What CEO transitions can and cannot teach the next administration

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At the 2016 Republican National Convention, the Miller Center of Public Affairs at the University of Virginia, with the support of the Annenberg Foundation Trust at Sunnylands and Fortune *magazine, convened a panel of experts to examine the question of what CEO transitions in the private sector can teach our next president about taking charge of the Executive Branch of the United States Government. The event featured Senator Bob Corker (R-TN), former governor and RNC chair Haley Barbour, Bush 43 personnel chief Clay Johnson, McKinsey & Company partner Drew Erdmann, and* Fortune's *Dan Primack, who acted as moderator. Bill Antholis the director and CEO of the Miller Center, and Geoffrey Baum, communications director at the Annenberg Retreat at Sunnylands, delivered opening remarks. The following is a copyedited transcript of the discussion.*

Bill Antholis: A special shout-out of thanks to the voice of the Miller Center, Ann Compton, who is here with us today and is the voice behind those two terrific videos. [*applause*] So, as I said at the beginning today, we're celebrating the release of a number of essays, in particular one by one of our panelists, which is on the mechanics of managing the federal government. There are actually a number of authors behind it at McKinsey, but one of our guests today is the lead author of the piece, and the focus of this conversation is how should the president think about this first year in office as the CEO of—as you saw in the video—the largest employer in the world, with four million employees.

We've got a terrific panel and we have a terrific partner in putting on this event. I'm going to bring up Geoff Baum from the Annenberg Retreat at Sunnylands, who is the communications director there, as well as a senior fellow at the Annenberg Center on Communication Leadership & Policy, at the University of Southern California, to introduce our panelists. Thank you, Geoff.

Geoffrey Baum: Thank you so much, Bill. The Annenberg Foundation Trust at Sunnylands was established by Ambassadors Walter and Leonore Annenberg. Ambassador Annenberg served as the ambassador to the Court of St. James for President Nixon, and Leonore Annenberg served as the ambassador and chief of protocol for President Reagan. The Annenbergs had a deep commitment to public service and they—in addition to his success in business, he was a billionaire publisher—built an estate in Southern California called Sunnylands. It's a 200-acre estate near Palm Springs and Rancho Mirage, with its own golf course, and others, and hosted presidents of the United States, starting with President Eisenhower in the late '60s. President Reagan famously spent every New Year's Eve there, President Nixon was a frequent guest, as were both President Bushes.

Also, in recent years, President Obama has discovered the magic of Sunnylands, and you'll see, in the sheet that you have, he has had six meetings there, including three summits, including with the president of China, the king of Jordan, and the leaders of the ten ASEAN nations. That's to fulfill what the Annenbergs had hoped, that Sunnylands would become a Camp David for the West Coast.

We are fortunate—I do need to call out David Eisenhower, the namesake of Camp David and the grandson of President Eisenhower, who is with us here today, as well as Tweed Roosevelt, who is also a close friend of Sunnylands and the great-grandson of President Theodore Roosevelt, who is here with us today, and he's president of the Roosevelt Foundation, and David is a colleague at the Annenberg School at the University of Pennsylvania.

When the Annenbergs passed on and left the estate and a sizeable endowment to continue that legacy of Sunnylands as a place where world leaders would continue to gather, the other top priority was for Sunnylands to help the president of the United States, the bipartisan leadership of Congress, the cabinet, the Supreme Court, to work together to improve the effectiveness of the three branches of government. And when we learned about the Miller Center's First Year Project, we couldn't have been more enthusiastic about a more noble pursuit in what's needed.

We want to set aside the politics if you can. What's most important is what's going to happen after people get elected. And so we reached out to the Miller Center and said: "Would it be possible? Is there any way we could support what you're doing, to get our next administration off to a great start?" We are honored to be a partner and a supporter of the Miller Center in this effort, and to bring you and these leaders together for an important conversation that we hope will continue throughout the course of the election, and then help move us to the next stage of governance once the new administration is elected. So it's our honor to be a partner in this effort and we look forward to continuing to partner in efforts such as this.

I'm not going to introduce the entire panel, but another great partner in this effort is *Fortune* magazine. Alan Murray, as you know, is the head of *Fortune* and the newly named chief content officer for Time Inc., and he's involved with the Miller Center. His senior editor will be leading the conversation and also introducing each of the panelists. Dan Primack has been with *Fortune* for six years. He's worked in local news and runs a lot of the most insightful and thoughtful coverage that *Fortune* is able to offer. So if you can please join me in inviting the rest of our panel to come up, please welcome Dan Primack.

Dan Primack: I'll be very quick. I'm just going to introduce, incredibly quickly, the folks we have. These are four folks who have a variety of experiences, but I'm simply going to mention the one that's most relevant to us here today, so I'm going to call them up. Please welcome Drew Erdmann from McKinsey, who wrote the paper on CEO transition into presidency that you guys have today. Former Governor Haley Barbour. Senator from Tennessee Bob Corker. And Clay Johnson, who helped run personnel for the Bush-Cheney transition in 2000.

Hi guys, thank you for coming. I appreciate it.

Drew, can I start with you? So you're the one who wrote the paper that hopefully folks got e-mailed to them, that is sitting here, talking about what private CEO transitions can teach the next administration, the next incoming president. Just quickly, why is this something you're working on?

Drew Erdmann: Well, this is all in the spirit of—Obviously, this is a recurring challenge. Some transitions have gone well, some transitions have not gone well, but also we see that in the private sector—This is just in the spirit of we were pulling together some perspectives of where we've invested, quite frankly, a lot of time and energy, in understanding the private sector transitions. We advise a lot of CEOs, we also do the public sector, and we thought that this would be a great opportunity to pull together some of the insights that are relevant—and quite frankly, some of them are maybe not as relevant for the public sector—and offer them for folks to discuss and debate.

Primack: Clay, you were involved in the transition, now what, at this point, 16 years ago?

Clay Johnson: 2000, yes.

Primack: 2000, so sixteen years ago. There's always a lot of talk about the first hundred days. I'm sure we'll hear it on stage here and we'll hear it next week in Philadelphia. I'm curious, what's more important during those first hundred days? Is it setting a couple of big legislative agendas, or is it really just getting all the people in place to then go and try to get that stuff done?

Johnson: Yes. [*laughter*] I mean, you don't have a choice. You have to do all of the above well, it's just a question of how much of all of the above.

The biggest challenge and the greatest distinction, I think, between a presidential transition and a corporate transition is that in the corporation transition, maybe you're going to bring four or five new people to surround yourself, like-minded people. In the federal government, it's four thousand, and the old adage, the "20/80 Rule," probably four hundred of those people are the key leadership you need. President So-and-So might need a different four hundred than somebody else, based on some things going on different at the time in the world, or domestically or whatever, and right now, only about 220 of those people are confirmed and in place by the August recess. That's just not good enough, and whether you started fast or slow, it's 220, because most people don't start ahead of time. So anyway, it's getting your team in place, and so approach it very differently than anybody else has done it, and so that's a big challenge.

And then you want to get your first one or two legislative items, international affair items, whatever, launched. Don't try to launch them all in the first year, because you can't. You don't have enough people around you, senior people on your team, to do it, so you've got to show, at least to everybody that's watching, which is everybody in the world, that you can *walk* pretty darn good. You can walk in an admirable fashion and now you're ready, in that second six months and beyond, to really get after it.

Primack: I'm curious, Governor. Is it a mistake that those of us in the press, but I think it's those in the political world too, focus so much on what is or isn't achieved in the first hundred days when, as he said, you really are starting from not quite a dead stop, you've got two months, but you don't have your C-team in place yet, they haven't been confirmed?

Haley Barbour: Well, the truth is, in the federal government, it's just a tradition. I remember we did the Contract with America, and Newt had the idea that we had to have a hundred days, just because that was the—It didn't have a thing to—

Primack: It's a bad tradition, I guess.

Barbour: I don't think so, but in state government, often there is a good reason. Like in my state, the first legislative session lasts 125 days, and the legislature meets annually. They don't come back until next year, unless you call a special session, so there is a rationality there, but in the federal government, it's purely tradition. My own view about all this is, and maybe it's my experience, this all starts at a campaign. If you're going to be a new president, people ought to know what your agenda is when you get inaugurated.

I ran my first campaign for governor and was elected. I'd never held state office, I'd never held public office, but in the campaign we had, very humbly, "Haley's Plan." We had seven issues, and we decided three of the seven were going to be the top priority for the first session of the legislature, and everybody knew what it was. Everybody knew it was tort reform, everybody knew it was getting control of the budget without raising taxes. Everybody knew it was in education, destigmatizing workforce development and job training, and then improving and expanding it. And you have to destigmatize it because the teachers have made it a stigma if you don't go to a four-year college. But at any rate, everybody knew that was what we were going to do and, legislators signed on or didn't.

Primack: Senator, I'm curious. Particularly given where you are, are there lessons, I guess, or tips you would tell the next president, when it comes to getting folks through the confirmation process, particularly for senior folks? Because, as Clay said, you can have all the people who you want to have, but you guys still have to say yes before any of them can actually go to work.

Bob Corker: Right. Sure, the process has been way too slow. We've eliminated a lot of the positions that used to have to be confirmed, which has been helpful, but no question. To the broader question, I thought the paper that Drew and others wrote was good, and I just want to allude to Haley's comments. One of the things both of the campaigns, at this moment, are lacking is laying out that clear agenda. We were talking in the car coming over that, typically, most politicians really try to enact the agenda that they run on and the public supports them in a mandate, and therefore they're able to do that. I think it's difficult to discern right now exactly what the agenda is on both campaigns. You've got a tone, you've got a feeling.

So, three things for me would be, again, to set that agenda during the campaign and make sure people understand what it is you're going to do. Secondly, make sure you've got the people in place to do it, but thirdly, as it relates to confirmation and getting that agenda done, Washington is yearning for a president who will reach out and communicate and have conversation. I would begin doing that immediately, so that you really soften things up in such a way and create the relationships where confirmations and where the agenda can take place in a more speedy manner.

Primack: You said "immediately." So right now, obviously we're at the GOP Convention, you're a Republican. Do you think then, the Clinton campaign, right now, should be reaching out to folks like you and having those conversations?

Corker: No, not today.

Primack: Okay. I thought that's what you said. I apologize.

Corker: No, no, no. What I mean is, I think that both of the campaigns—I didn't mean that in a pejorative way in any sense—I think what they've got to do between now and Election Day, is make sure the American people really understand what life is going to be like if they're elected, what their agenda is going to be. Right now, it's been about feelings, it's been about personality,

it's been about competence. Again, I have really no idea exactly what is going to take place after, so they have to build a case for that. But I do think Washington is ready for a president who, on both sides of the aisle, does reach out and does so quickly, and begins to build a relationship with people. It makes a lot of difference. Bill alluded to some films and people's success. A lot of their success had to do with the relationships that they had with people, and they built that immediately when they came into office.

Primack: Drew, in the paper at one point, you used the term "be bold." Does that mean, for the incoming president, when we talk about these agenda items, that the first things they should go after are the most ambitious, and that they should—and how they communicate that to their staff?

Erdmann: This is just one of those lessons that we have from looking at successful CEO transitions, that it goes back to the kind of window of opportunities that executives have. Then again, this is an analogy from the private sector, but I think it is indicative in the public sector as well, which is if you sit too long on things, you're not going to be able to form people's understanding, you're not going to be able to set the narrative. You're not going to be able to shape it, you're not going to be able to mobilize, and then you'll be, basically, a victim of events.

That's empirically what we've seen, when we've looked at hundreds of CEO transitions, is exactly that: Those that are most successful are those that, relatively rapidly, come to a conclusion of where they want to take things, articulate it very clearly, and, quite frankly, make the tough calls relatively early on, to generate the momentum they need. Because in a way, in the private sector and, arguably—I'll leave it to those who are more expert in the public sector—success can breed success if you get the ball moving, but if you're stationary, that's not a good place to be.

Primack: Governor, when you came in, you said "Haley's Plan." Was that what you—So when you came in, Day One, you know the inauguration is over, everybody is happy, everybody comes into work. This might sound really pragmatic and boring, but do you sit everybody down and say look, this is—do *you*, personally, say this is how we're going to do it, and this is kind of the general attitude I want toward it?

Barbour: Actually, during the transition, I did a lot of that. I succeeded a Democratic governor. I beat him in his reelection attempt, so I created a new administration. I had Democratic majorities in both houses of the legislature. A lot of people assume, because you're from Mississippi, and our presidential voting—Well, the Democrats had a 22-seat majority out of 122 members in the house, and I never had a Republican majority in the house. The senate, I had a Republican majority one year. So the last thing I wanted was a party-line vote, okay? So, I brought Democrats in, in the transition. Democratic legislators, committee chairs, here's what we're going to try to do. We didn't agree on everything, but I'm going to tell you, you look at Bill Clinton and you look at Ronald Reagan, and you understand a good executive can lead in divided government, but the president has got to try. And that's a great failure that we have right now: the president is not trying to lead the rest of the government.

Primack: Clay, you just talked about bringing Democrats in, which is partially because you had a Democratic majority, but—Can you speak a little bit to the value of, possibly, having diversity of opinion around that table? When you start to get those top advisors, how should an incoming president view—? Obviously, you don't want people who are extremely oppositional to you,

because that just causes everything to get mucked up, but should an incoming president think about people who haven't necessarily been in lockstep with them on everything?

Johnson: Well, my experience, watching, observing in the White House, to pursue the diversity and use the diversity of opinions and attitudes in politics, was they first of all have to be consistent with the president's views—Norm Mineta, who came in as secretary of transportation, on transportation matters. Somebody, if they want an Interior Department, the role of the interior matters.

You want people who are into your agenda, but the president has to communicate, in thought, word and deed, that he expects pushback: Have you thought about this? Be careful about this. He has to demonstrate, in a meeting or two, maybe suggest that somebody come at him strong, to demonstrate to the others, maybe somebody that he'd served with at the state level. Bush had several of those in the White House, so he could demonstrate for the other people that were new, working around this president, that he's comfortable getting pushback, he's comfortable having differences of opinion expressed and working through, and comfortable with a good vital communication between parties about what to do going forward. And so he sets the example and if he doesn't do that, he's not going to get it.

Primack: Is it hard, when you're actually talking to these people about possibly nominating them or bringing them in, depending on the position, to sense whether they are going to be willing to be honest? Assume the president has done that and has created that environment. I would think that there're still going to be certain people who are not going to want to take that step and possibly challenge the president on a particular issue, just because you're talking about the president. At least in private.

Johnson: Well, the approach that should be taken at all times, in helping a president put his or her team together—This was President Bush's charge to me, both at the state level and federal levels: You find the people that will best do the work that our administration wants done and I'll make sure the political affairs people make sure we don't do anything stupid politically.

So we were looking for the best people. And that means you look at their track record—and nobody has an easy road to be successful by the time they're ready for consideration for a federal appointment—so you look at have they had tough times, were they told no by a state legislature, were they told no by a community, were they told no by the board of directors of whatever, and were they able to work through it and were they able to take no or take yes, and turn a yes left into a yes right, or vice versa. Have they had diversity? Have they got experience of taking a divided group of people and then bringing them together around a new idea, as opposed to just implementing, in sort of an automatic fashion, what the president or what the head person asked them to do? Do they have experience dealing where there's a lot of pushback, because there's a *lot* of pushback, by design, via the Constitution, in our form of government.

Primack: Senator Corker, I'm curious, going back to something you had said earlier, about getting the ball rolling. Not necessarily today. I'm not saying the Clinton people should call you today, but there's been some talk, in the last week or two, at least reports, that Trump might lay out at least some top-level cabinet folks.

Corker: Yes.

Primack: Is that what the two candidates—? Should they do that? Obviously, that opens up all sorts of scrutiny by the press, but should they be doing that in the next couple of weeks?

Corker: I think in Trump's case it's more important, because he's coming from the outside, and I think people want to get a sense of the type of people that he's going to put in place. Secretary Clinton has been around government for a long time, obviously has a deep understanding of how government works. So in his case, I think they are going to do that. Actually, he did that with the Supreme Court nominees, and I think that sometime over the course of late July or August they'll lay out a group of people. You're right, it's very problematic to name a person, there's an ethics issue there.

Erdmann: I think it's illegal.

Corker: Yes, that's right. I think President Bush wanted to name Colin Powell, and let people know he was going to be his secretary of state, but they realized that was not possible. But you can list a host of people, these are the kinds of folks.

Primack: And list the one you really want first?

Corker: That's right, that's right.

Erdmann: The types of people or whatever, yes.

Primack: Part of what our discussion is supposed to be about is what private-sector CEOs can teach, and we've got a bunch of folks up here. You started in the private sector, obviously, you're in the private sector now. I want to talk a little bit about what is the same and what is different. Drew, for you, what's the biggest difference between somebody who is going to become president, as the video I think before said, in charge of the largest organization in the world in terms of people—? What's the biggest difference between becoming president, though, and becoming CEO of, say, a *Fortune* 10 company?

Erdmann: I'll pick up on a point that you made, Clay, which is that the sheer scale of the transition itself is just orders of magnitude more complicated, in just the sheer scale. I would also add two things, that's one. I think the other thing is just the intensity and the scrutiny is qualitatively different, from having counseled CEOs through *Fortune* 100 transitions. That's a huge transition for them and their families, but the magnitude of the change and the scrutiny that individuals go through to the presidency is probably unlike anything else in the United States.

Barbour: For me, I think clearly, the biggest difference is CEOs—Almost everybody they have to deal with is in their chain of command, and they can tell them what to do, or they can tell them to get the hell out of here. And by the way, that's what I think you're supposed to do with people who don't challenge you back, is just you need—you've got the wrong person. But the governor or the president, they have to lead a lot of people who don't report to them, who don't work for them, who don't have to do anything the president says. In the military, there's a term called "metaleadership," and for many business people, it is peculiar to start trying to deal with a legislator who doesn't report to you, not in your party, mayors don't report to you, all sorts of different people, federal people if you're a governor. I think that is probably the biggest difference between the business leader and the executive in the government.

Primack: Do you think that means that if Donald Trump wins, he's going to have a bigger culture shock than Hillary would have if she wins?

Barbour: Hillary has been in this culture since God was a boy, I mean she— [*laughter*]

Johnson: I think before that.

Barbour: You know, she is the ultimate government insider, she's really been here for a long, long, long time. Of course it will be culture shock for Trump. There's no question about that. However, a lot of people make that transition because of their leadership style. I can remember Newt Gingrich telling me the night the House voted to impeach Bill Clinton, Clinton called Newt on the phone, to talk about a legislative issue. Now, you've got that kind of ability, to deal, I mean that's the kind of stuff you have to learn.

Corker: And if I could—

Primack: Yes, sure.

Corker: The American people are kind of looking for culture shock right now, because they don't like the way Washington is working. So, what I'd tell business people, if I could, they're always complaining, obviously, about our lack of ability to get things done and they ask, by the way, why we even choose to do these kinds of things after, you know, you've been successfully in business.

The thing I tell them is this: Of course public companies are a step closer to government, right, versus a private company, but business is two dimensional in many ways, and I think the public sector adds a third dimension. Haley described part of it, but it's very different in that you've got to persuade people that are not in your chain of command. It's not just, by the way, the mayors and the governors that you're referring to, but the American people, and you're *constantly* under scrutiny, I mean every day. So I think it is more difficult, but I also think that people *can* come in from the outside and Washington *does* need a shakeup right now. And even though there may be some glass broken in the process, let's face it, we need to make this government more responsive to the American people.

Primack: Clay.

Johnson: Remember, I'm not a political person. I remember being frustrated that we couldn't get something done with Congress on management matters, and President Bush would say, "Clay, get over it, read the Constitution. It's supposed to work this way, just get over it." I mean, all those 435 of these, and 100 of those, they want to know what your program is going to—how it's going to appeal to their voters, and until you can explain that to them, they're not for it.

The other thing that strikes me about the difference between business and this is, there's the scope of the activity a president deals with: it's from health to science to rockets to international this and that, and way more complex. You'll know nothing about it and you have to be—you can't wing it. You're going to have to absorb information, you have to take it in, you have to have confidence in your advisors. It's more of a team decision-making process, I would bet, than almost any other kind of CEO kind of role.

And there's the nature of the presidency. The president's most important job, I hear people say, is his role as commander in chief. Well, in that role, you are making decisions that put our military in harm's way, or if you're the head of Homeland Security, you are making decisions that have got to be really good at getting our populace out of harm's way, and no CEO faces that.

Also, I'm reminded of a comment that Andy Card—who is a really wise soul and has been around White Houses, in two different administrations prior to Bush. He used to tell us, in the White House, he said, the most invaluable asset in the world is the U.S. president's time and voice, not in D.C., not in the United States, in the *world*. The president can say seven words and

markets move or people go to war or you know. So, all of a sudden now, just the management of how the president, the CEO of our country, spends his time, and every word he uses, everything hangs on that. It's so very important that no CEO has had to master that, understand that, and deal with that challenge.

Primack: You mentioned Andy Card, and there was an analogy—This is going to be strained, but there was an analogy I was thinking about, a Facebook analogy, the company, not the product. You have a founder/CEO who is the visionary behind it, he's the guy who came up with it, he's the guy who drives it, but after a couple of years, the investors said we need someone who actually knows how to manage things a little bit better than you, so they bring in Sheryl Sandberg, who is kind of—They called her "the adult," because he was in his twenties, you know. No president is going to be in their twenties, but I'm curious, is the chief of staff that adult, from your perspective? And I don't mean to belittle whoever becomes the president, but the president is the vision, the president is the person driving policy. Is the chief of staff, from your perspective, that organizational person?

Johnson: I believe the chief of staff in the White House is the person that determines whether the White House runs well or not. I believe the chief of staff, with the president's concurrence, is the one who should assemble the staff around the president, getting his ideas and so forth, and he's the one that then sets the tone in what the president should expect every time he has a briefing, every time he goes to bed, every time he eats, every time he travels, here's how it's going to go. Getting the input from the president and the First Lady, then communicating that effectively to the staff so that they deliver on that expectation, it's the chief of staff.

Primack: Senator, you talked about when business folks come to you and say why can't you move faster, why can't you get things done? Can you reverse it for a second? If you were to retire tomorrow but decide to go back into business, what do you think you would take from your legislative experience and from your public-sector experience that would make you a better businessperson?

Corker: I think that this is probably not the answer you thought I would give, but I think that—Look, I've lived in a world, I built shopping centers around our country, I started at age 25, and my first experience as commissioner of finance for our state increased my vision. I was out of the private sector. In the public sector, and my next round, my vision was much, much larger. I think if I were to go back in business now, at this age, just the scope of what I would look at accomplishing in the business world would be far, far greater, meaning that I think the public sector is such a broadening experience and you touch so many things, your capabilities are expanded in so many ways, and your knowledge and your relationships.

So, what *I* would do is something far bigger, in all likelihood, if I still had the energy for that, than anything I've done before, just because of the opportunities to know things. Being a senator for nine and a half years, as I've been, is a PhD every single day. I mean, we're not dealing quite directly with what Clay just laid out, but you think about all the things that are before us every single day. I also know that we've got an outstanding chief of staff, Todd Womack, who is sitting over there watching from the side. I think that really relying so much more fully on talented people and bringing them in, and giving them room to run, I would do so much more than I did in my first two careers in business.

Barbour: But staff is *critical*—I mean it's a gigantic job, nobody can fool with all the—and having a strong staff, trust your staff, and your staff trusts you. You know your staff, they've got

to be willing to tell you when they think you're wrong, or particularly, to tell you something hadn't worked out like we thought it would, because that just happens, particularly if you do something like Katrina.

Primack: Sure.

Barbour: I don't know anybody in politics that ever made it by himself.

Primack: Do you think campaigns are good, particularly for somebody who is coming—somebody, say, like Trump, who is coming into politics without having been in politics or elected office before. Are campaigns a good training ground for that? You're obviously running an organization, a different type of organization than your own. Is that a good apprenticeship?

Barbour: It could be.

Primack: It could be.

Johnson: I'm not a political person, but I'd say no. In politics, my understanding is, it's me versus you. That's not what governance is.

Primack: We can open it up for some questions if we have them, if not, I have more. Yes, over there.

Johnson: There's a fellow over there.

Primack: A mic is coming over to you. Whoa, a loud mic.

Male: I was going to ask, actually, that exact same question, but a different take on it, which is in terms of how well a campaign is run and what we see about their process, how much can we read into their management style, perhaps, or other sorts of insight into what their management of the Executive Branch would be like. What can we take away from that?

Barbour: First of all, the candidate's job is not to run the campaign. I don't know if you've ever gone to the racetrack, but the candidate is the horse and the jockey is the campaign manager. If you ever see the horse turn back and say, "Move to the inside," then the horse ain't doing his job. So be careful about how campaigns are managed. I thought Reagan—Reagan was my boss, I ran the political office of the White House—I thought he was a fantastic president, hugely successful, but he no more tried to run his campaign than the man in the moon. Ann was around, she knows that.

Primack: Do we have others? Yes, right there.

Female: We've talked a lot about having people that the candidates trust within their inner circle as they're coming into the transition. But in terms of defining those people, is it important to have people that have *already* exhibited that spirit of reaching across the aisle, or is it important to have people that the candidate and the president then trust, and *tell* them to reach across the aisle? How do you find the ideal balance between those two?

Primack: Senator, do you want to try that?

Corker: I didn't quite catch the question. It's important for the candidates to have what kind of people?

Female: So, is it more important to have people that have sort of already exhibited that spirit of reaching across the aisle, but maybe people that the candidate doesn't know as well already, or is it more important to have people that the candidate already trusts, who maybe don't have the

same sort of *experience* of reaching across the aisle, and what influence can the candidate or the future president then have in *telling* that person to become someone that maybe reaches across the aisle?

Barbour: Unquestionably, there's great value in having smart, talented people from outside, who bring new perspectives, that help level your administration, but you've got to have some people who understand how the government works and help you put the best together. So I think a good administration is a combination of those, in my opinion.

Corker: And I do think that when you look at someone, you don't just look at the knowledge and experience; you look at their temperament. You want people who have the type of temperament to be able to work with others. Look, the chief executive, the president, is going to set the tone, relative to the reaching across the aisle, and hopefully, any president who comes in understands it's very difficult to get things done as a partisan. You've got to begin the process of reaching across the aisle. And while campaigns are a lot about consolidating your base, as you're going through the campaign process, I would think immediately—A new president and let's say secretary of state, secretary of treasury, secretary of defense, secretary of homeland security, I would think those people, they're immediately beginning to reach across the aisle and work with folks. That *has* to occur in the way our government is set up.

Primack: Clay, did you want to say something?

Johnson: I just, I would bet that of the top 400 people, Senate-confirmed people, that President Bush appointed, I bet he had never laid eyes on or heard of 200 of them, but he, through us, the Department of Presidential Personnel, heard really good things said about them from people that he knew and respected.

Primack: Does that become really, really uncomfortable, if one of them doesn't turn out to be what you thought he was going to be, I mean for you?

Johnson: It never happened. [*laughter*]

Primack: It never happened, out of 200, that's a pretty good batting average, that's not bad.

Corker: But Clay, you also had a relationship with the president, and a deep relationship with the president, worked with him while he was governor. You knew the type of people he was looking for.

Johnson: Exactly. I did the same thing at the federal level that I did for him for four and a half years at the state level, so I knew exactly what he wanted. I knew exactly how he wanted a meeting held. In fact, the very first meeting he held as president, with a staff, was with presidential personnel, on Monday after the inauguration on Saturday, and it was as fine a meeting in the Oval Office, I bet, that's ever been held there, for *him*, because I knew exactly how he wanted it.

Primack: David.

David: I have a question. The ability to govern, the ability to set the agenda, depends on a mandate. Now, you all have used that word, "mandate." What would a mandate look like in 2016 and what are the consequences, growing out of this election, of the lack of a mandate? What would a lack of a mandate look like? What would a mandate look like?

Barbour: David, as the most political person up here, I think you're going to find out the answer to that question, because I think it's going to be the most negative presidential campaign that's been run in any of our lifetimes. I think the Clinton people are going to follow in Barack Obama's campaign against Mitt Romney, where the whole theme of the campaign was not—some of us remember "It's morning again in America"? You remember Reagan ran for reelection on the theme "It's morning again in America," and got 60 percent of the vote. Obama knew he couldn't run on "It's morning again in America," and their campaign was "What's wrong with Mitt Romney?" He was a rich white guy who doesn't care about people like you, doesn't even know anybody like you, he's a vulture capitalist that ships jobs overseas.

Primack: You borrowed that from Gingrich, right?

Barbour: Yes. Takes health insurance away from people's wives. He's a quintessential plutocrat, married to a known equestrian. [*laughter*] That was the theme of the whole campaign.

Primack: I don't know how you can remember all that.

Barbour: It's going to be the same way. This is going to be an incredibly negative campaign, each one about how the other one ought *not* to be president. I hate that, but look, that's what we're going to see, and so we're going to find out what do you have when there's not even an effort to get a mandate. And remember, President Obama didn't really try to get a mandate in '12, and we have seen very little even attempt to pass much through Congress.

Female: Thank you. Can you discuss how what appears to be an added layer of national security in our country is going to affect the first year of the president?

Corker: I think it's going to have a huge effect. You know, the fact is that at the local levels, cities, policemen, mayors are concerned, and a president is going to have to bring the nation together. Obviously, we don't want a lot of federal programs that go out, there are things we can do to assist, but really, much of that takes place at the local level. Homeland Security is going to be challenged more than it's ever been challenged, because there are new techniques relative to how to create terror in our country, and by the way can be done by very low-level people, as we know. So look, security—There is going to be a mandate for security, there's no question that that is going to be the case, people feel very insecure.

There's going to be some type of mandate for economic issues, because I think those are going to be the two central focuses in this effort, but between that and then how we deal with ISIS—The fact is, the country has become isolationist, after the Iraq and Afghanistan efforts, and how a president deals with mobilizing the country around whatever they believe to be the appropriate effort dealing with ISIS is going to be very, very important, so it's going to be a central issue going into January.

Primack: Drew, can I just ask you—Taking off on that a little bit, and not security per se, but kind of some of the unexpected events—It seems in the last two weeks, every day has been an unexpected event. It seems one of the big differences between a private-sector CEO and president is while things can come up on a private-sector CEO—something with a product, something macroeconomic—a president has to deal with that much, much more often. What it your sense, what's kind of the technique that should be used, or the outlook, to knowing that whatever those first couple of legislative priorities are, there're going to be major distractions along the way, possibly overwhelming distractions along the way?

Erdmann: I think that reflecting on some private-sector experiences, as well as in the public sector, it is one of those things you can almost certainly bank on, that things are going to surprise you. If you reflect upon the Bush administration, who would have thought, in the first nine months of that administration—? Remember the incidents of the spy plane in China just started things off, and obviously, getting to 9/11—It fundamentally affected, and we live with that today. But I think that one way of stepping back is yes, you need your vision, you need your agenda, you need to set that, but it comes back to what we've talked about here, which is you set your agenda, but you have to build a team that's resilient and is going to be able to withstand some of those challenges.

The other point that I would highlight is that an individual leader needs to, as we put in our paper, establish their own operating model, so that they are going to be able to stay centered through the challenges ahead, the four to eight years of being a president and having to deal with these challenges. That individual and that team, that chief of staff, have to manage things in a way that that leader is at their best through what will almost be inevitably *extraordinarily* demanding stressful situations, and the kinds of decisions that you highlighted that, in essence, no one is prepared for. So that is part of it, preparing to be resilient to confront those challenges.

Primack: Yes.

Johnson: Briefly, I was talking to Bill at lunch about the world is such that the first time you meet with your team in the Sit Room or the Oval Office, to deal with a crisis, should not be when it's for real, and there's very little practicing, or at least sitting in those rooms, and watching others act through as it happened under Reagan, or act through what the dialogue was like, and then get together with the chief of staff and talk. What are we going to do? Well, you can guarantee, here are seven things, Mr. President, you can count on that your staff is going to do in the first 40 minutes or the first four hours and whatever, when this happens, so you don't have to tell us how—

Primack: So you're talking about simulations, essentially?

Johnson: Yes, the same thing. But that is to not be—"Oh my gosh, something extraordinary has happened here, unexpected!" No. Expect the unexpected and figure out, talk about it ahead of time, maybe even practice how you're going to work together to deal with these kinds of matters.

Primack: Yes. Time for one more question.

Male: I feel as though one of the more understated importances in almost every single election is diplomacy and foreign affairs, and especially so in this election, because as we know, it's between a former secretary of state and a business mogul. What's the difference that you feel, or all of you feel, between handling rival or competitive companies, or even allied companies, versus handling competing nations or allied nations?

Johnson: I was going to defer to the chairman.

Corker: So, competing companies. Look, you're trying to win a contract, win a bid. A lot of times it's somewhat of a zero-sum game, right? In dealing with diplomacy, your interests may not align on a particular issue, but they may align on the next issue, or you may have several issues that you're dealing with simultaneously, that you're aligned with them on some and not aligned on others. So, being able to compartmentalize those is a very complex thing that we have to do, and it's much more difficult than just competing, if you will, against a company. So that's an area where I would get back to what I say to my business friends: You know, it's

multidimensional, it's much more difficult, and the other side has a say. It's not just when you—If you're going after a big contract against another company, there's a defined end to that, and then you move on to the next. In public affairs, foreign policy, the other side has a say continually, okay, and it continues to evolve. So again, it's far, far more complex.

Primack: Let me ask one final question, and Governor, I'll ask you. I was going to say, try to take off your GOP hat for a minute. I was going to say red shirt, and then I realized I was wearing a blue one, so I won't use that. [*laughter*] My final question for you is this: Can you give, from your perspective, one thing, in terms of their past experience, that you think Donald Trump, if he becomes elected president, could learn from Hillary Clinton, and one thing you think Clinton could learn from Trump if she's elected?

Barbour: To me, both of them have to understand that when two-thirds to three-fourths of the people in America think our country is going the wrong direction, we've got to do something different. I think a lot of this, of differences, is actually going back to the way we did before. I mentioned Ronald Reagan, with huge Democratic majorities in the House, for the whole eight years he was president, got all sorts of legislation passed. He did great in divided government, and so did Bill Clinton. I mean, Bill Clinton had both houses, Republican majorities the last six years, those were his best six years. I look at her and I think she could learn a lot from her husband. I look at Donald Trump; I don't think he could learn much from her. This is a change election and she is the opposite of change. That's not where you ought to look to learn.

Primack: Fair enough. I want to thank all my—Okay, you wanted to say you agreed, okay. I want to thank all the panelists. Thank you all for coming out this afternoon, I appreciate it.

Johnson: Thank you.

Corker: Thank you, sir.

Barbour: Thank you. Good job, Dan.

Bill: I've got a few thanks to make here too.

First, I want to thank all of our panelists. I'm reminded of the friendships and partnerships we've had with every single person on this stage, and it's really quite extraordinary. Starting with Governor Barbour, who was the cochair of the Miller Center commission on manufacturing in America. Senator Corker, who traces his roots back to Chattanooga, to which the Miller Center does as well. We are named after a Chattanooga lawyer and businessman, Burkett Miller, and we've been delighted to work with the Senator in the past.

Drew Erdmann, who, as I mentioned earlier, is an alumnus of the Miller Center recordings program, and his CEO, Dom Barton, is a good friend of mine, and that's how this whole *entire* conversation got started quite some time ago. And Clay Johnson, who was a participant in the Bush oral history, which we've been really delighted to be completing. Barbara Perry, the director of our oral history program, the director of presidential studies at the Miller Center—Clay's interview with her really stood out for her and we were delighted to be able to recruit him. And then finally, Dan Primack, whose CEO, Alan Murray, is one of my bosses on the Governing Council of the Miller Center, but whose CEO conference, back last November, was where Dom Barton and I got together and talked about this very topic, this very paper.

And then, as Governor Barbour and Senator Corker both said, the staff—You can't do this without staff, and I want to thank the Miller Center staff, in particular Jeff Chidester and

Tony Lucadamo, who run our policy program, who really put all of this together remotely from 1,000 miles away, with big help from Reid, Howard, Barbara, and others at home who are watching and promoting this on Twitter and other social media. I really want to thank all of them.

And then finally our partners at the Annenberg Retreat Center: Geoff, and Ken Chavez, who are both here, as well as other staff. We are delighted by this partnership. We share a commitment to presidential history and presidential future. It's really been a great start and we look forward to doing it again next week in Philadelphia, so thanks to you all for coming today.