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NAVIGATING THE NOISE PODCAST EPISODE 18: SCENARIO PLANNING PART 2

Brian David Johnson:

Hello everybody and welcome to Navigating the Noise, a broadcast brought to you by CHPA, the Corporate Housing Providers Association. I'm Brian David Johnson. I'm your futurist and host for the broadcast. I'm the engineer these days as well so please forgive any slight glitches in what we're doing. So, welcome to this episode of Navigating the Noise. This is an episode like we've never done before. This is actually part two of a Navigating the Noise episode. This is part two of our skill building broadcast around scenario planning and contingency planning and thinking about the future. Now by no means do you, if you've happened upon this episode by no means do you have to stop and go back because we're going to be just having a conversation in this with our fabulous guests. But if you want to go back please know that this will build off the previous episode around skill-building, around scenario planning and contingency planning.

Brian David Johnson:

So, welcome to this new format, this new way of doing things. As many of you know here on Navigating the Noise that's really our goal is to bring in guests both outside of the industry and in the industry who are doing really interesting work to help you the viewer navigate the noise. How do you take what's going on? How do you apply it specifically to your work? What are the very specific things you can do? We always end with three things you can do, in this episode we will end with three things to do to start preparing for tomorrow. This season is a special season in that we're just recording as much as we can. How we're recording is different and we're trying to address as many problems as we can from the very minute our down and dirty episode where we looking at cleaning supplies to our big innovation episodes that we have with our friend Steve Brown, the futurist.

Brian David Johnson:

So, this episode was special though because one of our guests, Tracy Hayes, she's the founder and the president of CWS Corporate Housing. We had a conversation, a very long conversation actually about the work that she and her team had been doing in the pandemic, really doing foresight, really thinking about the future, doing contingency planning and doing planning. And so, I asked her to come on to not only talk about what it's like to do contingency planning and this type of planning and that's what we talked about in a previous episode. But I thought it would be fascinating for everybody just to hear what her and her team have been doing in this pandemic, to see how it's been playing out, what the effects have been. So, that's really how we're going to start off the episode. We're going to do it completely differently. We just asked Tracy to come on and just tell us a story, just tell us what she's been doing. I've got lots of questions because I've heard this story and I might prompt Tracy as we're going through I warned her that I might prompt her.

Brian David Johnson:

And then of course, we've got our second guest who is Robin Champ. She's a foresight and strategy expert. She's quite a legend in the federal foresight world doing foresight

and futures work for many, many different government agencies throughout her entire career. We're very fortunate to have her on today.

Brian David Johnson:

And so, after Tracy has given us the stories about what she's experienced in this pandemic then myself and Robin will have some questions and maybe some suggestions about not only what Tracy can do because Tracy is doing a great job let's be clear but also what other folks might be able to do, what you might be able to do.

Brian David Johnson:

And then at the end, we'll talk also a little bit about the innovators forum. We've talked about this in other areas. We'll talk about this innovators forum and we've got Tracy has actually agreed to be a part of it as well. So I think there's some really exciting things that we can do but we'll get to that at the end of the show. So, we're just going to kick it off and we're going to dive right in. So Tracy, I'm going to bring up and switch over and bring up your camera. So thank you again Tracy for being on the show we really, really appreciate it. Can you just tell us what it's been like? What have you been going through in this pandemic? How has the contingency planning been paying off? Just tell us what it was like.

Tracy Hayes:

Sure. Well it was, you hope that you've planned and you built a business that you have a clear roadmap but this was a time in our world where roadmaps really didn't apply. And so, I think right at the beginning we just had to acknowledge we didn't really know what the right next step was and acknowledged that we wanted to do something and that we were prepared to abandon our plan. If things shifted or as we learned more we realized they were no longer appropriate.

Tracy Hayes:

And I think what's unique in corporate housing as an industry is there's a very technical side to it, very logistics. I would almost say more than housing sometimes we're a logistical company and people count on us for a critical need which is housing. The other side is we deal with something that's just so personal. It's their housing, it's where they're living, it's where they go to sleep. It's where they've trusted us with their families. Corporations have trusted us with their largest asset which is their teams. And so, how do we balance that during this time and be responsible but also honor duty of care.

Tracy Hayes:

And so, one of the very first things was we called our bank and we really looked hard at what would happen to our business if it dropped 80%? What would it happen if we dropped 50%? What did we need as far as resources? And then there was some programs out there that even as you were applying for it and you accepted it you didn't know what the criteria were and how you would repay it, what would be forgiven. And so, really having those conversations with your bank it's scary to call someone and say, "This could be devastating."

Tracy Hayes:

We know what's happened in the past when there's been the tech bubble or 9/11, but this is rapidly growing beyond that. And really just being honest and having a partner that can help you navigate through the small business program if you were eligible. But then what did you need to do to make sure that you took advantage of it but that it would be forgiven? And one of the very first things we did is many people... I think this industry's unique is a group of competitors at different times, sometimes formally, sometimes informally, we just picked up the phone and had meetings and talked about what different people were doing and truly shared. It wasn't about... I don't want to give away my secret sauce. It was relying on people you trusted and letting them know what you were scared about and sharing what other people were doing and giving honest feedback.

Tracy Hayes:

I think one of the negative consequences that could come out of this is as an industry how are we viewed with institutional investors or property management, with large corporations? So how do you balance... For our clients for instance, how do you balance when they said, "I've got \$2 million worth of business I've already committed to you, we're no longer coming to your city." And you've taken apartments on their behalf. Do you draw a line in the sand and say, "I'm sorry, you have to pay for these." Do you maybe jeopardize the financial stability and longevity of your company?

Tracy Hayes:

And what we really learned is we just picked up the phone. In that first three weeks, when this really happened, we had over \$12 million with Fortune 500 companies call us and say, "These programs are canceled." And do you tell them, "You can't cancel." And then they say, "You know what, maybe temporary housing isn't an option maybe we'll go to extended stays where we can have more flexible cancellation policies." Or do you meet them in the middle? Do you have a policy across the board or do you treat each one separately? And what we really found is we called those large companies and we said, "Okay, what does it look like? Are they postponed? Are they canceled? Do you think there'll be coming back next year? Because how we handle this might be different." And we came up with a plan together and it's surprising I think when people hear that some of the largest companies in the world said, "What's the impact if we walk away from this even though legally we can?" Some of the leases weren't signed.

Tracy Hayes:

And we shared that the ripple effect and I thought one of the suppliers that's an unsung hero in our industry is housekeeping services. So, a lot of them are small entrepreneurial maybe sole proprietors that our industry holds them to very high standards, drug testing, background checks. If we completely cut them off overnight when this opens back up they may not be there. So we had those conversations with our clients and surprisingly the majority said, "We don't want that to happen. What would it take for us to support you so that you can support some of these downstream suppliers?" And they stepped up in ways that is really probably unprecedented but they were taking the time to really understand what our decisions today, what that would mean 30 days from now, 60

days from now, but also next summer when some of these very important interval programs like intern programs come back which was their intention.

Tracy Hayes:

So, I think having those conversations and then learning from each other, really being open to share your ideas and share your mistakes. Being on these calls with three or four competitors in different markets that have different perspectives, different environments. Some cities open back up pretty quickly, some cities are still under lockdown. How have you been communicating to your teams? So, really just there's that term guerrilla marketing but just getting back to the most simple nontechnical looking at the true root of consequences of some of these decisions and then being willing to share. Looking out not just for your company but for the industry as a whole. Because if we have some negative impact out of this it is going to affect all of us as an industry.

Brian David Johnson:

So I have a question.

Tracy Hayes:

Yeah.

Brian David Johnson:

I remember from our conversation. So, what I really liked here again Tracy what you've done is so in that short term, midterm, longterm. So in that short term like you said number one you went to the bank. Have those conversations, get that going. Number two, you started reaching out. Number three, you started talking to your suppliers, getting an understanding of suppliers. Can you talk a little bit more and tell us about how you thought about... Because in that you did your contingency planning with the bank, you did your contingency planning with your interconnectivity, you did with your clients. You did your planning with your suppliers. What about your employees? I know you did some work also thinking about your internal team as well. What did you do there?

Tracy Hayes:

Yeah, so we have 130 team members across the country and their jobs really vary. Some of them, we still had to cut checks every day. But we have people that deliver furniture for us that they'll walk our apartments. Well, the cities were shut down and we couldn't do that. So for us we made a commitment that we wanted to be on the other end of this with our 130 people. We didn't know if we could honor that but right now here's our plan. So, we described ways that people could stay on our team. We're not in the cool, sexy trend of we don't all work remote, we have physical offices but that wasn't possible. So, what does it look like when their home environment is not conducive to being successful? And we had to make exceptions and say, "You know what, typically we would say you can't have four dogs and a newborn and maybe you live rural an you don't have good internet connection but what could you do?"

Tracy Hayes:

So, we took some of our resources to say right now while we don't know... And we were in a financial position to keep people, for the first 30 days our goal was to keep people at 40 hours. And then we said, "You can use vacation and sick and our goal is to keep you at 32 hours." And then that's had to shift by position, by location. But what we did say is, "During this time, what could we do as an organization for you to still be engaged with us?"

Tracy Hayes:

One of the crazy things we did is we signed everyone in our company for a Dave Ramsey financial training. And we said, "One hour a week you can go online through the portals and improve, learn something new." Some of our team members actually volunteered during this time. That there was needs in the community that our skillset met and it gave our team a purpose. It also allowed them... They had real questions like, "Is my job secure or what if this doesn't get back in 30 days?" And instead of staying silent and or giving the most optimistic answer we had to be positive. "We don't know." And we had a lot of questions, "If I go down to part time can I file for claims?" So we try to have resources but we also tried to empower people, "Do what's best for your family."

Tracy Hayes:

Also, we had people who maybe had a different role. Like I had mentioned earlier we deal with the most intimate part of people, their homes. And we got a call from one of our clients, a technology company that said, "Listen, we've got a group of people in Austin that are visually impaired and we're going to go ahead and evacuate. We're going to get them out of there." But the resources that we normally have for them aren't there so we pulled our team members and said, "Who could get to their apartment and help them pack up? Who could make sure that they have the resources they need to get back to their home because their employer can no longer fulfill some of these responsibilities?" And it was amazing how people stepped up and said, "What do I need to do? I know you don't need me to go walk apartments because we don't have move ins but what could I do right now during this downtime so that when we come back where we're ready?"

Tracy Hayes:

So, as far as the employees it was really just being honest, being open. We had a unique program where we realized that not everyone was impacted the same across the board. And one thing that we did is we used our resources which was capital that we've saved over the years and we allowed them to make a difference to others. So we said, "People will be getting stimulus checks but not everyone is impacted the same way. So, if there is someone you want to help with your stimulus check up to \$1,200 we'll match it." We formed a committee that would review these submissions and it allowed some of our employees to pay maybe a preschool teacher who wasn't being paid because the school was closed or a hairdresser or a coworker.

Tracy Hayes:

So, we really just tried to use the same heart and resources that we had and allowed people to use that during this time and it kept them engaged in our company in a way and felt supported. So, maybe they only had 32 hours of pay but at the same time they were improving their family's financial literacy or helping the community or helping a family member that they loved and cared about. So, it was a nontraditional way for us to stay connected as an organization and support each other when we didn't necessarily have guarantees in our traditional roles as the employer and team member. So that was a lot of it. And the other thing... No, go ahead.

Brian David Johnson:

So, what I think is really interesting, I'm going to bring us back to the gallery view because I know I have questions and I'm sure Robin has some things to ask. To me I'm fascinated by in all that you were saying so in all the planning and certainly there's planning as we talked about and thinking it through but it seems like so much was about communication.

Brian David Johnson:

So much of having that plan and yeah planning is good but it really was about communication and like you said communicating internally inside of your leadership team and working through this, speaking with your clients and actually calling them and actually having those hard conversations about what it means but also treating them as humans. That they understand that they're human beings as well and that they're understanding that there are other human beings on the supply side that are there as well. And even with your employees being able to give them that this moment... And this is one of the things that we've talked about elsewhere in the show around so taking advantage of this time. It seems like that's certainly what you and your team have done is taken advantage of it to make people better, to make your organization better, to make your community better. But it seems like all throughout that is communication.

Brian David Johnson:

But I wanted to give Robin a chance. So, Robin in listening to Tracy's story do you have any questions or anything as you think about this as a foresight professional and seeing her apply this type of thinking what have you been thinking about?

Robin Champ:

The thing that really struck me was her emphasis on the stakeholders and she never used the term stakeholders but she talked about the banks and she talked about her competitors and she talked about her employees. In each one these groups is a different type of stakeholder. And when we think about strategy and foresight and preparing for the future we need to be thinking about all of our stakeholders. And there's a variety of different types of stakeholders. And only by listening to our stakeholders are we able to better plan for the future, are we better able to explore the uncertainties in the future and then plan accordingly.

Robin Champ:

So, I'm just really impressed by the focus on the stakeholders and I just want to underscore how important that is. And I think the other thing that I would like to ask Tracy and it would be a question for everyone is how do you envision yourself in the future? So, if you were for instance to pick up the newspaper here in D.C., it's the Washington Post I'm sure it's a different newspaper where you are, and read about your organization 10 years from now what would you want that headline to read? And that's the future we want to get to. So Tracy, I'll throw it out there. You're looking into the future, you pick up your hometown newspaper, what's that headline going to be?

Tracy Hayes:

I think it would be what we take for granted today was exceptional and out of the ordinary 10 years ago. So, I think those of us that survive right now there's this huge patience and understanding but we see this in the hurricane. Our guests that are with us now are very understanding, they're living through it real time with us. There's going to be this ripple effect that's going to stay in place for a while. And someone that arrives when we're not so sensitive and in tune with the condition today will not have patience with us when we can't deliver.

Tracy Hayes:

So, right now you might not be able to get cable on a new unit or internet because service techs are not going except for emergencies or work orders are not being completed. But our clients and our teams will become impatient once the newness of this wears off. So we should be spending our time right now circling around and thinking, "If this is the status course how do we deliver the same level of service with a different product and a different delivery mechanism six months from now or one year from now?" We can't say it's out of our hands because their experience really has to change.

Tracy Hayes:

So I would hope they would say, "Can you imagine 10 years ago they didn't do it like this and now we take it for granted because we've adapted and changed." From our client's view it should be seamless. And I think you had that duck analogy where on the top it looks like you're just swimming but underneath you're peddling, peddling, peddling. Right now, any extra energy we need to be on innovating and changing how we deliver our product so that we're not judged by restrictions. Our clients don't say this experience was horrible because of restrictions that we're facing now. We're not waiting for those to come back we're actually shifting how we do business so that whether or not they come back we're still relevant and a benefit.

Brian David Johnson:

And Tracy I think your point there of understanding that there will be fatigue, that people will as we start to come out of this there will be phases and understanding. And even thinking about that now that as you're dealing with what you're dealing with today certainly but as you're starting to come back out that you will be dealing with this. But I think even going back to your communication, just always communicating with people, always having those conversations around the why and what's behind it.

Again, I think Robin I really like how you called out the stakeholders. I think as we start to think about how would you turn this into a process. So again, still trying to think about Tracy's textbook on this. What would that be?

Brian David Johnson:

Thinking about that short term, mid term, long term, and then thinking about mapping your stakeholders as you move through that it's exactly what Tracy has done. She looked at her stakeholders, it was the bank, it was for her customers and clients, it was her suppliers, it was her employees and her team, her broader ecosystem that she got together with. And I think it's helpful to start mapping all that out. That's one of the big things when it comes to foresight and this type of thinking is really just methodically going through and doing it in dealing with it today knowing that there's going to be uncertainty but it gives you that headstart. You don't feel flatfooted, it gives you that head start. It's the thing that for myself as a futurist and what we try to do on Navigating the Noise as well. But I like this as an example of it's just being applied to a time that is incredibly, is filled with incredible amount of unknowns but still being able to navigate through it.

Brian David Johnson:

I want to start wrapping this up. I want to see, does anybody else have any questions? I want to see Tracy did you have any questions for us or Robin did you have any other questions?

Tracy Hayes:

Well, I would love to know we're in the weeds, this is our whole world, our whole ecosystem. From either of your viewpoints what should we be worried about or is there something that we might be blind to from our framework?

Brian David Johnson:

I'll start on that. So, I would never be so arrogant as to tell you how to do your business, this is something that we would never do. And again, we talk about this on the show and certainly for myself anybody who's come to the CHPA conferences knows that I would never do that. You know your business so you as professionals know your business. But the one thing I will tell you, and I can tell you with absolute certainty is you do have blind spots. Everybody does it's not a bad thing. There's a whole study of thought showing us that we all have blind spots. We're human, that's just what we have. All organizations have blind spots and it's not a weakness it's simply a reality, it's just the way things are.

Brian David Johnson:

And so, the one thing that I would push you to do is to sit down with your team and to start asking, "What are those blind spots?" That's the one thing that you can do is start getting, taking that same perspective that you had before Tracy where you had said you get people who might have different points of view who might come at this from different ways and you actually actively try to look for blind spots. You actively try to do

it. And then the other part of that is you create a culture much like we talked about in the previous episode on this creating a culture of people who aren't afraid to speak up and say, "I think there's a problem with this. I think there might be something here." Creating a culture inside of your team and in your broader ecosystem of people that the moment you start to see a blind spot, the moment something comes up, you identify it very quickly.

Brian David Johnson:

I liken it to the work that I've done with FEMA around natural disasters that we know that natural disasters are going to happen whether it be hurricanes or wildfires or earthquakes, we know they're going to happen we just don't know when and we don't know exactly where. We have a general idea. I live in the west where we're going to have wildfires, probably not a lot of hurricanes. And so, you can actually have a general idea, that's that cone that Robin showed us early on, that cone of possibility.

Brian David Johnson:

And then the next is to say, "Okay, well we know what's going to happen," and you respond to it when it happens. You don't respond to it a month beforehand, you don't respond to it a month after, you actually respond to it the moment you start to see it. And Tracy, going back to what you had talked about having a network of people that are looking and talking about this is incredibly important. Because you have a network of people who are sensing and looking around. So that would be my thing to you just to say know that you do have blind spots and it's natural for business and it's natural for humans. And then creating that culture around looking for them and talking about them. But Robin, I pass it over to you. What do you think for Tracy and the industry? What could they be thinking about that might be a little bit different?

Robin Champ:

So, I agree with you culture is so important and it plays a bigger role than I think a lot of us give credit to. And there's an old saying culture eats strategy for breakfast. So you can have a great strategy but if you don't have the culture behind it to implement it and a culture that's accepting of it you're not going to get very far. And so, I would just leave everyone with change happens, change will happen. And so, you can sit around and wait for the future to happen to you or you can take an active role in shaping the future. And I always promote take an active role in shaping the future, thinking about it, being innovative and think about where you want to be and the steps you can take now to have a better future.

Brian David Johnson:

And I think that's a perfect way to transition us, to our three things to do, that's great Robin. So, what we try to do here on Navigating the Noise is give you three things to do, three pragmatic things you can do today to start thinking about and preparing for the future. And that's what this episode, this two part'er has been all about. And I've actually asked our guests to prepare some as well but I will start.

Brian David Johnson:

I've got a lot of them, I've got lots of notes. As many as you know I take lots of notes when everybody's talking and we try to put a lot of those up on the website when we go. I want to, I'll be really pragmatic. Oftentimes I like to go high level. I want to draft off what both Tracy is doing and what Robin said: it's about stakeholders. It's really using that. I think that's a really effective way because as Tracy said everybody here who's probably watching this is in the weeds. You are business leaders, you are doing a good job, you are getting through this and giving yourself that moment to sit back and just start thinking about just write it down. Who are your stakeholders? Where are they? How are they linked to each other? Just getting an understanding. Because we all know that those stakeholders are the fabric of your business. They're the fabric of this industry and the ancillary industries that sit around.

Brian David Johnson:

And I think having that map goes back to what Tracy did right at the beginning of the pandemic, she called the bank. Good call, it's about the money call the bank. And that gives you that beginning of a roadmap to say, "Who do you communicate with and who do you reach out to?" So, that would be my number one thing to do is map your stakeholders. Who are your stakeholders? So next I'm going to go to... Who wants to go next? I'll go to Tracy. Tracy, let's go to you. Wait, I'm going to unmute you there.

Tracy Hayes:

There we go. I think the number one is just don't forget the people element of this whether it's our guests or our teams to be available for them and open and take that feedback honestly. Don't be afraid to admit you're wrong and be vulnerable and ask for help. I think that's huge. And then be optimistic and realistic, don't let your optimistic side overshadow the need to come up with a contingency plan if things don't work the way you modeled them to work. Those are the two strongest.

Brian David Johnson:

So number one is map your stakeholders, number two is don't forget the people, but also when it comes to yourself be optimistic but have a plan. I think that's a good... Everybody knows I'm an optimist because we get to build our future but have a plan when that uncertainty can come in. So, those are the first two. So Robin, what would your number three be?

Robin Champ:

I'm going to end with put your money where your mouth is and if you really want to change think about what your operating budget is and take 10% of it, fence that money for innovation or doing something different. So, take the first step, fence 10% and invest it in something different for the future.

Brian David Johnson:

Wow, there you go. This from a seasoned foresight expert who has done this for many, many years. Put your money where your mouth is, I like that. I like that idea to be able to do that and not only that I'll add to that Robin it's not only the money but also

people's time, that idea, that 10%, which I know is exactly what you meant. So, that is great. So, map your stakeholders, don't forget the people and put your money where your mouth is I like that. So those are your three things to do.

Brian David Johnson:

Now, as we go to the ending of the show I want to also pause here and talk about the innovators forum. So, we've talked about this on some previous shows, I'm going to keep up our grid view here for a moment as we go through and do this is that we felt at CHPA we'd heard a lot of feedback from listeners and fans of the show that everybody's in the weeds as Tracy said, everybody's just trying to get through this. But if you're watching this show there's a good chance that you're a change maker, you're an innovator, you're a leader who's really tasked yourself with making that change, with doing that. And you may not have a peer group, you may not have other people you can talk to because they're all busy and certainly we all have not only professional but personal things that we need to take care of.

Brian David Johnson:

And we thought here at CHPA we could provide that platform, we could provide that forum for like-minded folks like yourselves to get together and just talk, just talk about what you're doing, hear what other people are doing, ask questions. It's exactly what Tracy and her peer group are doing now in a way that she's been working through the pandemic. So, I thought this was a great idea. We spoke with Mary Ann and the folks at CHPA, we're going to do it. We had some other folks who were going to be hosts and talk about it. And Tracy has been very, very good to sign up. She's going to be a part of the innovators forum.

Brian David Johnson:

So, go to the website and there'll be more information around where it's going to be and when it's going to be, and we'll make sure as a part of the Navigating the Noise team that we're sending out that information but stay tuned. If you'd really be interested in that we want to make sure that we've got a place for you to go and just really have those conversations. So Tracy, I want to thank you for doing that and thank you for being a part of the show we really, really appreciate it.

Tracy Hayes:

Thank you.

Brian David Johnson:

And Robin, thank you so much for coming on today. Thank you so much for breaking all this down. We'll make sure as I mentioned to have all of Robin's materials up on the website so you can really get a better idea around foresight. But thank you again Robin for joining us here.

Robin Champ:

My pleasure thank you BDJ.

Brian David Johnson:

Okay, everybody. So I am going to bring us to the ending of our broadcast. So, I want to thank you for joining us here on Navigating the Noise. It is a difficult time for many we realize that and that's really what we are here to do and what we're trying to do with this season is to bring as much information, to bring some of the amazing work that people like Tracy and Robin are doing and get them in front of you and give you some of the resources and like the innovators forums to be able to have those conversations. And we really do mean it when we say if you have any questions at all, if there's anything that you need to help you get through this time or even plan for the future please reach out to us.

Brian David Johnson:

You can get us at our email address which is info@chpaonline.org. You can also follow us on Twitter @CHPAonline or you can visit the website where you can find all of this information and the additional information that we've mentioned and we're at chponline.org. So, thank you so much for listening to Navigating the Noise a broadcast brought to you by CHPA, the Corporate Housing Providers Association. I'm your host and your futurist Brian David Johnson saying thank you so much for joining me. Please be safe and we'll be talking to you soon. Take care.