https://www.rogerdooley.com/nigel-travis-challenge-culture



Full Episode Transcript

With Your Host



https://www.rogerdooley.com/nigel-travis-challenge-culture

Welcome to the Brainfluence Podcast with Roger Dooley, author, speaker and educator on neuromarketing and the psychology of persuasion. Every week, we talk with thought leaders that will help you improve your influence with factual evidence and concrete research. Introducing your host, Roger Dooley.

Roger Dooley:

Welcome to the Brainfluence podcast. I'm Roger Dooley. Joining us today is Nigel Travis, the executive chairman and former CEO of Dunkin Brands. Prior to that he was president and CEO of Papa John's, the pizza giant, and also president and COO of Blockbuster Inc. today Nigel is chairman and co-owner of the Leyton Orient Football club, and author of the new book, The Challenge Culture: Why the most successful organizations run in pushback. Unfortunately we're recording this with Nigel in the Boston area, while I'm in Austin, Texas. He was not able to show up at the studio with a box of Dunkin Donuts, had we been live, but regardless of that, welcome to the show Nigel.

Nigel Travis:

Roger, I do apologize that I haven't got the technology yet to deliver those donuts by drone, but it's something we're all working on.

Roger Dooley:

No doubt. I always enjoy the various, like CNBC interviews, where anybody from a food company is obligated to show up with samples for the hosts. It's great, and we'll just have to make due until the drone fleet is active. Nigel, you've had top management roles with some giant companies. How is managing a football, or soccer to us Americans, club easier or more difficult?

Nigel Travis:

It's amazingly similar. That's the first thing. Leyton Orient Football club, just to give you a quick history, is a club I've actually supported for 60 years next year. You can see

https://www.rogerdooley.com/nigel-travis-challenge-culture

I'm on the more ancient side of things. The previous ownership, unfortunately, ran the club into trouble. The club nearly went out of business. We bought the club with no bank account, no credit card processing, and worst of all, no players. People often ask me a similar question to the one you ask. I would say it's similar in that we worry about people, we worry about obviously the customer count, which are the fans that come for return sales. We talk about fan engagement. We talk about all the normal business problems, but one thing I've learned, and I've started incorporating this into speeches actually at Dunkin is, I always thought I spend a lot of time talking about people, but in a football club you spend 90% of the time talking about people.

It's not just the players. It's the people in the office, and in the academy. That's a very important message. One of the messages I've got for an upcoming Dunkin meeting is, how much time do you spend talking about people? I'm trying to get everyone to think about 90%, because we live in an era where so much change. Everything from..., et cetera, but also a labor crunch where there is a labor shortage out there, and that's the biggest problem our franchisees have. I think we have to really focus on getting the right people, creating the right environment, and most of all the right culture, store by store. Which in our case involves over 20,000 stores globally.

Roger Dooley:

It's a great point Nigel, because I think nobody would argue if you were running a sports club of any type, that people are your number one concern. Nobody is going to expect a football club to go out and win a bunch of games just because of their brilliant strategy, because they've got a great coach. They need a great coach, but then you've got to have the personnel to carry it out. I think, often,

https://www.rogerdooley.com/nigel-travis-challenge-culture

businesses view people as somewhat more interchangeable cogs that, "Okay, so long as you've got adequate people." Where nobody wins championships with adequate players.

Nigel Travis:

That's right. In our case, we're in an industry where the industry has significant labor turnover. The average for the industry is 150%. If that's the average, you know there are franchises or companies with far more than 150%. Think about that kind of turnover, the implications on cost of training. The cost of losing people. The cost of customer dissatisfaction. I think it's true, and it's something that Tom Peters has certainly focused on. You have to look after the people thing, as he calls it, and I'm always shocked at how few people think about it like that. I know you're from Texas, my co major investor lives in Dallas, Texas. One of the things that we're very focused on, both of us, it's the people. That's both the players, the executives, and most of all the fans. Kent is his name, he is a master of walking around and meeting with the fans. That engagement really is spectacular, and we get a lot of insight.

Roger Dooley:

Yeah. It's funny, I almost mentioned Tom Peters myself. He was on the show a couple of months ago, and made that point about both people and culture. That you got to focus on the people and the culture is everything. I was surprised when it popped out of your mouth. He keeps beating that drum, but unfortunately not everybody is listening, but it's so important. One of your business alma maters, Papa John's, has been in the news quite a bit. The board gave Papa John himself, John Schnatter, the boot, but he's not going quietly. What do you make of all that?

https://www.rogerdooley.com/nigel-travis-challenge-culture

Nigel Travis:

The first thing is, just about the whole of America seems to know about it. That's something I've learned. The second thing I would say is, it's very sad. John created a tremendous company, with a concept very much focused on quality. So better ingredients, better pizza. I feel very sad for the employees. I feel sad for the franchisees, or the people who deliver the brand to the customers out there. It's a mega distraction. But I think it goes back to two or three important things that I talk about in the book. One is, getting the culture right. We've kind of talked about the people thing, but that's ... The essence of my book, my book has a little bit of a twist in it, which is the challenge culture. Which is really all about pushback, and how you engage people. Clearly that's an issue. Clearly the board and John were not on the same page, which is disappointing.

I think one of the things that is important for boards in this modern age, where everything's changing at such a rapid pace, is to make sure that you have full challenge and engagement at the board level, so that you do end up on the same page. I think, and I've been asked this question a couple of times recently because of it. What needs to be done at Papa John's, and I think it's the franchisees, the board, the management need to all get together and work out a game plan going forward, to try and put the recent problems behind them. One of the things I think I've learned both at Papa John's and at Dunkin, is working with franchisees is always challenging. It can be fun. I've actually always enjoyed it, and you probably have to have a unique mindset to deal with franchisees. They are the essence of challenge, because they put their money on the line, they've invested in the brand. Very often they are very opinionated, and I think they have a right to be.

https://www.rogerdooley.com/nigel-travis-challenge-culture

I've tried to incorporate that challenge into everything I do, and I truly believe that Dunkin has made this better. I think, given the situation at Papa John's right now, it would create a plan that everyone could buy into for the future.

Roger Dooley:

You bring up the difficulty, or the difference I should say, in dealing with franchisees versus employees. I think that what you would say is, in a good organization either a group should be empowered to say what's on their mind and push back, but I think that in many organizations people say, "Oh God, I hate dealing with franchisees. At least employees I can tell what to do, and they'll just do it." That's not really a best way to run a business.

Nigel Travis:

Well no. One of the points I make in the book is, I hear the very point you made from a lot of people. I also hear a lot of people don't like listening to investors. The number of times I've heard executives say, "Oh, I hate being a public company. You have to deal with all those analysts, and they ask stupid questions." Well, I look at it differently. Most of the analysts, and at Dunkin we're probably unique. We've got, I think it's 35 different analysts following the company, and I've always embraced them. Because these are people who spend time to study your company. They think about it, they talk to the competition. Think about that. They talk to the competition. They often have insights that we don't get ourselves. So they bring the two pieces of information together. It's a great way of giving us what we should do in a competitive environment.

Then going back to franchisees. One of the points I make very strongly in the book is, in early career I worked in labor relations, as we call it in the U.S., industrial relations

https://www.rogerdooley.com/nigel-travis-challenge-culture in the UK. The point there is that, very often the employees and through the union or in the companies through management, have different goals in life. Obviously the union employers are very keen to improve their pay and benefits, and management is keen to improve the profit. I think a major recognition, and I call this the pluralistic system. The pluralistic system recognizes that there are different assumptions, different goals, and the goal is to try and bridge those differences. Recognize the differences, embrace the differences. This sounds like diversity when I'm saying this. Embrace the differences, and then try and bridge them. Great communications means listening, taking on board from the challenges that people put on the table, and you will come up with solutions that are much better for the organization.

Roger Dooley:

Yeah, I just finished researching my next book, and along the way I read stories from quite a few business leaders. It seems like many of the more successful ones have accomplished a lot by doing what you're talking about. By engaging everybody in the organization, including the hourly, and perhaps union workers. Because often they're the ones that really understand how to make the business better. They know where the problems are, and they know where there's inefficiencies, or where the procedures aren't working, but they have to keep following them. By opening up that communication and sort of breaking down the hierarchy and bureaucracy, you can achieve a lot more.

Nigel Travis:

Well, in my book I talk about coffee chats, which is a very simple concept. Essentially what I do at Dunkin is, I have meetings for people below director level. We do a diagonal slice of functions. You often get a group of

employees, many of whom have been there many years, many of them whom are new. So you get a blend of experiences, and we encourage them to talk. It's not a Q&A. We get them to talk about what's going on in the business. Encourage them to discuss things that they see. Areas for improvement. Challenges they want to make. I find that a very, very, very useful way of me gaining some insights. Very often improving policies to make it better for employees. A story I told in the book is, I always remember when I worked at Burger King back in the early '90s. I was the head of HR. I went out and talked to some truck drivers, and we had a meeting.

Clearly the management of this particular distribution depot had a very good culture, because I went out, met with the drivers. I fully expected they were gonna talk about wages and benefits and issues they had. All they could talk about was customer service. About how to get to the Burger King stores more effectively. Then halfway through the meeting I said, "Okay, so this is great stuff. I love your focus on customer service. Tell me about some of the problems you have. Are there any issues with benefits that we could think about improving?" We had a minute conversation about that, and then back to customer service. I think that shows what happens if you have an environment where people are totally engaged, totally aligned through that engagement. That's not telling them, "This is the way it's gonna be." Engagement is a way of getting people aligned, because it helps people think about the issues. I truly think that's the way forward. So it's good to hear there are other authors that you've read, are saying the same thing.

Roger Dooley: Yeah. Jack Walter is one, and Tom Peters recommended another one. An ex navy ship's captain named Michael

The Brainfluence Podcast with Roger Dooley

http://www.RogerDooley.com/podcast

https://www.rogerdooley.com/nigel-travis-challenge-culture

Abbershaw, wrote a book about how he turned around a dysfunctional ship. A lot of it is the same way. Obviously very different environment where GE is a giant multinational corporation with hundreds and thousands of people, and a ship is a relatively small environment, but a lot of it is just what you were describing. Which is talking to people and getting them on board, because in general people want to do a good job. They wanna do a good job for the customer, or for their co workers, or whatever their role is.

Sometimes the system prevents them from doing that. One dysfunctional environment that you mentioned in the book, Nigel, is Wells Fargo bank. They've been in the news for the last couple of years about how there's this vast sort of culture of cheating, where managers at branches around the country were signing up customers for accounts that they didn't sign up for themselves. It's hard to believe that, that can even go on at a regulated organization like a bank. I guess it would be safer to say they did not have a challenge culture there?

Nigel Travis:

That's the point I make in the book. I've never been to Wells Fargo, but I make the point from reading about it, and it seems that they did it. It's interesting that despite the fact that there was a lot of news about it a couple of years ago, it seems to have continued. There's more cases that have come out recently. I think in the book, what's interesting is, I've tried to reflect on the many examples out there. Are people truly empowered to challenge what's going on in their organization? Uber had some problems. They seemed to have worked very hard, and this is where the board got engaged. In fact, I watched a video for a presentation I'm doing this morning, on the new Uber culture, which is actually being shown on

The Brainfluence Podcast with Roger Dooley

http://www.RogerDooley.com/podcast

https://www.rogerdooley.com/nigel-travis-challenge-culture

TV. I think if the board listens, takes firm action. I think there is a danger, having been on public boards for 22 years consecutively. I think you have to stay with problems. I think sometimes boards fix the problem, think it's resolved, but they don't follow up and be persistent.

The essence of the challenge culture, and anyone who knows me would say I'm very persistent. I think what Uber did, clearly the board got engaged, and followed up, and the result is that they're talking about their new culture. The fact they put it out there in the public domain for everyone to watch, sets the standard that they have to follow. Kudos to them. I think you could even apply the same thing to Volkswagen, where they had cheating on the tests of fuel consumption. You have to believe that in the right environment someone would speak up. I know at Dunkin we look very closely at the 1-800 number. We read any websites that are out there where people may comment.

I think in this day and age you've got social media growing at such a rapid rate that you have to make sure that you can listen to the employees. We have all kind of monitoring systems so we pick up the messages. That's important, not just in the organization, but externally where we're picking up messages all the time from customers who sometimes write their critic of with the company is doing. I think the example at Wells Fargo is a good one, but there's many others with it.

Roger Dooley:

I think your point about persistence is good Nigel, because culture is hard to change, especially in a large organization. You can change a few executives. You can promote some new rules and procedures, but I'm sure really takes getting after it in the long run to change that

https://www.rogerdooley.com/nigel-travis-challenge-culture
culture and make sure it doesn't revert back, or at least
that elements of the old culture don't just kind of stay a
little more deeply embedded where they're not as
noticeable.

Nigel Travis:

You don't change a culture overnight, which is really your point. I talk in the book about how I came to Dunkin, from having been at Papa John's, and I recognized that there had to be changes at Dunkin. Now, one of the huge benefits I had, and I truly believe this is a great benefit. Being a CEO second time around is a bit like riding a bicycle. Once you get it, it's a lot easier. Being a CEO the first time is a very lonely job. I worked hard at Dunkin to try and integrate it. To be honest, we had to change some people. There's a story in the book where I actually put out some G&A targets, some one person ... My management team pulled together and challenged me in front of everyone else, extremely strongly. I think you need example like that, and it's how you respond to that challenge that sets the culture. I've always tried to be humble, very open. I think that's another word that comes out through the book quite a few times.

Because you have to recognize you're gonna get challenged yourself, and it's how you act that sets up that culture. No culture is established without an amazing amount of hard work. It's not just, you turn the switch on. It's interesting, one of the challenges I have with all our franchisees. I think a lot of them think that culture is like a cassette you stick in a machine, and it works. It takes a long time to establish a culture. Not every culture is the same. I'm saying that the questioning, the push back, the challenge that's so inherent in the kind of culture we've established at Dunkin is important to have the right business solutions. And after all, we're all in business to

https://www.rogerdooley.com/nigel-travis-challenge-culture

try, and be successful, and having a challenge culture like I've suggested, results, in my view, in greater alignment. It normally also means better ownership of the strategy, and better business solutions all around.

Roger Dooley:

Can you think of an example too, Nigel, where somebody pushed back at one of your ideas that you thought was really amazing that ended up avoiding a big mistake, or some kind of disaster?

Nigel Travis:

Well, yeah. I've often come up with promotions and ideas for promotions, but it's been pushed back. I think, going back to the example I mentioned a minute or two ago. The G&A numbers I was thinking about at the time. I think Paul made me realistic. Sometimes, what happens in organizations is, leaders or visionary leaders think big, but they sometimes need someone to make it a little bit more practical. There's been many times, because I love to float ideas out there, and I expect most of them to be kicked down. Of every 10 ideas I've put out there, I have a strong expectation that only two or three will survive to the next round, so to speak. That's what I mean by being open to the push back yourself. You have to actually model, truly model, the example that you wanna demonstrate through the organization. One thing that happens a lot in international, and this has happened to my career at Burger King, Blockbuster, Papa John's and here is, very often you say, "Okay, let's go into this country." Then you realize that it doesn't make sense. International is incredibly difficult.

I remember being at a conference in Dubai a couple of years ago, and someone said, "What's your simple rule about international?" I said, "If you're not sure, don't." Because you have to, obviously, take on board the

https://www.rogerdooley.com/nigel-travis-challenge-culture
different cultures, the different rules, the different ways of
doing business. My general rule of international is,
assume nothing. I've probably got more countries I've
thought about going into that have been shot down, than
probably the ones that we've actually gone into. Because
you have to take all those points into account to be
successful.

Roger Dooley:

Right. Obviously that's part of embracing a challenge culture. People talk about these CEO multiplier effect where CEO makes an offhand comment about, you know, "The room seems a little bit dark." And before you know it, it's filtered down through few levels of VPs, and suddenly every building in the company is getting new lighting, which is exactly what you don't want to happen. If we were in the right culture somebody would either explore that, and say, "Well, is there a problem?" Or, "Why do you say that?" Instead often it's just seen as a command that gets, not only echoed, but multiplied.

Nigel Travis:

My favorite word is, why. There's a chapter early in the book where I probably picked up on this early in my career where ... When I was still at school I worked for my father in his factory. I was effectively banging nails into pieces of wood. I finished all the work, and my father came and said, "What are you doing?" I said, "Well, I've finished. I'm doing nothing." He said, "Well, at least look busy." And I said, "Why?" His answer was, "Because why is a crooked letter." He thought the boss was the boss, and he thought being my father meant that he could tell me what to do, and he also had the phrase, "Children should be seen and not heard." I think I had a slight rebellious streak to me, even early on. I think my desire to embrace push back, and get different viewpoints and

https://www.rogerdooley.com/nigel-travis-challenge-culture different opinions, probably emanates right back to that time.

Roger Dooley:

One of the great anecdotes in your book Nigel, is about your early days at Papa John's. Where you not only managed to bring in John, who's currently in the news, but also another person who's currently in the news. Donald Trump. Why don't you tell that story quickly?

Nigel Travis:

Yeah. That was interesting. So I left Blockbuster where I learned a lot, and most people were very interested in the Blockbuster history. Among the things that was obviously important at Papa John's was to get the franchisees behind me. I was the new CEO. I went to a conference within two months in Orlando. We talked, during the meeting, about the fact that Dominoes was our number one opponent, number one enemy, and we had to do something about it. So, I went away thinking about that, and I was in my room at the hotel waiting for dinner. On TV there was news that Dominoes had just announced that they were gonna sponsor The Apprentice, featuring Donald Trump, as you said. So, I came up with this idea. I talked to John, and by the way, I just want to make sure everyone knows. For most of the time I was at Papa John's, John and I got on extremely well. I talked to John. I said, "I got a great idea. Get the franchisees on site. I think we should do something to disrupt Dominoes sponsorship of The Apprentice." So, "Well, what do you mean by that?"

I said, "I haven't quite figured it out. I'm thinking it through, but I will." That evening I talked to the franchisees. I think it was about a thousand of them. I said, "Listen, we talked about public enemy number one, Dominoes. I think we need to do something to disrupt them." They all cheered. I

https://www.rogerdooley.com/nigel-travis-challenge-culture

said, "I think what we can do is find a way to get into The Apprentice through advertising." They again cheered. I went away with the advertising group, the Z group, with a good friend of mine now, Jordan Zimmerman. We worked on a commercial, and I can't actually play the commercial now, but I know it like I saw it yesterday. It has a picture of John Schnatter, who was in all the commercials at the time, turning around and saying, "Competition, you're fired." We then talk about our new meatball pizza, and in the end he talks about, "Do you want your pizzas made by apprentices?" Now, we incorporated therefor the whole Trump, "You're fired." concept.

We did a nice, relatively mild push down on the competition. We focused on our product, but the key thing is, we managed to place that add locally, right around the country. Despite the fact that Dominoes had national advertising. It's amazing. The franchisees really reacted very well. We went on a strong run of strong sales. If you go in Papa John's now, do a Google search, it still comes up. I'm amazed how long that story from 2005 has stayed around. Going back to the challenge culture. I think this is a way to get everyone behind me, and truly a culture is about winning the hearts and minds of people, and certainly we achieved it with that example.

Roger Dooley:

Yeah, it's such a great story of guerrilla marketing. We'll try and locate that video online, and put a link to it in the show notes page, so everybody else can check it out. Talk about a way of getting the franchisees that may not have initially been on your side necessarily, probably expecting more corporate BS, but really to rally the troops. It's really a brilliant idea.

https://www.rogerdooley.com/nigel-travis-challenge-culture

Nigel Travis:

A lot of people struggle with franchising, because it is managed in so many disparate views. Going right back to your first question. I always say, take Dunkin, go to Leyton Orient, substitute one F for another F. Fans and franchisees are very similar. They're both passionate. They both got a lot at stake, as far as they're concerned. When I'm at Leyton Orient, and I was actually last Saturday up north in England. A place called Halifax. I came back on the train, there were fans on the train. They talked the whole way back about what we should do, shouldn't do, things we've done well. All that kinds of stuff. They are extremely similar.

Roger Dooley:

That's great. Nigel, you mentioned Blockbuster briefly. Probably a cautionary tale that has caught once or twice in the history of the podcast. One thing I didn't realize until I read your book, was that they were getting involved on the content side of things. They were investing in content producers long before Netflix did any of that. It seems to be a really forward looking strategy, but of course they didn't survive. Was it sort of a Kodak problem, where it's really hard to disrupt what's making all your money now? What was the issue there?

Nigel Travis:

I'm firmly convinced that Blockbuster is on the right track. To be honest, we missed Netflix, and dismissed it as a regional chain. We could've bought it for 50 million. Now look it up, and look at the billions it's now worth. Big mistake, and I totally share in the accountability for that. We started to catch up. We built very quickly, and launched in the middle of 2004, which I left at the end of that year. Blockbuster on demand. After I left it continued to grow. It did very well. Then there was a change of ownership involve in... Brought in a new CEO. They decided to focus on stores rather than keep investing on

https://www.rogerdooley.com/nigel-travis-challenge-culture
building Blockbuster on demand. Turned out to be,
unfortunately, a big mistake. Blockbuster, you're right,
was very forward looking in many ways. We managed to
transition DVD extremely well. Then going right back 10
years before, here's an interesting story. This is, in fact,
just before I joined Blockbuster.

The late Wayne Heisinger. They developed a product with IBM called New Leaf, where they were copying games, music, and videos in store. That was working very well. I actually saw it myself when I first joined the company. The only reason it didn't continue is that the music industry pushed back on this copying. Think what would've happened if the copying continued. We would've had, for a long time, strong music sales. What happened, the vacuum was filled by Napster. And that, of course, devastated the music industry. I think there's several cautionary stories around Blockbuster. The point I try and make in the book, you've got to continue to look forward. You gotta continue to anticipate, and I call it the power of anticipation, which is a form of challenging you to think forward. One of the things that I try to do in subsequent jobs, the first one obviously at Papa John's, was to use that power of anticipation. I think using that power of anticipation was a major reason why we were so successful at Papa John's leading the field, leading the industry with online pizza ordering.

During my time there we took it from five to 30%. It's now about 65%. We anticipated the trend well there. But this is a constant thing that leaders need to do, is keep looking forward and being very dissatisfied with the plans, and say, "How can we meet the trends that we see in the future?" It's not easy, and the world is getting increasingly complicated, and more and more things are coming at

https://www.rogerdooley.com/nigel-travis-challenge-culture

leadership. So it's tougher and tougher to choose which trends are gonna be the important ones. But having a discussion, and involving the push back in the organization, I think enables you to have a much better chance of success.

Roger Dooley: Great. That's probably a pretty good place to wrap up

Nigel. Today we were speaking with Nigel Travis.

Chairman of Dunkin Brands and author of the new book,

The Challenge Culture: Why the most successful

organizations run on pushback. Nigel, how can people

find you and your book?

Nigel Travis: Okay, so my book comes out on the 18th of September.

They can get it, obviously, at all the favorite bookstores. I'm looking forward to doing some signings, certainly here in the New England area. They can also find it online. It's available in audio, hard back and paperback. Any of your listeners outside, it's also being published simultaneously in the UK. Shortly after that in Korea. We've got pretty good global representation. I hope everyone enjoys

reading it.

Roger Dooley: Right. Well, it is an enjoyable read, with a lot of great

stories in there Nigel. We will link to the book and to any other resources we talked about, on the show notes page at rogerdooley.com/podcast. We'll have a text version of our conversation there too. Nigel, enjoy the book. Thanks

for being on the show.

Nigel Travis: Well, Roger, thank you very much, and good luck with

your podcast.

https://www.rogerdooley.com/nigel-travis-challenge-culture
Thank you for joining me for this episode of The Brainfluence Podcast. To continue the discussion and to find your own path to brainy success, please visit us at https://www.RogerDooley.com.