

# **5 Lessons Ocean Exploration Taught Me About Corporate Governance**

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In 2009, I co-founded OceanGate, a Seattle-based venture that designs, builds, and operates deep sea manned submersibles used by commercial, government, and nonprofit customers around the world. Over the course of four years, I organized and led six expeditions in various locations across the United States, including Puget Sound, Catalina Island, Monterey Bay, and Miami. These were incredibly fulfilling adventures, but they also taught me some valuable lessons that translate well into the corporate boardroom.

## **Lesson #1: Diversity of Perspectives Adds Value**

Arguably one of the most critical functions of an expedition leader is to recruit the team members. Having the right people in place can make the difference between a successful mission and a potentially life-threatening failure. I learned that the best teams were the ones that had the greatest diversity, creating an eclectic mix professional backgrounds (e.g., engineers, scientists, filmmakers, operators, etc.) and personal characteristics (e.g., men/women, old/young, extroverts/introverts, U.S./non-U.S., etc.). As the expedition leader dealing with continually changing circumstances, I benefitted immensely from having everyone's different perspectives weaved into a robust tapestry of valuable insight to guide my decisions.

Likewise, a company should seek diversity in the composition of its Board. When most people hear the term "diversity", they think of gender and/or racial diversity. These are certainly important, but companies should strive to recruit beyond that. For example, Board members should represent a wide range of skills sets (e.g., technology, sales, finance, marketing, operations, etc.), industries (beyond the company's focus), geographic markets, and age groups (e.g., Millennials, Baby Boomers, Gen X, etc.). The CEO and Board Chair will reap huge rewards from seeing the company through a diverse set of eyes.

## **Lesson #2: Trust And Respect Your Teammates**

Whenever I put together the roster for an exploration expedition, I tried to make sure that everyone I recruited would be able to work well together. Even if someone was the world's leading expert in a particular field, I would not allow her/him on an expedition if I thought that s/he would not be a good team player. Exploration tends to attract "Type A" personalities, so it is incredibly important to make sure that everyone trusts each other and treats each other with respect. By their very nature, expeditions are intense human activities, so any breakdown in group harmony can be catastrophic and potentially life-threatening.

In the boardroom, companies rely on directors to engage in inquisitive and sometimes confrontational dialogue, since after all it is the Board's role to safeguard the viability of the business. The free exchange of information and ideas cannot happen if directors do not act or treat each other professionally. The Board is a team that has a specific job to do within the corporate organizational structure, and the only way to succeed is to play well together.

## **Lesson #3: Communication Is Critical**

Exploration expeditions can be quite complex logistical operations with myriad moving parts that all have to coalesce precisely to achieve mission success in a safe manner. This is complicated by the completely fluid dynamic nature of exploration, where circumstances change continuously, often quite abruptly. The most successful expeditions benefit from equally fluid communications among team members. Complete transparency ensures that everyone knows the overall plan as well as everyone's individual roles within it. This communication begins long before the expedition launches, builds to a crescendo during the expedition, and continues long after the expedition ends.

Communication is just as critical for company Boards. Management should always keep its Board apprised of new developments, Board Chairs should always keep in touch with directors in between meetings, and of course everyone should actively participate in Board meetings. The advice, guidance, and oversight provided by Board members is only as good as the information they are provided. Likewise, Board members must continually communicate their insights to the right people through the right channels at the right time.

## **Lesson #4: Everyone Should Feel Empowered To Raise Red Flags**

During ocean exploration activities, teams are constantly faced with decisions that could have life-or-death implications. However, as an expedition leader, I did not always have all of the information to make these decisions, or perhaps I did not have the best perspective. To avoid complete disasters, I always made sure that everyone on the team felt empowered to stop an operation if they saw something that was not safe. From the ship captain to the sub pilot to the dinghy driver to the rescue diver, no role was too big or too small to relieve anyone of her/his responsibility for safety.

Corporate Boards are established primarily to provide oversight, ensuring that the business is run in a manner that positively benefits the shareholders. Therefore, every director has a fiduciary duty to voice their concerns if they see anything that looks out of place. There is no safe harbor for Board members who witnessed or suspected any sort of anomaly and failed to disclose it or take other remedial actions. Similarly, Board Chairs should ensure that every director recognizes this responsibility and create an environment where such disclosures are encouraged.

## **Lesson #5: Plan Comprehensively, But Allow Deviations**

By far the most time-consuming activity for an expedition leader is planning the expedition. This requires a significant amount of work, most of the team members, and multiple iterations. The plan is absolutely necessary to ensure that everyone knows their role on the expedition and how everything needs to come together to achieve mission success. However, the plan itself is nowhere near as important as the planning process, because it is through that process that the expedition leader (and often the rest of the team) gets to learn every intricate detail of the expedition. Given the dynamic nature of ocean exploration, circumstances are guaranteed to change substantially, so expedition leaders cannot adhere to a rigid plan. When the team has to shift and modify the plan, the value of the planning process really shines through.

In today's globally interconnected economy, every company's business plan is subject to change, but the only way to push the company toward ultimate success is to have a comprehensive plan in place. Boards must make sure that management has developed a robust strategic plan that has been communicated to the rest of the team. Perhaps more important, the CEO should thoroughly understand her/his own plan, so that s/he can adjust to changing business conditions. Boards should encourage and support CEOs when they are faced with shifting strategies due to changes in underlying assumptions.