

## MoS Rapid Response Transcript – Hans Vestberg

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**HANS VESTBERG:** We decided to keep America connected, meaning we don't disconnect any residential customers. If you would sit down and think about pure shareholders, you would not do that.

I increase the virtue of voluntaries for my employees so they can help in these courses on company time. For us, this is normal. This is what you do if you are a responsible corporation.

I think we will fast forward very important development like remote education, telemedicine, and things like that that we never thought would be possible.

And that of course impacts how we are going to work in the future, and what type of products we need to have out there.

I can tell you, in two to three to four years from now, our shareholders are going to feel that those decisions that you made for society are so important today because you can take one bad decision today in a crisis and that's going to be remembered for years to come.

If you're ever going to lead, now is the time to lead.

**BOB SAFIAN:** That's Hans Vestberg, CEO of Verizon. With 120 million customers on its network, Verizon is among the most central businesses in helping all of us to stay productive, active, connected during the Great Lockdown.

This is Bob Safian, host of Masters of Scale: Rapid Response.

Hans is Swedish-born, the former chief executive of Ericsson, and he takes his leadership responsibility very seriously.

"You need to rethink everything you've done before," Hans says. To help him find the right answers, he's talking daily to other CEOs, to government leaders — and in a noon town hall meeting that he's held every day for the past two months, to tens of thousands of his own employees.

Hans has gotten the behemoth company to pivot quickly, retraining thousands of jobs, and he's opportunistically purchased a video-conference business, BlueJeans, after seeing booming use of such tools on his network.

It's both business-as-usual and a whole-new-world all at once.

Let's listen in.

**[THEME MUSIC]**

**SAFIAN:** I'm Bob Safian and I'm here with Hans Vestberg, the CEO of Verizon. Network connectivity is the essential tool of the 21st century, certainly reinforced by the coronavirus lockdown. Data traffic on Verizon's network is way up – so is phone calling, 800 million calls a day, twice the pre-crisis peak level. Yet booming times are not necessarily easy for Verizon. Like other providers, it's allowing many customers to suspend paying for service. There are many new management challenges.

Hans is coming to us today remotely from his home in New Jersey, as I ask my questions from my home in New York. Hans, thanks for joining us.

**VESTBERG:** Thank you very much, Bob. Great to be here.

**SAFIAN:** At Verizon, you're used to dealing with disasters – hurricanes, floods, tornadoes, those things all continue – but of course now you have to deal with coronavirus. What is different about this crisis than dealing with those kinds of disasters that you're more used to?

**VESTBERG:** I think, first of all, we are unfortunately, very used to disaster. So many natural disasters the last couple of years. Of course, we have a process for handling crises, but this crisis is totally different.

We had our emergency operation center up in the beginning of February, which is the highest crisis alert. Very soon after that, we split our executive team and so very few of us is working with a crisis. The rest is taking care of the business. That's very different from how we would do it. This is the longest-running crisis we have had since we started to implement our crisis management. We have never been running so long as we have done so far. And we all know, it's months left until it's over.

**SAFIAN:** So, 135,000 employees you have now, about 80% are now virtual. And you had to move them over in a very short period of time. Was that crazy? That was like crisis on the fly. That wasn't necessarily part of your existing crisis plan.

**VESTBERG:** We never envisioned that we would have 115,000 people working from home and that we needed to transform 20,000 employees' work from being in a store to be a customer care employee. We never envisioned that. We envisioned that in small portions.

But to be honest, we made it in two weeks. In two weeks we transformed 115,000 employees to work from home and we have retrained 20,000 members of our staff to work with different tasks than before. And we even opened a job exchange internally, so if you actually had the job that you couldn't perform anymore, you can actually work for another unit that actually needs that work.

We really pivoted how we do it, but we also need to remember we have some 15, 20,000 employees that are in the front lines, that are either having a store open because of the nature of all our infrastructure, or we have our engineers being out in the field and serving the most vulnerable: hospitals, first responders. So it is a balance in every decision you take how to keep that up.

**SAFIAN:** Did you have enough of the PPE, the personal protective equipment, that's much talked about for your folks in the field?

**VESTBERG:** We had in the beginning. Then of course, we had some sort of shortage, but then we also withdrew our activities in the field and then when we got PPE we increased it again. We would have today 30% of our stores open, but only in certain hours and only by appointment.

More important, we have found innovation. Historically, for example, installing a fiber to the home, we needed to go into the home. We needed to be there for a day or more. Today, we can do that remotely. Our innovation is now that we don't need to go in, so we can continue to install fiber to the home, to our customers, without actually going into the homes and having the social distancing that is so important this time. It also comes, a lot of innovation, in times of this when you need to work differently. Things that you never thought you could do, you're actually doing.

**SAFIAN:** If I hear you right, there were sort of waves, like you had enough equipment, then when you realize you didn't, you kind of had to throttle back. You're sort of staying on your toes as you go through this based on whatever the next day brings?

**VESTBERG:** Yeah. No, we have been extremely close contact with our employee base and one thing that we decided some eight weeks ago was that every noon, at 12 o'clock, we have a live webcast to all our employees. We usually have a viewership between some 30- to 60-70,000 that joins every day to listen to us because we talk about all the new principles.

**SAFIAN:** Where did this idea for doing this webcast come from?

That was in the beginning when we decided to say that we're going to close some stores. Remember, we also have employees in Asia, so we needed to communicate with them very early on. We said, "Hey, why don't we do a webcast?" We did it day one, and

we had enormous feedback from our employees. It has been a way for many of our employees that have a totally new life working from home with children so they can come in at noon, between 12 and 12:30, and listen to the leadership, what we're doing.

We don't have all the answers, but reassurance in times of uncertainty is one of the most important things you have as a leader, to actually talk about what's happening and just talk about normal things – what we're doing, what is happening at the company – that is huge.

Our response is enormous. We do an employee survey as well, every second week, with all our employees to ask how we're doing, how would you feel in your new work environment. We have a very good response from our employees in the crisis, which is usually the most complicated as a leader, is to communicate in a crisis.

We also opened up these for external. So we have now investors, with our shareholders, and the public actually listening to our webcast because we do it on all the platforms, like Twitter, our internal platform, because some of our field engineers, they cannot access our intranet when they are in the field. So we put it on Twitter as well. So nowadays we get questions from investors on our daily new live show, but it is for employees. But we're happy to share because there's no secrets.

**SAFIAN:** You're laughing about the questions you get. Are there any questions that are particularly memorable that you've gotten recently?

**VESTBERG:** I think that the most are of course concerning health and safety because that's number one priority. I think you get a lot of personal questions: How am I dealing with it? How is my new normal? How's my days? So I usually talk about what I have done during the day, which CEO's I've been speaking to, if I had the board meeting, what was the subject of the board meeting. I make it more normal, what's happening in the company, what I'm doing, so everybody feels that everybody is trying to do new normal even though this is such a big crisis and such a big thing for the whole world.

**SAFIAN:** You are a very disciplined leader, I know, including with your time. You track all your time that you spend on tasks, I know you rate your effectiveness each day, you set out all of your year's meetings in October for the year ahead so you can plan. But as you say, this is a crisis without a playbook. And so I'm curious, when this virus hit and you had to change your management, what did you consider?

**VESTBERG:** Yeah, it was. But on the other hand, I had my fundamental beliefs about how you run a company and how you reallocate time very quickly. Very quickly early on, I relocated my time and my leadership's time. I see it in three phases. In one, I would say 60, 70% of the leadership team we spent on the crisis. That was the first two weeks. Then I pivot the team and I do that by governance, because I just tell them what to work

with and what type of meetings we're going to have. Now, we're having an emergency operation center. They run everything that is this crisis, answer our employees, how do we deal with different states, different countries' rules and regulations? And we only have 30 minutes every morning, the whole executive team. We get an update on the Emergency Operations Center. Thereafter we work normally, with our normal five day deployment or strategy for the company, how we deal with customers.

That has been our strategy in order for us to actually see that we run this company forward. Because if you're going to be taken by this crisis and the only thing you think about is that, especially as we don't know how long it will go on. If you have a national disaster we know more or less when the weather will improve and we're going to get back to some normal and we can shut it down. We don't know how long this will go.

So I need to pivot my team very early on. So I think that I had the fundamentals, how I allocated my time, how we governed things. And that helped a lot when I came into this, how to be with my team. And now I would say that we spend 15% on the crisis as an executive team, probably 60, 65% on running our business. And then the remainder is that, what things can we now do for the future? What products do we need? So we emerge even stronger coming out from these crisis. That's how I'm running my team right now.

**SAFIAN:** You mentioned the crisis, you mentioned business as usual or business today, and the future. Is it two teams or three?

**VESTBERG:** It's two teams, and one is the crisis and one is business as usual and new opportunities. But you govern it differently. You don't want to come into a meeting thinking about, how will the workplace for the future look like, what type of new products we want to have? That is a certain meeting, and another meeting is when you run your business as usual, how we're rolling out 5G, what is our strategy execution, et cetera. So you pivot and make very clear the purpose and the governance of the meetings where you want to have the focus, and that's what we have done.

**SAFIAN:** Things like the BlueJeans purchase, does that come out of the crisis team too? Because that is an opportunity that presented itself in some ways because of the crisis.

**VESTBERG:** That comes out in where we see opportunities in the new normal. Now we had worked with BlueJeans for a while, but there's a lot of other things we're working with there. But that would typically be a thing that would come up there. When you start thinking, what are the new normal? What are the new societal behaviors? What products need to be fortified? What product do we need to down prioritize? That's all happening in that environment where we try to be as creative as possible.

And here of course you need to rethink everything you have done before, because historically we have a process for everything and as the societal behavior is a situation analysis, that's changing so dramatic and so quickly in the crisis that we need to rethink much quicker what type of new products, what type or new process that we need to implement. That dynamic is very new to us. I think the team has adapted well, but of course it has its challenges.

**SAFIAN:** Are there opportunities that you're seeing from those changes in behavior that you have to react to?

**VESTBERG:** Absolutely. You mentioned there, when collaboration tools in the network from the baseline, from the start, from the pandemic is up 1,200% in the network. So of course you understand that will never go back to zero. The new normal will have so much more collaboration tools. Another thing is of course remote learning, or telemedicine.

I have talked for the last 20 years about the mobility, broadband, and cloud is a 21st century infrastructure, and if we're ever going to have a sustainable solution, we need to use those three pillars. I think we've broken down some of those barriers that we never thought was possible even in the Western world, that it's okay now to have telemedicine, it's okay to do e-learning. Even though it's better to go to the classroom, we're going to see hybrids going on. And that of course impacts how we're going to work in the future, and what type of products we need to have out there.

**SAFIAN:** When the crisis ends, are you going to go back to having 115,000 back in the offices? Or are a lot more people going to continue to be working remotely?

**VESTBERG:** We spend a lot of time on the second phase of this pandemic, which is the staggered reopening. And we think that first of all it's going to take time before everyone is back to the office. We're going to prioritize the ones that really need to be in office. Ultimately we will reconsider certain functions that might not come back to office because we have seen gain for the employee and for our customers by working another way.

And remember, everything we decide in our company, we have the four stakeholders: employees, shareholders, customers, and society. And in time of crisis you always need to balance those four when you take a decision. Because it's very easy, you super react on one of them and then you have negative impacts on the others, and all of them have to be long term decisions based on all four of them.

We might come up with the process to have certain groups of employees being home, because it's good for the employees. Number two, it's good for our customers. It's good for our customers, usually good for our shareholders. And then of course it might be

good for society. We travel less or we're given much more equal opportunity for employees that they can be home. So you need to have that with you, and I think we'll have that vivid everyday we take decision, every morning we take decision, we think about these four stakeholders.

**SAFIAN:** There's so much variety and things that are up in the air that you have to be fluid about. I'm curious, when you think right now, what's been your most challenging decision so far for you?

**VESTBERG:** I think the most difficult decision is the balance between the number one priority, the safe and health of my employees, and then keeping up the second most important infrastructure in the country, which is the mobility broadband services. Because that balance you need to do every day. But remember we serve almost all hospitals in the country, all these crisis operation centers that governments are putting up for testing, et cetera. We serve all of them, in order to have connectivity because without connectivity they are not operating. So that balance is difficult.

But if you have your right principles, and the right team behind it with the right facts and data, it's actually manageable. And that's what we have in our emergency operation center, which is running these 24/7. They have good advice, they have good facts to take those decisions. But I think we have done it well so far. I'm proud of my team because they really have risen to this occasion.

**SAFIAN:** I'm curious, when you saw people blaming 5G for COVID-19, was that unexpected?

**VESTBERG:** Yeah, it's unexpected. And of course there's no correlation between 5G and the coronavirus. I don't even understand how anybody can even hang it together, but I think what we're working with, of course, is seeing that fake news is taken away as much as possible, because there's no real correlation with 5G and that.

And I think 5G is such a fantastic and powerful technology that's going to bring so much to our society that we haven't even understood yet. And so I'm really excited about 5G. And especially in the world like we have right now, that connectivity in a pace and a performance like 5G will make a tremendous change for each and every one on this earth.

**SAFIAN:** Yeah, there's so much uneasiness and panic about things that people latch on to things that I guess they don't really understand. I know there's an initiative between Apple and Google about sort of tracing people using phones, tracing and tracking. I'm curious if you have any insights or perspective about what the potential impact of those kinds of initiatives might be.

**VESTBERG:** We're of course following this on a global basis, and different countries are doing it in different ways. What we've learned is that you need to have a very high

cluster of users in order to make it efficient, meaning signing up, and it has to be an opt in. It has to be consent from the individual because it's a lot of privacy questions around it. Then different countries have different privacy rules. The U.S has very high levels of privacy rules, which I applaud. So it will be different from country to country. But of course tracing is one piece of the recovery of this pandemic.

**SAFIAN:** You have many employees. I'm sure you must have had plenty who have been afflicted in some way or their families afflicted with such a huge employee base. Do you track and trace those who are positive in your own organization?

**VESTBERG:** Yeah, we have a system for that. So we have an understanding on how many of our employees have been exposed to COVID-19 or tested positive. We have a team that is reaching out to each and every of them to see how they are progressing in it, and whatever support we can give. So yes, that's part of my morning session to know how many of our employees have COVID-19 and how many have been recovered. Because many people are recovering as well, so it's equally important to understand that because that tells us also where we have more exposure. Usually it correlates with the states that have higher level of COVID-19 exposure, but we are all around the world so we have different countries and different places.

**SAFIAN:** What do you think the global implications of this coronavirus are going to be on the business and on all of us?

**VESTBERG:** The principles I believe in have been firm the last 10 years. I worked a lot with the United Nations through my career and I did that because I had the conviction that technology is the only way to bring equality to this world, that everyone, regardless of where you're born and where you come from, should have the same chance. Technology is the only solution that can scale sustainably.

I was born in a country, Sweden, where you had the hospital close by, you had a school close by. Everything was built in brick and mortar. Everyone in the world will not have that chance. The only chance is actually mobility, broadband, and cloud. And I think that what this pandemic will bring is a view of the world that that technology will be so important. I think we will fast forward very important development like remote education, telemedicine, and things like that that we never thought would be possible.

We're going to be taking away hurdles that we thought would take us years and years to actually take away. That will I think, put the whole technology sector in even more importance for seeing that this world continues to develop sustainably. So I think it's going to be clear changes to our views on technology and telecoms companies. And all that should be more positive too for our society, for the people on this earth. Because the more using technology, the better the price becomes, the cost efficiency increases, so more and more can access that technology.

**SAFIAN:** And this is technology that was available. This is really more habits that you're talking about changing as much as anything else, right?

**VESTBERG:** Yeah. Technology's already there. It's more habits and the actually breaking down barriers for different constituencies or societies using technology to deliver the services because today they cannot deliver the service sort of analog as the many are doing. In order to reach their constituencies, their citizens, et cetera, they need to break it down. So hopefully governments all across the world will understand that if I don't have an IT strategy based on this, I'm never going to serve my citizens in the way I should.

**SAFIAN:** When I think about your business, Verizon's business, it's sort of two sides. On the one hand, you've seen a huge jump in demand, not necessarily a jump in revenue, right? How do you think about this time and where Verizon is and kind of what's at stake for Verizon in this moment?

**VESTBERG:** I mean in this time, first of all, you take the right decision for society. That will ultimately make the right impact for you as a company, a corporation, for your shareholders, for your employees, and your customers. We decided to keep America connected, meaning we don't disconnect any residential customers nor in any small and medium customers because they cannot pay because they have been impacted by COVID-19. I mean if you would sit down and think about pure shareholders, you would not do that. But if you think about this company and what we are here and the size we have and the responsibility we have, it's naturally what the foresight is. Ultimately, your customers think that you're doing the right things. Your site is doing the right thing. Your employees are rallying around how you show up as a company.

I can tell you, in two to three to four years from now, our shareholders are going to feel that those decisions that you made for society are so important today because you can take one bad decision today in a crisis and that's going to be remembered for years to come. I'm a huge consumer brand. I have 120-130 million consumers on my wireless network. So we have a responsibility. A large corporation has a large, huge responsibility in crisis like this. I don't look at straight down what's happening today.

I think about how do I create this company to be even stronger coming out from this crisis and doing the right for our society. And that's why I'm not frustrated. I think we're doing right with where we increased 15 gig for all our consumers that wasn't on unlimited, on wireless. We are doing pay it forward in order to bring money for our small and medium businesses. I increase the virtue of voluntaries for my employees so they can help in these courses on company time. For us, this is normal. This is what you do if you are a responsible corporation.

**SAFIAN:** You mentioned that you talk with other CEOs and government leaders regularly. How do you decide who to talk to?

**VESTBERG:** Verizon serves 98% of the Fortune 500 companies. So that's pretty simple. I talk to the top CEOs in the world. I talk to all the big tech CEOs. I think in times like this you need to talk to people, I need to learn from them what they're doing and hopefully they learn from me what we are doing. And in totality we're doing better as industrial companies. So, that's what I'm doing. So I usually have one or two calls with the CEO every day, and that I have done the last eight weeks. And I learn from them and they learn from me, hopefully.

When it comes to the roles in public sector and private sector, I think there is such a huge challenge with this pandemic. There is not one entity that can solve it by themselves, so collaboration becomes even more important. So private/public partnerships, sharing in between – not that I should tell them what they should do, nor they should tell me what to do, but we need to know what each and every one of us are doing and educate each other.

So my communication with the public sector has also increased quite dramatically during this time. Talking to governors, talking to the government, in order to understand what they are doing and what we are doing.

**SAFIAN:** These are stressful times. Are you stressed?

**VESTBERG:** No, I'm not stressed. Of course, I'm very attentive to the situation and the importance of the situation and the huge responsibility that I have. I have a huge responsibility, a huge company, and I have customers, shareholders, employees. and a commitment to society. So of course, I feel that pressure, but it's not that I'm stressed over it. As long as I have my structure and I know why I attack all of it, and my team is there – which is doing a great job – I feel that we are doing everything we can do to have a positive outcome of this.

**SAFIAN:** It sounds like you go back to your process. Do you have advice for others who are feeling stressed about how they can think about making their way through a time where there is no playbook and things can seem very unsettled?

**VESTBERG:** Yes and no. First of all, all leadership tips that you have is all based on how you are as an individual. In certain ways I have my strengths and weaknesses. So for me this is working perfectly to be very structured and I already have my model. So I think what is working for me is very much a structure. I know what I'm going to do in the next 30 days, I have it structured up. Then I can always take a call in between here and there if something comes up.

But for me it's important that I steer my team, my organization to work with the things that we think are the most important in this crisis. So we don't sit there and randomly take meetings and do things that we don't even think afterwards, "Why did we spend time on that?"

That's the second lease of course. This is a crisis. I was in the telecom crisis, I was in the bank crisis. You cannot even compare them. So you need to rethink, and the only way to rethink is talk to as many people as possible and listen to what they think. And then you gather diverse sets of facts and from there, you act. That's why I talk to so many CEOs. That's why I talk to all my employees. I talk to everyone constantly because I formulate based on my fundamentals there, how am I going to act in the time?

So I think those are some advice. But the last is, if you're a leader leading an organization, the reassurance to your team even though you don't have all the answers, be transparent. That's common sense. You should do that at any time. It's a little bit more accentuated right now. So I think a lot of the leadership things you should do are just accentuated in crisis. But if you're ever going to lead, now is the time to lead. A crisis, the leaders lead.

**SAFIAN:** And you seem upbeat. The energy is up. How important and how hard is that for an organization in a time like this?

**VESTBERG:** You need to know what you're good at and what you're bad at. I have always said that a couple of my strengths is, of course, to give energy, empowerment to my leaders and to my employees. I think that I continue with that in these times. I would sound the same three months ago as I do right now.

But I think that you need a certain confidence and a certain optimism around you to live through a crisis like this. So I just use my strength. I have other people in my team that have other strengths that they are exercising right now and the totality of the diversity on my team is actually bringing out the best of Verizon. So, that's how I think and that's why I also believe that I stay true to my normal beliefs, my strength and weakness even in a crisis.

**SAFIAN:** Well, Hans, as always, thank you for sharing your perspective and your insights. Really appreciate your time.

**VESTBERG:** Thank you very much, Bob.