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How to Lead a Million Employees Life at the Top of the World's Largest Restaurant Company

Review by Chris Lauer

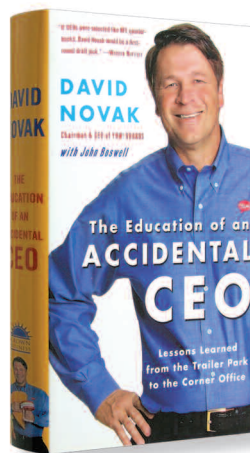
THE EDUCATION OF AN ACCIDENTAL CEO: Lessons Learned From the Trailer Park to the Corner Office

by David Novak with John Boswell

Crown Business, © 2007, 303 pages, \$25.95,
ISBN 978-0-307-39369-2

Don't let the title of CEO David Novak's autobiography fool you: His rise to the top of Yum Brands is no accident. Although there is plenty of education taking place in the story of his life in *The Education of an Accidental CEO*, the story written by Novak (and seasoned co-author John Boswell) describes a climb up the corporate ladder that was nothing less than a calculated effort to reach solid goals set along the way through a remarkable professional career.

While the stories Novak tells are all reality-based, the subtitle of his book — *Lessons Learned from the Trailer Park to the Corner Office* — is almost as deceptive as its title. The trailer parks of Novak's memory were not the impoverished homes of struggling families implied by the stereotype of an American trailer park. Instead, Novak remembers the trailer parks of his childhood as wonderful places to be raised. His family lived in trailers only because it traveled from town to town while his father worked for the U.S. Coast and Geodetic Survey. Poverty had nothing to do with the trailer parks from Novak's childhood. Alternatively, he describes an early life filled with adventures from a journey around the nation that took him to more than 20 states before he was in the sixth grade.



Mobility and Mentors

Despite its truth-stretching title and subtitle, Novak's exceptional book imparts a captivating story about a man who made the most of the natural people skills he cultivated while changing schools on a regular basis throughout his mobile childhood. Moving around the country with 14 other families on his father's survey team started Novak on a life filled with new people. These early experiences helped him eventually master the social skills a CEO needs to create a successful business.

What makes Novak's journey from student to leader so engaging is not his ability to create a whole new set of rules to make a business hum. Instead, his story shows one man's keen ability to learn from a variety of people and put into action the best lessons he learns while moving through a variety of professional roles.

Novak's unusual upbringing is filled with mentors and family members who help him see his potential and master his strengths. He explains how both his father and his love of sports helped him learn about leadership during his youth. Novak describes how he still motivates his people with humor and recognition using the same skills his father taught him in Nebraska while coaching his baseball team.

Natural Adaptation

This kind of natural adaptation of leadership skills from others is really what *The Education of an Accidental CEO* is all about. Novak's story offers numerous ways anyone can become a leader without an MBA. Novak's tale provides a detailed description of how smart philosophies, listening

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skills and good advice can be incorporated into a leadership role. For example, when Novak was the editor of his high school’s newspaper, he learned the importance of brevity and a supportive leader from his teacher, Mr. Harp, who encouraged Novak’s writing talents. He also learned the value of “breaking through the clutter” to get a message through.

The clear style found throughout Novak’s book

shows how his supportive teacher was right when he pointed out young David Novak’s exceptional writing skills. Novak’s simple yet direct style, filled with affability and self-deprecating humor, balances out the sheer authority he has over his topics. Since it is both autobiography and business book, *The Education of an Accidental CEO* reflects the life story of a man who took the lessons he was taught by the positive influences in his life and turned them into an impressive career filled with many valuable experiences worth sharing. Those experiences provide a compelling backdrop for the important people-centered lessons Novak delivers.

Reward and Recognize

Throughout his book, Novak continually explores specific moments in his life that taught him how to be a better leader. Sprinkled throughout those remembrances are solid bits of advice from other leaders whose lessons helped Novak grow.

For example, while writing about his time in an ad agency, Novak takes the opportunity to share some wisdom from advertising guru David Ogilvy about how employees can be demoralized when incompetent employees continue to fail and how important it is to fire bad eggs. Ogilvy’s advice leads nicely into one of Novak’s key tenets: Employees must be rewarded and recognized. Much of the rest of Novak’s book extols the virtues of employee recognition and motivation while offering dozens of practical ways to keep people happy and productive.

While describing his early advertising copy writing job, Novak also recalls his admiration for the account executives he saw working closely with the firm’s customers. This is where his long-term goal for the greater financial rewards of higher positions first materialized.

Engelbert Humperdinck

Throughout his book, readers follow Novak’s unique journey through a career that taught him many guiding

principles he applies to his work every day. For example, a night job at Holiday Inn taught him the power of “service with a smile.” At that job, he also learned from Engelbert Humperdinck the importance of feeling appreciated at work. This lesson arrived when Novak was given no tip by the superstar after he stayed at the hotel. This lesson helped to bolster Novak’s understanding of the immense value of rewarding people for doing their best work. Thus, *The Education of an Accidental CEO* is the only book where readers will find Engelbert Humperdinck’s stingy behavior transformed into the cornerstone of the leadership philosophy of one of the world’s top CEOs: Recognize and reward people.

After a stint in an ad agency near Washington, D.C., Novak was hired by a top firm in Pittsburgh as an account executive, which gave him the chance to work with marketing guru Tom James. James taught Novak lessons that would help him rise higher in his career than he ever imagined possible. Those lessons included the art of critical analysis, which he still uses to keep his words and memos brief and to the point. James also taught Novak the marketing mantra he continues to use today: “What consumer perception, habit or belief do you have to either change, build or reinforce in order to grow the business?” Novak explains that he used this marketing lesson at Taco Bell to help its customers break the hamburger habit and “think outside the bun.”

Frito-Lay

A few years later, people in the marketing industry began to notice Novak’s skills. With James’ help, Novak got his foot in the door of a bigger marketing agency in Dallas. This job soon connected him with Frito-Lay and the brand’s parent company, PepsiCo. While working on the Frito-Lay account, Novak was on the team that came up with the taste sensation of Frito-Lay’s Cool Ranch Doritos.

After being put in charge of Frito-Lay’s account at the age of 27, Novak writes that he learned more valuable rules of leadership from the image consultant Jack Byrum. These lessons included ways to exude authority through personal style and self-awareness, such as remaining conscious of the image he was trying to project. He writes that he also learned the value of controlling his ego, not intimidating others and not being intimidated by others. Judging by the down-to-earth way he describes his own personal style with subordinates and others, it is clear that Novak took Byrum’s messages to heart.

Beyond Advertising

When a position opened up in PepsiCo’s restaurant division for senior vice president of marketing at Pizza Hut, Novak tapped the connections he had made while

working with Frito-Lay, another one of PepsiCo's brands. Based on the impressive work he had done for Frito-Lay, Novak got the job. This experience exposed him to another valuable business lesson: "It's not what you know or who you know — it's both."

At Pizza Hut, Novak made a name for himself with smart decisions and long-term thinking. His experiences in the large corporation led him to another lofty goal: to become a company president before he was 40 years old. Novak attributes this desire to the questions other people asked him about his future plans. One day, when somebody else got a division president seat at PepsiCo, he was asked by several people whether he was disappointed by the board's decision to pick somebody else. Although Novak writes that he hadn't really thought about becoming a president until that moment, the notion planted a seed in his mind that would grow into his goal to attain a top leadership position.

Team Building

While waiting for his chance to move up, Novak kicked his management skills into high gear. At Pizza Hut, he created a top-notch team of experts by recruiting the best people in the business. Soon Novak and his newly assembled group of high-profile marketers created the advertising campaign "Makin' it great," which caught on quickly with the public. Then they improved Pizza Hut's prices to compete with Dominoes and other competitors. Then they developed a number of specialty pizzas, such as the Meat Lover's Pizza and the Cheese Lover's Pizza. Suddenly the company went from a struggling enterprise with slow sales to a booming business filled with new devotees.

Novak writes that during this time, he discovered that making the customer happy is at the core of any customer-centric business. He also began to understand how his own enthusiasm as a leader could energize his people to excel in their jobs. While capturing what he had learned in his role as a leader at Pizza Hut and sharing it with the company's franchisees in creative group presentations, Novak began to develop a knack for turning his unbridled enthusiasm into inspirational messages for his people.

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But enthusiasm is only part of Novak's leadership tool kit. He learned that sustaining enthusiasm among team members and franchisees requires more than spirited presentations. He explains that he also learned the importance of getting everyone involved in problem solving and company improvements. By starting monthly department meetings, he learned that brainstorming sessions and recognition awards truly energized his people. Next, he began to institutionalize feedback sessions, formal recognition programs and corporate rewards. Powerful results showed him that his efforts were paying off for the company.

Success at PepsiCo

After doubling sales at Pizza Hut and turning around its lagging profits, Novak was offered the job of executive vice president of marketing and sales of PepsiCo's beverage division, which included more visibility and responsibility than his job in the company's restaurant division. After taking the job, he learned more about the value of finding a way to get something done, which he explains might be a leader's most important leadership skill.

In the beverage division, Novak's team developed Mountain Dew's "Do the Dew" advertising campaign. His highly successful efforts earned him the respect and recognition from his superiors that helped him grow. Soon his team created its first bottled water product, Aquafina, which has become the biggest brand of bottled water in the world.

While working in PepsiCo's beverage division, Novak writes that he also learned vital lessons about keeping his own ego in check. One experience that showed him the value of listening to critics was his foray into creating a Pepsi spinoff called Crystal Pepsi, a clear, lighter-tasting version of the company's most visible product. When the product failed miserably after a brief initial success, Novak writes that he learned the importance of staying open to feedback from critics. Although he could have been fired for the debacle, he writes that he also learned how much PepsiCo values innovation and the risk-taking that it requires.

Make Things Happen

The next decision in David Novak's career that helped propel him to an eventual top spot was his choice to pursue a chief operating officer (COO) job when the company was restructuring its organization chart. As one of two company COOs, he writes that he learned how to make things happen. He explains that this requires focusing on the things that matter the most by getting the fundamentals in place, as well as finding the right

answers by looking to people within the company rather than seeking outside experts.

After getting the results sought by PepsiCo's top brass, Novak was offered the job of president of KFC. When he agreed, he was suddenly put in charge of 5,000 restaurants with 100,000 employees. After success in his new role, PepsiCo made the decision to spin off its restaurant group as a new company. Having already headed up two of PepsiCo's three restaurant brands, Novak was in a perfect position to lead the spinoff company.

The Birth of Yum

To help Novak make the transition from division president to the CEO position of a whole new company, PepsiCo's CEO and chairman Roger Enrico chose Andy Pearson to be the first CEO of the new company. Pearson had earned the distinction of one of the "10 toughest bosses to work for in America" from Fortune magazine thanks to his tough-as-nails reputation in the business world. The original plan was for Pearson to step down as CEO after three years of shaping Novak as his successor. After only two years of working (and sometimes living) together as chairman and vice chairman, Andy Pearson handed over the CEO position to the 46-year-old David Novak. What began as Tricon Global restaurants, which included Taco Bell, KFC and Pizza Hut under its umbrella, soon became Yum Brands with the addition of Long John Silver's and A&W All American Food to its roster.

By centralizing the company's culture, Novak helped Yum and its million employees become a powerful global corporation. Some of the lessons he learned during his first year as CEO became the building blocks on which his company's success are based. These include basics such as "recognition works everywhere"; "show your face" by making appearances at your franchises; "surround yourself with opinionated people" who aren't afraid to voice their ideas; and "celebrate performance, but perform before you celebrate."

Admirably, throughout his book, Novak keeps his messages down to earth by revealing many of his fears and toughest moments. For example, he describes the time he was left shaking after he was attacked in Germany by animal rights activists. One day, two activists who were posing as journalists dumped a bucket of red dye on him and covered him in feathers. They said they targeted Novak because he was the head of KFC, the internationally recognized chicken brand.

While describing the incident, Novak addresses his feelings about People for the Ethical Treatment of Animals (PETA), such as his agreement with their desire for KFC to kill chickens as humanely as possible. He writes that he also believes that PETA has unfairly singled out his company as a target of attacks. By including the traumatic incident in his book, Novak gives readers a deeper look into the personal trials and tribulations of a 21st-century CEO.

Feeding Hungry People

As an executive in the restaurant industry, Novak also describes his belief in the importance of feeding hungry people, including the poorest people in the world. That's why all the money he makes from *The Education of an Accidental CEO* is sent to the United Nations World Food Programme as part of Yum's philanthropic giving efforts. As the director of the Friends of the World Food Programme, Novak follows another one of the business principles he extols throughout his book: walk the talk.

The Education of an Accidental CEO offers readers a revealing look into the inner thoughts of a powerful leader as well as the inner workings of a powerful company. Thanks to David Novak's superior storytelling skills and leadership acumen, the lessons found inside present readers with an education of their own. By applying the skills and advice Novak describes, any leader can improve how he or she works with people and builds the strong foundation on which a thriving business can succeed. ●

The authors: David Novak is chairman and CEO of Yum! Brands, Inc., home to KFC, Pizza Hut, Taco Bell, Long John Silver's, and A&W All American Food. All of his proceeds from the book will be donated to the United Nations World Food Programme in conjunction with Yum's global hunger relief efforts.

John Boswell is a literary agent as well as an author or coauthor of 17 books including the *New York Times* bestseller *What They Don't Teach You* at Harvard Business School.



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