



## **Eisenhower Legacy Dinner**

### **Keynote Address: “What Makes Ike Relevant Today?” by Geoff Loftus**

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Thank you for that nice welcome.

Thank you to Mack Teasley and all of the team here at the Eisenhower Foundation and at the Eisenhower Presidential Library & Museum for hosting this wonderful event and inviting me to speak.

I also have to thank someone on my personal team. No one makes the journey from unpublished author to published author, from Scarsdale, NY, to Abilene, KS, without the support of a team – and I want to thank my wife, Margy, for all her love and support. I literally wouldn't be here without her.

When Mack first invited me to speak he suggested the topic of “What does Dwight Eisenhower have to say to us today?” or “What Makes Ike Relevant Today?”

My personal discovery of Ike's relevance started quite a while ago. I was the managing editor of The Conference Board's magazine. Later I became the vice president at the leading corporate governance organization in the country. During those years, I spent a lot of time analyzing and defining what makes for effective business leadership. At the same time, as a lifelong history buff, I read a number of books about General Eisenhower and about World War II.

I added 1 + 1 and concluded that Ike was a truly great leader by any standard and that there were many business lessons to be learned from his leadership. And that's how “Lead Like Ike: Ten Business Strategies from the CEO of D-Day” was born. From the minute the idea starting bouncing around inside my head, I knew that Ike was relevant to Corporate America and American society at large. Ike was a great leader because he was a great man. But that's not always the case. Many effective leaders are not particularly impressive human beings. After all, if they were good men and women and not just effective leaders:

- Would they be so busy chasing short-term profits and unsustainable stock-price increases?
- Would the financial giants have played fast-and-loose with risky investments and crashed the markets?
- Would BP have drilled at extreme depths without extreme back-up plans?

These companies' leaders are all good at managing profitable companies. But they don't measure up as great leaders because they haven't been concerned for their stakeholders: their customers, employees, shareholders, and the people of the communities they serve. It's hard to imagine Ike, who was supremely aware of all his stakeholders, ever

behaving that way. That's what makes Dwight Eisenhower relevant. Because we need his type of leadership -- *today*.

What were the qualities of Ike's greatness:

- He never lost sight of his mission
- He planned and planned and planned some more
- He was supremely realistic, assessed and managed huge risks properly
- He communicated to *everyone*
- He managed people well,
- He motivated people well . . . and . . . *finally and most importantly:*
- He was honest and honorable.

His first quality of greatness: He never lost sight of his mission. Compare Ike's focus on mission with that of his superiors Franklin Roosevelt and Winston Churchill . . . compare him to his subordinates like Montgomery, Bradley, and Patton . . . compare him to his German opponents -- Ike was more focused on his mission than anyone else in the entire war.

What was his mission? To defeat the Germans. To break their war-making capacity. That meant stopping the German army and crippling the industrial base that supplied the army. Eisenhower understood that defining the mission determines the strategy.

Ike believed the *best* and *only* strategy that would accomplish his mission was the invasion of Normandy, Operation Overlord. Why Normandy? It presented the shortest route to winning the war – a straight shot into the heart of Germany.

Eisenhower and his staff were well aware that a successful invasion wasn't going to be enough to beat Germany. They needed follow-up plans for D-Day plus 1, and, of course, they had them. The Allies, or as I refer to them in the book, D-Day Inc., had to push through France, Holland and Belgium into Germany itself. But the strategy behind the push was the subject of much debate.

Military tradition has longed called for a concentration of forces, and Montgomery and Churchill wanted to concentrate D-Day Inc.'s forces under Monty's command for what was called "a single thrust" into Germany. But Ike had an innovative vision that surpassed hundreds of years of military doctrine – he would deploy his forces in a mobile, broad-front strategy.

Eisenhower knew that a broad front would bring so much pressure to bear on the Germans' defensive lines that there was no way for the Germans to stop his forces. Ike's

strategy proved to be fast, efficient, and preserved the lives of more of his forces. Sticking to the mission is important in Corporate America, and for that matter, in all parts of life: My son Greg wanted to be here tonight, but he's doing one of the things that Ike did so well: He's staying focused on his mission. As a high-school junior, his mission is to get into college, and tomorrow his mission requires him to take the PSATs.

The next point of Ike's greatness: planning. Ike famously said that planning is everything, but plans are worthless. I think he meant that planning is the best possible way to educate ourselves to do whatever we're going to do. No matter how thoroughly and comprehensively we plan, when something comes up that was not anticipated, the education we've received through the planning process equips us to find a successful solution.

Ike handled planning efficiently and thoroughly by:

1. Explaining the mission and the strategy to accomplish the mission
2. Delegating to planning leaders whenever necessary – one person can't plan something as massive and detailed as the D-Day landings.
3. Reviewing the plans over and over, then asking questions on top of questions
4. Making changes whenever he felt necessary. Both Ike and Monty wanted to expand the size of the Normandy beachhead from the original plans, and send in more divisions simultaneously.
5. Committing resources as needed. About a week before Operation Overlord began, intelligence came in that the Germans were reinforcing the area inland of Utah Beach. Eisenhower's air exec, Air Chief Marshal Sir Trafford Leigh-Mallory, begged Ike to call off the deployment of Airborne divisions near Utah. Leigh-Mallory estimated that losses for the two divisions might be as high as 70 percent, a staggering rate that meant more than 10,000 men hurt or killed. If the losses were close to that high, the Airborne couldn't possibly succeed in supporting Omar Bradley's forces on Utah, and the losses on the beach would also be horrific. If the Airborne operations were canceled, it made sense to cancel the landings at Utah.

War, like business, is about risk. Ike assessed the risks:

- Without the Airborne, Utah could fail.
- Without Utah, Overlord could fail.

Eisenhower concluded that as bad as the risks for the Airborne divisions were, the risk to Overlord was much greater. The Airborne would go in as planned; Bradley's men would operate on Utah Beach as planned. The risk would have to be taken.

Ike committed the necessary resources, and fortunately the casualties were much less than projected. Utah Beach was held, and as we all know, Overlord was a huge success.

There's a recent parallel to Eisenhower's actions prior to D-Day and the "Browser War" between Microsoft and Netscape in the late 1990s. When Microsoft decided to battle Netscape for Internet supremacy, Microsoft was in a position analogous to D-Day Inc.'s going up against the Germans. (This is said without in anyway equating Netscape with the Nazis.) Netscape was hugely successful and utterly dominant. As of August 1996, it had complete control of its territory — "at least an 80 percent share of the Internet browser market."

Netscape's browser was positioned to dominate the world of networked computing. In the mid-1990s, the real growth in computer markets was in networked computing. If Netscape became dominant in networked computing first, well . . .

Eisenhower faced a competitor with complete control of its territory. He had two major advantages over that competitor: air superiority and the muscle of mass-production. Microsoft had two similar advantages in competing with Netscape. Microsoft's version of air superiority was Windows, "used by more than 80 percent of all personal computers" in 1996. Microsoft tied its browser, called Internet Explorer, to Windows. *And* Internet Explorer was free. The second advantage that Microsoft had was almost the same as D-Day Inc.'s: sheer muscle. D-Day Inc. relied on the manufacturing base of the United States. Microsoft assigned more than 500 programmers to work on its Internet projects, allowing it to move much more quickly than the smaller Netscape.

It took five years, but by November 2000, Microsoft had 86 percent of all browser use and Netscape had become a dwindling part of America Online (AOL).

The next point of greatness in Ike: He was supremely realistic, faced facts and assessed risks properly.

General Eisenhower could not have been as successful as he was without facing facts and assessing risk. Why? Because the cost of mistakes was measured in human life, and Ike never forgot that each individual fatality might be a small number to the Allies, but it was a catastrophe back home.

In the military, the ultimate fallback plan is to retreat. In business, it's closing the operation and laying off the employees. Those are extremely painful options, and great leaders do everything they can to ensure they never have to use the ultimate fallback plan. A perfect example of this at Normandy was Ike's use of airborne troops inland of

Utah Beach.

Johnson & Johnson faced a major crisis when its market-leading Tylenol was found to have been poisoned in 1982. The company immediately accepted responsibility for dealing with the sabotaged product, and pulled all Tylenol off the shelves. They promised and delivered new, safer packaging. J&J ACTED immediately. Contrast this with business leaders who say they take full responsibility because their PR consultants say they should, but don't follow up with action and/or leave with golden parachutes. If this sounds like BP's behavior this past summer, it's because it *is* BP.

Ike knew that accepting responsibility entailed accepting risk. Compare J&J's behavior with the spectacle of BP and its two partners trying to shift the blame to each other in their Congressional testimony. BP later did many things right, but the negative impression had already been made. J&J was so forthright about taking responsibility, the public was very willing to assign blame where it belonged – on the saboteur who poisoned the Tylenol. Today Tylenol continues to be one of the bestselling painkillers on the market.

The next trait of greatness in Ike: He communicated extremely well. It's almost impossible to be great if you can't communicate. And Dwight Eisenhower *knew* how to communicate.

First, he listened to everyone. *Really listened*. Even when he disagreed with what he was hearing. He was patient and let others have their say, even if they said it over and over again.

When it was his turn to speak, he was direct and straightforward with his superiors such as Franklin Roosevelt, Winston Churchill, and General George Marshall. He was collegial and straightforward with his senior staff – even the disagreeable Montgomery. And he was honest all the time.

Ike was friendly and concerned with his enlisted men. On June 5 he visited the soon-to-be-departing 101<sup>st</sup> Airborne as the men were about to board their planes in the evening. Ike asked the men where they were from and what their names were. He told a group of enlisted men not to worry, and the response from a Texan was, "Hell, we ain't worried, General. It's the Krauts that ought to be worrying now."

When you look at the Tylenol crisis, it's as if Johnson & Johnson was using Ike's communications playbook: The company was straightforward and quick to respond to the crisis, stepping up to responsibility, and putting the safety of the public first.

If you can't communicate well, you'll find it very difficult to manage and motivate your people well. But Ike was a great communicator, and, not surprisingly he was a great Manager and Motivator of People.

Seniority often plays a major role in large organizations, and the Armed Forces are no exception. BUT IKE was more concerned with talent and promoted it regardless of seniority. Ike promoted Omar Bradley ahead of George Patton. By early 1945, Bradley was Eisenhower's go-to guy whenever something needed doing and so successful that he was the last man named a five-star general.

Another managerial talent of Ike's was his recognizing that even difficult executives can bring something to the organization.

The legendary George Patton had a serious talent for trouble. He slapped an enlisted man in Sicily, and on more than one occasion, misspoke, caused an uproar, and was scolded by Eisenhower.

Approximately six weeks before D-Day in April 1944, Patton set off a public relations firestorm with his remarks at the opening of a club for American servicemen. With many bosses, it would have been the last straw. But Ike focused on the mission of beating the Germans. Patton had competed successfully against the Germans in Africa and Sicily. Eisenhower said that Patton's "emotional tenseness and his impulsiveness are the very qualities that make him, in open situations, such a remarkable leader of an army. The more he drives his men the more he will save their lives."

D-Day Inc.'s mission was to beat the Germans. No other executive on staff did a better job of beating the Germans than George Patton. Eisenhower decided to keep him and said to Patton, "You owe us some victories; pay off and the world will deem me a wise man." As events turned out, Ike was a very wise man.

The Walt Disney Company managed talent very well, and then managed it very poorly: Disney hired Michael Eisner as its CEO when Paramount had passed him over for its top spot. Disney had been a moribund enterprise since the passing of Walt Disney, and Eisner turned the company around. He rejuvenated Disney animation with hits such as *The Little Mermaid* and *Beauty and the Beast*, and signed a deal with Pixar, which resulted in *Toy Story* and *Finding Nemo*. Disney went from moribund to juggernaut in a few years, surpassing Paramount.

Disney's board of directors deserves praise for recognizing the talent of Paramount's reject. But Disney's board let him stay way too long. By 1994, Eisner had forced out one

of his most promising executives, Jeffrey Katzenberg, and was engaged in a bitter feud with Pixar, the people behind the *Toy Story* movies. Disney needed a succession plan for its CEO. Eisner settled on Michael Ovitz and the board agreed with him. Ovitz was installed as the heir apparent. Prior to Disney, Ovitz had been dubbed “the Most Powerful Man in Hollywood”. Unfortunately, there was a power outage at Disney. It took 14 months of failure for both sides to recognize Ovitz would never take over for Eisner – and he left with a golden parachute of \$140 million. Yes, that was \$10 million a month . . . for failing. As somebody else said, “I could have failed for half that much?”

As you can see, managing talent as well as Ike did isn’t easy. Neither is motivating your people. How did Ike motivate his people?

He trusted people, delegating authority to members of his senior staff. If he hadn’t trusted them, Operation Overlord would never have come to pass. Ike trusted his people and avoided micromanaging. Ike’s trust in his commanders and troops paid off handsomely.

He *listened* to all ideas and opinions, often over and over. Even when Ike disagreed with someone, as he usually did with Monty, he listened to him repeatedly. I think it’s possible that Dwight Eisenhower was the Most Patient Man of the 20<sup>th</sup> Century.

He took responsibility and blame for his decisions — no alibis *ever*. He took the blame for the failure of Operation Market-Garden – the famous “Bridge Too Far” campaign -- in September 1944. He gave credit to the members of his team and to the enlisted men. He constantly praised members of his team to his boss, George Marshall, and promoted many of the men under him in recognition of their service.

He cared for all of his people. Ike made sure that enlisted men had the same access as officers to vehicles for recreation purposes. He made sure that captured wine was shared equally among men of all ranks. And when some of the generals were portioning out villas for use as residences, Ike took the residences away from the generals and assigned the villas for use as enlisted men’s recreational centers.

Nothing empowers people better than trusting them, listening to them, taking responsibility and blame, and caring for them.

And nothing breeds success like empowerment. Look at what FedEx has accomplished. Fred Smith, the founder of FedEx said, “You can’t make people do what’s right. You can lead them, and you can empower them to make the right decision, but if you don’t produce a culture that allows them to do that, then all the rest is just bumping your gums as one of my old business partners used to say.” FedEx doesn’t waste time

bumping gums. Instead it lives by the company guarantee created by Smith: "If we don't get it there, we don't get paid."

A quick look at the company's financials makes one thing pretty clear: FedEx doesn't go unpaid very often.

And finally, and this is the aspect of Dwight Eisenhower that makes me believe he was a truly great man: He was honest and honorable.

Ike was honest at all times, even when he disagreed with his superiors. But he was respectful when he disagreed, and when the decision went against his wishes, he was dutiful in executing it.

Eisenhower was capable of immense self-honesty. At the end stages of the North Africa and Sicily campaigns, Ike told one of his confidantes exactly what he had done wrong, realizing that he hadn't been aggressive enough. Ike never lacked for aggression again after that.

Ike was honorable, always taking the blame. When Operation Market-Garden failed, Montgomery, who had created and planned the operation, blamed the weather and insufficient air force capacity. Eisenhower, who was not involved in any of the detailed planning, simply said it was his fault; the responsibility was his since he had approved the operation.

A few years ago, Corporate America saw an impressive display of self-honesty and executive responsibility. In 2006, the Ford Motor Company had lost \$12.6 billion – the worst year in its history. Bill Ford was able to admit he wasn't the right man to run the company with his family name over the door. He stepped down as CEO of Ford Motor Co.

And he went out and found the right guy, Alan Mulally. Mulally is not a car guy, coming from Boeing, but Bill Ford, like Eisenhower with Omar Bradley, recognized talent and promoted it. Since Mulally came aboard, Ford Motor Co. is the only one of Detroit's Big 3 not to go bankrupt or take a government bailout. And Ford returned to profitability sooner than its competitors. All because Bill Ford pushed his ego aside, learned from his mistakes, and did what his company needed him to do. That's the kind of greatness as a man and leader that Dwight Eisenhower showed over and over again.

To summarize the traits of Ike's greatness:

- 1) He stayed focused on his mission despite the awesome pressure and horrific chaos of the war.
- 2) He planned and planned and planned some more.
- 3) He was supremely realistic, and assessed and managed risk properly, saving who knows how many lives in the process.
- 4) He communicated directly and honestly to *everyone*.
- 5) He managed people well,
- 6) He motivated people well . . . and *finally and most importantly*:
- 7) He was honest and honorable.

Ike was a great leader, because he was a great man. And his greatness is most easily seen in his honesty.

Eisenhower once said, "I know only one method of operation. To be as honest with others as I am with myself." Even Montgomery appreciated this quality in Ike: "He merely has to smile at you, and you trust him at once. He is the very incarnation of sincerity."

Honesty is what makes truly great leaders. Without honesty, our leaders are doomed to repeat the mistakes of the past. Eisenhower was honest, and that made him a great leader. That's what makes Ike relevant today.

Ike's capacity for honesty and honor is not the last trait of greatness from random chance. It's last because it's the hardest and toughest of all his qualities to emulate. When times are tough, when the results of a mistake are magnified, it can be almost impossible to accept the blame for mistakes. The more dire the consequences, the harder it is. And the more necessary it is.

In the morning hours of June 5, with the fate of D-Day Inc. and millions of lives hanging in the balance, Eisenhower proved his greatness as a leader and a man by writing the note accepting the blame if Overlord turned out to be a disaster:

"Our landings . . . have failed . . . and I have withdrawn the troops. My decision to attack at this time and place was based upon the best information available. The troops, the air and the Navy did all that bravery and devotion to duty could do. If any blame or fault attaches to the attempt it is mine alone."

If businesses are to succeed in these very trying times, business leaders have to face BRUTAL realities and accept responsibility.

To put it simply, they need to be like Ike.

That's why Dwight Eisenhower is relevant today . . . and will still be relevant tomorrow.

Thank you.