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## Change is good for CEO's success

## Yum chief's nomadic lifestyle filled with valuable lessons

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The Education of an Accidental CEO: Lessons Learned from the Trailer Park to the Corner

Office

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By David Novak with John Boswell

Crown Business, 303 pp., \$25.95

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The Education of an Accidental CEO is a likable business book from David Novak.

Don't know him? You are not alone. Novak's wife, Wendy, warned him that people may not want to read about a CEO they probably had never heard of.

Novak is the energetic, charismatic chairman and CEO of Yum Brands, the parent company of KFC, Taco Bell, Pizza Hut, Long John Silver's and A&W All American Food. It was spun off from PepsiCo in 1997.

While perhaps not as accidental as his book's title suggests, Novak's ambitious path to the top of the food chain wasn't typical. By seventh grade, he writes, he had lived in 32 trailer parks in 23 states. His father's government surveying job prompted this gypsy lifestyle.

Novak credits his nomadic youth as being critical to his eventual success. He learned how to adjust to change easily, going from school to school, and how to size up people quickly without stereotyping.

Armed with a bachelor's degree in journalism, Novak started out copywriting at a small ad agency before moving on to a larger one and landing Frito-Lay's Doritos account. He helped

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develop the Cool Ranch flavor, gaining exposure at Pepsi, Frito-Lay's parent and Novak's next employer.

Once there, Novak quickly leapt from marketing head at Pizza Hut to Pepsi's beverage division. That led to a rare stain on his resume: Crystal Pepsi, named by Time magazine as one of the 100 worst new product ideas of the 20th century.

"It was my idea," he writes, "and one of my deafest moments."

At the time, Novak was Pepsi's marketing chief. He rushed Crystal Pepsi to market in time to advertise it during the 1993 Super Bowl. Novak, citing his own arrogance, ignored internal critics who said that if Pepsi was in the name, the product should taste like Pepsi.

Luckily for him, he writes, Pepsi encouraged risk-taking and didn't fire him over the debacle. It helps, he writes, that thanks to premium pricing, Crystal Pepsi made money in its short life.

When Novak became CEO of Yum at 46, he made a point of filling in any gaps in his formal business education by consulting the masters, in his trademark "everyman" style.

To find out how to deal with Wall Street, he treated Warren Buffett to a KFC lunch. For leadership pointers on building a dynasty, he spent a morning with legendary former UCLA basketball coach John Wooden.

Insider tidbits add zest to the story:

\*The recipe for Colonel Sanders' secret blend of 11 herbs and spices is locked in a safe. Only two people know the actual ingredients of the chicken seasoning.

\*As for Taco Bell, Novak writes that people always ask him about what happened to the chain's Chihuahua. The spokesdog generated tremendous awareness, he says, but sales went down during its tenure. Since the company tries to fire its bottom 10% performers each year, the Chihuahua was shown la puerta.

Other stories illustrate potential minefields. Novak candidly discusses two recent crises for Yum: the sickening of some Taco Bell customers in an E. coli case and a YouTube video of a now-closed rat-infested New York City franchise -- and writes about the need for transparency in the face of such disasters.

Novak also addresses his company's role in the country's obesity problem by pointing out lighter menu options such as Pizza Hut's Fit N' Delicious pizza, KFC's salads and roasted chicken, and Taco Bell's Fresco Style menu, which replaces cheese and sauce with salsa. KFC has removed trans fat from its cooking oil.

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However, at the end of the day, he writes (in true marketing style) that Yum's businesses offer what the customer wants: convenient, tasty food at affordable prices.

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