Senn Delaney case study  Yum! Brands

“When I became the leader at KFC, I was committed to having all of management walk the talk and provide the kind of leadership needed to restore the organization to its former greatness. The Senn Delaney concepts like the Mood Elevator were invaluable. They brought out the best in people and improved customer service, sales and bottom-line results.”

— David Novak, executive chairman, former CEO, Yum! Brands

‘How We Win Together’ principles forge an iconic recognition culture

Not everyone knows the name Yum! Brands, but everyone knows its three iconic brands: KFC, Taco Bell and Pizza Hut, global leaders of the chicken, pizza and Mexican-style food categories. Based in Louisville, Kentucky, Yum! Brands is one of the world’s largest restaurant companies, with more than 41,000 restaurants in more than 125 countries and territories. When David Novak became CEO, he engaged Senn Delaney to develop and implement a people-first culture of fun and recognition driven by the How We Win Together principles.

Goals of the culture transformation

Novak’s single highest priority was to create a global culture that galvanized people around the behaviors he knew it took to win in the competitive restaurant industry globally. Senn Delaney worked with Novak to create the ‘How We Work Together’ principles, which later became the ‘How We Win Together’ principles. Novak and the senior team worked with Senn Delaney to define the culture they wanted, and Senn Delaney used its DURAM process to cascade the culture to 1.4 million employees around the world.

Results from the culture-shaping work

Novak has built Yum!’s entire global people-first culture around a reward and recognition culture to drive results. As a result, Yum! Brands has had spectacular growth and stock price increase tied to that culture.

During Novak’s tenure as CEO since 1999, Yum! Brands doubled in size to 41,000 restaurants and established itself as a global powerhouse going from approximately 20 percent of its profits coming from outside the United States in 1997 to nearly 70 percent in 2013, while remaining an industry leader in return on invested capital. In so doing, Yum! Brands’ stock has risen almost 16% annually and its market capitalization has grown to over $34 billion from just over $4 billion. The People First culture has earned Yum! Brands many awards:

■ In 2014, Yum! was named one of the AON Hewitt Top Companies for Leaders in North America for its comprehensive leadership development programs and practices and among the 100 Best Corporate Citizens by Corporate Responsibility Magazine.
■ In 2015, KFC was named Most Trusted Quick-Service Restaurant Brand in India by The Brand Trust Report.
■ Yum! Brands was named No. 46 on FORTUNE magazine’s 2013 list of Most Admired Companies, and ranked No. 3 in the food-services category; received high scores for innovation, quality of products/services, social responsibility, people management, use of corporate assets, financial soundness, long-term investment and global competitiveness.
■ Novak was honored as Chief Executive magazine’s CEO of the Year in 2012 for his leadership, focus on culture and long-term performance.

“One of the things a leader has to do is cast the right shadow, and one of the things I’m most proud of is that our culture is one that really does have fun celebrating the achievements of others,” said Novak, who retired as CEO, becoming executive chairman in 2015.