

Rewarding read

'Accidental CEO' spins leadership tales

Yum! CEO David Novak doesn't just use those 300 pages to highlight his successes, he admits to some weaknesses in order to show how quality leadership evolves. One lesson: play to your strengths.

When we first heard that Yum! Brands Chairman and CEO David Novak's book, "The Education of an Accidental CEO: Lessons Learned From the Trailer Park to the Corner Office," was the March selection for the Women's Foodservice Forum's Book Club, we were elated. We thought we could use the discussion as our "Cliffs Notes," and not have to actually read the entire 300-page book.

But to our surprise, we couldn't put the book down. It's a combo meal of the three original brands' (KFC, Pizza Hut and Taco Bell) history and Novak's rise to CEO, interspersed with his take on leadership.

Novak, who started his career writing advertising copy, made his mark in marketing—he ruefully admits he was the one who came up with the idea for "clear" Pepsi. He also had some successes, of course, but you gotta love someone who admits to a flop in the introduction. Novak's management tips on Taking People With You, the name of the successful leadership training seminar he still teaches, is the common thread that runs throughout the book.

For instance, under the heading: "Lose the Script," Novak details a less-than-stellar moment when in his second year as head of KFC, he decided to do a seven-minute video parodying David Letterman, called "Late Night with David Novak." In the book, he says: "It still makes me cringe today. I was reading the opening monologue and the 'Top 10 List' off a TelePrompTer, and because I'm not a comedian and no David Letterman, the jokes were just one thud after another followed by this very artificial-sounding canned laughter."

To his credit, Novak still shows the tape during his leadership seminars as a "don't." The lesson: Play to your strengths and be yourself. Novak says that because of the "cringe-factor," he still has to leave the room when the video's shown. Ironically, he doesn't cringe when he admits he also donned giant chicken feet at that same meeting to greet restaurant managers coming to headquarters.

The vast majority of the book focuses on Novak's many successes starting with surviving a "nomadic" childhood where his father's job as a surveyor for the government caused the family to relocate their mobile home every few months, along with the other families in the team. The experience taught Novak to

make friends quickly and to size up people even quicker.

Novak rose up the ranks of PepsiCo, but when the giant spun off its restaurant division, Novak was tapped to become its "spiritual leader." He wanted to be *the* leader. What he learned in the process of becoming that leader and the culture he built at the newly formed company, first Tricon (meaning "three icons"), and then Yum! Brands, is interesting reading.

Here are just a few of the things we found noteworthy:

When PepsiCo spun off its restaurant division, Novak was given the No. 2 position with the understanding that if he succeeded, he'd take over as CEO. He wanted to create a culture that would be the best in the industry, so he took a page from several companies:

"I envisioned a company with the performance-driven culture of GE, the store focus of Wal-Mart, the people focus of Southwest (Airlines) and the recognition culture of Mary Kay (cosmetics)," he wrote.

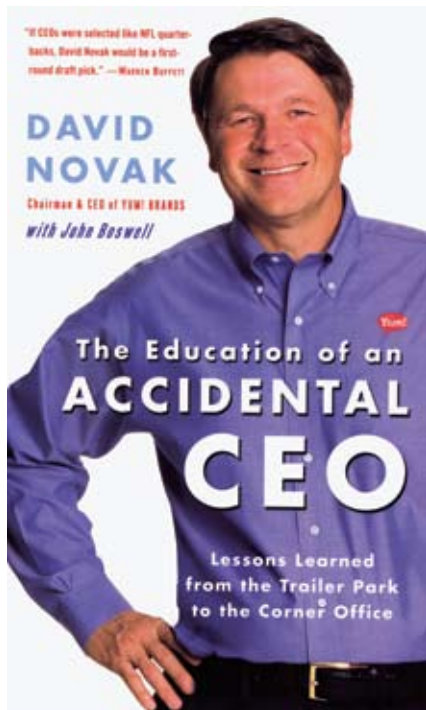
He visited with the top executives from Home Depot (employees wear buttons saying, "I'm an owner, ask me"), Target (differentiate yourself), and UPS ("Make what matters most a science"). He also spoke to Warren Buffett, who he took to lunch at KFC, at Buffett's request. The "Oracle of Omaha," as Buffett is known, had some sound advice, but we liked this bit: "Warren told me he believes in creating an environment that supports and inspires his people. For many years he would recognize his key executives at his annual stockholder meetings, and his late wife would sing to them 'Have I Told You Lately That I Love You.'"

From legendary basketball coach John Wooden he learned advice comes in sets of three. Wooden's advice from his dad: 1. Don't whine; 2. Don't complain; 3. Don't make excuses. Novak parlayed that into his threesome: 1. Be on time; 2. No profanity; 3. Never criticize a teammate.

Reward people doing good spontaneously. Yum! Brands has a culture that makes rewards both fun and personal. Novak hands out oversized, wind-up dentures with feet to symbolize his message: "Walk the talk." Scott Bergren, the president of Pizza Hut, gives out The Pink Bunny Award to reward innovation, or the ability to pull a rabbit out of a hat.

And perhaps the best advice for multi-unit operators: Run each store like it's your only one. **FT**

—Nancy Weingartner



About the book:

Authors: David Novak with John Boswell

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