

Jacob Morgan 00:00

And then I have, obviously a bunch of questions that I'm really interested in. But it's really meant to be free flowing. So if there's something that you want to make sure that we talk about, you can always just stop me and say, Hey, Jacob, and I think your audience would really learn from this. Can we talk about this for a few minutes? super casual, so feel free to go in any direction. Perfect. All right, cool. And you can see and hear me okay, right. Yep. Make sure it's using the right camera and mic. Alright, cool. Everything looks good. So, unless any other questions, I'll jump right in. Okay, perfect. All right. Hey, everyone, welcome to another episode of the future of work. My guest today is David Novak. He is the former CEO of yum brands. And he's responsible for taking Taco Bell Pizza Hut and KFC from 4 billion to 32 billion. He's also the author of a new book called take charge of you how self coaching can transform your life and career. David, thank you for joining me.

David Novak 00:55

Thank you, Jacob. I'm looking forward to this.

Jacob Morgan 00:57

And a lot of people might not know this. But we actually spoke a few times, I interviewed you for my book, The future leader, and I've been trying to get you on this podcast for what feels like forever. So I'm glad that we were finally able to make it happen. So thank you for joining me.

David Novak 01:10

I apologize for being so difficult.

Jacob Morgan 01:14

We've exchanged tweets, we've exchanged messages. And now finally we get to meet face to face. Yeah. Let's make it worth the while. Okay. Yes, yes. Before we get into talking about some of the stuff that you're involved in now, I wanted to go kind of way back because I was reading some stuff about you. And I read that you actually grew up in trailer parks when you were younger. By seventh grade, you lived in 23 different states. Can you take us back to to David, when when you were just a young kid and what your life was like?

David Novak 01:43

Yeah, well, my dad was a government surveyor. So he was in a surveying party. And we went from small town to small town, and he would establish the longitude and latitude points. That, by the way, today, helped create the GPS system. He didn't know it at the time. But anyway, we, we, we all had the trailers. And every three months, we'd go from one small town to another, Jacob, I'm probably the only person you know, that ever lived in Dodge City, Kansas. But I actually lived in Dodge City twice. But I never lived on the East Coast. Never on the West Coast, it was always up and down the Midwest. And you know, I lived in places like Detroit Lakes, Minnesota, Kimmel, Nebraska, premont, Texas, chama New Mexico, tiny little towns, but it was really sort of an ideally childhood because I moved my neighborhood with me every three months, we just go to try to get to be tried to be that my dad would hook up his government truck, to the trailer and we go the next trailer park and my mom would check me into schools and say, hey, you know, you better make some friends because we're leaving, you

know. So, you know, I really had to learn how to, you know, work through the anxieties of new situations, learn how to, I think it really helped me build some people skills that that really ended up being advantages for me and my business career.

Jacob Morgan 03:18

It must have also been pretty hard for you though, right? I mean, as a young kid, you're trying to make friends. And as soon as you make friends, you got to move. I mean, did you feel constantly lonely when you were younger? No,

David Novak 03:28

I really didn't. Because see, I moved my neighborhood with me there were like 15 other families that moved. So your neighborhood went with you? And, and I kind of thought everybody did it. I never really felt disadvantaged. You know, you know, people said, How do you do, you know, succeed? In spite of your up, you know? How did you succeed with your upbringing, and I think I succeeded because of my upbringing. I think it ended up being a great, great advantage advantage for me.

Jacob Morgan 04:02

So how do you go from living in these different trailer parks to becoming the CEO? I mean, what was that career path and trajectory? Like, did you always know that you wanted to get involved in business or take us through a seven year old David?

David Novak 04:18

I, you know, it's, it's, it's a it's one of those things that obviously, I never, ever envisioned. But I do say that my biggest break in life was being born in the United States and being the son of Charles G. Novak. So, you know, my mom and dad both had high school education and all they wanted for me was to live the American dream. All they wanted for me was to get a college education and have a better opportunity than then then them. So their big goal was to to give me that college education. Along the way, though, they were absolutely great parents, you know, My mom was my first coach, I think she, you know, was always there for me, always gave me good advice. My dad was sort of a standard bearer, the family, you know, coached my little league teams and did a lot of stuff. But I had such loving parents. And, you know, I did grow up in the United States, and I, and I think the best of the United States, you know, the Midwest, the small town, America, you know, I really got a sense of just real people being real, being genuine, being authentic. I went to the University of Missouri, I went to journalism school. And when I went to journalism school there, I took some advertising marketing courses, and I absolutely loved it. So I went from being a mediocre student to a 4.0 student, you know, because I found my passion, you know, I found something that I was really good at, and I loved it. And, you know, I said, you know, I'm gonna go into marketing and advertising. So I graduated 1974. And people talk about how bad things are today with the economy, and you know, all the issues that we have. But 1974 inflation was like, you know, 15 to 20%, it was terrible interest rates were through the roof. There's the oil embargo, gas prices, were going crazy, their gas lines, couldn't get gas, you know, unemployment was down. So if you got out of school, you weren't assured of a job. And especially if you were in marketing, an agent in an advertising, everybody wants to hire somebody who has experience, you don't I didn't have any experience. So the first job I got out of college was I was an advertising copywriter for a small agency in Washington, DC. And that was great. Because, you know, I

learned that there's nothing more sobering than looking at a blank sheet of paper, you've got to come up with the idea. You've got to then sell the idea. And, you know, it really taught me a lot. And I loved it. I mean, I read everything I could about advertising. I read every awards book that you could read, you know, I just loved it. But I realized that I was a creative person. But I realized that I wanted to be on the business side of advertising. So I wanted to get into account work. So I left this tiny little agency, Washington sent out 25 resumes to the top 25 advertising agencies in the country. And the first one to answer me back was catching McCloud and Grove, which was not in New York, interestingly enough, but was in Pittsburgh. So I go to Pittsburgh, and they hired me to be the account executive on Rockwell power tools, which, you know, I didn't have any experience at account work. This was a big leap. But I really worked for a guy who was from Procter and Gamble, who taught me everything he knew about marketing was just took me under his wing, he was fantastic. Then I got on the Heinz 57 sauce. So then I said, Okay, now I want to get on a bigger, more sophisticated account. So I'm going to be an advertising bid agency business, I need to go to New York. That's where you got to make it in advertising. So I go up to New York interview up there for five different agencies, got job offers, but I felt like a duck out of water. I mean, I didn't feel comfortable in New York. You know, I didn't have an MBA, it seemed like everybody had an MBA, and I felt like that was gonna hold me back there. I felt like, you know, people would would, you know, Judge me because I didn't have an MBA. And around that time, I got another head phone call from a headhunter that asked me to go to Dallas an interview at this agency called Tracy lock, which had the Frito Lay account and I interviewed for the county executive job for Tostitos, which I'm sure you've had plenty of So Steve,

Jacob Morgan 08:41

of course, and so you were in your mid your mid 30s. At this point?

David Novak 08:43

No, I'm just, you know, at that point in probably 2526 years old, you know, wow. Okay, so I got right out so, so now I go to Dallas, and I work my way up at Tracy lock to run the Frito Lay account. I was the Management Supervisor on the Frito Lay business, which included Doritos lays SunChips Tostitos, it was big account. And Frito. Lay was a part of PepsiCo. And so, you know, I had great relationships with the president Frito Lay Senior VP of Marketing Frito Lay and they asked me if I would consider going to pizza, which was also a part of PepsiCo, they had pizza at Taco Bell and KFC. They said, Would you go to pizza and be the Chief Marketing Officer for for pizza in your 20s At that time, I was like, 2829 years old,

Jacob Morgan 09:32

and they asked you to be the chief marketing officer.

David Novak 09:35

Yeah, yeah. So So I went, you know, so. So, you know, I'd say I was nine years now. I might have been 3031. Actually, you know, it was it's right around there. I was. I was Okay, super. Yeah, I was young. And so I went interviewed with Steve Ryman, who later became the chairman of PepsiCo. And he hired me that day and he offered me the job that day, went back, talk to me My wife about it.

Jacob Morgan 10:01

We wait. But you're missing over skipping over the interesting. How did you get the job in one day? What did what did you say? You know, companies now they interview it takes them months to find a single candidate. You got it in 24 hours? Why'd you get it?

David Novak 10:14

Well, it's kind of funny. Every job that I've ever interviewed, I got it basically a job offer that day. I don't know why it happened. But it happened that day, I got picked up at the airport by Steve Rainham. And Steve actually carried my bags, and I'm going, geez, this guy is really the most humble guy in the world, or he really needs a marketing guy. And the fact of the matter was, both of those statements were true. He really needed somebody to come in there and help them grow the business. And you know, I just told him what my experience was, I told him what I knew what I didn't know, I said, Look, I've never done a pricing analysis, you know, this is, you know, he says, we have people that can do that. I said, what I'm good at, is I know, consumers, I know advertising, I have a great sense of urgency, and I know how to lead people. And I can I can work with you. And you know, I can help you grow this business. And by the way, you know, when I was running the Frito Lay account. You know, I did a lot more than just advertising and i i came up with the idea to for Cool Ranch Doritos developed that product with their head of r&d. I did a lot of annual operating plans for Ranch Doritos. Yeah, yeah, that was one of my my big things that, oh, the world thinks you those are delicious. They're good. They're absolutely great. And, you know, I can talk more about that later if you want. But, but anyway, you know, and he, he had heard a lot about me from the Frito Lay guys. So I came highly recommended plus the chairman of PepsiCo at the time, when Callaway knew me very well, and recommended me highly. So I think because of those reasons, he said and we hit it off. I mean, it was just like, the minute we started talking, it was like we were simpatico, you know, I knew I could work with him. He knew he would like work with me. And you know, we just bonded immediately and we still have a friendship to this day. So he, he made me that job offer. So I go to pizza, we turn the business around. We we made dominoes. Dominoes was the number one delivery chain, we launched delivery, we overtook Domino's and delivery share, you know, we turned around the business, we doubled our sales, you know, in profits and for years. And then I we also had developed this campaign called Make it a great, which was, at that time was a great marketing campaign advertising campaign. And we put all kinds of substance around it and brought all kinds of news, the consumer and PepsiCo had a big meeting, where everybody, every one of the division presidents presented what they were doing each one of their division. So Steve got up and basically presented all the marketing that I've done. And so right after was over Roger and Rico came up and said, David, you're coming to Pepsi. He was at that time, he was the chairman of PepsiCo. And he says you're coming to Pepsi, I want you to beat run marketing, sales for Pepsi. So I got that job. And, you know, I went there. And after a couple years, I took over as Chief Operating Officer for Pepsi Cola company, that gave me the broader business experience I needed. And then I got offered the opportunity to go to go to KFC and be the president KFC. And then interestingly enough, Jacob, I get this call from Roger Enrico again, and he says, Look, I'd like you to go be the CEO of Frito Lay. And I said, Well, let me think about I thought about it. And I called him back and said, You know, I just don't want to do that. I don't want to be the CEO free light. Because, you know, I thought about what really gives me joy, what I loved and it was a restaurant business. I love the restaurant business. I love food. I love marketing. I love people. So I said no. And I didn't know at the time, Jacob that PepsiCo was in the midst of thinking through how they were going to spin off the restaurants. So when I said no to Frito Lay, they also gave me pizza. So I started running KFC and

Pizza Hut. And so when they spun off the restaurants in 1997, I was running two of the three brands and is was in position to be you know, you know, the the top operating guy of the of the company. And that's how I got started at at yum brands. Our name then at the time was trikon, which was one of the worst names in the history of business. I mean, it was supposed to mean three icons, but nobody ever got that. Yeah, we did have a great ticker symbol, which is yum. And you know, when I became CEO, two years later, I changed the name to yum. So, but anyway, it was a very interesting ride. All I did was do one job at a time. Do it as good as I could do it. Look around and see you had the next job, figure out what they had that I didn't have. And then I tried to develop those skills, and so that I could be in position to get promoted and take that job when that job would open up. And I just climbed up the ladder that way. And I had a big breakthrough. Because I made a big quantum leap when I went from running being the Management Supervisor of Frito. Lay to being the head of marketing for for pizza. That was a, that was a huge break.

Jacob Morgan 15:25

Yeah, that's crazy jump. I mean, I'm trying to figure out obviously, hearing you talk about it, it just seems like yeah, it's natural. You know, I didn't do anything crazy. I just kind of worked hard. But I think for most people listening, the idea of going from a supervisor, to being the Chief Marketing Officer at some point in your late 20s, early 30s, is pretty crazy. And in hearing you tell the story, it seems like in each situation, you were a little bit in over your head, you were taking jobs that made you uncomfortable, maybe jobs that you didn't have all the skills for yet, but you were willing to learn? How did you move up? I mean, what was it about you that people saw that they kept wanting to put you in positions that allowed you to grow and stretch? Because, you know, surely you were around a lot of other smart people. And, you know, when whenever is a position that was open for a chief marketing officer, they probably considered a lot of people, not just you, yeah, why did you keep getting these positions, and not anybody else around you?

David Novak 16:26

I think the biggest separator for me was my ability to influence and, and motivate people, you know, I was always able to, you know, when you get your first job, you got to sell somebody that you have the capability to build the experience to be successful at it, okay? When when you get your next job, you know, you've got to, you've got to do your first job really well. Okay. And then as you've done it, you've got to build relationships and, and, and belief in other people so that they'll take, take a shot and give you the opportunity to move to the next thing. And I think I had an incredible work ethic. I mean, I used to get up at five o'clock, get to work by six and go home, you know, at eight, nine o'clock, I you know, it's like I just worked, I love working, I never felt like I was working. But it was like, because I loved what I was doing. It was It was always my hobby, I think the fact that I got in an area that I really loved, and was really good at it, I was very good at marketing and advertising. I mean, the bottom line is, you got to be good at something I my basic functional skill was really, really good. And I worked really hard at getting better and better at it because I loved it. And then I always believed in managing two up and two down, I think you got to manage the person that you work for, and the person that he or she works for, okay, and anytime you get in with that person, that's too up, you need to talk to them about what you would do if you had their job, give them some ideas on what you would do, what they could do to be more effective. So I never ever went into those situations without thinking about how I could impress that person that I had capability that I had more potential. And, you know, I think as a result of that

people put me into big spots earlier than then you might think and I managed to down to I always felt like I needed to manage the people that work for me really well. So they really weren't loved working for me. And then I use tried to go to the frontline and learn what was going on there. So that I could, you know, take that to bear as well. So, you know, I think that's the those that's probably the reason why I move forward. People saw potential because I never really looked at myself in the job I was in. I always acted like I had the capability and wanted to have the next job. But I didn't do it in an overly zealous kind of way.

Jacob Morgan 19:07

Yeah, I love that. Well, did you ever make mistakes during this process? Oh my god. What was the biggest mistake that you made? Did you ever cost the company millions of dollars?

David Novak 19:19

You know, I made you don't think when you have a lot of success, and you have put a lot of wins on the board. Like when I went to pizza you know I came up with a specialty line of pizzas the lovers lines is still existed a you know we did Land Before Time puppets which nobody had ever done kid marketing besides McDonald's and I said, Why let McDonald's do that by itself. Let's do it ourselves. I was a home run. I did these little mini basketballs where you put the tie in with the NCAA and the Final Four where the side of the NCAA was on it's like it was a home run. You know we did it Did kids died is Tuesday night? I mean, I did all these things with my team. I mean, I say I was way we came up with and I had a great team, I had the best marketing team, okay, you know of, of any team at PepsiCo, and we were based in Wichita, Kansas. And I think one of the interesting things about that was that, you know, people will work anywhere if they see growth, and they see someone that can inspire them, and they feel that it's going to care about them, and help them be the best that they can be. And they'll go anywhere to be a part of that. And that's what happened. But we had a lot of success. Now, when you have a lot of success, you can start to think that everything you're going to do is going to work. So the biggest marketing mistake I made when I was at Pizza, was this program where we tied in with Back to the Future to and we created these solar shades. They were sunglasses that were really modern hip, and they were supposed to be featured in the in the movie prominently featured in the movie. And Michael J. Fox was supposed to wear it, you know, everybody was supposed to, you know, where they are supposed to be all over the movie? Well, you know, I stood up before the the launch and said we are going to sell 9 million pairs of sunglasses in our stores. Okay. And that'll make us the largest manufacturer of sunglasses. Okay. And but we can use our outlets and we're going to do because we're going to sell them for like 99 cents or something. And then I remember thinking to myself, jeez, that's a lot of sunglasses we ordered okay. And so we launched them in back the future came out in December Back to the Future to is delayed from like, October to December. And it was terrible. Blizzard, you know is awful. But worse yet, it was the worst coldest winter in the Midwest. It worse yet, though, when we watched the movie. The sunglasses just the solar shades ended up on a cutting cutting room floor. Okay, editing floor, they they were nowhere to be found. They were just in a few little spots. You know, like people working out in the back of the movie, you wouldn't know that there was a solar shade, you would have no idea there was no tie in whatsoever. So we launched this promotion. And literally it was a disaster. Okay, because nobody wanted these things. Okay. They were they were stupid. They were we thought they were cool. They weren't cool. We, we thought we're gonna sell a ton. Um, we didn't sell a ton. Um, we didn't they didn't drive traffic and worse yet, it was, you know, it

was it was the coldest winter on record. And I remember going to Chicago and I was talking to a restaurant manager and said, you know, what are you? Is there anything you think we should be doing? He says, Yeah, you need to go find that guy who came up with the solar shades promotion fires ass. Okay, well, that guy was me. Okay. And, you know, some even I was able to get through it. We ended up having to sell those sunglasses through barter eating. It took us a while to get rid of them, but it was a pain in it. And it was just, you know, it was an embarrassing thing because we've been on such a run, but we fail. But the good news was everything else is really working and on balance. The you know, the performance was was good. My biggest stuff failure at PepsiCo at Pepsi when I was running marketing Pepsi was Crystal Pepsi, which I've talked about many, many times. But, you know, I was the inventor of Crystal Pepsi, which was a clear Pepsi launched in 1992. I remember that. It was the biggest idea I thought I ever had in my life. But we didn't taste enough like Pepsi didn't have enough Pepsi notes to it and so became a gigantic in and out product. So the big failure was there was not that not that. We didn't make money on it. We did because the Pepsi Cola bottlers priced it at a premium because they didn't think it had a lot of repeat. Okay, so they've everybody made a lot of money. And they were right. And the reason they told me that it was not going to do well because it didn't taste enough like Pepsi. We're calling a Crystal Pepsi but I didn't listen to him. I was a heat seeking missile. This had gotten great rave reviews. Product of the Year that year in 1992. You know, it's like this was going to be the rage in 1993. I was featured on CBS Sunday news, you know, evening news by Dan Rather, you know, it was like a homerun idea. And I was just I thought that everybody can really get out great idea. It was it was a great idea. Everybody tried it but they didn't come back and try it again because it didn't taste enough like Pepsi. And but we made a ton of money on it. Okay, because it was premium price. So that was probably the reason why I didn't get fired there. We did some other good things too. But, you know, that was? Yeah, I had some I had some failures along the way. Those were two.

Jacob Morgan 25:07

Um, I don't know if you remember. I mean, and I know you shared this story a few times. It's one of my favorite stories that a CEO has shared with me. And it's the story when you were at Pepsi Cola. And, you know, the Bob story, which I'll leave it at that, but I thought maybe can you share that Bob story? And what happened? Because I think when I asked you this, I said, What was the most impactful moment during the course of your leadership career? And this is what you told me, and I'd love it if you could share directly from yourself. Yeah,

David Novak 25:33

well, this is a seminal, this is a similar story in my my career. In it, it really transformed my whole approach to leadership and led me to, I think, a real breakthrough in business. That was best practice by a lot of other leaders. But, you know, I became the chief operating officer for Pepsi Cola company. And the problem, Jacob was that I was a really good marketing person, but I'd never done anything in operations. Okay, so I knew, you know, I had to beg my boss to get the job. Okay. And, you know, I told him, you could put me in, you know, put me in this job. And if I don't do it, well, you can fire me in six months, or put me back into marketing. But I got a I got to demonstrate that I'm capable of more than being more than just a marketing guy. So my strategy was, was to learn from the people who knew what was going on and operations. Okay, so I met with all the top operators in the country. And, you know, we developed, you know, what the real problems were. And then we decided to develop new processes to improve the bottling operations. And we did, and I didn't know anything about operations,

but I went to the people who did. So the other thing that I did is I left on Mondays, and came back on Saturdays and I went out and had round tables. And round tables are where you get together with 10 to 12 people in the morning at the plant. Around six o'clock, I bring coffee and doughnuts, and he asked people what's working, what's not working. So I go to St. Louis, and I'm in St. Louis. And I asked a group of Route salesmen. Now the route salesman's number one job at Pepsi, these are the guys drive the trucks go and get the shelf space, make sure the 20 purchases grade handle the customers, you know, they're critical, they get all that up and down the street business. And that's the most profitable for Pepsi, you know, they're just really an important driver of the company's success. And so I'm in merchandising is the key thing that they do units like getting the facings properly, you know, getting point of purchase, making sure that the customers happy all the same. So I said, Tell me about merchandising, to these 12, guys, and, and, and they all started raving about this guy named Bob, Bob, sitting directly across the table from me says, well listen, if you want to know about merchandising, and what's working, you know, talk to Bob, Bob taught me more in, you know, four hours than I learned in my first three years here. You know, Bob is so good, you should see him with customers, you go into Bob stores, you will see the facings the bottles, you know, the displays look fantastic, the faces are great. Nobody's better than Bob. He is amazing. And I look across the table, and Bob is crying. And I say, Bob, why are you crying? And he said, David, I've been in this company for 47 years. I'm retiring in two in two weeks. And I didn't know that people felt this way about me. Well, that just hit me in the gut. I mean, it was like, it was just so amazing to me that here's this guy was better than everybody else retiring in two weeks, and he didn't know how good he was. And then I was thinking to myself, geez, this guy's obviously the best at what he does. He just think if people would have really paid attention to what he did, yeah. And then he could have even done more things. But if it said to me that from that day forward, I was going to make sure that I did everything I could in whatever organization I am to recognize the Bob's in the world. So I made from that point on recognition of frontline employees. Okay. The number one driver, behavioral driver of any culture that I was a part of building from that point on, and you know, I'm so glad I did. When I look at Bob, I see my mom and dad, you know, my mom and dad busted their butts, they were great. They were smart. They could have been a CEO they had they're smart as me, you know, but they didn't have the coaching. They didn't have the education they didn't have, they didn't have the opportunity that I had. Okay. And so but when I look at the frontline people out there, there are a lot of people like my mom and dad and Bob and they deserve to be recognized and that that was a major Robert,

Jacob Morgan 30:01

well, let's talk a little bit about coaching. I mean, I'm assuming, throughout your career, you've had to do a lot of self coaching to kind of get to where you are. And you know, a lot of people, as you talked about, they can't afford to, or they don't have access to a coach, and sometimes you got to be your own coach. Right? Can you talk a little bit about? What what does that mean? How does that work? I mean, where do you begin even with being your own coach?

David Novak 30:24

Yeah, well, it's interesting, you know, I do my own podcasts, Jacob is called how leaders leave with David Novak and I interview interview all kinds of CEOs and, and leading sports figures like Tom Brady, and you know, Steve Kern different people in that that domain as well. And the interesting thing is, everybody I interview has high self awareness. Okay. And I think that self awareness that they have,

okay, has made them really good self coaches, because they realize what their strengths are. And they play to them, and they realize what their areas of opportunities are, and they make sure that they don't derail themselves by by not learning, you know, what they need to learn to make sure that they're at least, you know, they're at least competent in that that particular area. And so I think that, that self coaching really starts with the the conversation that you have to have with yourself, you know, you know, you got to ask yourself key questions, you know, what are your strengths? What are your areas of opportunities, what gives you joy? What's your joy builders, what's your joy blockers, you know, you know, figuring that out and figuring out what your single biggest thing is, what you're envisioning what destination that you really want to go towards. But that all starts with this high self awareness of what makes you tick. And so what I what we've tried to do in this book, and I teamed up with a sports performance coach, Jason Goldsmith, who worked with Jason Day, and Justin Rose, who helped them become number one in the world in golf. And he's one of my best friends. What we've tried to do is give people the tools and exercises and thought processes they can use, so that they can have that kind of conversation with themselves. So that they can, you know, really develop an action plan that will help them achieve the single biggest thing that will help them transform their life in their career. And so, you know, the critical thing, though, to answer your question, going back to the beginning, is you got to have high self awareness,

Jacob Morgan 32:48

you know, well, maybe we can go over maybe one of the tools or resources or the mental shifts. Another book isn't out yet. It's coming up very soon, actually. What's

David Novak 32:59

the actual data on March 22?

Jacob Morgan 33:01

March 22. Okay, yeah. So maybe you can give us a little teaser, a thought process, a framework or tool, something that we can start doing that will allow us to be better self coaches?

David Novak 33:13

Yeah. Well, you know, it's funny, because everybody's talks about the great resignation. Yes. Okay. So you can resign, but what are you going to go to? You know, okay, it's one thing to resign, but are you going to go to something that can truly make you happier? Okay. So, you know, one of the things we we talk about is starting out by just listing your joy blockers, what is it that takes away your joy? When you think about what you do? Then write down? What are the things that are your joy builders, can write them all down? Then read him? And then think about, okay, how am I spending my time, if you're spending your time over in that area, where there's lots of joy blockers, you're not going to be very happy, you know, and if you've got, you know, if you can really crystallize what gives you joy, then you can say, okay, if I'm going to spend the rest of my life, I got to figure out how to make that happen for myself. Like, that's what happened to me. You know, early on in college is when I learned that God, I love marketing and advertising. Okay, that was it. Once I learned that, you know, that's where I was going to focus on my joy. You talk to Warren Buffett, Warren Buffett has written a book, you know, it's like tap dance to work. What Why does he tap dance to work? Because he loves finance. He loves business. He's not working. Okay? This is his hobby. Okay. But, you know, what we try to do is coach

people into figuring out what is it that gives them joy, and then figuring out how they can develop an action plan that can get them to to to spend more of their time in that area. And, you know, I think that's, that's one tool. The other thing is on self awareness. One of the things I did and continue to do every year is I do what I call A three by five exercise. On one side of the three by five card I write, what am I today? Okay, on the other side I write, what do I need to be tomorrow? Okay. And so I might write down like, I'm passionate and enthusiastic. Well, that's a great thing when you're CEO to be passionate, enthusiastic, but what's the what's what do I have to be tomorrow's I got to temper my passion and enthusiasm, because I can scare the hell out of people. Okay? Because I can get so excited about my ideas that I can overwhelm people. Okay, you know, what, on a technical skill side, I came up as a traditional marketer, graded TV ads, consumer insights, print ads, you know, but digital was happening. So, tomorrow, what do I have to be tomorrow, I got to be good at digital marketing, I got to be great at social market. So what I did after that, after going through that process is I found the number one person in Social Work social media and digital in our company, Trustee Lieberman, and I had her reverse mentor me on, on on social media, and digital. And I, I mentored her on leadership, you know, but But what I'm saying is, is that going through that three by five exercise, you know, what are you? What are you today, what do you need to be tomorrow, and then keeping that front and center, I think, is really critical. In fact, I put it on my refrigerator, I have it on my refrigerator, I look at it every day, I do it every year. And when I was running yum brands, you know, I had, like the top 50 people in the company, I did one on one coaching sessions once a quarter with, and they each did their three by five card. And so I would always go through how they were doing on their three by five card, and then then we get into their actual business objectives and what they were working on. Because I think, you know, you've got to look at yourself as is as a, you know, as, as, as almost, you're like a diamond, you're, you know, you got all this potential, and you got to keep polishing the time and making yourself better and better as you as you go forward. So those are a couple of things that we talked about in the book. Okay. We also talked about mindset. You know, some so many people times people talk about, I haven't done this, well, we just say add one word at the end of the statement yet. Okay? Just change your mindset that you haven't done it yet. Okay. You know, well, I've never broken 70 in golf yet. Okay. You know, give yourself the possibility of growth and being able to do things that you never, ever thought you could do.

Jacob Morgan 37:39

And I think one important thing is you said the kind of the joy blockers, and you know, the things that basically give you joy, but it doesn't mean that you aren't going to have any joy blockers during your career, right? It's not like 100% of it has to be all a joy. You, you will always have some joy blockers you will always have to do some things you don't want to do or things that bother you or annoy you. Is Would you say that's a fair statement? Or are you saying that everything always needs to be joy?

David Novak 38:07

No, absolutely, I think is a totally fair statement, you know, you're going to have things, a lot of times you're going to be working in areas that doesn't necessarily give you the joy, but you have to do it, okay. Now, you might be you might, you might love marketing, like me, and that's boy, you got to do product bead, or, you know, you're gonna get to taste all these great things, you know, you just can't wait to get there and do that. But when you got to sit down, do a financial presentation, you know, or go through the, you know, a big heavy analysis, if you're more right brain and left brain, you know, it's not

gonna be as much fun for you, but it's part of the job requirement. Yeah, you know, like, one of the ways how I self coached myself. I had never really worked with the investment community. So when I became CEO of yum brands, you know, I said, Who can I learn from there? I mean, who could who could help me? And so I use my contacts. And I set up a meeting with Warren Buffett. And, you know, I thought, if anybody could teach me how to talk to shareholders, it could be Warren Buffett. And I learned a ton from Warren Buffett, on on how to do that. And he taught me the importance of CEOs being sober salesman, you know, yeah, you want to love your baby, you want to be really excited about it, but you also want to talk about the things that could go wrong. Okay. He said, that's what's going to give you credibility. And that's kind of like the joy blockers. You know, it isn't like the thing that you really love. But you got to do it to be to be to be successful.

Jacob Morgan 39:33

Yeah, no, that makes sense. I'm curious about something something tangential, related to this. And that's the topic of vulnerability because it seems like to connect with people to motivate them to engage them, you know, to manage to up into down you need to have a certain level of vulnerability. And just hearing you talk, it sounds like you had that level of vulnerability because when you were asked to do things that you didn't know how to do, you were pretty upfront and said, Look, I don't know how to do this. I'm really good. doing this stuff. I've never done this before. Can you talk about the role that vulnerability played in your success over your career?

David Novak 40:07

Yeah. Well, you know, the CEOs that I talked to in my podcast, you know, they have an uncanny combination of confidence, and humility. Okay? The confidence, you're not going to be a great leader, if you can't give people a sense that you know where you're going, and that you're going to help people get there, you know, and you got to have a degree of confidence. But at the same time, the humility is critical, because the humility says, I need you. It's, I can't do it by myself. You know what? I don't know. Okay. And I think when the CEOs or leaders say, I need you, you know what, I don't know, man, that's when you get everybody to follow. You. See, nobody really wants to follow somebody who's perfect. There's, you know, if you think you're perfect, and you act like you're perfect, and you're all knowing, you know, people can't stand you, they can't wait to get rid of you. You're a jerk. Okay. You know, people want to follow people are the real deal. I mean, Jamie Dimon, the CEO of JPMorgan Chase, I guarantee it, he is as smart as they come, buddy, if he screws up, he tells people he screws up, if he doesn't know something, he'll tell people, I need you to help me learn it. And, you know, and, you know, people will follow this guy to the moon because he's authentic. Okay, now, that's sort of the leadership buzzword today. But you know, mean, actually, I think it just, it means being real. It means being who you are, you know, it means recognizing that, you know, you can't, you know, be somebody else or trying to be somebody else. And when you do, everybody sees you as a phony. Okay. People see a fake coming a mile away. Okay. You know, and I think being authentic is understanding who you are, and sticking to your core values, and, you know, growing and learning and getting better what you what you are, but don't try to be somebody that you're not. Okay. And I think that's an essential leadership trait.

Jacob Morgan 42:19

Sorry, I was muted there was my dog was barking wouldn't have been delivered. before. Yeah, we hear so much about authenticity, all the time. And it goes hand in hand with vulnerability and creating a culture of trust. Would you say that, during the course of your career, vulnerability was important, for example, saying, I don't know, showing emotion at work? You know, was that an important part of your leadership style? Or were you kind of that more? You know, kind of, like, the Jack Welch style of, you know, I got to know all the answer, you know, the typical stereotypical leader?

David Novak 43:01

Yeah, well, the smartest, I think the smartest guy in the room is the dumbest guy in the room. Okay. You know, and, you know, the the way out, there's this law of leadership, which is no involvement, no commitment, okay. And if you want to get people to follow you, you know, the most important thing you can do is to ask them what they think. And, you know, I always believed in, in defining reality for the team, but more importantly, defining reality together. So once you get that shared reality, and you lay out all the facts, don't withhold the facts, you got to be strong enough, and believe in yourself enough to share everything you know about the business. And then ask the question, what would you do? If you were B? What were would you do if you're running this company? And then you got to be confident enough that you're you can handle whatever answers that people provide? Okay, they might agree. All the time. Oh, you did? Okay. That's my favorite. That's the most powerful leadership question you can ask, what would you do? If you were be? Yeah, the most powerful thing you could do is make sure everybody has all the facts that you have in your business. You know, Sam Walton used to say the more you know, the more you care, make sure everybody has all the facts, make sure everybody has the reality of the business, agree on the reality and then say, hey, what would you do if you were me? When you did that? You that unlock scope?

Jacob Morgan 44:27

Yeah, I mean, that's a very vulnerable thing to say, too, because I think most leaders, they would never ask if they would just say, here's what we should do. Go do it. Well,

David Novak 44:36

well, I think that's how you go from me to wait. Because you know, what's really interesting, is 90% of the time, people are going to come to the same conclusion that you do. Yeah. And if and if you if they're missing something that you see that they don't then it's your job as the leader to convince them that they need to look at it in that light. Okay. But when you go through that process, You can then have a going forward action plan that says, We not me, me, we this is what we decided to do. And that's really that's, that's what leadership really is, is getting people to follow you follow you, but you got to be secure enough to put yourself out there and secure enough to know that, once you hear all that feedback of what you would do that your job then is to synthesize it all, and come back to the team and say, this is where we're going. This is what you said, this is what I believe this is where we're going. I agree with these things that the team says, But you know, what, if we don't really start focusing on digital more, if we don't start doing this, we're going to be left behind? You know, so those are the things that you know, I think a CEO or a leader has to do.

Jacob Morgan 45:48

Have you ever had anybody use one of your vulnerabilities against you? So you know, somebody said, or you say, what would you do? If you were me? Has anybody turned that around and said, hey, you know, David shouldn't be leaving this company, he doesn't know what the hell he's doing. Or if you've been having a bad day, or you share something tough that you're going through, is anybody then turn that around and try to use it against you to take crowd away from you or

David Novak 46:10

I've never had that happen? Never had that have never, ever for you? Because the reason is that didn't happen was that while I'm asking for help, I don't think I ever had any doubt. Or anybody ever had any doubt that I wasn't going to end up with a solution. Okay, that I was I was going to be able to have a path forward. Okay. So, you know, I think it basically showed more security. Okay. Now, sometimes you can share something with somebody that you hope that you can trust them, and they will betray that trust. Okay. I'm sure that happened. But you know what, I really can't remember. I can't remember that it happened. Nothing that was so big in my life. Okay. happened, because but I can tell you a lot of big things that happened because I asked people, what would you do? If you were be?

Jacob Morgan 47:07

You? Yeah, it seems like the correct me if I'm wrong. But one of the things that helped you become so successful in your career is, like you said, connecting with people being able to motivate them? And part of that I mean, did you always say, also have to open up at work a little bit, you know, let people know more about who you are what you care about. Did you talk about like your family or personal challenges and struggles? Like did? Did people know you as more of a human being or just as kind of a leader at the company?

David Novak 47:31

Oh, I think I would, I would hope that they would say they knew me as a human being. Okay. Yeah. You know, I talked about my family struggles, at home and at work, you know, you shared that openly. Yeah, absolutely. Yeah. You know, but it's not like you do it, like you're a basket case. And you get your way out of it. You know, it's just that you're just, you know, you're a real person, you know, you struggle to and, you know, but I I definitely shared what, what I was wrestling with, again. And then I asked people for help.

Jacob Morgan 48:05

Yeah. Well, it sounds like, a big part of that is you were really good at your job. You know, had you not been good at things that you were doing, and you kept asking for help, I would imagine it would probably would have been, you know, maybe a different story. But like you said, people didn't never had a doubt that you'd have a solution that you would be able to, you know, come up with an idea overcome the obstacle that was in front of you, like you had that confidence where people knew that you were good at what you were doing. Not that you were insecure or scared or that you you know, were just not not capable.

David Novak 48:38

Yeah, I hope so. You know, I think you, you have to leadership is a privilege, and you have to earn the right to lead. Okay. You know, and I was reading something the other day about empowerment, you

know, and, you know, I always think that empowerment is an airy fairy word. You know, it's sort of like how authentic it can be to a certain extent, you know, and take it to the extreme. What, how do you empower somebody? Well, empowerment, you know, is autonomy is earned, right? Okay. You don't just turn over all this power to people until they've demonstrated an ability to do it. Okay. And that's the art of leadership is to decide when some when you can hand the keys over to somebody so that you can trust them totally to do the job without you. Okay. But, you know, I think that, I think you obviously have to be able to you have to be competent enough to do your job. That's why people don't get promoted. People don't get promoted until they've demonstrated a functional expertise. You know, that they've demonstrated that they can do that job well, okay. And you usually don't get promoted until other people see you in the job that you're about to go do. Okay, people got See you that you can do that job. I remember when somebody at PepsiCo got promoted to be division president, I had all these people call me up and say, Hey, David, how do you feel about that? Because I was running operations at Pepsi in the time. How do you feel about that? You know what I felt about that? I said, I'm going to be a division president, because other people are seeing me as a division president. And they think I could have had that job too.

Jacob Morgan 50:21

Huh? Yeah. Yeah, it's a I think it's a very powerful way to change. Change your mindset and how you think, and prime yourself for success. I know we only have a couple minutes left, and you have so many really interesting and fascinating stories. What's your favorite one? I was very tempted to ask you about the the creation of Cool Ranch. Because I actually don't know that story. And I don't know if that's one of your favorite stories or not. But do you have a particular favorite story during your career?

David Novak 50:49

Yeah, I love Cool Ranch Doritos, just like you do. It's one of my favorite products. Yes. Yes. That story is, well, when I was working with Frito Lay on the agency side, it was clear to me that Frito Lay needed a real shot in the arm and the Doritos brand, in particular, Nacho Cheese Doritos had done really well, but the growth is starting to slow down a little bit. Okay. In line extensions and packaged goods are very important. So I said to my team, I said, Let's, we got to come up with a new flavor idea for Frito Lay. And I said, Let's go to the grocery store, okay. And I want us to go through all the aisles in the grocery stores. And I want to let's look and see what's going on together as a team. Okay. And we didn't really focus on the snack aisle, we went through the snack aisle, but what we really focused on, believe it or not, was the salad dressing line. Because that's where there's all kinds of flavors in the hottest flavor at the time, the fastest growing new flavor that was really taken off was ranch flavored salad dressings. Okay, so I came back, and I said, Geez, I called Dennis Hurd, who was the head of r&d at Frito Lay and said, You know, I got an idea for a line extension. I think it'd be pretty cool for Doritos. You know, my team, we went out and you know, this ranch, ranch flavored salad dressings are kicking butt. I said, What do you think? What do you think of we could we make a ranch flavored Doritos? He said, Sure, we could. So he went to work on he came up with a prototype and God these things were delicious. And then we launched it. And it's, it's a huge, huge success, and still is huge success today. But I always tell everybody, the important thing about this from a leadership perspective is you got to build know how, okay, and you got to learn from from what's going on around you and be a pattern thinker. And all we did was just go to the salad dressing now and say, hey, if it's successful here, how can we make that successful and chips and guess what we did? We came up with this, you know, billion dollar

idea. I mean, and and, you know, I did the same thing. By taking my team at Pizza Hut, to California Pizza Kitchen. They had all these specialty pizzas, you know, Thai chicken, pizza, barbecue chicken pizza, you know, all these you know, specialty, you've been there, you know? So I said, Look, we don't have all these kinds of toppings on our, our pizza make table. But what could we do that similar? That could give us some product news. So we decided, this is the first time anybody's ever done a believer, not Jacob, we decided to double the number of pepperonis and created a product called pepperoni lovers. And then we did created meat lovers and cheese lovers and veggie lovers. And this became the lovers line of pizza in is the largest mix on the menu of pizza today. Okay, now, if all it was is bringing what I call a unique image to a known quantity, okay? And that's when you do that you find marketing nirvana. Okay? Because people like things that are new yet familiar. I mean, and that's when you really hit the gold.

Jacob Morgan 53:53

Crazy. I mean, you have so many, I feel like we need to have you back for another episode one of these days because you'd have story after story lesson after lesson. Maybe before we wrap up and ask you where people can go to connect with you. What, what do you think the greatest leadership lesson has been during your career that you want other people to take away with them?

David Novak 54:23

Well, my greatest leadership lesson is purposeful recognition came in I learned very, very quickly that it's really important to find out you know, what are the big dynamics, okay, that really drive what behaviors drive your business. What are the key things that if you if people do these things, you will get great results? Okay. Well define what they are, you know, in our business, we define, we define them as believing in all people You know, being customer maniacs, you know, positive energy recognition, you know, we had a number of different things, okay? That were really critical to really make a restaurant company go. And so what I did was basically create a culture where we recognize the heck out of all those behaviors, not just me, but everybody else in the company. And when you do that, guess what happens? People do more of it. If people know you're looking for innovation, you're gonna get innovation. If people know the deadlines are important to you, if you're in engineering, and you know, and make being on budgets important, and that's a key behavior, then guess what? Okay, if you recognize people who do that, you'll make sure that people do it. I think that purposeful recognition is is really, really key. So, you know, I learned about recognition, and the power of it through Bob. Okay, but what really differentiated what I did and how I implemented recognition is I tied it to the behaviors that were absolutely critical to the success of the business. And when you do that, your recognition is purposeful. You just don't you're not just reading people to be a good guy. You recognize people for purpose.

Jacob Morgan 56:15

Yeah, no, I love it. I think that's, that's a tremendous lesson. And you're right, it's not just about recognizing people, but it's recognizing them for something specific that aligns with kind of the behaviors that you're looking for. David, where can people go to learn more about you, your book, your podcast, anything that you want to mention for people to check out?

David Novak 56:34

Well, first of all, go to how leaders lead.com for our podcast, and you know, I post a new podcast every Thursday with a with a top leader. Last Last week, it was shot noon, Orion from Adobe the week prior to that was, you know, I think was I've had Dave Cody in the past month from Boeing, you know, top notch CEOs, top notch leaders, you know, so go to how leaders lead calm. You know, for the book, you can learn more about the book by going to take charge of you calm, it comes out March 22. And, and then I you mentioned Twitter earlier, you know, I I do a daily inspirational tweet, you know, on Twitter every every morning, I get up and, you know, try to share something that I've learned or an insight. Yeah. And so you can go to David Novak Oh, go to and follow me there for that as well. And I also post my podcasts on my Twitter account as well.

Jacob Morgan 57:41

Very cool. Well, David, thank you so much for taking time out of your day to share your insights with me. We'll definitely make sure to have you back again one of these days. Thank you.

David Novak 57:50

Thank you, and congratulations on all your success and your book and you seem to be doing fantastic things.

Jacob Morgan 57:57

Thank you very much. And thanks, everyone for tuning in. My guest again has been David Novak and I will see all of you next time. All right, let me push