



LEADERCAST

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MUHTAR KENT & DAN CATHY

Executive Summary

An Interview with Mike Hyatt: A CEO Conversation

MH: Why is community service important to Coca-Cola and Chick-fil-A?

MK: We are celebrating our 125th anniversary this week. If we want to be around for another 125 years, we need to have a meaningful role in creating sustainable communities, so we have a sustainable business.

Also, we want to play a role in transferring a better planet, a better world, to the next generation. The previous generation transferred a better world to us. We have a responsibility to transfer a better world to the next generation. We have outlined four areas for sustainability. These are the four pillars in our business: we want to be water mutual by 2020, grow our business without carbon, be the leader in packaging, and impact the community.

MH: Dan, how do you think of community service?

DC: We know intuitively that our lives are more than about profit. We want to impact people's lives. The free enterprise system ought to be the engine for social change.

MH: How are customers' expectations of service changing the way you manage Coke and your business?

MK: Customers' expectations are changing. It really is much more a partnership model, rather than just selling products to a potential customer. With your partners, you need to be able to talk about supply chain, environmental factors, and other insights. You need to ensure the service model includes access to all of your partners. It's creating access and ensuring we provide insights. It's all about creating value for the partner. How can we be a stronger part of the customer's profile – a revenue generator for the partner – over and above?

DC: In our partnership with Coca-Cola, we have a cooperative win-win relationship, rather than the traditional adversarial system. We collaborate on the whole process and share insights – supply chain, advertising, marketing, etc. It takes spending time together. I learn every time I am at Coca-Cola.

MK: When you have that type of relationship, you both become better institutions, businesses, and people. Also, we have more fun! That is really important in business together. That is a great picture of success.

DC: It's not just fun for fun's sake, but to add value. Fun is very exploratory. It leads to creative thinking. As leaders, don't dismiss the tremendous value of making fun a priority.

MK: It's also important to be together without an agenda. Sometimes Dan travels with me on a trip internationally.

MH: Dan, talk about your Leadership Took Kit.

DC: You can see my website for my information. Go to <http://cathyfamily.com/Toolkit.aspx>. I brought a few things with me today: the runner's baton reminds us of the importance of succession; the oxygen mask reminds us we need to take care of ourselves in order to lead others best; the conductor's baton reminds us that great performances are about being able to lead people where they want to go by making beautiful music; and Jif peanut butter, packaged in a 12 ounce size, reminds us that as leaders we have to stay fresh in our thinking.

MH: When you get together, do you talk about these principles?

DC: When I get together with a mentor, I watch the subtleties of what they do. Muhtar is as effective talking at the grocery store level as in the board room. An aspiration of great leadership is to have a span of competency.

MK: One of the greatest traits that is effective in my life, and for Dan, too, is humility. People sometimes ask, "What keeps you up at night?" My answer is arrogance. I love meeting all stakeholders because when you talk with them you learn. I get out to the marketplace once a week. I learn something each time.

MH: What are you excited about learning right now? John Maxwell has taught us that leaders are learners.

DC: We are taking people behind the counters for backstage kitchen tours. We are in a situation with our food safety, quality of our food, and our people that we can do this. We do things that other businesses wouldn't dare do. It keeps us distinctive. We love to do it

MK: I'm learning how important it is for consumers to not only choose based on quality and good-looking products, but on the character of the company. People want a moral contract with the company, which is increasingly being displayed through changing technology. I'm learning how important it is for consumers to give their expressions. They don't want to be told anymore. It is a whole different ballgame today. I'm learning about technology and changes in consumer thinking. If we are going to be successful – a good brand is a promise kept – we need communication, which is two-way dialogue.

ACTION ITEMS:

- ❖ Muhtar Kent and Dan Cathy embody the voice of service in how they serve their communities and how they serve each other. Do you have a culture of service in your organization? If so, how can you further cultivate it? If not, what can you do to develop this culture?
- ❖ Discuss with your team some of your key vendor or customer relationships. What kind of relationship do you have with them? Is it adversarial, simply transactional, or have you developed a partnership with them? How can you move from adversarial or transactional relationships to true partnerships?