



## MAXIMIZE BUSINESS VALUE PODCAST - EPISODE 47 Transcript

Announcer (5s):

Welcome to the Maximize the business value podcast. This podcast is brought to you by master partners, where our mission is to equip business owners, to maximize business value so they can transition their business on their terms. Our mission was born from the lessons we've done from over 100 business transactions, which fuels our desire to share our experiences and wisdom. So you can succeed. Now, here's your host CEO mastery partners, Tom Bronson.

Tom Bronson (36s):

Hi, this is Tom Bronson and welcome to maximize business value. A podcast for business owners. Who are passionate about building long-term sustainable value in their businesses. So in this episode, I'd like to welcome our guest, Michael Puldy he's the founder and CEO of Puldy resiliency partners, a consulting firm focused on business resiliency. So as luck would have it, Michael and I met just a few weeks ago at a provisors meeting. You've heard me talk about provisors on this podcast before, but we met at a provisors meeting on the West coast and we quickly scheduled some time to chat last week, the same week as the once in a century Arctic blast, I hit much of the central United States.

Tom Bronson (1m 19s):

Now I can tell you that being here in Texas, we've never seen weather like we had last week and it got me thinking about disaster preparedness. And so I thought it was a perfect time for our paths to cross now, as I frequently talk about with our clients. And I mentioned here on this podcast, disaster preparedness is often overlooked by business owners until the disaster arrives. Now I can say the same thing about the utilities here in

Texas, which left millions of people and businesses without power and water and internet for days, they should have been prepared better prepared for this.

Tom Bronson (2m 0s):

So while this is fresh in my mind, at least I wanted to get into a serious conversation about disaster recovery and business resiliency. So welcome to maximize business value, Michael,

Michael Puldy (2m 16s):

Hey Tom, thanks for having me here today.

Tom Bronson (2m 19s):

I am so excited to get into this conversation. You know, so much about this. Tell us about Puldy resiliency partners.

Michael Puldy (2m 26s):

Well, I started pulling the resiliency partners last year in 2020 as a, as an approach to help businesses learn about resiliency and really activate resiliency or business resiliency in their programs. I mean, if you look at the definition of resiliency, it's how can a company bend and, and more but not break. And then, and then returned back to a normal active state after the disaster has passed. And so I started this business to develop and manage programs for, to help reduce business risk. And they can do that by developing strategies, implementing business processes and focusing on really what's important to them, which in a lot of cases is business processes that help their clients, their it environment, and also improving employee safety.

Michael Puldy (3m 17s):

So, so w what's your background and why did you start this business? Well, my background is like yours CA computer science. And I started my career in a technical area and I worked in aerospace for a while. And then I worked in banking where I ran a data center for a large bank in the state of Florida. And if you think back to the ancient history of banking, it was state banking. You didn't have national banking like you had today. So I was there when banks were required to only operate in the state and then

there was regional banking. And during that time, again, more ancient history banks would open around nine, 10 in the morning, and then by five o'clock, you know, you were done now, they had ATM's they'll ATM's at the time they actually ran on separate systems.

Michael Puldy (4m 8s):

So it gave an illusion that you were running a 24 hour business because you could go to your ATM and you can withdraw money at midnight. But the reality is it didn't synchronize with the basic main database banking systems until the next day. And so what would happen is I ran data centers for this bank and we had data centers throughout the state of Florida, and occasionally things would go wrong. So I would get phone calls at two in the morning, and I would try to dial up from home on my 28, eight bit modem. And there was always that mystery of, okay, is it faster for me to drive into the office at two in the morning, or can I fix this online?

Michael Puldy (4m 52s):

And it was like 50 50. And so that kind of got me down this really interesting world of really quite frankly, high adrenaline high stakes of disasters. And what do you do to fix them and respond quickly? Because the computer systems had to be operational by 7:00 AM. So, so that was really it. So that's what got me into it. And then I, I joined IBM in 1996 and I built their disaster recovery data center in Boulder, Colorado, and began working with clients. I work with clients all throughout the United States on various disasters. And you could think about the, the major big disasters, Katrina nine 11, but, you know, the reality is, is most disasters, people don't even see, they don't even know about.

Michael Puldy (5m 41s):

And then of course, as, as the it business evolved, I was into cybersecurity. And so I spent a lot of my career in the cybersecurity world. Well, this started for me in the late nineties, 98, 99, which back then was antivirus. So again, people really did not have that, really that true view of what 24 by seven was all about. And so you would be in there, a company would get a virus or, or for example, a great, a great story was IBM was giving

all these laptops to the members of the PGA tour. So all of the league senior golfers on the professional tour were getting IBM ThinkPads during pebble beach.

Michael Puldy (6m 24s):

Well, all these think pads had viruses on them. So you can't be giving out a hundred think pads with viruses. So we had to send a small team of people out and eradicate all these viruses in time for the official presentation ceremony. So again, over, over the course of my career, I've just been working with so many of these types of situations for clients all over the world and crazy, crazy situations that this has become a career that I truly love and I'm very passionate about. And so I decided last year when I left IBM, that, you know, I should just keep the train going.

Tom Bronson (7m 4s):

Well, there's no end to dangerous. Right. That's exactly right. There's always dangerous out there. You know, whether they're, whether they're natural or human cost, how in the world did you find the viruses on those laptops before you gave them out? That's just interesting.

Michael Puldy (7m 21s):

Well, finding the viruses are usually the easy part because usually the, in, in those days the screen would go blue.

Tom Bronson (7m 29s):

Oh yeah. Okay. So something like that. Yes. Yes.

Michael Puldy (7m 33s):

It's exactly right. But you know, it's, it's very interesting when you think back to 1999 and in the early two thousands, a lot of the situational problems that we're seeing today, such as distributed denial of service attacks, malware, interesting ways that people can go in and corrupt your, your system's weak passwords, all that, all that existed back then, but what's happened now is people have, have almost militarized it. In some cases they have militarized it. And so it's become a multi-billion dollar industry around the world. And I read this very interesting report that I actually quoted in a white paper that I

published on ransomware recently, where someone came up with this statistic that said malware and cyber threats is more profitable than the global drug trade.

Tom Bronson (8m 29s):

Wow, crazy. Right? Yes. Holy cow. Well, clearly there must be money to be made in it because you know, there are millions of scams out there just every day. Right. And things that don't make it now, what year was that? That the PGA think pads? Do you, do you recall what year that was?

Michael Puldy (8m 51s):

Yeah, I think that was like 1999. Okay. Cause I'm, I'm just looking

Tom Bronson (8m 56s):

Here. I've got, I've got a shroud above my, a shrine, if you will, above my desk. When I, I played pebble for the first time and it was in February of 2000. And so because I've built this ridiculous shrine to know playing golf there. So that's, it's beautiful. It's a beautiful place. I love it. I love going there. I was there right after and yeah, they just actually played there recently. So, so I love that. That is interesting. And, and I'm surprised, you know, when you're talking about the data overnight, of course, data now with ATM's syncs directly with the banks databases. But back in that day, I guess if, if a criminal had been in the know, they could probably go from ATM to ATM extracting money until it's synced up in the morning.

Tom Bronson (9m 46s):

And you realize that they're way overdrawn. Right?

Michael Puldy (9m 49s):

Exactly. There were, there was interesting scams like that, that if you knew what was going on with the interworkings of, of the bank, that you could go in and find ways to extort money. So I'll give you another example during the day, for example, if there was a computer outage at a bank, you'd walk into the teller and the teller would say, I'm sorry, our computers are down. You can't deposit or withdraw money, but if you go outside to the ATM, you can conduct your banking. And so the ATM systems would literally stand

in and they would keep a log of all the, all the transactions. And then once the online systems, the core banking teller systems came online, then they would sync up.

Michael Puldy (10m 32s):

Okay. But there would be periods of time at night, for example, where they would, they would disconnect and, and because the batch systems were running and then they'd sync up again so that you had this crazy, you know, sync unsync sync unsync game that went on every day, all weekend. And it was, it was a, it was a big trick, keeping everything in balance.

Tom Bronson (10m 55s):

That's just fascinating. Well, so we can talk about that forever, but you you've chosen name for your business, the resiliency partners. Right. And I, and I love that cause I, I always think about disaster recovery as opposed to resiliency. And you're talking about something much more broad than disaster recovery. So business resiliency can, I guess, mean a lot of things. It, disaster recovery, cybersecurity, crisis management, all of those things. So walk us through business resiliency and why it's important.

Michael Puldy (11m 28s):

So business resiliency, you need to look at it from the standpoint, it's, it's a strategy. It's a strategic vision on how you approach your company, meaning how you're going to approach your company, always being available for your clients and your partners and your employees. You know, people seem to seem to forget the employees is part of the equation. So the is a business will think through what's the strategy for my, for my company. I want to have everything online, 24 by seven, I'm going to implement policies that say, for example, passwords are going to be 12 characters long or 15 characters along.

Michael Puldy (12m 11s):

And I'm going to back up all my data every day. And my employees will tend security training once a quarter. And so they'll have a understanding of really at the executive level, at the top line of the company that says this is important to us. And then with the policies, it provides high level specific actions that the employees and the business

owners are implied to take. So once you set that up and you create a governance structure, so for example, you have an executive, a top line executive at the company. It may be the CIO. It may be the CEO that says, you know, we're going to do this.

Michael Puldy (12m 52s):

And I'm going to, I'm going to have an understanding of what happens at my company. If you have a board of directors, usually there's a risk committee. So the risk committee would be the ultimate top end of this governance level. But, but once you have that in place, then you look at doing something called a business impact analysis. And what that means is what's really important. You find your crown jewels, you find your core processes. So people may look at, for example, a core competency. We manufacture ref. We manufacture air conditioning compressors. That's our core competency to our, to our business. Okay.

Michael Puldy (13m 32s):

What are all the elements associated with manufacturing? Those air conditioning compressors. I've got a parts, parts distribution system. I've got a supply chain. I have to manage. I have a conveyor system. I have employees that have to do these steps. I have a order intake system. I have a web web process, web ordering system. So you have all these little intricacy components there that are important to the business. Once you have that identified, then you come up with something called business continuity plans, which is okay. If something happens at time of disaster, what do I do now? You can't think of every single disaster on the planet. I mean, you know, you and I could probably spend an hour and we can come up with 250 different types of disasters.

Michael Puldy (14m 16s):

So the best approach is, look at it in a very high level. What happens if my employees can't work? What happens if my work location is not available? What happens if my it is not available, which includes cyber security issues. And then what happens if there's a regional outage and meeting that if there's a regional outage, typically there's like two or three of those first three items aren't working at the same time. So if you think about the pandemic, the pandemic, the buildings were fine, but then we decided, well, you know

what? The employees can't to the buildings. So now the employees are really, the employees are okay, but the buildings are now unavailable.

Michael Puldy (14m 58s):

So how do we run our business with the buildings not being unavailable? And everyone went through this major pivot over the first, I'll say four to eight weeks during February, March, April timeframe to figure out how they can work remotely and work in the office at the same time. And, and that pivot back and forth for companies that were prepared. They did it very, very quickly for companies that weren't used to. They didn't have a work at home strategy. They didn't have laptops allocated to their employees. They didn't have decent communications infrastructure. They didn't have cell phones. I mean, not everyone has internet access. So you had employees that couldn't have access to the internet and they couldn't go to Starbucks.

Michael Puldy (15m 39s):

Right? So, so you build in those contingencies, then you test them, you test the plant. So again, let's look at the pandemic. We had clients that in different parts of the world, including the United States would practice. They'd say, you know what it's? And we're talking like February, you know what? We may not be able to go to the office. Let's experiment with 50% of our employees working from home and 50% of our employees going to the office. And let's see what happens. And, and companies that did that found either at work or they found flaws in their systems, then you review, review the plans, write the report, you do all this on a, on an annual basis.

Michael Puldy (16m 20s):

And then, and then at the beginning of the following year, you start the cycle again. Now, now that's what I just described, which is not something I just magically made up. This is a process. It's a ISO process called ISO 22, three Oh one, which is the business worldwide business continuity standard. And that's the program that companies all around the world who are very serious about this. That's how they go about implementing business continuity and business resiliency,

Tom Bronson (16m 49s):



ISO 22, three Oh one. Wow. Correct. Worldwide business continuity standards. Okay. I, I had no idea that that even existed. And of course, you know, like you said, we can't, we can't imagine every possible scenario, but I also imagine that that the more a business thinks about this and practices it, or, or, or has some sort of a plan in place, at least they're that much further ahead than businesses that have no plan in place. So it exactly. So should companies look at this as sort of self-insurance or is it, is resiliency something else?

Michael Puldy (17m 36s):

Well, I always look at insurance as I'm going to get a check. If something doesn't work, I, you know, I run a business at the end of the day. If something happens to my business, I don't to check. I want, I want my business. I want my business. I want my business functional. And so, yeah. So at some degrees, yes, this is self-insurance, but really business resiliency, I believe, should be looked at as a business differentiator. Because as, as we've talked about, a lot of companies don't really do anything to review how to protect their business.

Michael Puldy (18m 16s):

You know, you mentioned a few things such as it, disaster recovery, backup, backup, and recovery, as part of that cybersecurity programs, both of those are elements of a business resiliency program. You absolutely need to be doing something. And if that's all you can afford, I'm going to do my cybersecurity gig. And that's it. Awesome. That's great. But you also have to recognize you really need more to recover your business. So the cyber look at let's look at cybersecurity, which is a huge industry right now, everybody that I speak with, who's running a cybersecurity business. They've got clients lined up out the door and, and it's, and it's becoming a very, very high value business right now.

Michael Puldy (19m 0s):

So it's great if they can protect that malware event or they can protect that hacker, or they could protect that denial of service attack from down impacting your business. But let's just say something gets through and like a ransomware and your data is all encrypted. Well, if the cybersecurity company and your it experts, can't decrypt your

data, then you need to either pay the ransom or you need to rebuild your data. And if you decide that you're going to, you know, either one of those routes is not a pretty experience. You know, it could take days or weeks to recover your business.

Michael Puldy (19m 43s):

If you're going to pay the ransom, you have to be careful. You're not running into federal sanction laws that you may accidentally be paying a terrorist organization or a sanctioned government, which in case then you're looking forward to a phone call from the FBI or the department of justice asking why you paid a terrorist organization or maybe North Korea. So, you know, you need these other elements of attorneys. You need a forensics attorney to be able to help you through this. You need a, if you're a company with a lot of clients and you've got a huge brand, even just a respectable brand that everyone recognizes and knows about, you're going to need some crisis marketing, public relations experience to navigate through this.

Michael Puldy (20m 31s):

So there's this whole team of people that if you don't line them up before it happens, it's going to be very, very costly to line them up after. So, so I think, you know, again, yes, they need companies should be doing, and there is a little bit of the insurance element to it. But the reality is if you're really serious about your business, if you're really serious about maximizing the value of your business, then it's worth to spend a little pennies now to re dollars later when you can go to your clients and your partners and say, look, look at all these things that I'm doing to protect my business.

Michael Puldy (21m 14s):

Now, go talk to my competitors and see if what they're doing.

Tom Bronson (21m 18s):

Right. Right. Yeah. There's, there are so many different ways that, that this whole continent concept of continuity and resiliency plays, let's, let's bounce over to, to power for just a second. So power plays, you know, such an incredible role in our lives, you know, in the business environment, we just expect the power to be there. Right. We just expect it to be there. What options are available for businesses to prepare for power

outages? And specifically, since so many people are working from home right now, what options are available for kind of home office, power problems, packages, we just live through that. Right.

Tom Bronson (21m 58s):

So what happens there? So,

Michael Puldy (22m 1s):

So power is a power. Is, is people you're exactly right. People do not recognize how important power is until it's gone. And a lot of people, obviously in Texas got a taste of that, but you know, if you've lived through any hurricane in the Southeast, which, you know, I grew up in Florida, so I have had my share of hurricane stripes. You know, you know, that the power is, is, is key to everything. So a couple thoughts on that one for companies that are fortunate enough to have ups, uninterruptible, power sources, diesel generators, that's, that's great. And that's something that it's very expensive to maintain that not everyone can afford it, but it's important to be able to have validation that you've tested those regularly.

Michael Puldy (22m 47s):

They're there formerly reviewed there's, there's trained licensed people to make sure that those are operational. So for example, if you are using a cloud provider and all the big cloud providers, they all have this, but if you're using a smaller managed service provider, talk to them about their ups systems and their diesel generator systems and how they can validate to you that at time of disaster, those things are going to work because the reality is, and if they're honest, they'll tell you that look we'll have a, the way, the way ups systems work is there's like a string of batteries, like really fancy car batteries.

Michael Puldy (23m 28s):

And it, you could test them today and they all work. And then tomorrow a cell in the middle, it goes bad. So you don't have, it's not like the whole string fails, but you could have some problems. So you gotta really talk to your provider. If you're in a, in an office complex, usually they'll have ups or power battery power for life health and safety. So

like the exit signs are always operational. Sometimes it's good to go ahead and purchase a little bit extra battery power or personal ups systems for your, your office, just to make sure things can go maybe a couple of hours, it wouldn't help in the case of a hurricane, but for home offices, I would really encourage people to go out and get a goal zero device.

Michael Puldy (24m 12s):

And, and there's other manufacturers out here,

Tom Bronson (24m 14s):

But spell that goal. G O A L

Michael Puldy (24m 17s):

Correct. G O A L zero Z E R O. I I've been a big fan of goal zero for years. And, and I have several of these devices and I also have a few small 50 watt solar panels. So if we have an earthquake here in Los Angeles or some major disaster, that requires me to be out of power, I've got these devices that allow me to keep my laptops running and allow me to keep my cell phones charged. And my tablets charged for probably 36 hours without having to go out into the, into the sunlight and, and recharge. I mean, at some point they fail, but the idea is to have personal power sources, the small chargeable, small chargeable battery units that you can get very quickly.

Michael Puldy (25m 5s):

When we used to go to trade shows, they would give those away a lot, right. Goal zero devices are great. And then, and then practices make sure that you could use those and you understand how long they last. And then, you know, for the people that are really resourceful. And I know people did this during the Texas outages, they would go to their car and they would, and they would plug in, they w they would plug in and recharge their recharge, their stuff.

Tom Bronson (25m 33s):

Yeah, my wife and I, we, we dug a little, a trench in the snow back the car out of the garage. Very important to do that, by the way, I know that we actually had some deaths

here of people doing that in their cars, in their garage, carbon monoxide, poisoning people. But so we pulled out in the driveway and we literally sat in the car to charge our devices and, and have of, and by the way, it was warmer in our car than it was in the house. Cause we had no power for, for a couple of days. So yeah. You know, by the way, yeah, you mentioned, I love this goal zero. In fact, what we'll probably do is, is put a link to that on our website, just so that post can see where, what that, what you're talking about there, but you get this false sense of security because I have a battery backup right here in my setup.

Tom Bronson (26m 21s):

So I've got, I've got a very high, high end. There was a couple of hundred bucks, right? For the battery device. It's running my computer and stuff here in my office. And my first w when the power went out, even just a couple of days before this big power outage my battery about three minutes. Well, Oh, okay. Folks, you know this, it's not a once. And done, you got to test this stuff. You gotta make sure that it's going to operate. So, so you get this false sense of security. I'm like, Oh, I got a battery. Well, the battery failed instantly. So exactly. So, and, and, and like an idiot, I didn't go out and replace it right away, but it wouldn't have mattered.

Tom Bronson (27m 4s):

We were 48 hours without power here. So,

Michael Puldy (27m 9s):

But the thing too is, it's not like you have to run, run that all the time. I mean, you think about your laptops. So simple thing is a lot of people don't have their laptop plugged in all day. They'll go in and they'll like, plug it in overnight. And then the next morning they'll unplug it. They'll work around the house still, whatever. And then recharge that evening. Well, the reality is is you should keep your laptop plugged in as frequently as possible. So that way you're keeping it always charged. So when something happens, you've got the maximum amount of charge on your laptop ready to go versus, Oh, no, I'm starting the blackout at 10%,

Tom Bronson (27m 47s):

Right? Yep. Yeah. I charge my phone overnight every night. And yeah, there was a time when, when they said batteries, you know, have a, they have a memory. Right. But that's lithium, ion batteries are not like that. Right. Exactly. You know, it was one of those things, like, even on my Fitbit, my daughter told me, you know, I said, dad, why, you know, cause I would go, you know, five or six days without charging my Fitbit until it got down. And then it warned me. And then I was like, Oh crap, I got to go plug it in. And she said, why don't you just charge it every day when you get in the shower? I said, so, but honey, you know, memory, battery, I'm just going old school.

Tom Bronson (28m 30s):

I'm old school. You know, I was, I grew up back, you know, and you were talking about the ancient history of banking, you know, when we traded salt. Right. Exactly. All right. So let's before the break here, one more question about kind of big disasters. You know, we're familiar with hurricanes. Hurricane season starts every year, June 1st, by the way, I lived through the aftermath of hurricane hurricane Hugo. That was, I think 89 or 88, maybe 89 and or 90 in Charlotte, no one ever expected this. The hurricane hit at Charleston, South Carolina and traversed all the way, 200 miles.

Tom Bronson (29m 10s):

Inland still is a hurricane. It was not downgraded to a tropical storm until it was 75 miles past Charlotte. So, so we had a hurricane, a direct hit right of a hurricane who hundred miles inland it's unheard of, but I went without power for 30 days, 13 days, no power in my house. And so, so, so, you know, essentially hurricane season puts the whole Eastern seaboard on high alert, right? So what actions are available for businesses on when a large scale regional disaster plays havoc, you mentioned earthquakes out there. You know what happens when it wreaks havoc on the landscape of the infrastructure?

Tom Bronson (29m 54s):

What can a business do to be ready for that?

Michael Puldy (29m 56s):

Well, the problem, of course, when you have something like that happens is, is the complexity of the situation grows exponentially because there's so much stress on the

system. You've got flooded roads, you have power loss, you have people that, you know, they're displaced the roads get blocked. So, so again, the best thing to do for companies because every everyone's situation is a little different, is run a simulation, spend an hour, spend it, spend a couple hours and go into the concept that says, okay, let's, let's play this out. A hurricane is a great example, hurricanes. Fortunately, we have the foresight of seeing that they're coming now.

Michael Puldy (30m 39s):

Obviously it's not a hundred percent accurate, but usually within 72 hours, you have a pretty good idea. If it's going to hit your way or get close enough, do you need to take action? Some companies, especially companies that can afford it, they will actually find another location prearranged in another state where they can drive to or fly to and have their employees, the critical employees working from those locations. So, so again, you know, play it out. Who are your critical employees? What are your critical processes? If the environment is going to be such that I need to evacuate, where should we go? Do we have contracts set up? I mean, one things that companies can do and you don't have to be a big company to do this.

Michael Puldy (31m 23s):

You find a night a location. So if you're in Houston or Dallas, maybe you want to go up to Louisiana or Oklahoma, find a couple of hotels, call the hotels and say, you know what? I'd like to be able to set a contract with you in place that I can activate in a certain advanced notice and in block a sec section of rooms. And, and there'll be happy to do that. They will be happy to set something up for you. Now it may not be blocked. The hotel that could get kind of expensive, but you know, things like that, that you can think of in advance are extremely helpful. If you have opportunity to migrate work to certain locations, that's also important. There's also an interesting element that the department of Homeland security has implemented.

Michael Puldy (32m 7s):

It's the cybersecurity and infrastructure security agency. Seesa that we've all been hearing a lot about with the solar winds hack right in the election, of course, but SISA has put in something called the wireless priority system. And you, if you're a business

you can register in advance to be part of this wireless priority system. And I think there's some certain, certain qualifications around it. So not every business can do it, but effectively what this allows you to do, whether it's wireless or a landline, you know, when you make a phone call and it's like, all circuits are busy. Well, this gives you the capability to punch in a special code and you get priority access for your mobile device or your landline device.

Michael Puldy (32m 53s):

Oh, no kidding. Yes. So it again, so there's, there's things like that that are available to you if you plan for them.

Tom Bronson (33m 3s):

Yeah. Well, and that's it. The advanced planning, I love the run, a simulation that's even companies that have great disaster recovery plans. Don't, don't do a simulation to find out kind of where the failures are. So we need to take a break. We are talking with Michael Puldy and we're talking about building business resiliency. Let's take a quick break. We'll be back in 30 seconds.

Announcer (33m 27s):

Like it or not, eventually. You'll have to come to a point when it's time for your business to transition. Will you be ready? Will you be able to get the maximum value for your business. Brought to you by mastery partners. Master class is a 12 month program designed specifically for business owners. We meet once a month as a group to work through our transition readiness assessment, expand your business. Toolbox through leadership presentations have live interaction with other business owners. This program determines vulnerabilities and your business will affect business value and your ability to transition in the future.

Announcer (34m 9s):

Whether that transition is in two over 15 years, what you do now has longterm effects on the future value of your business. We have the know how you to get the results you want in your business to maximize business value. To learn more and secure your spot



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Tom Bronson (34m 35s):

We're back with Michael Puldy, founder and CEO at Puldy resiliency partners. And we're talking about business resiliency before the break, we talked about some natural disasters that can really wreak havoc on business. Michael, it occurs to me that really before the pandemic, no CEO probably ever even knew what the words, business continuity or resiliency meant. Now in 2000, I think every CEO on the planet probably mentioned these words in some context, on a regular basis. So once we navigate our way through the pandemic, will anybody care?

Michael Puldy (35m 15s):

That's a really good question. And I think there's a couple of history lessons that we can, we can check back to. First of all, I read the book, the influenza of 1918 and that book it's, it's amazing because you read this book and it's like, it's like reading what's on now or what was going on in 2020. And what's going on in 2021, you have the maskers, you have the anti maskers. You had the governments that were like, I'm not, I'm not buying into this influenza thing. This pandemic thing, you have cities. There was one city in Colorado and it was on the Western slope somewhere.

Michael Puldy (36m 0s):

So it was a pretty small town. And they said, if you got off the train, we'd immediately throw you in jail for five days. This was the 1918, correct. Okay. Correct. Woodrow Wilson, who was the president of the time? He did not buy into the pandemic. He went to, he went to France to finally negotiate the final arms. Since he came back to the United States, he passed away six months later. No one really knows, but allegedly he contracted the virus and it impacted his health, which, which, you know, ended in his untimely demise. Now let's fast forward. In 2003, we had SARS severe acute respiratory syndrome.

Michael Puldy (36m 42s):

Then in 2012 you had Merz, okay. Which was the middle East respiratory syndrome. Then in 2015, you had a ebola. And after SARS companies around the world implemented pandemic plans and they bought supplies, they had, you know, PPP, PPE everywhere. And around 2014, 2015, 2016. They're like, you know, these supplies are really old. It's really expensive for us to maintain this. We don't really need this anymore. And by the way, these pandemic plans, we really haven't tested them. So we're going to, we're going to stop, stop using those where we're just going to throw those away in the, in the, in, under the guise of efficiency and, and corporate takeouts.

Michael Puldy (37m 32s):

And so, unfortunately, over the next decade, I think the reality is with the exception of people who were really hardcore resiliency planners, I think a lot of people are going to let this go by the wayside. Now on the flip side, there's also a heavy concern because of the increased communication and the increased stability and flexibility for people to travel around the world. I mean, you think about it, you're 24 hours away from every person on the planet because of that, there's this, there's this small minuscule piece of hope that people are going to continue to realize that pandemic planning is important. And I do think things such as temperature screening at airports, and even in businesses, a lot of businesses for you to go back to work, you have to get your temperature screened either when personally holding a gauge or there's a device that's tied into the security system.

Michael Puldy (38m 28s):

So if you don't check out and they can do it very fast within two seconds and they create a nice log and it's very, very OSHA friendly from a, from a record tracking and auditability standpoint. I think those things are not going away. I think it's going to be like the airport security systems. So back when you and I were trading salt on the silk road, you know, we could easily just walk on a plane, you know, and our loved ones could kiss us goodbye. Well, you know, those days obviously are long gone. And I think we're going to see the same thing in a lots of public places where they're going to be temperature screening and some sort of minimal level of protection that are here are going to be here with us forever

Tom Bronson (39m 9s):

And probably smartly. Right. I mean, certainly when you, when you come out of this, there are certain things that just make sense. Right? Exactly. And, and other things that may not, you know, it just depends on which side of the fence that the folks are on, but, you know, we should always be mindful of, of things like, you know, for example, people are now acutely aware that they need to wash their hands, but they should have been right. I mean, honestly, we learned that when we were five years old. Right. And, but we didn't do that properly and enough, you know, we're, we're now acutely aware, stop sending your children to school when they're sick. Right. I mean, you know, it's, it's silly things like that, that we should, we should have already known.

Tom Bronson (39m 54s):

Right. But, but hopefully now that there are measures that there are measures in place, but you're right. We have very short memories, right. I mean, you know, these things will be a thing of the distant past in, in, in four or five, 10 years, whatever it is. So, so that, and that's a shame, but we will have lasting effects, some really dramatic improvements that will stick with us. And, and now that I think about it, I, I hope that they do measure the temperature on people's foreheads before they walk into an airport. Right. Exactly. You know, that's a, that's a so simple thing I've actually seen that installed in some of the office buildings where I have clients where they've put in an automatic device, but there's, there's no security.

Tom Bronson (40m 38s):

You can just walk by the device. Right? Yeah. It kind of defeats the purpose. I know. Yeah. What's what is the point of that? So, so let me ask you should, should business owners attempt to solve the resiliency equation? I'll call it now the resiliency equation on their own, or should they, should they engage with a business like yours to help them?

Michael Puldy (40m 57s):

Well, obviously from my own, my own capitalistic point of view, yes, it would be great if they would engage a business like, like myself, but the reality is at a minimum, if all they can do is look, we're going to, we're going to, we're a small business. We really don't have a lot of capital to go ahead and invest something like this. Our profits are razor

razor thin. Then by all means they need to do something. I mean, you can go along and you can go online and download documents and templates and, and you know, there's little things that you can do just to improve that valuation. So you're not doing nothing. I mean, something is better than nothing in this situation.

Michael Puldy (41m 38s):

But the reality is is if you have a business that is expected to grow and expected to really evolve, then you need to be doing it the right way. And I mentioned ISO 22, three Oh one is the blueprint or the, the ISO standard. But the reality is, is not everyone needs to have ISO 22, three Oh one. I mean, if a client requires you to do it from a contractual point of view, yes. By all means you want to do that so you can win their business. But the reality is, is just, just following the steps associated with building a process, a regular process where you understand what are your crown jewels. You understand, for example, okay, if I'm down for 12 hours, how much money am I going to be losing?

Michael Puldy (42m 22s):

What's the impact to my employees. What's my profit impact, my brand reputation. You know, you should understand that. And then how does that evolve? That if you're down for a week, if you're down for five days, is your business done? You know, that's, that's really important to understand that because more and more business partners and larger clients specifically, they're very sensitive to that because they want a partner who's going to be there with them for the long haul. And if I'm going to invest all my time, money, and effort doing business with you, then I want to make sure you're there.

Michael Puldy (43m 4s):

You know, I don't want to call you when the power is out in tech and the state of Texas. And you tell me, you know what, this week isn't working for me. Right. Sorry. Yeah. I will tell you that

Tom Bronson (43m 15s):

People were very forgiving last week, you know, with, with what we live through, but being more prepared and certainly businesses that are critical, right. They need to have a strategy in place. So there, what I'm hearing from you, Michael, is that there are things

you can do on your own, but, but if you need more advanced solutions, then, then you're the guy to call. Absolutely.

Michael Puldy (43m 41s):  
Absolutely. Absolutely. So,

Tom Bronson (43m 43s):  
So as our listeners know, this podcast is all about maximizing business value. So Michael, one of the top three actions, business owners can take to protect their business that also creates some value for their company. So

Michael Puldy (43m 58s):  
I think the three things that make it really simple, and I've said this on and off throughout the broadcast, but just to summarize it know what's important to your company, know what your crown jewels are, because that gives you the ability to focus on. What's really important to me because people look at, Oh, if I got to build all this resiliency stuff and planning stuff, I don't have time for that. It's like, and I, I can't afford it. It's like, great. I agree. Don't do that. Just figuring out what the real key key items are, what would really take you offline for five days and really creating business. So that's one to create a plan and document it. You know, you don't have to create a 50 page, be him. If some of the ages create something relatively small, something that, Hey, here are the steps.

Michael Puldy (44m 46s):  
Here are the phone numbers of the people to call. Here's what we want our employees to do. Here's what we want our clients to do. Here's our communication plan. You know, you don't want to be doing that. You know, when the lights are out and then the third item is test the plan, really test it and really understand really where your shortcomings are. And again, it doesn't have to be long. It doesn't have to be a quarterly thing, although quarterly is great, but ideally once a year, if you could test once a year documented, it's great. And then let me just add one more thing, because I think this really adds to the value is promotion of your program, go to your clients, go to your partners and say, by the way, I want to let you know, this is what we do to protect our

business, because we value you as a partner and we value you as a client and we're going to be there for you.

Michael Puldy (45m 40s):

And, and by the way, it's more than lip service. And here's why, and, and then ask them now, what are you doing?

Tom Bronson (45m 49s):

I love that. I love that because is there any stats on what percentage of businesses actually do this? And it's gotta be very small.

Michael Puldy (45m 59s):

It's very small, but we are finding more and more companies, for example, they'll have a spreadsheet and, and they'll, they'll have 50 questions on the spreadsheet. And they'll say, please, and, you know, before we signed that \$250,000 contract or that \$5 million contract, please answer these 50 questions and they'll be things like, do you have a disaster recovery plan? Do you have a business continuity plan? Do you have a cybersecurity policy? If you want cyber insurance and you want the best rate on your cyber insurance, a, the underwriters will give you a questionnaire that asks these exact questions. Yup. Yup.

Tom Bronson (46m 39s):

Well, so, so even doing these things, I, I think to your point here on the promotion, that puts you in a very elite group of a small percentage of businesses that actually do this stuff, and it really can be a key differentiator from your competition because people actually do that. I love that. All right. So we've gotten all the way to the end and I, and I've asked you kind of all of my questions, however, for our listeners, they know that I always ask my bonus question and they listen all the way to this point. Cause this is like the most important question on there. And if you've listened to the podcast, you know, when you're ready, what personality trait Michael has gotten you into the most trouble over the years?

Michael Puldy (47m 28s):

I love that question. I, I tend to react very quickly and often too quickly and people will say, wow, that's actually really great. You know, that, that actually sounds so positive. Well, it can't be a positive and in a crisis situation, it actually is very, very helpful. I think Elon Musk is, is very well quoted to say, look, you know, just make a decision. Even if it's a bad decision, just make a decision because you're moving the ball forward. But sometimes in the aftermath, if making a quick decision, you realize that, you know, what if I just slept on that? You know, not every decision needs to be made within a millisecond.

Michael Puldy (48m 9s):

And I have really taken that to heart over my career. And I've got, I am probably, as I've become more mature in my thinking where instead of responding right away, I will now like, well, let me just answer that tomorrow. Let me sleep on that. And that has really saved me a lot, but unfortunately I'm still not, unfortunately I'm still not a hundred percent good at that, but I try,

Tom Bronson (48m 33s):

I love that. That that is awesome. I also have that trait, but, but it was actually, I had the opposite trait years ago. And I remember when I sold a company to a big publicly traded company. And then I was just having a, a, a, we were on a retreat and Allah Marotta in the keys in Florida. And, and I'm sitting with the CEO and we're having some sort of fruity tropical drink. And he says, Bronson, I've noticed you make really, really good decisions. And I said, I said, well, thank you Pat. And he said, he said, if you really think through all your decisions before you make them, I said, I really do. I take my time. He goes, yeah, no. She says, you know, they're really good decisions, but you know what that tells me.

Tom Bronson (49m 15s):

And I said, I said, what's that? And he says, you're not making decisions fast enough. So what do you mean? And he said, he said, Bronson, if you're not making three bad decisions out of every 10, that tells me that you're not moving fast enough, we need you to move faster, but, Oh, Alrighty. So that's been, my that's been, my litmus test is three

bad out of every 10, then I'm moving at the right pace. And so, so the opposite can also be true. So Michael, where can our listeners get in touch with you?

Michael Puldy (49m 47s):

Well, they can always find me on LinkedIn or they can email me directly at michael@puldypartners.com.

Tom Bronson (49m 53s):

Awesome. Awesome. Thank you, Michael. You have been just an outstanding guest. What a, what a great conversation today.

Michael Puldy (49m 60s):

Thanks Tom. This has been a lot of fun and thanks a lot for inviting me to appear on your

Tom Bronson (50m 4s):

I'm so happy that I did. And I think maybe we need to think about having a webinar where we can give some visual support to it as well. Sometimes you can find Michael Puldy, P U L D Y at his website, which is puldypartners.com P U L D Y partners.com. We'll have a link to it in on our website and you can also find him on LinkedIn, but as always, you can reach out to me

3 (50m 28s):

And I will make a warm introduction. My good friend, Michael, this is the maximize business value podcast, where we give practical advice to business owners on how to build long-term sustainable value in your business. Be sure to tune in each week and follow us wherever you found this podcast and be sure to comment. We love your comments. And I promise we will try, but every single one of them. So until next time, I'm Tom Bronson reminding you to ensure that you have a solid business resiliency plan in place while you maximize business

Announcer (51m 8s):



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Tom Bronson (51m 37s):

<inaudible> that was perfect. I wouldn't make any changes on that.