Elena Kvochko: Diverse teams build better products, and they very much outperform teams that are more, that have more similar backgrounds. It's not just about only keeping women and, and minorities in mind, it's just also about including and incorporating their perspectives in the wider range of solutions to problems that, that those products or teams are trying, trying to solve.

Chris Fussell: Welcome to *No Turning Back*, a McChrystal Group podcast hosted by General Stan McChrystal and me, Chris Fussell. Our goal here is simple, to have serious conversations with serious leaders, so we can learn from the best and navigate these complex times together. Thanks for joining us. Over the next several weeks, Stan and I will be embarking on a new miniseries called Demystifying DEI, where we will look at how organizations are approaching the important work of diversity, equity, and inclusion. In the series, we're excited to hear how industry leaders are authentically incorporating diversity, equity, and inclusion principles into their organizations, and how they're investing in their people to drive change, and the lessons they have learned through curiosity and trial.

Danielle Tenconi: This week, we continue our Demystifying DEI miniseries with a conversation Stan had with Elena Kvochko, the first Chief Trust Officer at SAP. A role she began at the height of the pandemic. In this role, Elena leads a team of security architects and is focused on building trust through a culture of accountability and openness. In this fascinating discussion, Elena shares how DEI and trust are interlinked through the framework of people, protestors and technology, and the tangible impact of DEI initiatives across the three. Stan and Elena discussed the implications of the change in the security threat landscape from organizations being more reliant on technology than ever before. This conversation unpacks the trust equation, how to measure trust, and the importance of action speaking louder than words. Thank you to Elena for taking the time to talk to us. Now, over to Stan.

Stan McChrystal: Well, it's my absolute honor to, to welcome Elena Kvochko to our *No Turning Back* series today. And we're in a special part of the *No Turning Back* podcast. We are looking at diversity, equity, and inclusion. And really, we're not just looking at it, we're trying to demystify it. And, and let me explain, if you look at my demographic, older males, in this case former military, the idea of DEI is a little frightening. It's like the idea of change. anything that's change is gonna change things we're comfortable with. And, and DEI feels like something that we

can't get our arms or our minds around. Now, I was excited to invite you on. You're a female, you're a generation plus younger than me, but that's not really the angle that excites me to have you on. You are also a technologist. You are a banker, we'll call it that in the, in that part of the world, but you've also moved into something that I think at its heart is really about achieving diversity, which is trust. I mean, your title is even Chief Trust Officer of SAP. I mean, that's a, a huge responsibility. That's a huge aspiration for a company to have a trust officer. So, let me start again by thanking you for taking the time today and then just sort of throw it out to you're a chief trust officer, so what does that mean?

Elena Kvochko: Thank you very much, Stan, for inviting me to join the podcast and for participating in this initiative. There are different aspects of trust. It could refer to financial integrity, it could refer to leadership, customer experience, product, diversity and inclusion, ethics, and cybersecurity, or compliance. The way we understand trust is in the context of security and privacy. And what we see more and more companies do, and this is exactly what you alluded to in your introduction, is, is, is they actually would like to communicate better with their customers on how they protect the, the data that they collect, how they engage with the customers and help them understand their security needs and con- concerns, and therefore also help companies and help themselves implement customer feedback into their established processes. And why I am so excited to have a chief trust office as a dedicated function is because it gives us an opportunity to engage with our customers in a new way to establish new trust frameworks and drive the industry standards. Me personally, as the trust, the officer, I guide my managers and my teams in our journey to embed trust into different aspects of SAP, put the feedback of our customers back into our processes and explain to our customers how their critical workflows and data are protected.

Stan McChrystal: I think back to, and I wasn't around for this. I'm not that old, but during the bank crises, beginning of the great depression, people suddenly didn't trust that their money would be in the bank a week from now. And so, what do they do? They pull their money out. And then I think after 9/11, when we had the horrific attack on our airlines, suddenly people didn't trust their security while flying. And it had such a major impact on lives and on economies. So, can you pull on that thread a little bit and just talk about trust broadly, why it's important?

Elena Kvochko: Absolutely, Stan. Well, as, as you said, trust has always been the foundation of great leadership, in the business, in the military and, and elsewhere.

And, and it has been the foundation of all successful businesses and enterprises. When customers trust what you do, your reputation is elevated, customer loyalty increases. And of course, of course business growth naturally follows. And historically trust between companies and consumers used to be pretty straightforward. If you think about your favorite go-to restaurant, you would always know without even thinking about it, that when you have a meal there, you can count in a delicious meal and a stellar service. So, you trust because you trust the owners, and you trust your pa- past experience. So, we as consumers, we tend to trust the brands, because they reliably worked for us. But now of course we have a very complicated cybersecurity landscape. And this fundamentally challenges that trust equation, especially for technology companies or for software companies.

So, in order for- in order to function in our digital world, all of us have been turning over our personal data, our confidential information, our trusted information to the brands that we trusted. And while, the service show that technology is still the most trusted industry, we also see that as you said, the trust has been decreasing in the last 10 years. And this is why those concerns are at the center of my mission of my work. Customers want companies to address the, these concerns around data security, privacy, and cybersecurity. And they want companies to be transparent about their security practices and the incidents. So, our purpose is to ensure that our customers have the resources and information that they need to understand how their critical workflows and data are protected. And transparency is at the core of our mission.

I think this is good business. We know that companies that are more transparent and that communicate with their customers, they rank higher in the trust service. I also wanted to quote research that I recently came across and that there's actually a connection between trust and GDP. So trusted countries with strong, stronger rule of law and stronger governance, they outperform those with less trusted institutions. And there is actually a very, a clear connection between that. And, so what, what can be more important than the GDP indicator? So since early history, of course leaders and artists and creators and business builders have understood that trust is the foundation of building that community. So, I'm very glad to see that so many organizations, as you said are creating dedicated roles to build trust in the 21st century digital economy, and they want to on these aspects of data security, transparency, and a security culture.

Stan McChrystal: Wow. We are in an extraordinary period of history, and you're really at the, at the forefront of this, when I was younger, Walter Cronkite was extraordinarily trusted. And if he went on television in the news and he said something, it had tremendous resonance with people. Now, I think we're in a period where we're starting to become inherently, almost reactively, skeptical. I think I have four or five Facebook accounts, for example, but I've never opened a Facebook account. So, if any of the listeners are out there sending me notes on Facebook, I'm not on Facebook, but somebody has opened an account. And so, we start to automatically doubt or discount the validity of certain pieces of information that we used to, I think almost reflexively think we're accurate. So, I'm gonna ask you how your role has evolved since 2020, since you've been in this latest role with how the technological environment around us is evolving?

Elena Kvochko: Absolutely, Stan. I started in 2020, right after COVID pandemic started. And when I started, the chief trust office was brand new, and my goal was to definitely hit the ground running. Of course, starting in department wasn't easy, but it was a very exciting effort and endeavor. I think we had a clear idea of what we wanted to accomplish. We had enough flexibility to adapt to changes as they came along. And in the past two years, we have increased the scope of our work to cover different areas within SAP so that we can create that culture of trust. And that would be a part of everything we do. We have a broader notion of trust and how critical it is in the world right now, and how important it is to have trust in leadership.

So, as I mentioned, I started right at the beginning of COVID which made my experience as a new leader in a new organization particularly interesting. My team is based all over the world. So, for us remote setting was ideal. We have we also have to remember that before 2020, we were functioning in a world where 20% of the work was done remotely. And now, we're functioning in the world where 80% of the work is done a hundred percent remotely. So, we as a team, try to embrace this allocation agnostic work style. And this is why I think we have become more and more successful. Of course, I would like to just point out that this the, the, the trend and the pandemic gave rise to was the change in the threat landscape, organizations became increasingly more reliant on technical solutions and business processes that have become increasingly network and digitized, and of course, have to rely on a distributed workforce.

And what used to be more of a, a peripheral concern now has become the mainstream concern for a lot of a lot of the businesses. But going back to my role, our team has grown rapidly since then, and it continues to grow as we find more opportunities to foster that trust with customers. We have created new partnerships, new business connections, new partnerships with colleges and universities, put in place new programs for our developers, so they can create secure products. And I was happy to see that SAP had the vision to set up the office. We've had tremendous support as we've built the team on, our team of amazing security architects. And we've brought together experts with strong regulatory and privacy backgrounds, as well as current and former engineers, developers to really develop and train our professionals and industry solutions and experts. So, we've expanded from working... We've also expanded from working with existing customers to working with future customers at the pre-sales stage as well. And I'm very excited to see this this evolution and be part of, of setting up the new trust office organization, which we see as a growing trend among other companies in the industry.

Stan McChrystal: That's impressive. Since I retired from the military, I've had the opportunity to sit on several boards of directors. A few years ago, I was asked to join the Deutsche Bank USA board of directors. And I think they wanted me simply because I wasn't a banker and they wanted somebody who wouldn't be embarrassed to ask dumb questions. And, and I think I fit that bill really well, but if I was suddenly or somebody very much like me, not a technologist, older, was put on the board of SAP and you were brought in to talk to the board, they might ask a question like, well, how do you know if you're doing a good job, Elena? How do we measure trust? You know, is it bushes? Barrels? X feet of trust? How do you know, and how would we as a board know if you're doing a good job or not?

Elena Kvochko: Mm-hmm [affirmative]. Okay. Thank you, Stan. I think ways to measure trust are still evolving. But there are already a few trends that we can point to that can give us a better idea of the state of trust in the industry, and also give some examples from our experience and how we build in DEI in, in our core success metrics. And so, for one, building trust, that means building teams that reflect the diversity of our customers and the communities we operate in. I'm very proud that we have reached the 50-50 gender distribution among my teammates, including the managers. I'm very proud that we're able to attract the young talent that's so eager to join a new organization, and we have launched many programs

that have come from within our team. We encourage our team to be creative, to be proactive with their ideas and that led to many exciting projects in the trust office.

We're working on automating a lot of the processes. We're working on launching new tools to provide our customers and potential partners with a way to evaluate and validate security practices that they're interested in. And just be much more efficient in, in how they interact with us. We're engaging with our developers to provide security trainings that's more suited for their needs based on their feedback. And we're engaging with them at the production level to ensure that we have a secure product. We're trying to use gamification to promote security and really help our employees and customers understand that security is everybody's responsibility. And as you mentioned in your book, Stan, the best organizations think and act like a team of teams, and which is what I believe we're working hard to, to achieve.

Externally, I would say we have received positive feedback from our customers during the customer advisory boards that we set up. So, during these meetings, for instance, we'll listen to our customers, their questions and concerns, and make it a priority to take action based on what they tell us and share information that can address these questions. One of the new things that we're now focusing on speaking about measuring trust is ways to scale digital trust and to automate digital trust. This is something that as an industry, we're trying to figure out how to do best. And we're excited to explore the innovation and new ideas around that effort as well. And as I mentioned, we've developed automated ways to interact with our customers in a way that ensures that they have the right guidance, and we have the right controls in place. I would always say that I've always believed in the power of innovation. And I have myself over 30 granted and pending patents in the areas of cybersecurity and privacy, and very much looking forward to innovating in the industry and figuring out new ways of doing a great job and, and putting new, new measures of that in place as well.

Stan McChrystal: Right. That is impressive. We're gonna come back more to technology and cybersecurity, but I wanna get you to answer for listeners, something that is maybe applicable to many, many leaders. You've been in the job for over two years now. And the real question is how does someone know as a leader, if they are trusted by their team? What are some of the indicators? Now, we've been in a virtual world largely, but what are those things which any of us

might use at as maybe unintentional feedback that will tell us either we're doing a good job, or we're not doing a good job?

Elena Kvochko: That's a great question, Stan. And I think that actions speak louder than words. We, as a company and as a team have invested in for instance, employee education and training to prepare our, our employees for the challenges that they [inaudible 00:17:34] and threat landscape poses, but also just the new business environment poses. We raise awareness across the company about security and are working on creating a new security culture based on this notion of accountability and openness. And this I think has contributed to our retention rates and our constant innovation. With initiatives like this, we know that even in, even if someone decides to leave the team and find an opportunity elsewhere, they will continue to make businesses better and stronger wherever they choose to go. Of course, we, and just, I would like to mention that our company has been recognized as one of the top places to work for many years in a row. And this is I think another great measure by which we can know that we're doing a great job.

Stan McChrystal: Yeah. You obviously are. Back when I was commanding battalions in the army, about 600 people, I would take over a new battalion and you try to know whether, you try to figure out whether you're connecting with the leaders. And one of the things I did was I understood that in a military hierarchy, you're gonna get a certain demeanor from your leaders just because there's military courtesy, and rank, and whatnot, but I would go to social events, and I would see how the spouses interacted with me. Because the first social event, they were always kind of standoff-ish and whatnot. And then let's say a month or two into my time there, if the spouses at the next event were much more open to me, much more friendly, it meant that their spouse had come home saying, "Yeah, I like this guy. I trust this guy." And it was sort of a, a bank shop, but I found it really, really valid. It, it really told me when I was getting it right and those many times when I didn't get it right.

I, I'm a little bit involved in cryptocurrency. I'm on a board of a spec buying a cryptocurrency exchange, so I, I've been learning a lot about that. I've been involved in cybersecurity from the standpoint of my own firm, but also sitting on the boards of firms. I remember a few years ago, you'd bring in an expert and the board would say, "We need cybersecurity." And the person would go, "How much?" And we literally didn't have an answer. So, we'd look around and we'd say, well, how much are our competitors spending on it? we gotta spend about what

they spend. How do you communicate to people how to think about cybersecurity and building trust in an organization and with an organization with external partners?

Elena Kvochko: So, Stan, well, thank you so much. I think one of the things that we know in our industry is that complete trust and cybersecurity is something that our, the entire industry is aiming for right now. And this is what of course, this is the high bar for us. In fact, at some point my team and I, we had an idea of creating a challenge where someone, if they were successful, if they would stop cybercrime, entire cybercrime in the world for 30 seconds, they would win a big award. And that still remains an aspiration for our, our world. And right now, it, it's not possible but we all work as an industry on increasing trust through people, processes, and technology. And this is the framework that we all are using.

So, for example there are technologies that ensure trust such as homomorphic encryption, multifactor authentication. We heavily rely on behavioral analysis, and exploring technologies like this, can improve our processes and can really foster trust with our customers. And this is how we and this is what we explain to them as well, basically sharing different levels of controls and how we apply them to protect their data. Of course, new trust challenges are emerging at the same time as well. One of the trends that we've been hearing a lot about is the metaverse that has been gaining traction in the past few months. companies are betting on this new technology and predicting how it can change the world. And I think an important aspect of this would be trust, trust. How can we develop trust in technology where humans appear in settings such as avatars? How can we build and trust in that new technology that's just emerging?

And, of course, a lack of trust can be a barrier to a more widespread use of, of that, of those new innovations. and cryptocurrency was a good example, I think. It came a long way since the beginning of times, but definitely, it's something where controls and trust has to be built in and many companies are doing that, of course. So, fostering trust in for instance, the metaverse would be a sim- would be similar to building trust between humans, you know. Meta can focus on earning a level of credibility by communicating effectively, honoring the commitments, being consistent, listening to the customers, and then being open and transparent with the, with the customers. And I think this same process applies to every technology we're looking at and every process we're looking at, from cryptocurrency to large

enterprise large enterprise settings. This is basically the steps that we follow to build trust, trust.

Stan McChrystal: Wow. I'm gonna pivot to DEI now. And we're still gonna be talking about trust. I grew up in special operations in the military, and largely the demographic was me. And the argument was that we had to be with people we trusted. And those people we trusted, we had shared experiences with, shared values with, and a number of things. So as a consequence, it became very homogeneous, because we had done these things, but we considered trust being so important. We couldn't let outsiders, we couldn't let a girl in, we couldn't let a minority, you know, we couldn't, simply because they weren't us, but we're not there now. So, what I'd like you to do is sort of help crack open my world and convince people like me to feel a little more comfortable to demystify it. And how can technology perhaps help a little about in that?

Elena Kvochko: Mm-hmm [affirmative]. Absolutely, Stan. Well, I think inclusivity guidelines and controls are the new common place when, when doing business, you know. And even if connections were made in that very private setting a lot of the business is still done and brought to the table, with dozens of people from ver- from a variety of backgrounds that are that can be involved in making the process work. And I, I think, that many princi- many organizations have now a very strong DEI principles in place that help guide that, that business. we think about a system that will continue to progress and evolve. of course, the business system. And from that perspective, even if we look just beyond kinda, like, doing business as people and, and we see that more and more trends are being automated. And I think the same question, how do we avoid biases? How do we become more inclusive in that automated landscape? They, they also are now very very valid.

So, we know that automation, for instance, and business automation is not just affecting industries like ma- manufacturing, it's also affecting business decision making process. And some, some business decisions are now fully automated. And, but, but at the same time, we still have humans involved to avoid biases or humans involved in bigger decisions where it can really impact people's lives. So, for instance with automations, we know that with automation we know that we also have to create the controls in place that help us navigate those co- complicated environments. And we need the human element to be involved too. But overall, I think, the business has evolved.

In the past, the companies would be judged just by the products and services they put in place, and they made available to the company customers. But now, as you said, factors such as equity and inclusions, they do factor in into a consumer decision making. And the company that's not transparent about their DEI efforts, can actually risk damaging their own reputation, or will have other questions raised by employees or customers about how it actually affects their internal processes, and culture, and decision making. So, I do think that perception and reputation do depend on trust. It does depend on DEI practices. And we do all need to make sure that that commitment to a diverse environment within companies continues to grow.

Stan McChrystal: You know, you s- you refer to something that's fascinating to me, the metaverse. A friend of mine now sells real estate in the metaverse. And it could be, to me, that's, you know, curious, but, but he's doing very well at it. So, let me ask a question about this, because do you suspect that some years in the future, my avatar and your avatar in the metaverse could establish the kind of relationship where you have trust? Where you have the equivalent of meeting in the private club or on the golf course or wherever people do, and they shake hands and they learn to do deals based upon that, eyeball, eyeball to eyeball level of trust. Do you think we can extrapolate our personal selves into that world and, and create that?

Elena Kvochko: That's a great question, Stan. I think that will definitely require a lot of vision from the technology leaders, that will require a lot of stronger controls from cybersecurity leaders like ourselves to make sure that those avatars are secure, they actually represent who they say they represent. But I think with that, we also have to think about making those environments probably less slightly less ex- exclusive. making sure that there, there are different types of controls that are embedded at every stage of decision-making process. I do hope that we will be able to build a digital environment that can be fully trusted and where we feel, we'll feel very comfortable interacting in, in the future. And we'll, we'll be publicly celebrating all the wins that our digital avatars will be making and all the business wins that they will be making on our behalf.

Stan McChrystal: I, I'm gonna move now to your personal experience. Now, you are a little bit of a one off, because you were a very accomplished technologist. So, in reality, you, you established much of your credibility based upon proven performance that most of us can't do, and aren't gonna be able to do, but let's, let's take that off the table. As a relatively young lady entering a challenging

environment, in a time when we are trying to promote diversity, what do you say to the, to the people behind you, or just about to enter the work force? How should they think about it?

Elena Kvochko: I, I think they should tap into their uniqueness. They should not be afraid, and they should definitely go for their dreams. And what I would also say and is just based on the pure numbers and facts is that diverse teams build better products, and they very much outperform teams that are more just that have more similar backgrounds. And it's not just about only keeping women and, and minorities in mind, it's just it's just also about including and incorporating those perspectives in the wider range of solutions to problems that, that those products or teams are trying, trying to solve, right? And so basically making sure that whatever teams put together to develop the, the products, reflect the diverse customer base. There is a stu- there was a study actually as of 2019, I think that found that companies in the top quartile for gender diversity on executive teams were 25% more likely to have above average profitability than companies that load that ranked lower in that same category.

And of course, as I said, it's not only about gender diversity. We also have to think about ethnic and cultural diversity. And the companies that have more of this ethnic and cultural diversity outperformed other companies by another 36%. So those I think are very convincing and strong numbers that we have to remember. and I think for, for me personally, I try source the best and the most diverse talent with Global Careers. and we look at people with, with multiple different experiences, from multiple different brands and languages. We create the job descriptions that will fit and resonate with them. And of course, we also look at the young people who might not necessarily yet have all of the experience on their resumes, but they have the tenacity and the willingness to, to work for a, for a big goal, and they have the right attitude. And I think this is what helps build stronger teams.

Stan McChrystal: Yeah. I think you... Exactly right. When I wrote the last book on Risk, my writing partner, co-author not assistant was a 25-year-old female, McChrystal Group, because she came at it with a very different set of perspectives than I do. And that enriched it. In fact, I sometimes warn people, be careful of superficial diversity. If you bring 20 army colonels together, and some are female, some are male, some are minority, some are this, some are that you need to remember at the end of the day, you got 20 army colonels. And the overriding

DNA will be their 20 years of military service and, and, and that experience. So, you really need to understand that it involves people who actually see things from different angles to take care of those blind spots we otherwise have.

Elena Kvochko: Absolutely, Stan. I absolutely agree with that.

Stan McChrystal: If there's a single lesson that you were going to give to SAP or any organization that you were going to join, and they were going to establish a policy for DEI, or maybe more than just a written policy, a, a cultural norm in the organization for DEI, how would you tell 'em to shape that?

Elena Kvochko: Absolutely. Stan, I would say that from our perspective, well, first of all, I think we do have some good lessons that we can share, because our organization, as I said, we have achieved the 50-50 gender distribution. We have to partnered with multiple universities. We have teamed up with even HBCUs, Historically Black Colleges and Universities to attract talent and give them the resources they need to pursue careers in technology and cybersecurity. So, I just wanna make it clear that we are very much value diversity, and we understand that investing in our future workforce will benefit the entire industry. I think in terms of the lessons learned looking at your current practices and processes with a more critical lens is a good first step in improving the current practices and will help you uncover any potential unconscious bias. Trying new places to source the talent from can also help increase diversity in recruiting efforts.

And then lastly just providing the employees with the resources such as trainings, interest groups, or safe spaces where they can discuss and where they can feel included, valued, and seen is, is another lesson that we think is very valuable in building a diverse workforce. If I have to say just one lesson, I would say I personally found it very helpful to take chances on people. And I found that it can be very rewarding. I think that, even if someone does not meet all of the qualifications on paper, but they have the right attitude, I think they may be worth giving a chance.

Stan McChrystal: Wow. Elena, you've been amazing on this, but now I'm gonna ask a very personal question that hopefully leaders will find useful. You've been extraordinarily successful in your career. You've made a difference, but I suspect that that means every time you go on a podcast, every time you walk in a room, every time you interact with people, they expect Elena to be amazing. And that's a

bit of pressure. So how do you deal in your personal life with the fact that when expectations rise of you, how do you, how do you keep yourself centered? How do you keep yourself going?

Elena Kvochko: Thank you Stan. I, I, I will also, if you allow me to quote another general, General Montgomery who define leadership as the capacity and the will to rally men and women to common purpose and the character which inspires confidence. And I personally, I try to be that leader that inspires my team and encourages creativity and innovation. As I said, I own multiple patents myself, and I hope that this also sets a good example for my team. So that's the team the team that I'm trying to build is the team that will solve problems, take on new challenges, found, find innovative ways to approach our processes. And I think by taking a personal by taking just such a personal approach and by believing in the bigger mission, that we have in front of us, I find myself, to have the energy and the stamina to go forward no matter what the difficulties are. And I just wish everyone to keep going, keep developing, iterating, and innovating. And hopefully that we can altogether build a safer environment one step at a time.

Stan McChrystal: Wow. All right. You are now the best podcast guest we've ever had. Anyone who can quote Field Marshall Montgomery, and at *No Turning Back* podcast automatically becomes number one. And you were already up there anyway. So let me just express, thanks. Chris couldn't be here but let me express my thanks to you for your generosity today, for all our listeners, for all you've done. And I very much look for forward to talking in the future.

Elena Kvochko: Thank you so much, Stan. Thank you for inviting me. And I look forward to hearing if there's any feedback from the listeners and look forward to our collaboration in the future.

Stan McChrystal: Great. Thanks again.

Elena Kvochko: Thank you.

Anna Butrico: This is a McChrystal Group podcast. McChrystal Group assesses, equips, and connects your teams to outpace your environment, your competitors, and your next challenge. Visit us at www.mcchrystalgroup.com. Thanks for listening.