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Context to the nugget conversation

Stephen speaks about how he initially focused on the business side of things while his father was the 'larger than life' thought leader. He speaks about how, over time, his insights around the high cost of low trust have emerged and how he has found his voice a thought leader over time.

Transcription

Deepak Jayaraman (DJ): Stephen I must mention, *The 7 Habits of Highly Effective People* was arguably the very first book I read in the genre of self-improvement, self-development, self-help, call it whatever. So, in a way, it is a true privilege to be to be speaking to you. I also recognize it was your father who wrote that book, and in a way, he was larger than life in the way he established himself in the profession. Over time, you found your own voice and identity. Can you talk a little bit about how you have 'joined the family business' while sort of finding your own voice under these circumstances?

Stephen M. R. Covey (SC): Yes, absolutely. Well, here is the interesting thing Deepak, is that, when I decided to join the company, this is before the *7 Habits* book had been published. And I knew it was going to be published and I knew that people would resonate with it because my father had been speaking about it, talking about it for years, but until the book was out, it was hard to scale. And so, I had different opportunities to join, I had done investment banking, I had an opportunity there on Wall Street, I had an opportunity in real estate development where I worked before, some exciting opportunities. And I chose to join, well, this is a small company that my father had founded because I felt like this had a chance to truly change the world, to impact people everywhere. And it did not look like it at the time to an outside observer but I felt like it could. I think I was right because the impact my father's work has had has been enormous and it has impacted people everywhere. So, I felt compelled to that because I believed in it and I believed in what my father was doing and I thought it would have a great impact and I could help, be a part of that. But it was difficult, especially at first to carve out my own identity, carrying my father's name and he was the thought leader and the speaker and the teacher and author. I came out of Harvard Business School and so I felt like what I could contribute initially was focus on the business side to turn my father's ideas into a business. So that is where I spent my energy, I was focusing on that. After learning the business for a while, I became the President and CEO and ran the company. And my identity became one kind of like, well, my dad was a thought leader and I was a business guy, building the business and growing it and forming partnerships around the world in the like. And I felt like, that was my strength and my role. So, my dad talked about it and I helped turn it into a business and helped us scale this business. And we did, we figured out a business model that worked because prior to this point, we always had a great idea, a great customer value proposition but we had not figured out how to make money and

we had not figured out how to be scalable. And so, we needed to learn that and that is what I felt like I helped bring to the firm. And then, we were able to...

DJ: And this is Franklin Covey, just to understand the...?

SC: This was actually before the merger. So, this was what was called Covey Leadership Center which later merged with Franklin Quest to form Franklin Covey. So, the early days of Covey Leadership Center and my role was the business guy. But then, interestingly, it was in the merger when we merged the Covey organization with the Franklin organization, Franklin was really big into time management and we had our own foray into time management with my father's first things first work. Suddenly, these two arch competitors in the marketplace, Covey Leadership Center and Franklin Quest, now we are combined, were merged. And initially, it did not work at first, not because it was bad strategy or a bad deal, no, it made complete sense.

DJ: And what is the timeline on this, when did this merger happen?

SC: This was clear back in 1997. So, Covey was established in 1983, it had been going for 14 years, I joined in 1989 when we were just a few people before the book came out, and then, I became the CEO and ran it for three years as CEO, then we did the merger. And at first, we struggled. It was because we were coming at it from different angles, different approaches, different mindsets and we had been competitive in the marketplace for years and so, there was some distrust there. And I saw firsthand, Deepak, the high cost of low trust. I saw how everything slowed down, everything cost more. And we recognized that we were not going to achieve the potential of this merger if we did not build trust with each other. So then, we made a conscious deliberate attempt to say, we have got to build trust internally with each other in this merger to achieve what we were trying to achieve. And we worked at it, we focused on it and we became intentional about it and we began to move the needle on trust. Long story short, as we went from low trust to high trust and that changed everything. Then I saw firsthand the great return to the high trust, how we could move faster, less cost, more creativity, more innovation, more commitment, more inspiration, more passion. And I came out of that whole experience saying, well, trust matters enormously and we all know that but I came to a conclusion that we were underestimating the impact of trust by a factor of 100. It is far greater than any of us imagine. Trust matters, you can move it, you can actually build it, grow it intentionally, it is not just, you either have it or you do not. Now, you can move the needle, you can build trust on purpose and it is the most significant thing you can do. And I recognized that most of the stuff on trust, most of the books in the like, they either were too academic or too simplistic, kind of like you trust everyone and it will all work out and I said, no, this is such a practical tangible idea, trust and really currency. We have got to get good at this and so I found my voice of what I wanted to do now as a thought leader. And I think I went down the business path for two reasons, initially, one, I was good at it but two, I was a little bit reluctant to try to follow in my dad's footsteps because no matter what, I was not going to measure up to seven habits of highly effective people, that is hard to replicate, and I thought, that is a little bit daunting. But certainly, what was interesting Deepak is, once I found my message that trust is the most significant thing, the one thing that changes everything and is learnable, I suddenly lost the fear of trying to be a thought leader myself and following in my dad's footsteps as a thought leader, as an author, as a speaker. And I went down that path and I wrote The Speed of Trust, followed by Smart Trust, followed by Trust & Inspire which we are going to talk about today. But again, when I found my message, I found my voice and I lost the fear. And that is the second act of my career. So, first act, businessperson helping to build a business scalable, reach people worldwide, second act, now I also have something to say, and that trust is the most significant currency of our time. That is the idea, that is my two-act career.

DJ: Lovely, I am sure many more to come. I love the way you frame it. You sort of let the voice emerge over time rather than try to sort of force your way into it rather.

SC: Yes, I did not know it, until I had something to say, I held back my fear. And it had not immersed. So, this immersed from my experience, and I earned the insights.

Reflections from Deepak Jayaraman

DJ: I remember speaking to the country head of a Private Equity firm who said that Second Generation entrepreneurs often have what he calls the Sachin Tendulkar problem. Sachin started playing at Shivaji Park and over time, he grew in stature and skills and confidence and played at Wankhede and Melbourne and Lords and so on. But, when his son, Arjun Tendulkar is playing, very often he does not have the opportunity to play street cricket and rise through the ranks. He has to start at a stadium and that can be hard for the second generation. And sometimes, there is no short-cut to expertise whether it is playing cricket or becoming a thought leader.

I like how Stephen Covey Junior cuts his teeth on the business side of things and lets his confidence and conviction emerge over time rather than just trying to pick the baton and run with it. Some of the identities have to emerge over time and cannot be transitioned from one generation to another. Being aware of it is possibly half the battle won.

End of nugget transcription

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About Deepak Jayaraman

Deepak seeks to unlock the human potential of senior executive's / leadership teams by working with them as an Executive Coach / Sounding Board / Transition Advisor. You can know more about his work [here](#).

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