paul Morell: That was my first experience with an airliner accident. Of the 137 people, 37 of them were PSA employees. So it was an absolute disaster regardless of 137 lives.

Over the years in the 80s and the 90s, basically we as an industry were flying 6 million flights a year. If you do the statistics and say, okay, in the 2000s we're going to be flying double that; 12,000. You're going to have a fatal accident every quarter. Every quarter.

So now you go forward to today. Today on February 12, so that's two days from today, we will have gone as an industry, the American industry in the United States, the industry in the United States will have gone eight years, eight years without a fatal accident carrying 5 billion people. That's two-thirds of the world's population without one fatality.

So the question - your question, Mike - is where I'm going back to, is something changed, right?

Mike Kearney: Drastically.

Paul Morell: So over those years, what changed in order to get us there? There are a lot of different things that changed, but one of the things that changed is basically what we were doing was reacting to every accident. In other words, reacting to every crisis saying what went wrong; what do we have to fix?

From doing that with all those accidents we created a lot of technology. Like we're talking about that fly-by wire system in the Airbus. We have technology to keep airplanes from hitting the ground. All kinds of technology. But we also learned some other things.

The other things were we needed to collect data in order to determine what was going on out there so we could go from being reactive to proactive.

So where do we get this data from? We get data from reports from pilots, flight attendants, mechanics, things that we didn't have before because they just -

Mike Kearney: You're saying collected or -

Paul Morell: They didn't collect it. We have a system though where they can share things that before they may have gotten in trouble for because they made a mistake. Not intentional, but they made a mistake; but now they can report that. So now we have all this data on what's going on out there.

We have data from the airplanes themselves. So we collect data on the airplane that has all kinds of parameters that we look at.

Mike Kearney: I would imagine with technology, too, with the internet of - I was talking to the general counsel of GE and he was talking about how technology enabled the jets are nowadays that maybe they didn't have 10 or 15 years ago.

Paul Morell: Oh absolutely. So we collect data there. We collect data from the airplane itself. So now we take all this data and we start looking at instead of accidents, we

start looking at precursors. Things that are, oh, if this, and this, and this happen, it could be an accident. So now we start looking at precursors. Now we can start adding risks that were there before.

Mike Kearney:

Do you have an example to make it real? Potentially some risk that was identified through the accumulation of all those data that you were able to do something differently as a result?

Paul Morell:

I can give you a couple. One of them is flying into Burbank airport. When you go into Burbank airport, little Van Nuys Airport, you fly over it. Well we were getting what they call alerts that we were getting close to small airplanes.

So what they did is they said, "Hey, we're getting all these different alerts. What can we do to change the air space in order not to have those conflicts?" So there's one example.

Another example is one of the things we look at is what we call unstable approaches. So, a pilot might be a little bit fast, a little bit high coming in and he may be able to handle it or it might be a little touchy when he gets on the ground.

So what we were able to do was see how many of these were going on and why. And then we put into place different policies, different procedures in order to help the pilots become stable basically almost 100 percent of the time.

Mike Kearney:

I'm curious. I'm probably getting geeky with the aviation, but what would contribute to them coming in high? I'm trying to understand what they would have done before that they could now do differently as a result of the insights.

Paul Morell:

Part of it, believe it or not, is in an interface with air traffic control. So air traffic control might be asking him to keep his speed up. Air traffic control might turn him in when he's way too high and the pilot accepts it. So, therefore, we look at what did the pilot do, what did air traffic control do. And then we can talk to the air traffic controllers and say, "Hey guys, you didn't understand what you caused this to happen." And changed their policies and changed their procedures and we've done that in a lot of different places –

Mike Kearney:

Well I think that's interesting because a lot of times a crisis or an event that is a manifestation of a risk is often times a multitude of things that are coming together.

So your example of the aircraft controller telling them to cut in when they're high is interesting because it's not just based on decisions they're making, it's also based on decisions or recommendations from other groups.

Paul Morell:

So, there's another part of this. That is I was talking about what an airline does, right, because we collect this data. But we as an industry with the FAA have an organization called CAST, Commercial Aviation Safety Team, and ASIAS, Aviation Safety Information Analysis and Sharing, and what we have, I think it is 48

airlines now that are taking the data I was talking about and pooling it together; pooling it all together.

We also take data from the air traffic control system from I think it's 30 some odd sources. So then what we can do is we can look at instead of just 1 airline that only sees one small piece of the pie, we can look at everybody what's going on and we can identify things that somebody wouldn't identify.

Mike Kearney: How did that come about?

Paul Morell: That came about back in 1998. If you remember all these accidents were happening in the 90s. There was the Gore Commission and they went out there. There was also another congressional study. They said, "Something needs to be done in order to ensure that we don't have these."

So out of that Gore Commission and the other commission, they said, "Okay. You guys need to in 10 years decrease the fatal accident rate by 80 percent." So that's how CAST was born. So CAST is made up of the industry, the airlines. It's made up of the manufacturers, the FAA. We have NTSB is on it. NASA's on it. All kinds of different people are on it.

We basically have worked over those ten years -so that's from '98 to 2008 - we got 83 percent decrease. So now from 2010 to 2025 we want to do another 50 percent on top of that.

Mike Kearney: It sounds like it's not just the US. If you have 83 airlines, I'm guessing international carriers are in there as well –

Paul Morell: No, no, no. It's only US carriers.

Mike Kearney: Oh. It's only US carriers.

Paul Morell: It's only US carriers, but what has happened is this has spread into other places. So, the European Union out there, they've created a similar one. They're creating another one out in the Pacific region type of area. They're all looking to do the same thing.

Also, part of what CAST does is it reaches out. It reaches out to all the different areas and it shares what we've learned, but it also helps them develop the same type of process in order to try to minimize risk.

Mike Kearney: What I love and I think may be a learning maybe to other industries is you had many organizations coming together where safety, I would argue, is not really competitive advantage. It's just expected, right?

Paul Morell: That's correct.

Mike Kearney: By having organizations come together to produce a safer product for their customers is something I think a lot of other industries, quite frankly – obviously the impetus was I guess the Gore Commission that pushed that – but I would

argue other industries could come together for high risk areas and pull data together because that's something that doesn't happen as much maybe as it should.

Paul Morell:

That's true. We've actually had requests. We've talked to the automobile industry, oil and pipeline industry, medical. We've talked to those guys so they are looking. A lot of them are looking at that.

It's not as easy for them to do it as it is for us. We have one regulatory oversight board. We have Congress that supports what we're doing. So they have bigger obstacles, but they're still working towards that.

Mike Kearney:

Anything else? Because this whole notion, I think we're going through this renaissance period where risk management is changing so that it's less reactive. I think a lot of organizations are struggling with how to become more proactive. Any other insights that maybe you can share to help organizations even just get their mind around how to begin to identify potential threats and mitigate them before they actually become an issue? Anything else you can think of?

Paul Morell:

Well, I think most companies have business continuity. So business continuity in a sense is looking at that from one perspective.

The other perspective is just having the foresight to be looking at these things. Not living day-to-day of what we're doing today, but what we're looking at tomorrow. Then when we're planning for tomorrow, what are the risks that we might encounter and then staying on top of that because, as you well know, everything's changing so rapidly –

Mike Kearney:

Fast –

Paul Morell:

Especially now. Yes, exactly.

Mike Kearney:

Well, one of the things that I think's emerging, one of the things that we've talked to a lot of clients and there's a handful out there, but is this convergence of understanding what those future risks may be and then using data. One thing we have that's ubiquitous is data and there's some incredible technology tools out there to start to draw insights from that data so that they could then start to make better decisions.

We've seen it everywhere from what are consumer preferences of the future. It's as business risk. It's a strategic risk more than a safety issue, but that is absolutely a trend that we're beginning to see.

So let's pivot to crisis and I think you've talked a bit about this, but I'm curious. Maybe diving more deeply into - an accident happens, can you maybe describe for me, the seat that you sat in, what would happen after that?

Really what I'm curious about is not only your role, but how the executive team would come together because one of the things that we've seen with Deloitte

and, once again, this is not necessarily from a safety perspective only - but a lot of organizations and cyber is the popular thing right now - is that an incident happens and that many I would say senior executives and CEOs have not been through a crisis that is all over the social media, all over the news. And their ability to react because they've just never gone through it before; maybe they haven't been trained.

That was a big thing that we talked a bit about, but I'd love to learn about it because I think the airlines do this really well. Can you maybe touch on how an airline responds to a crisis like that and maybe what's done to prepare the CEO's executive team and others to make sure that you respond appropriately?

Paul Morell:

I think that's a good question. Rather than tell you what we do first, I'm going to tell you what we plan. We have emergency planning and response. I was in charge of that department. So basically what we were doing is we were planning how we are going to respond to an accident. Everything that goes to it.

So when an accident comes down, the first thing that's going to happen is notification. Notifications are going to go out to everybody. Then we're going to setup our command center. Command center gets setup and then we have sub-command centers that report into the command center. Everybody has a checklist. Everybody has a role. Everybody knows exactly what they need to do.

At the same time, we're putting together a go-team. The go-team is going to go to the site of the accident and start working with the NTSB and it goes on, and on, and on, and on. So this is a very comprehensive document.

Mike Kearney:

I'm guessing that roles and responsibilities are clear. How well does everybody understand their role and responsibility?

Paul Morell:

That's very interesting. So, let me put it this way. When I did the merger with America West - so we're now putting two airlines together - we had to create basically a new emergency planning and response. So what we did is we put it all together. We worked with all the different departments, all the different parts of it. But then the big key is this: what we set, what we're going to do, and we did, and we continue to do, is we do a drill every single quarter. Four times a year we do a drill.

Mike Kearney:

Who participates in that?

Paul Morell:

Everybody from the CEO to the president to everybody that has something on that checklist. It's as though an accident happened. Corp Comm is involved in that. So when you go through this - I'll give you an example.

You're talking about the media part and all that type of stuff. We have pre-scripted all the media type of things for an accident that we are going to say, but that's just a start. They're going to get changed depending upon what the situation is.

After a certain amount of time there's going to be a certain thing that comes out from Corp Comm. After a certain amount of time, the CEO is going to go downstairs into the lobby where the press is and he's going to make a statement. So we actually have him go down in the lobby and we simulate all of that.

So they are always involved; the CEO, the president, the senior VPs, the executive VPs, everybody's involved in this. It's all hands on deck.

So where I'm going with that is we are prepared. When it happens, we are prepared. Now we're going to have to modify it as circumstances change, but the next part of this I think is extremely important.

I talked about that as relative to an airplane accident. What we learned early on is it applies to all kinds of things –

Mike Kearney: Everything.

Paul Morell: It applies to everything. So we have used that as the template. In other words, we use that tool if we have an incident, if we have something with cyber, like you're talking about; something like that.

Mike Kearney: An outage. We've had several airlines that have outages recently –

Paul Morell: Exactly. So our operations control center - it's an integrated operations control center - they're the ones that kick it off. They will kick it off. We'll get everybody in the line. Then we'll start figuring out what players do we need, what players do we don't need, and then we can manage it from there. So everybody is trained on doing it.

So we do four of those a year, like I said. We have ten of our regional partners. We do one of these drills with each regional partner. So over the year we will do 14 drills.

Mike Kearney: Wow. What precipitated making it more than just a safety or potential accident? Was it just a realization that, wow, this is not the only type of crisis that American or US Air could potentially have and you just expand it –

Paul Morell: Oh exactly. Yeah. You just looked at it and it just made logical sense.

Mike Kearney: What I don't understand, and I don't know if you have an opinion on this, but what we have a hard time wrapping our minds around is there are seemingly crises that are happening to some of the most iconic almost every – well, I shouldn't say every day, but once a week maybe. You just open up the paper.

What seems to happen is they're not prepared. One of the things that we know, we did some research on this, we found that – we call it a novel crisis. Something you're not prepared for. It just hits you from the side. That it's likely

going to happen once every five years to a public, large, Fortune 500 Company. That's not a long time.

So if you're CEO, it's likely going to happen during your duration. One of the things that we find is that the extent, and maybe the preparation, would be a little more for an airline, but even just being prepared is something that they get intellectually. Like, yeah, if a crisis happens I want to be prepared because it's a clear defining event. If I handle it wrong, I'm going to be out. But it's never a priority.

Do you have any advice or guidance to those CEOs or executives that are saying, "Yeah, I get that we're probably going to have a crisis, whether it's financial, operational, technological, whatever it may be." What advice do you have for them or do you?

Paul Morell: Well, like I said before, it all stems from coming from the top. When we decided we're going to do this and the CEO said, "I will be involved in every one of those drills." Now you have it because, basically, if this is what you want to do, you make the time to do it. And you assure that you have the resources to do it. And you do it.

Mike Kearney: But let me just press on that a little. I totally get that it comes from the top. What if the top is the one saying, "Eh, it's not the number one thing on my plate"?

Paul Morell: Well, then I would say that the next level down, whoever determines that it should be, needs somehow to influence it and to ensure that it gets done.

Mike Kearney: One of the things that may be helpful, I think sometimes people get religion when they actually go through those simulations, too, because my guess is after, even though you guys do it four times a year or 14 when you extrapolate it to all of your partners; that's a lot. My guess is – and maybe you could touch on this – is after every one of those simulations you probably learn a lot. Can you maybe talk a bit about that?

Paul Morell: You're absolutely correct, but we have our action items. After every single one, you'd think after as many that we did we'd have it down pat, but we changed the scenarios. We changed the whole thing. We have things for active shooters. We had things for accidents. We have all kinds of stuff. And after every single one, we go through and we determine what action items are, what didn't go so well, what did go well, and we are improving it anytime.

Mike Kearney: So I think maybe the key to anybody that's listening out there is the simulations are not necessarily just that – they are to practice. That's probably one of the key things, but it's also actually to test the resiliency of your plan to begin with because you're always going to find things that you can improve. I think you can agree with that –

Paul Morell: That's exactly right.

Mike Kearney: So what else do we want to get into? How about bankruptcy? I think you mentioned – obviously, American I think went through a bankruptcy. You've been through a couple. Guessing everything we just talked to, to a certain degree, applies even in a bankruptcy, but any perspective on –

Paul Morell: Well now you're talking the other side of the equation. We talked about with accidents what do we do. We determine what went wrong and what we're going to fix.

Well bankruptcy is, in a sense, somewhat the same, but even more so in the sense that in a bankruptcy something went wrong and you need to fix it and it gives you the tools in order to fix it. But, at the same time, there are other things that you have opportunities to do; things that you wouldn't have had otherwise – be it labor contracts, be it whatever – that you need to take a look at where you are, where you need to be, and you have just a fleeting opportunity. You need to take advantage. When I say advantage, what word do I want to use? It's not really advantage because that sounds like you're taking advantage of somebody, but you want to optimize. Optimize your opportunity.

Mike Kearney: I think this was a quote – and if I got you wrong you can correct me – but I'd love for you to reflect on it. You said, "Don't spend time to find fault, but funnel that energy to learn and make real changes." You've kind of touched on that, but maybe can you reflect on that for a second? Did I get it right, first of all?

Paul Morell: Yeah, you got it perfect. You have it absolutely perfect. So, a lot of times what people will do is try to figure out who did this, or who did that, or what the fault was. Basically what you really want to do is say, "Okay. Here's where we are today. What do we need to do going forward to make it a better organization, and a better business, and a better everything, and not try to determine who did what or when?" But you also need to figure out what failed in order to fix it. That's true.

Mike Kearney: I would imagine, especially in your business, creating that culture and mindset also probably makes whoever may have been in the midst of it, whatever type of crisis, much more willing to participate in the solution as well. Which I would think through the process it would help a lot more because if I feel like I'm being vilified for something I did versus – hey listen, this is all just about making sure we do it better in the future – my willingness to participate and help is going to be vastly different. I don't know if you've seen that.

Paul Morell: Oh, I have. Absolutely. What I used to tell my people is, "We're all going to make mistakes. It's how well you recover."

Mike Kearney: Awesome. So let's pivot and you've talked about the importance of training and culture, but I want to drill down into that because I think that's something that you guys really are a model. American was a model for.

You talked about it in the context of the Sully example, but can you maybe for folks that aren't in aviation, talk about training? Not only with pilots, but all of the other groups that are integral to delivering not only a great product, but a safe product. Can you maybe touch on training?

Paul Morell: Sure. I think in all industries training is critical because what you want to do is you want to ensure that the people have the knowledge, they have the tools, and that they know how to use those tools effectively. But also through training you can also change cultures and you can get the culture that you want within your company. It takes time. It takes effort and it takes focus, but training is essential. That's the only way you're going to succeed.

Mike Kearney: How do you make training stick though? Let me give you an example. I've gone to a million trainings. I was actually in a training yesterday and one of our partners who was leading it asked everybody to put their phones away. I know that sounds so simple, but there's research on when you're multitasking you can't be in the moment and learn.

So it's interesting to me because some training is really effective when you're fully engaged and obviously not effective. How do you make it real and matter within American so people actually take it seriously?

Paul Morell: Well, I think first is exactly what you said –

Mike Kearney: Put your damn phone away.

Paul Morell: Put your damn phone away. But I think the other part in the training side, if you can get people to understand why they're doing something, what the reasoning is behind it, if you just tell them, "You have to do A, B and C," they're going to forget that and they're not going to do it. But if you tell them why, why it's meaningful, why it matters, why it cares, and they have an understanding of that and what they're trying to accomplish, now you're going to be effective.

The other thing that I found, too, is what we have a tendency to do is train. Okay. You've been trained. Done. What you have to do is you have to reinforce that training.

One of the things that we did with our pilots is we have training that's done in the classroom and we have distance learning type of stuff; computer-based training. So in the computer-based training, they do this every quarter.

So if you want somebody to really learn something and become a part of them, what you're going to do throughout that quarter system after six times when you've approached the same subject from a different perspective each time, it

becomes a part of that. So that reinforcement is important. When you reinforce it, you do it from a different angle every time.

Mike Kearney: I'm just reflecting on training that I've been through is one of the things that I see at organizations is they'll train you on X and then you'll never go back to that topic again because you'll move to Y and then you'll move to Z, but you're never reinforcing. I guess to your point, what you learned in the X training because you just keep moving on to the next new thing.

One of the things I hear you saying is in order for training to really be effective – and it could be in any part of the business – it's not just about that first training endeavor. It's actually about practicing, rehearsing, going back to it, practicing, rehearsing, going back to it. And that's where it makes it more effective. Is that your experience?

Paul Morell: That's my experience. The other thing that's extremely important, too, is that basically where you're measuring how effective you are.

Mike Kearney: I was going to ask. So how do you guys measure – well I'd say the ROI. I sound like a consultant, but how would you measure the impact of training?

Paul Morell: A lot of that has to do with – remember we were talking about the data? It's just looking at the data. It's looking at the reports that you get. It's looking at the stuff that you get off of the airplane. Another one could basically be you have aircraft damages. Aircraft damages usually are caused by somebody not following policy and procedures. So now you take a look at that and that is your indicator of how well are we doing as far as getting that across to our workforce.

Mike Kearney: Any perspectives on – because one of the big conversations nowadays – not even conversations. It's the reality we live in. There's virtual training and then there's live training. Any perspectives on that?

Paul Morell: I think they both have their place. I think on the live training part – I think on both training, but mostly on the live training – there are people that are absolutely superb trainers and they know how to get the point across. They know how to get people engaged. They know how to get them to understand. It's a talent. Those are the people that are invaluable.

Then there are other people that are basically going through. They do okay, but they're not as good as that – you'll always have that one teacher you remember from school that would motivate you –

Mike Kearney: My calculus.

Paul Morell: Calculus? Whoa.

Mike Kearney: Well, no, no, no. So my story is – just to go off on a tangent – I was not doing well in my first calculus class when I was in university and I was able to get out

of it, so it was like I never took it. Who knows what I would have gotten, but I don't think my parents would have been proud. I got an A+ the second time and the only reason was the guy – I don't even know if he knew the topic as well as my first teacher, but he was able to convey it in a way that is was sticky.

Paul, I think you bring up probably one of the most important points I've ever heard about training is you can have – it's almost like the Michael Jordan of training, but does that mean he's the best coach? No, not necessarily.

Sometimes having somebody that may not be as technically sound as the next person, but could convey the most important topics in a way so that people walk out of that room and remember it, I think is critical.

Paul Morell: I do, too. Then when you take that into your virtual learning and you take it into your computer-based learning, it's again the quality of the product.

Mike Kearney: Quality. Yep. So let's talk about culture. I think culture is one of those. It's like you know it when you see it. A good culture. I love actually, I've got some unbelievable clients that I've worked with where I'm like, "I would like to work here." I almost know within 30 seconds just based on how people treat each other. It's not necessarily having values up on a wall. They actually live them.

But can you talk about how American or even US Air before that would go about creating that culture of safety and some of the other things that you've talked about?

Paul Morell: Again, as far as culture is concerned, I'm a firm believer that it starts at the top and it has to start at the top. The hardest part in culture is to get that from the top getting all the way down to different levels. All you need is one break in that chain and for that area it can go downhill.

So the big challenge we have is we have the culture at the top. We had the culture at the executive level. We have it further down. It's when you start getting to the supervisor and manager level where sometimes it does breakdown. That's our biggest challenge. So we work very hard on ensuring that we train to it, that we exhibit it, that it's made a high priority throughout the organization.

First off, you always have a lot of work to do --

Mike Kearney: Struggle with that; yeah.

Paul Morell: If you ever think you're there, you got a problem.

Mike Kearney: One of the things I've seen is sometimes it's about accountability, too, because you could have – I'll go back to that technically proficient person that does the job better than anybody, but if they're cancerous to the culture of the organization, sometimes organizations let it slide because, hey, that person does IT better than anybody I've ever seen. We have to keep him, but we all

know that that cancer creates potentially more problems. I think it's holding people accountable.

Sometimes it's kind of squishy, culture.

Paul Morell: Oh yeah.

Mike Kearney: So I think accountability is probably important –

Paul Morell: I think accountability is extremely important. I couldn't agree with you more.

Mike Kearney: So let's talk about the future of safety. I'm just curious. If you had your crystal ball, where do you think safety is going let's say in the next 10 or 15 years or whatever timeframe you want to use? Is there any big things that are on the horizon that you see?

Paul Morell: I don't see big things on the horizon. What I see is an expansion of the risk management that we were talking about; the data analysis and the proactive work that we're doing.

In the aviation industry – as I said before – before we were looking at fatal accidents and determining what needed to be fixed. Then we were looking at the things that were close calls in that. Now what we're looking at are the one-offs. You're talking about something that happens one in 100 million times.

You say, "Well, why would we look at a one-off?" Because those one-offs are the things now that we have to try to prevent happening, but the other part of it – and you had touched on this, Mike – and something that's basically analogous and that is when you get to the top of your game. So we're at the top of our game. We've gone eight years without an accident.

So most people would say, "We got it solved. We got it fixed." Well I equate –

Mike Kearney: That's right when an accident will happen, right?

Paul Morell: Well, it will, but so what I equate this to is you take a superstar athlete. In order for him to stay on the top, what does he do? He works even harder. In order for him to get even better he has to work harder and harder. So we're at that same point. We're at the same point where instead of saying, "Ya' know what? We can relax a little bit." Anytime you get success that means you have to work extremely hard in order to ensure that that success stays and you have to be wary of what's going on around you. And you have to look at what change is happening and you have to stay on top of it.

Mike Kearney: This is always my favorite part of the podcast. One of the things when I started this, it was all just about clinically going through the questions we've gone through, but one of the things I've learned and it happened organically was leadership insights.

You've been in aviation for many, many years and I'd love to just touch on some perspectives that you have that you could share with other leaders. Then quite frankly, we get a lot of kids that are coming out of college. I think sometimes these are the best nuggets for them as they think about embarking on their career.

So one of the things that you had mentioned previously is that it's all about passion. I think that's one of the things. When I talk to my kids about what they're going to do in their future, I think sometimes we guide them, even going back to my aviation story. I got misdirected for whatever reason and I think it's important to follow your passion, but I'd love to get your perspective on that because I know that that's something that's important to you.

Paul Morell: Oh, it is important to me. I've just been fortunate because every job that I've had, for whatever reason, I've had a passion for what I was doing. By having that passion you're engaged and it's contagious.

Mike Kearney: How were you able to get jobs that you were passionate about because you've had a varied career at the different airlines that you've worked in? If you're giving counsel to somebody that's been in an organization ten years – doesn't matter what type it is – what would you tell them? How were you able to always pursue that passion or did it happen serendipitously?

Paul Morell: Well, it almost happened serendipitously really because every one of the jobs that I changed into, somebody had asked me to do that job.

So what I would take from that is if you passionately do the job that you're in and you do it extremely well, opportunity will find you. Doesn't mean you shouldn't be looking for it, but opportunity will find you.

Mike Kearney: You just hit on something, but I would argue that you probably made a decision early on to do something that you loved. So just being in aviation, you put yourself in the right place to have the opportunity, but you just hit on something I think is really important. We, a lot of times, will get younger kids or even older folks that come in and always look into their next job.

One of the things I always counsel them is first of all, if you love your job that's fantastic and if you're passionate about it, but if you do the job better than anybody else, you don't need to politic for your next job. People will find you and opportunity will come.

Paul Morell: I could not agree with you more.

Mike Kearney: Let's talk about another thing I think you've talked a lot about and that's it's not about you. It's about people and their success. My question for you is, has this always been a belief that you've had or did that evolve during your career? Because I think it's obvious. If you can empower people and they're happy, they're going to do more for you, but that's not a management technique that's

used by many. A lot of times maybe it's ego or whatever gets in the way. People focus on themselves and not necessarily others.

So I'm just curious if you can maybe dive into that one a little. I'd love to see if your perspective has evolved over time.

Paul Morell:

Well, it's kind of interesting. I think I know where it came from. When you start in training, if you think when you're a trainer, so I'm an evaluator/trainer, I am helping somebody else succeed. So I'm taking a guy that's never flown this airplane and I'm now putting him in the simulator and I'm training him and I'm helping him succeed.

So all you do is take that and say, "I'm going to do that in my management role." I think that's where it came from. It was born from that. Helping other people succeed.

Mike Kearney:

My guess is – this is at least my personal experience – is that when I see somebody succeed or when I can make an impact and this may sound kind of cheeky, but it actually makes me feel better as a person. I'm happier. I'm more fulfilled. Is that the feeling --?

Paul Morell:

Oh, absolutely. Absolutely. I've always told everybody working for me that my job is to help them succeed and I expect them, for the people working for them, to help them succeed. And I always tell them, "if you succeed and you find another job, don't worry about me. Don't worry that I'm going to have to fill your spot that you've done so well. That's my problem and I'm proud. And I'm glad to have that problem. I want you to succeed."

Mike Kearney:

Well, when I think the responsibility you had, my guess is you inculcated a culture that people actually wanted to work with you then.

It's funny because people that get uptight about people leaving their business or organization usually are the ones that probably haven't created that culture where other people want to come. If you created that culture and everybody's wanting to come, life's actually pretty good because you're always drawing the best talent.

Paul Morell:

Exactly. The other thing, too, that you have to do is you have to ensure that you have succession planning. The most important thing you can never do is you should never say, "I can't take vacation because the place is going to fall apart if I'm gone." You need to have a team behind you that can run if you're not there for a while. And also that if you were to leave you have somebody that's going to come into your place and take over and do as good, if not better, job than you're doing.

Mike Kearney:

Let me talk about another thing you said. You said that leaders should embrace change. Not for change's sake, but to advance and in many cases, keep up. The question I have for you is being in a safety and risk world, you encounter change

on a continual basis. My question is, what advice would you give for responding to and being adept to move with change?

Paul Morell:

Well, be flexible and be open. That's the big key. So many people get set in their ways and this is the way we've always done it and this is the way we're always going to do it.

To me, the whole thing is saying, "Is there a better way to do it?" But when you're saying it's a better way, make sure it's a better way. So there's change for change sake and there's change for improvement. So you really need to determine which way you're going, but be open to it.

Mike Kearney:

You just made me think of something because there's different behavior archetypes. People that may be more resistant to change that are really good at doing things the way they've always been, which there is some value to that, but then there's also people that are wired, like myself. I look at something and even if it's perfect, okay, let's change it because there's always a better way.

Would you actually think about the people you hired – would you ever step back and say, "Do I have the right mix of people that bring different strengths to my team?"

Paul Morell:

Oh sure. Absolutely. That's what you do need. You need that mix in order to have stability, like you were talking about, Mike, but then also to have the innovative part looking at how things are and evaluating if it can be done better.

Mike Kearney:

So, I actually found my quote that I botched earlier in the interview, which was chance favors the prepared mind. It seems like being prepared, we've talked about it. It's part of your DNA. You talked about the training.

I think, one of the things – and you just said this a few minutes ago – everything is changing so fast. We borrowed the term VUCA, which I'm sure you're volatile, uncertain, complex, and ambiguous. That's like the world we live in. What advice would you give to CEOs and others about being prepared for all this change?

Maybe ten seconds. One of the things that we find and you see with a lot of organizations is they know change is coming and that change is going to disrupt their business. But they got a cash cow, right, and they're not going to do anything to kill it right now, but they know that if they don't do anything about it, they potentially are going to be facetiously like the next Blockbuster or whatever. What guidance do you have for folks or leaders in that?

Paul Morell:

Well, I guess the guidance I would give is, number one, listen. You need to listen and look and then you need to basically have a strategy of, "okay, we had the business going where it is now. I know there's going to be change." Now be planning for how can we adapt to that change.

Mike Kearney: Would you ever get in the context of anything that you did, would you ever seek out people that had very different perspectives from you or maybe didn't agree with the way you thought to try to find inspiration for maybe thinking differently?

Paul Morell: Well, I've run into people like that. I don't think I've gone out to seek those types of people in what I was doing.

Mike Kearney: Okay. When you think of the word resilient, what comes to mind? What are the attributes of a resilient leader, would you say?

Paul Morell: I would say when things start getting bad or things are going the wrong, basically what you do is, number one, is you have a positive attitude and, number two, is you work even harder to try to figure out where the light is at the end of the tunnel and what do you need in order to get there.

So to me it's just another challenge is what it is and taking on challenge.

Mike Kearney: The one thing that I've definitely taken away is when you were talking about in a time of an accident or a crisis, don't focus on placing blame. Focus on improving. So it's almost in some respects, I would argue, just your mindset. You almost have a resilient mindset, I would argue.

Paul Morell: I would agree to that.

Mike Kearney: Anybody jumps to the top of your mind that you would say that's a resilient person?

Paul Morell: Probably nobody that would know on the podcast. A lot of the people that I've worked with at American Airlines, for sure.

Mike Kearney: That's awesome. Well, Paul, this has been incredible. Thank you.

Paul Morell: Well, thank you, Mike. I've enjoyed it.

Mike Kearney: What an incredible conversation! And thank you to everybody that is listening to [Resilient](#). You know, we track our numbers and it has been going up significantly over the last few months, so thank you very much. We love this podcast. We have a terrific production group, Rivet Radio; they have been with us on this journey since day one. This is becoming one of my favorite parts of my job, I have to say.

And if you're interested in listening, if you've stumbled across this somehow, you can go to Deloitte.com, but you can also go to all these podcatchers. What makes the podcast medium so awesome in my opinion is that you can take it on the run; you can do it when you're working out, you can do it while you're walking your dog, you can do it when you are flying. So go to your favorite

podcatcher – I go to iTunes – all you have to do is type “resilient” in the keyword search. And I encourage you to check out some of our previous episodes. We have some great conversations with people like Keith Wandell from Harley Davidson or Jackie Rice from Target. Some great conversations. So go check them out.

And I tell you, if you’re enjoying these conversations, share them with your work colleagues, share them with your family, share them with your friends. You know, I got a message from my father-in-law last week and he said “you know what, these are actually pretty good, Mike. I listened to one and was captivated” He was listening to the Mallory one. “I’m actually going to start listening.” So, listen, if my father-in-law likes it – he’s a retired guy – I am guessing your friends, and colleagues, and family will like it as well.

And if you have a minute, if you could give me a gift, I would be so appreciative if you could go out and just rate the podcast. I can’t tell you how much it helps in getting the word out about *Resilient*. And also, hit me up on LinkedIn or Twitter. I have been blown away by how much social media engagement that I have gotten. Any recommendations for future guests, or any comments, just let me know. My name is Michael Kearney, as I think everyone knows. My last name is spelled K-E-A-R-N-E-Y. And, you know, I have a lot of new friends out there, so keep it coming. It has been fantastic.

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