Church Chat: Managing cyber threats and other church risk

Kyte on emerging markets and managing organizational change

Seventh-day Adventist Church emerged from religious fervor of 19th Century

After disappointment, a renewed study of biblical teachings; key role of Ellen White

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ARM CEO Bob Kyte says church organizations need cyber liability coverage. In an interview, he discussed
South America will soon be the biggest region of growth for Adventist Risk Management operations, and more emerging markets should follow, the company’s CEO says.

ARM President Bob Kyte is also urging those in developed regions to keep their policies current and protect the church against a new threat: cyber theft.

The company is now embarking on an education campaign on the need to better protect against data breaches. In 2011, some 23 million confidential records were exposed through more than 414 reported security breaches, according to the national nonprofit Identity Theft Resource Center, a 44 percent increase in the number of records exposed the previous year. The average cost per breach is $3.7 million.

ARM’s 130 employees oversee risk management and insurance coverage for roughly 95 percent of Adventist organizations in North America, and they work with the 12 other world divisions.

Kyte, a 59-year-old native of Canada, became president of ARM in 2010. The longtime business executive and lawyer started out as a business manager for a former pro hockey player who owned restaurants and a hockey club.

Following law school, Kyte became president of the Adventist Church’s Pacific Press Publishing Association and later served as general counsel to the Adventist Church world headquarters. He has also worked as general counsel for a high-tech health education organization before accepting his current post.

In a recent interview, he discussed emerging risks and managing a company that protects the assets of the Adventist world church. Edited excerpts:

Adventist News Network: What do you most want a modern church leader to be aware of?

Bob Kyte: We’re always examining areas that need new protection, and right now one of the biggest risks for the church out there is cyber liability. With ARM’s leadership there are a total of two organizations that have this coverage. Church organizations need it. It can be anything from a lost computer to having private personal information stolen through hacking. Otherwise, the cost of complying with the law for notification and follow-up is very high.

ANN: You direct the company to make goals for a year in advance. Why not, say, five years?

Kyte: Everything is changing so rapidly with today’s technology and economic climate that I’m not sure the goals you set for one year are even accurate. More and more companies are focusing on the shorter term – though not from a standpoint of governance. There are still strategic priorities, but many are cutting back to six-month and three-month goals.

ANN: Why do you maintain a presidential blog?

Kyte: I strongly believe in communication. You cannot over communicate. Technology today demands transparency in all organizations, including ARM and the church. When I was growing up we
heard about the Vietnam War once a week on TV when they flew the newsreels back. Now war takes place live on your mobile device. So with business, I take the view that there is very little you shouldn’t share with your employees. Obviously there are some personnel issues or other sensitive things that you wouldn’t, but we share every month the company’s finances and what the challenges are. On the blog I often share where I’m traveling for work and what I plan to do.

**ANN:** What’s your biggest challenge now?

**Kyte:** Our biggest challenge is finding competent professionals who would come and work for ARM. We’ve had a number of openings, for example now in our technology area. It’s somewhat easier to find accountants, but it’s even a challenge there. It’s also difficult finding Adventists experienced in insurance intricacies, such as underwriting.

**ANN:** Why are you putting such a big emphasis on customer service?

**Kyte:** Obviously we want to offer competitive prices, but we’ve been focusing more on service because people only buy insurance for one thing: their claims. No one buys car insurance because they like buying it. It’s for the fender bender. The proof of the insurance organization is how they treat you when the fender bender occurs. We began offering a 24/7 hotline about two years ago, and managers have set up protocols on how fast they will respond to a claim – which is very fast.

**ANN:** No one’s perfect. How do you handle it when a management decision needs to be adjusted or redone?

**Kyte:** My philosophy – which I’ve expressed to employees – is if you never make mistakes you aren’t trying enough new things. I don’t think that there’s any position I’ve been in where it’s not an ongoing learning experience.

**ANN:** You’ve hired some young vice presidents: 35 years old and 29. Would they have those kinds of opportunities in other countries?

**Kyte:** I would hope they would, but I’m not sure they would within church structure. My experience in working outside the church in several organizations – one of which was a high tech environment – was young people are managing these companies. I also became a vice president working in church structure at a young age. I became president of Pacific Press when I was 34. So to have a vice president who’s 35 and another VP, a woman who’s involved in our technology issues who will turn 30 soon, doesn’t phase me at all. I find it refreshing to work in an organization where our management team goes from age 30 to age 50-something. In hiring I look for expertise but also aptitude and attitude, which are critically important.

**ANN:** How have mentors helped you?

**Kyte:** One point that always comes through: they entrusted me with a lot of authority and a lot of accountability that went along with it. The very first guy I worked for, he entrusted me with a lot of leadership in his company when I was only 17. Far more than I would have invited. It was not a big business, but I had my own key, I was opening and closing the business for him. He taught me to trust people. One thing we’ve been doing here is moving the decision-making further and further down into the company, and that’s important to me, rather than having everything flow to the top of the company.
**ANN:** What would you say as a guest lecturer for an undergrad business class?

**Kyte:** I think a lot of people come out of college with very high expectations of what they should be able to do when they graduate. My advice is find a job, even if it’s entry-level, and really show what you can do. The best way to show it is with results. As important as education is, to get ahead in a company, get in there and really show what you can do and be a team player.

**ANN:** What is unique about ARM in the church?

**Kyte:** ARM has the challenge of operating in a business-like way but still performing a ministry.

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**Seventh-day Adventist Church emerged from religious fervor of 19th Century**

*The early Adventist Church emerged from a climate of religious revival in the Northeastern United States. Camp meetings, such as this Millerite gathering, were a hallmark of the Second Great Awakening. [photos courtesy Office of Archives, Statistics and Research]*
Baptist preacher William Miller was among a few religious leaders in the 19th Century who believed that the Second Coming of Christ was a literal event.

Early Adventist pioneer Ellen White, right, and her twin sister, Elizabeth, are pictured here in the 1850s,
Editor’s note: This is the first in a series of historical articles published this year marking the 150th anniversary of the Seventh-day Adventist Church.

When Baptist preacher William Miller said Jesus was coming back on October 22, 1844, many Americans weren’t just surprised that he had set a date. The notion that Christ was literally returning was in itself a radical idea.

By the 19th Century, most established churches were preaching that the Second Coming was more myth than reality—and more human than divine. Religious leaders taught that a metaphorical “second coming” symbolized the rise of a new God-fearing, socially responsible generation.

But the Millerites’ belief in a literal Second Coming—along with new understandings of prophecy, the seventh-day Sabbath and the state of the dead—would prove pivotal. These core doctrines would anchor the early Advent movement amid a climate of religious turmoil.

The U.S. Northeast in the early 19th Century was a hotbed of revival. The so-called Second Great Awakening ignited movements such as the Shakers, early Mormons, the forerunners of the Jehovah’s Witnesses, the Millerites and a host of eccentric offshoots. In fact, upstate New York was dubbed the “burned-over district,” referring to the fact that evangelists had exhausted the region’s supply of unconverted people.

In this climate, the Millerites weathered the Great Disappointment, when the group expectantly, but futilely, waited for Christ’s return. With what Adventist historian George Knight calls the “mathematical certainty of their faith” dashed, many Millerites deserted the movement.

Those who remained were split over the significance of October 22. Some claimed the date was altogether bogus. Others maintained Christ had returned, but only in a spiritual, illusory sense. A final group—the future leaders of early Seventh-day Adventists—were convinced the date was right, but the event was wrong.

Reinvigorated by this possibility, they regrouped and returned to Scripture, determined to discover the truth. What they concluded is that instead of returning to Earth on October 22, Jesus had begun the last phase of his atoning ministry in the heavenly sanctuary.

A young Methodist woman named Ellen Harmon (later White) lent prophetic credibility to this
interpretation. Her December 1844 vision of a "straight and narrow path" to heaven confirmed that prophecy had indeed been fulfilled on October 22 and galvanized what would be the denomination’s central focus on Christ.

Adventist historian David Trim is struck by the Millerites’ ability to transcend a “spectacularly wrong” initial message. While he says it’s true that apocalyptic movements often surprisingly keep some of their followers even when their ideas are “patently disproved,” these “aren’t the sort of people who go on to found a very successful church. That Adventists did so—it’s not proof that God is on your side, but it is proof that you have intelligent, rational leaders.”

Perhaps more telling is the Adventist Church’s belief that God was orchestrating events, Trim says. “I think early Adventists had a strong calling from the Holy Spirit. It’s terribly old-fashioned, but I believe our church was called into being at that time for a purpose,” he says.

They also demonstrated a keen desire for biblical truth, he says. “This is what sustains them when all of the other ex-Millerites are going down either eccentric routes or just very mainstream and cautious routes,” Trim says.

For early Advent believers, so-called “present truth” was dynamic. And indeed, as the few hundred Sabbatarian Adventists of the 1840s grew to 3,000 by 1863 when the Seventh-day Adventist Church was officially established, their doctrinal understanding underwent no less striking changes.

Early on, pioneers such as James White were fervent in their call to “come out of Babylon.” At first, this was a message to leave organized religion and return to gospel simplicity.

This doesn’t surprise religious historians, who have observed that every few generations, people feel compelled to go back to the fundamentals of their faith. Indeed, this trend fueled the Second Great Awakening.

But what is striking, Trim says, is the reversal White pulls as the movement expanded. By 1859, James had come to believe that the call to “come out of Babylon” actually meant to leave disorganization and accept church structure.

“This of course plays very nicely on the fact that Babylon ultimately comes from Babel—or confusion—and White says the call to come out of Babylon is actually to leave all this chaotic and incredibly exciting and fervent religious current and come into something a little more organized. So what it means to ‘come out of Babylon’ completely gets turned on its head and subverted,” Trim says.

But as they moved toward church structure, early Adventists didn’t lose their initial zeal. Rather, they were able to carve out a balance between the radicalism that pervaded much of the religious expression in the mid-1800s and the conservatism that would follow. It’s an equilibrium the Adventist Church still maintains today, Trim says, and it finds its roots in the longstanding tension between spirit and order, dating back to the early medieval church.

“You have to have the spirit because order becomes staid and ossified and hierarchical, but you have to have the order because the spirit becomes chaotic and self-destructive,” he says.

Adventist Church pioneer Ellen White was crucial in preserving this balance. Through her prophetic gift, Trim says White was ideally situated to temper inevitable squabbles between early Adventist leaders such as her husband, James, Joseph Bates, Uriah Smith, John Nevins Andrews, George
Butler and others. All of them were “incredibly high-powered, driven individuals,” personalities necessary to propel a localized movement into a global church, he says.

While some students of church history might find tension between core leaders “disconcerting,” Trim says the early Advent movement is unique in that it stayed united in a climate where most religious groups tended to splinter off, following a charismatic leader, or dissolve altogether. Despite disagreement, Adventists ultimately rallied behind biblical truth achieved through prayer and Bible study or revealed through prophecy.

“These men are wholly persuaded that [Ellen White] is God’s messenger. If she says, ‘I have been shown this,’ they accept it even if they don’t initially like it,” Trim says.

“They’re very quick to debate, and they do so in very straight-up terms, but they’re also very quick to forgive and they don’t hold grudges,” Trim says. “They have an openness that would serve us well to copy.”

Modern Seventh-day Adventists might find early Adventist pioneers peculiar. Some didn’t believe in the Trinity or the personhood of the Holy Spirit, and thought Christ was a created being. Many observed Sabbath from 6 p.m. Friday to 6 p.m. Saturday, regardless of actual sunset times. They also had no qualms over eating unclean meats. All this, however, would change in the coming decades.

What today’s Adventists likely would recognize in their forbearers is conviction. In the Sabbath, Second Coming, Sanctuary and other fundamental beliefs, early Adventists believed they had discovered what Trim calls a “key” to unlocking the entirety of biblical truth.

“They realize that these doctrines are all saying the same thing about God, they’re all pointing in the same direction, and so early Adventists feel compelled to stand by them.

“This concern for truth is inspiring,” he says.

The ANN news bulletin is a weekly recap of news and information from the Communication department of the Seventh-day Adventist world church headquarters and is distributed by Adventist News Network.

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