

Leadership is a Privilege

Make it Great

Win TOGETHER

Be SMART  
with HEART



EVERYBODY  
Counts

BE AN AVID LEARNER

DON'T LOOK UP ↑  
DON'T LOOK DOWN ↓  
LOOK STRAIGHT  
AHEAD

Soft skills  
to drive  
HARD RESULTS

TAKING  
PEOPLE  
WITH YOU  
IS THE  
ONLY  
WAY  
TO  
ACCOMPLISH

BIG  
THINGS  
☆☆☆

LEARN  
TO  
LEAD

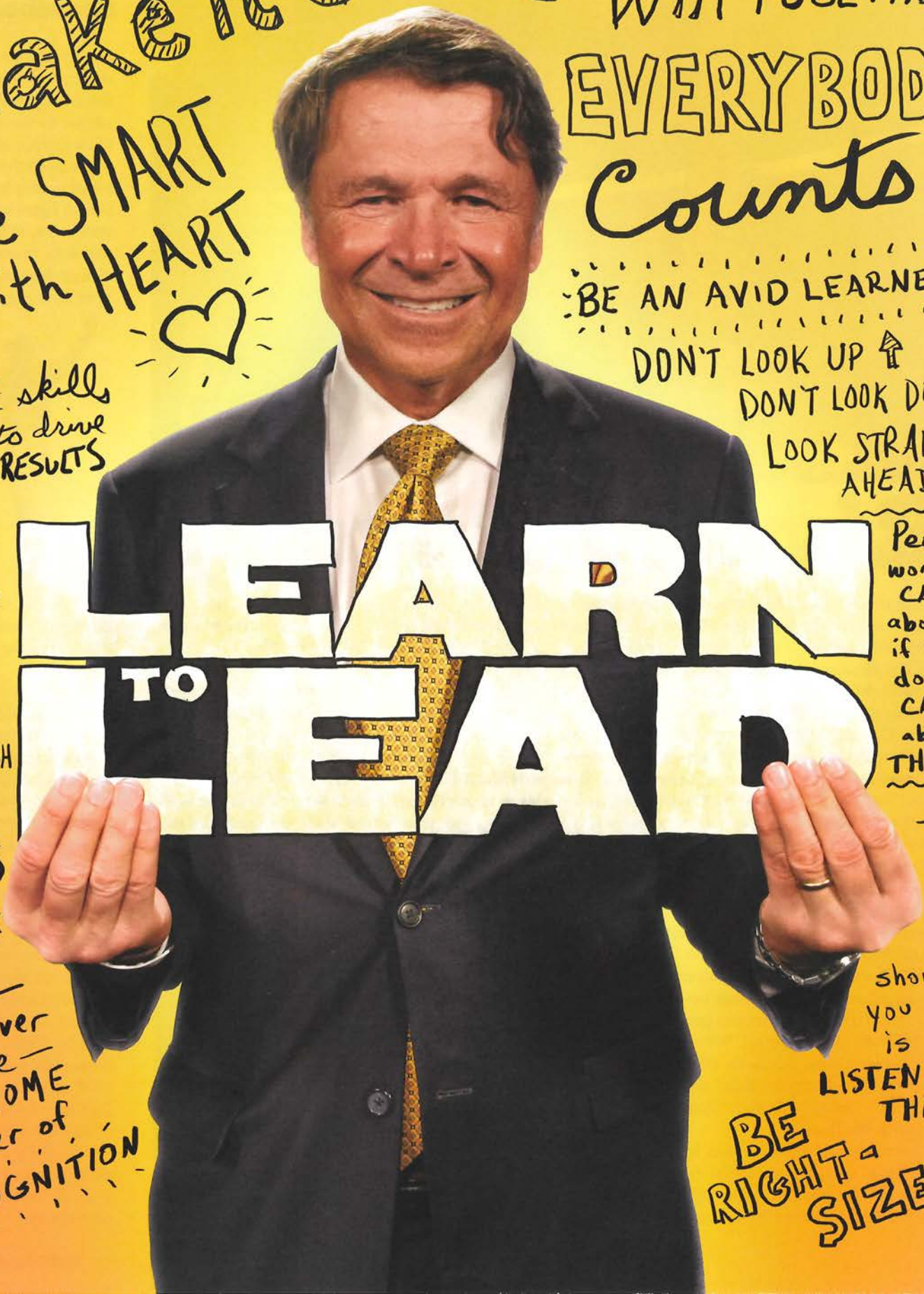
People  
won't  
CARE  
about you  
if you  
don't  
CARE  
about  
THEM

The  
BEST  
way  
to  
show people  
you care  
is to

LISTEN TO  
THEM

BE  
RIGHT-  
SIZED

Discover  
the  
AWESOME  
power of  
RECOGNITION





## The U.S. suffers from a shortage of strong leaders, says former Yum! Brands CEO David Novak, BJ '74. To help fill the gap, he founded the Novak Leadership Institute at MU.

STORY BY ERIC FERGUSON • PHOTOS BY CARSEN SIKYTA



the early 1990s, David Novak invited his sales team to come into the local bottling plant early, share a box of doughnuts and talk about the challenges of their work.

Novak, then executive vice president for marketing and national sales at PepsiCo, was still a little numb from a short night's rest. But he listened closely, and he's never forgotten what he heard.

One by one, as the team members spoke, they each mentioned how their colleague Bob had helped them master their jobs. "Bob taught me more in three hours than I learned in my first five years at Pepsi-Cola," Novak remembers one person saying. Finally, Novak turned to Bob, who was about to retire after 47 years with the company. Tears ran down the salesman's face. "I didn't know people felt this way about me," he said.

That moment was a conversion experience for Novak. He promised himself right then that he would make "recognition" a core value in any organization he was part of. That decision would be one of many leadership choices he made as he rose through the corporate ranks, an ascent that saw him go from advertising copywriter to highly regarded co-founder and CEO of Yum! Brands, a Fortune 500 company.

Novak's experience has convinced him that excellent leadership is at the core of all effective enterprises. "Show me a good organization, and I'll show you a good leader," Novak says. Yet, he sees a gaping leadership void in the U.S. "Nobody's teaching people how to win," Novak says. "Why aren't people investing in leadership, teaching the skills and providing the experiences that will help people and organizations be successful?"

That is the challenge that Novak, now retired from corporate life, wants to solve. And he thinks his alma mater is a good place to set up shop. In September, Novak and his family announced a \$21.6 million gift to the University of Missouri School of Journalism to establish the Novak Leadership Institute. Its vision pairs his passion for leadership with the J-School's expertise in strategic communication and experiential education. The goal: create a world-class program to develop the next generation of leaders who make a positive and meaningful impact in their organizations and communities.

The institute is a personal mission for Novak, one that reflects his own journey from the J-School to the boardroom.

### Skills and Instincts

Novak's first book, *The Education of an Accidental CEO*, chronicled his path to the C-Suite. The son of a government sur-

veyor, Novak traveled around the country in a trailer until he was in the seventh grade. "We would move every three months from small town to small town," Novak says. "My mom would check me into schools and say, 'David, you better make friends because we're leaving.'"

Some might find such instability challenging, but for Novak it offered an opportunity to develop skills and instincts that would serve him well later in life. "I had a great exposure to what it's like to go into new situations, size people up and decide who's going to be my friend," Novak says. "That gave me a great understanding of how to work with people."

Eventually, Novak's family settled in Kansas City. While in high school, Novak worked on the school newspaper. His emerging interest in journalism led him to the University of Missouri, where he found the love of his life, Wendy Henderson Novak, BJ '74 — "the best thing that ever happened to me," he says. Novak enjoyed the social side of college life, joining the Delta Upsilon fraternity and taking part in intramural sports. Academically, he calls himself "a fairly mediocre student." That is, until he took his first advertising course. "From that point on, I was hooked on advertising and marketing," Novak says.

In 1974, Novak started his career as a copywriter in Washington, D.C., and he climbed the ranks in marketing and sales on his way to becoming PepsiCo's chief operating officer in 1992. Five years later, he helped spin off Pepsi's restaurant business by co-creating Yum! Brands, which comprises KFC, Pizza Hut and Taco Bell. Along the way, Novak earned a reputation as an inspiring and effective leader.

"He has this wonderful knack for getting people to attempt things they never thought they could do," says Ken Langone, a venture capitalist who co-founded Home Depot in 1978 and is a member of the Yum! board of directors. "To me, great leaders are possessed of one thing, and that's humility. David is the first guy to dispel any notion that he's perfect. By doing that, he inspires others to think, 'Hey, if he can do it, I can do it.'"

Novak guided Yum! Brands to success during his nearly 20 years at the helm, driving double-digit revenue growth for a decade, while personally earning awards and accolades as a model CEO. Yum! now operates more than 40,000 restaurants with 1.5 million employees across over 100 countries.

Throughout his tenure at Yum!, Novak's leadership style remained rooted in advertising concepts he first encountered at the J-School. To reach his employees, Novak sought to "be a good ad." Just as the most effective advertising campaigns motivate audiences to buy into a brand, Novak realized the best leaders cultivate buy-in from their employees through clear, memorable and inspiring communication. Novak also applied principles of marketing research to develop insights into how to best inspire and motivate his people. "I always looked at the people I had the privilege of leading as my target audience,"



Novak says. “I had to understand their perceptions, their habits and their beliefs before I could develop a plan that would get them involved and working toward a common goal.”

Informed by his own insights and experiences, as well as input from such titans as Warren Buffett, Jack Welch and John Wooden, Novak developed his Taking People with You leadership program, which he has taught worldwide and adapted into a *New York Times* best-selling book of the same name. The program packages the principles of persuasive communication and collaboration that informed Novak’s innovative approach to leadership. It also touts the power of recognizing the contributions of others to drive performance. “Recognition says someone’s watching and cares about the work you do,” Novak says. “There’s nothing more motivating than recognition, even if it’s just saying ‘thank you.’”

Sometimes, nothing says “thank you” like a rubber chicken. Inspired by an employee who handed out rubber chickens as a means of recognition, Novak incorporated the offbeat practice into his own leadership style, personally surprising high-achievers at all levels with the novelty item, accompanied by a \$100 bill. “Recognition is the secret weapon for everybody,” Novak says. His latest book, *O Great One*, offers even more inspiration about the power of celebrating others’ accomplishments.

At the core of Novak’s leadership philosophy is a fundamental belief in people. “Leaders must cultivate a deep-down belief that everybody wants to do good work,” says Novak. “Everyone wants to be part of something great. It’s up to leaders to create a vision that leads to greatness. And to then get their people involved to help make that vision happen.”

### **Institutional Knowledge**

Even before retiring from Yum! in 2016, Novak looked for ways to take more people with him. In 1999, the Novaks founded the Lift a Life Foundation, directed by the Novaks’ daughter, Ashley Novak Butler, to help people with a variety of needs. The foundation’s priorities include juvenile diabetes, hunger relief, early childhood education, military family support and student leadership development.

Now, with the Novak Leadership Institute at MU, Novak is taking student leadership development to the next level. The institute combines Novak’s industry experience and Taking People With You philosophy with the Missouri School of Journalism’s resources and expertise in research, strategic communication and innovation, starting with the institute’s leadership.

Journalism Professor Margaret Duffy served as chair of the school’s strategic communication department for 13 years before taking on her role as the institute’s executive director. Her award-winning research includes organizational communication and persuasion ethics, which aid in leadership success.

“David is not known for thinking small,” Duffy says. “The Novak Leadership Institute will make the world a better place by creating ethical, courageous and effective leaders — and we’re going to have fun doing it.”

Brandon Butcher, BJ ’07, MA ’08, joined the J-School’s strategic communication faculty in 2012 and became the institute’s associate director in August 2016. Butcher co-developed the Novak Leadership curriculum and teaches the courses with Duffy. “David loves our students, and so do we,” Butcher says. “The institute’s initial focus has been on ensuring we offer valuable opportunities for leadership development and a best-in-class educational experience. In fact, David’s charge to us was to make the Novak courses ‘the favorite courses students take at Mizzou.’”

Butcher directs student programs for the institute and has built strategic partnerships with industry and service organizations to help develop real-world leadership experiences for Novak students. “We want students to come away with both the knowledge and networks that will give them a head start in their careers and help them accomplish their goals,” he says.

During the past year, the institute launched a mentoring program with ad agency-partner VML in Kansas City and a service-learning partnership with Special Olympics of Missouri. Other initiatives include study-abroad opportunities, custom trips, job shadowing, career advising and scholarships. These programs supplement the institute’s core courses on strategic leadership, organizational culture and communication, and entrepreneurship and innovation.

Cassidy Herring, BJ ’17, was part of a select cohort of students who took the institute’s pilot course in spring 2017. “I’m a go-getter,” Herring says. “I was one of those students who was anxiously awaiting a program like the Novak Leadership Institute.” As part of the pilot, Herring and her fellow students were charged with setting a big goal and then achieving it using lessons learned from coursework and from conversations with fellow students serving on leadership development teams. Herring’s goal was to land a job with the United States Olympic Committee. “David’s book, *Taking People With You*, guides students through the steps of achieving a big goal,” Herring says. “We had leadership development teams and constantly checked in with each other. ‘How are you taking active steps to attain this goal? Are you discouraged or encouraged?’”

Herring landed an internship with Team USA’s marketing activation department for the summer of 2017. “Setting a big goal and then having the curriculum and support network of peers and teachers encouraging me to take active steps toward achieving that goal were crucial in my success,” she says.

Plans call for expanding the institute’s offerings, through interdisciplinary efforts, to audiences across campus, the University of Missouri System and beyond. Journalism school

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## Leadership 101

When David Novak speaks about leadership, his enthusiasm is infectious. Whether he's talking to a wet-behind-the-ears middle manager or a seasoned CEO, Novak shares wisdom with warmth and charm. Here's a sampling of Novak's aphorisms in conversation:

### **Be smart with heart.**

"It's great to have IQ points, but what differentiates leaders is when you're smart with heart. Leading from the heart means you're committed to other people's success. I've known a lot of smart people who didn't reach their potential because they didn't know how to take people with them."

### **Telling isn't selling.**

"A leader is a coach. Coaches help you win. Bosses tell you what to do. Telling isn't selling. Bosses and managers don't get that."

### **You have to believe.**

"If you don't think it's going to happen, it's not going to happen."

### **No involvement, no commitment.**

"The best ideas people can come up with are their own. You want to ask people what they would do and get them involved. If you don't get people involved, you're never going to get the commitment. No involvement, no commitment."

**Be yourself.** "You have to be authentic and be who you are. People don't follow people who are trying to be something they're not. They really want to follow people who are real and true to themselves."

† Clockwise from top: On Sept. 15, David Novak, center, and his wife, Wendy, seated, announce the \$21.6 million gift founding the Novak Leadership Institute. They share the stage with, from left, student M.J. Rogers, institute Executive Director Margaret Duffy, and Vice Chancellor for University Advancement Tom Hiles. Novak poses with student Amy Hanks after delivering a guest lecture to a Principles of Strategic Communication class. David and Wendy Novak, and their daughter, Ashley Novak Butler, celebrate at the institute's offices in Lee Hills Hall.

Dean David Kurpius notes that collaboration will be at the institute's heart. "This represents David's practice of inviting others into a vision of greatness and inspiring them to help make it a reality. We're thrilled to extend the J-School's tradition of excellence."

The institute will offer events, including an annual conference and lecture series featuring experts in leadership, communication and innovation. Seminars, workshops, online degree programs, certificates, continuing education offerings and a conference for high school educators round out the institute's plans for serving broader audiences. The institute will also invest in research on topics dealing with communication and leadership.

The Novak Leadership Institute joins the Kinder Institute on Constitutional Democracy as the second signature institute created as part of the \$1.3 billion Mizzou: Our Time to Lead campaign. Mizzou's constellation of signature centers and institutes also includes the Reynolds Journalism Institute and the Thompson Center for Autism and Neurodevelopmental Disorders.

"With this leadership institute, we are going for absolute greatness," Novak says. "We want to make this a world-class institute for leadership education — one that profoundly shapes students' approach to leadership in their personal and professional lives. We think it can help develop the kind of leaders who take a lot of people with them." **M**