

Foreword

by Indra Nooyi

When I became CEO of PepsiCo five years ago, we needed to articulate how our company would manage itself over the long term. We encapsulated our thoughts in a simple phrase: “Performance with Purpose.” While excellent operating performance had always been the lifeblood of PepsiCo, in order to make our work sustainable it was vital to add a real sense of purpose to our performance. We articulated three planks—human sustainability, environmental sustainability, and talent sustainability—that together laid out the roadmap for PepsiCo’s future.

Following closely on that, we determined that, to the consumer, the idea of value is about a lot more than price. It is about a sustainable relationship, the knowledge that a transaction can be trusted, a brand can be trusted, a company can be trusted. A company has to define its mission and serve that mission over the long haul with multiple stakeholders. Doing so responsibly creates trust. But the significant loss of trust in

today's volatile environment requires all companies—big and small—to think again about what we do to build and rebuild trust, and to think again about how to create, give, and add value. And most of all, it requires all companies to ensure that we embrace not just the commercial idea of value, but the ethical ideal of values, too. Again, in a word, *trust*.

These are our new realities. Stephen M. R. Covey and Greg Link have written a wonderful book, *Smart Trust*, that confronts these new realities head on—with practical solutions—and they do so in a way that is timely, relevant, and actionable.

This book is *timely*. Having emerged from the global financial crisis, organizations everywhere have now found themselves thrown into a far more corrosive and durable crisis—a crisis of trust. This corrosion is distressing for countries whose prosperity depends on the dynamic and creative spirit fostered in capitalism. And it is especially challenging for companies that rely on a daily exchange of trust with customers, consumers, investors, and other important stakeholders.

Second, this book is *relevant*. I believe all global businesses today find properly balancing the long term and short term to be a constant struggle. I think the right answer is the ideal balance of performance and purpose working well together. The company of the future will *do* better by *being* better. Companies operate under license from society and therefore have to give something back. When we do so, we earn trust. When we have that trust with our stakeholders all kinds of possibilities emerge that simply didn't exist previously.

We also have to take great care with the emotional bond that employees feel for our companies, because unless we have that emotional bond, companies cannot reach their real potential. At the heart of that emotional bond is trust.

Finally, this book is *actionable*. Leaders today need to lead with their hearts as well as their heads—the right side of the brain in concert with the left. That's one of the things *Smart Trust* does so well—it gives us practical actions we can take as leaders and organizations to consistently increase trust, balancing both risk and possibilities, character and competence. For example, one of the five actions of *Smart Trust* is to “declare your intent . . . and to assume positive intent in others.” “Assuming posi-

tive intent in others” is perhaps the greatest lesson I’ve ever learned, and I learned it from my father. That simple step of assuming positive intent is an act of trust, and it significantly changes the dynamics of almost any relationship.

The way organizations have been doing business has many virtues but also too many vices. As a result, trust has been lost. We are at a crossroads. When it seems that our solid foundations have shifted, we must take a moment for reflection and a moment for re-creation. As *Smart Trust* illustrates, there are, today, numerous leaders and organizations that understand and live by this trust ethic. We at PepsiCo are striving to be one such organization. Like all companies with positive intent, the task we face is to make our convictions so clear and compelling that we *choose* to behave ethically.

We can indeed convert this crisis of trust into a great opportunity, what Stephen and Greg call a “renaissance of trust.” When we do this well, we can minimize risk while maximizing possibilities. To do that, each one of us needs to start with our own behavior. And that’s what *Smart Trust* is all about.