



# Howard Behar

Author and former President, Starbucks

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<https://predictablesuccess.com/howard-behar/>

**Note:** *This transcript has been lightly edited for clarity and understanding. There may still be grammatical and spelling errors,*

**Les McKeown:** Hello, and welcome to another in the Predictable Success series of audio podcasts in which we're speaking with outstanding leaders who personally attend Predictable Success in their chosen field. I'm Les McKeown, president and CEO of Predictable Success and today I'm delighted to be talking with Howard Behar. Howard is the former president of Starbucks and the author of a great book. 'It's not About the Coffee: Leadership Principles from a Life at Starbucks'. Howard's book and the principles he's developed over a long and highly successful career are hugely complimentary to Predictable Success, so I'm delighted to have him join us today. Welcome Howard.

**Howard Behar:** Thank you Les.

Les McKeown: It's great to have you here, Howard. Most of us know you from the great work that you did at Starbucks over a long period of time, but tell us a little bit about your background, how you got to Starbucks and what you learned about leadership and success on the way there.

Howard Behar: Well, I started in family businesses and I came from a very entrepreneurial family. All small businesses - my father had a small mom and pop grocery store and brothers and brother-in-law all had small furniture stores. And so I kind of grew up, in very entrepreneurial type organizations. And I started working really when I was about 13 years old, learning firsthand what it took to make a small business work and how to lead a small business. And, over the years I had great opportunities to learn from lots of people. And when I hit my early twenties, I decided to leave the family business and kind of venture out on my own and see what I could do. And along the way, there were individuals that came into my life that, taught me a lot of things, sometimes things that I, that I didn't ever want to do, and sometimes things that I wanted to copy.

Howard Behar: And, one time in my life, I was working for a company called Grantree Furniture Rental, and I reported to a guy named Jim Jensen and probably of all the people, he was the one that most changed my life because he was the one that was constantly challenging me, and



setting examples of what leadership looked like. And so he moved me in from being kind of a unconscious-competent, in terms of leadership to being a conscious-competent, and making me want to strive to be better.

Les McKeown: Did you find the distinction between family business and non-family business to be distinct, or were there similarities in both?

Howard Behar: Well, the similarities were what it took to be financially successful. Those things don't change. Of course the differences are in family businesses, that it is family, and you're not only working together, but then you're going to home at night and eating at the same dinner table together. And, the conversation never ends without business.

Les McKeown: Yeah. And it puts a little bit of a discrete barrier about how you can deal with conflict as well. Cause now, as you say, you've got to go home and talk to those people when you're done. Exactly. Tell me a bit more about Jim. What did you learn? What most stands out that you learned from him?

Howard Behar: Well, Jim was an interesting guy and is an interesting guy. He was constantly searching himself, trying to learn and trying to be better at what he was doing at being a leader. And I had spent a lot of years in the home furnishings industry, and I thought that it was, that it was furniture that I loved. And one day Jim came up to me and he asked a question that I'd never been asked before. And he said, well, Howard, what do you love more - people or furniture? It kind of stunned me at the time. It sounds like a simple question, but it wasn't for me because I wanted to be the best there was in the furniture business. And it was a driving force. And here's Jim asking me, what do I love more, people or furniture?

Howard Behar: And I said, well, let me think about it. And I came back, three, four or five days later, whatever it was, and we were having lunch and we were talking about it. I said, well, there's no question. It's people that I love more. Right. And because of that question, it sent me out on a different journey in life. Did I still want to be good at furniture? Yeah, I did. But what became more important to me was to be great at people, starting with myself and then learning about others, how to serve others, how to lead others, how to be part of teams and how to make the people equation work inside of organizations.

Les McKeown: Was that difficult for you, Howard? Prior to that insight, were you until then a gregarious person, did you like people, or did you have to struggle with it?

Howard Behar: No, I liked people. I was outgoing, gregarious, and, and, I was unconscious about it, I was just kind of floating along being Howard. And what happened with that question was, it made me more interested in learning about what makes us tick, what makes great leaders. And so I became a voracious student of leadership and of people. And of course, you gotta start with yourself. That word leadership, we kind of get it confused. Sometimes when we say that word



'leadership', we always think, well, it's leading others, right? We're now in charge of other people. But the truth of the matter is, leadership, primarily, is about leading yourself. And if you have to do that well first before you really can lead others.

Les McKeown: So you arrive at Starbucks and, it's a smallish business - just 20, 30 stores, right? And by the time you're made President, you you've got this thing to 400 stores - just astronomical growth. I mean, incredible growth. Was there a design behind what got that growth, or were you just holding on tight to this thing, this rocket ship that took off?

Howard Behar: Well, we had a design, but usually the design never held true. It's like building a house, you've got endless change orders. And, we had an endless series of change orders because we didn't know what we didn't know. I mean, I knew a lot by the time I got there, I was in my mid forties. So with another guy named Oren Smith - we were about the same age. And, we knew where the rocks were in the river. And we knew there were rocks there. Many of the people in the organization didn't understand that there were rocks in the river. They thought that, you just get in a boat, get in the river and you start paddling and the current takes you with it. But that's not the way it is. There are many times when the current just stops and you've got to figure out what's going on. And so being a little bit older, having made plenty of errors along the way, and learning about how to make organizations work really helped in those early days of Starbucks.

Les McKeown: So when you look back now in retrospect, can you pick out two or three things that were the real drivers of your success, your early success?

Howard Behar: Well in any business, you compete on multiple levels. It's not just about your product. Your product has to be good, but the primary thing in Starbucks was all about the people. I mean, we needed great people and we seemed to always be behind the eight ball in bringing people into the organization, because we were growing so fast that we were outgrowing a lot of the skillsets of our people, including leadership, including me, I had to grow fast, too. I had to learn every day. And, the people that couldn't learn everyday kind of fell by the wayside and, the ones that could, stayed with it. And then we always were bringing people in from the outside simply because we were growing so quickly. So, that's the number one thing, people.

Howard Behar: And then, the other things are, you compete on capital. We had to raise lots of money to open as many stores as we were opening. And we had to figure out how to make it work. We had to figure out organization structures and, we had lots of help along the way. sometimes consultants, sometimes just talking to other business people that had been down the path before, helped us a lot. But primarily it was about people. I mean, that was the number one thing - is the number one thing will always be the number one thing.



Les McKeown: One of the things that we talk about a lot in Predictable Success is the development of big dogs in the company when it's going through its early stage growth. you get people who are really loyal and spend a lot of time with the company, really devote themselves to it. But then at some point, sometimes the needs of the company outgrows their management skills or their leadership skills. And as you said, a moment ago, sometimes you've got to let people go. That can be incredibly painful. when you realize that somebody who helped get you here, isn't going to help get you there. Did you face any of that as you were growing with your folks?

Howard Behar: Oh, sure. I mean, that was constant. And what you tried to do was get them into a place that fits them without destroying, who they were, and how they felt about themselves. Now, many times, people could do that and they understood, and actually they were relieved because they were under such tremendous stress that they knew that they weren't making it. And not only didn't have the skill sets, didn't have a desire to gain the skillsets. I never really met anybody in my life that didn't want to succeed, didn't want to do a good job. But many people just didn't have the energy to reinvent themselves. And along the way, there were many people that needed to leave the organization.

Howard Behar: And you always do that with respect for the individual in mind. I mean, 'no surprises' was what I like to say. If you're staying on top of it and you're always having conversations with your people, you don't wait for review time. The review time is every day, both for your people and for yourself, they're reviewing you every day. And so, if people know where they are all the time, usually there are no surprises for them. I mean, once in awhile, somebody's not listening, not dealing with reality, but that was so few and far between it wasn't an issue. Most people, I like to say drew the four of clubs themselves, they realized they weren't making it and either wanted to do something where they could be successful or they wanted to leave the organization.

Les McKeown: I love the point you made there that as so often, I think particularly for founder-owners, but really for anybody, their hearts and their minds, when they think they've got to go talk to someone about that degree of a reorientation, just to say to somebody "I'm just so appreciative of all that you've done, but I don't think this is the best place for you right now", but the point you made is that so often the individual knows it, and it's a great sense of relief to be able to move them sideways, it helps them out and it helps the business get back on the growth track as well.

Les McKeown: And very often a fast growing company that goes through the sort of early growth that you helped engineer at Starbucks hits a point where all of the systems and processes that are needed to manage complexity, begin to overwhelm the sense of entrepreneurial spirit and Predictable Success. We call it Whitewater - where the business has been Fun and you're building the myths and legends and you're just so flexible. You turn on a dime, and then someday you realize we're really beginning to get a little arthritic here, and



creaky, and we're beginning to lose our innovative edge. Did you experience a phase like that at Starbucks, and what was that like for you?

Howard Behar: Yeah, it wasn't just one time. It was multiple times. We grew from being a little, small 28-store business to, today there's 15,000 stores. Trust me, you hit Whitewater, you hit Whitewater all the time. The difference is the longer you're there, the more, that Whitewater is coming. You may not know exactly where it is, but you're prepared for the fact that you're going to hit Whitewater. And so you could kind of look out over the horizon a little bit and you'd say, Oh, something's coming. And that doesn't mean you don't hit the water. You do. It's just incredibly difficult not to, I mean, you just going to, but you feel comfortable in it. What I mean is, once you hit Whitewater a few times, you feel comfortable with the fact that you're going to get through it.

Howard Behar: And we did all the time. I mean, when we started there were 28 stores. When we hit about a hundred stores, we hit Whitewater because all of a sudden our people were saying, God, we're getting too big. We can't communicate with each other. So we had to develop a better communication tools. How were we going to communicate? We hit about 200 stores, all of a sudden, we'd had a little mission statement, but people were starting to become disconnected with it and didn't understand it anymore. So we had to get together and talk about it and what we were going to do. And then of course, processes and systems, particularly technology, computer systems that could keep track of our sales and our inventory and all of those things.

Howard Behar: We never caught that. I don't think even today they've caught it exactly. We're much better at it today than we were, but, it's everything, it's not one thing. It's people systems, when you're hiring as many people as we are hiring. We went from when I started there were a couple of hundred people in total, to very quickly we were at 10,000. Well, think about payroll systems - everyone was getting stressed all the time because we're growing so quickly. Now it's fun, I don't complain about it. It was a kick and, because it was always interesting, you're always solving, solving problems and that's fun.

Les McKeown: You mentioned that at one of the stages the mission statement maybe got a little bit out of touch with who you were, and people stopped feeling, I guess, strongly aligned around it. So you had to rework that. Did you go that far back to the basics more than once - rethink who you are as an organization?

Howard Behar: Yeah. We were always asking ourselves the question, what business are we in? And you would say, well, our name is Starbucks coffee. You were in the coffee business. But it was my belief that we weren't in the coffee business. Coffee was our art. It was our music, it was our literature. It was where we expressed our creativity. And certainly we serve cups of coffee, but we recognized very quickly that we were in the people business instead of being in the coffee business. Serving people, we understood we were in the people business serving coffee.



And that was a huge change in the organization. That became part of our mission statement that we recognized that it was all about people, not only people that worked in the organization and the skills that they needed to have, and, not only skills, but how they needed to be supported and cared for, but the people that we're serving as human beings that came into our stores every day. And, it wasn't just about a cup of coffee for them either. It was about a place where they were doing something for themselves. And so, we were constantly working on that and, and that went to the mission statements. They weren't huge differences, but they were kind of directional differences about how we spent our resources and our time and how we thought about ourselves.

Howard Behar: And so it was really important for us to always be thinking about that. And then pushing that down - that sense of being about the people - pushing that right down to the baristas, the store managers, and 5,000, 10,000 stores.

Les McKeown: That must have begun to feel like an awesome Hill to climb. When the organization is small, you can almost see everybody touch everybody. That's one thing. But did you ever feel, gosh, we're in danger of losing this here?

Howard Behar: Oh yeah. There were many times, I mean, many times. I don't think in the 15 plus years that I was in an operating position, I don't think I ever had at night that I slept. It was constant, constant anxiety, and wanting to make sure you're doing the right things right. And staying with it. I don't ever think we were very good at celebrating. We celebrated sometimes, but, probably if we had a great weakness, it was that lack of celebration. But that was probably the thing that saved us. That book by the guy that ran Intel (Andy Grove) 'Only the Paranoid Survive'?. Well, we fit that book perfectly, perfectly. We were always paranoid about where we were and what we were doing. But it was exciting. Let me tell ya,

Les McKeown: Andy Grove's book's a great book. All the time that you were there, Howard, what was your biggest personal challenge? What, what faced you, stared you down, most concerned you?

Howard Behar: how to communicate effectively with people across multiple States, multiple countries. How was I able to get the message across to the people of what we were about and what we stood for, and do it in a consistent matter that everybody could understand, and everybody could be part of. Everybody needed to be attached to the cost. And that was my primary job. My job was to make sure that everybody understood why we're there, what role they played in this journey we were on and how they could make the organization a success. And I had to really work at that. I probably gave the same speech a thousand times. You may be using different words and different examples, but it was always basically the same speech. That was my people's speech. It's about us serving other human beings. And so that was the biggest thing for me. It wasn't how to get stores clean, although that was an issue. It wasn't how



to get the numbers to the bottom line. All of that was an issue. It was really how do you keep an organization together? How do you keep people together on the same journey and how do you keep the passion, hope and dreams alive, of an organization

Les McKeown: One of the things you said that really resonated with me hard, when I'm talking to leaders, I tell them that when it comes to communication, you can't undervalue repetition. Just writing the same thing over and over and over. And I say to folks, at the point whenever you feel physically nauseous about the idea of saying this thing again, when you just feel sick of the words, then it's probably beginning to get across to folks. Did you just literally do this - physically get on planes, go and and talk to people? Is that the way it worked, or did you use technology? How did you practically get your message out over and over and over again?

Howard Behar: We used everything we could get our hands on, from voicemail systems to emails to physically getting on airplanes and go in and do it. But there is no substitute - I don't care what you do - for face to face. That's number one, boy. I was gone all the time. I traveled 70% of the time and what I did was go listen and talk with people. That's all that was my job. I listened to what they said. I'd take their ideas, try to, if it made sense it, bring it back and integrate it into the organization. And then I'd repeat what they said to me back to them. But you are absolutely right. When you think you'd get bored saying what you need to say, just figure out a way around that and keep doing it again, because you're a hundred percent right. Leadership leaders get bored much faster with their message than the people do and, and you need to stay with it. And the people forget, we all forget. Right. I always tell people, Hey, I don't have anything new to tell you, but I'm going to tell you again what I believe in.

Les McKeown: Your book, which is a great book - for the folks listening that are listening, it's called "It's not About the Coffee: Leadership Principles from a Life at Starbucks" - you can get it on Amazon and any good bookstore, just a great, great book. I recommend it to any manager in any organization. One of the things that you talk about that really spoke to me is the whole issue of accountability. And you talk about it in a way that I paraphrased as being 'faithful to the truth'. Talk a bit more about that, Howard - why did that become a strong enough issue for you to make it one of the 10 principles in your book? And when you think about people being accountable, what does that mean to you?

Howard Behar: Well, the title of (that section) is "Only the truth sounds like the truth" and all too often we struggle with the truth. Because the truth is not always easy to come by, you have to dig down and you have to dig in to the earth and search it out. And when you find it, you have to be willing to deal with it. Then you have to be able to willing to communicate authentically and transparently to your people about what you see, and you have to listen to them and it becomes a, the truth becomes a two way street, so to speak. And all too often, people don't want to do that. they want to avoid pain. We all want to avoid pain. I'm the same as anybody else. I remember when that little quote came to me, I was dealing with a company that I was leading and we were going to have to go through layoffs.

Howard Behar: And, this was before the advent of computers. We had word processors and my administrative assistant had typed up the layoff list. And unfortunately the head of human resources had left it on top of the copy machine. That night somebody got onsite and got ahold of it. And of course the drums beat. I had just become president of this company about three months before then. And I said, Oh God, how am I going to deal with this? I was scared to death. I called my leadership team together early the next morning and said, 'What do we do?' And, we had the usual suspect answers - well, I'll just tell 'em we're really not going to do that, that we're just thinking about it.

Howard Behar: I was uncomfortable with that and that my administrative assistant, a woman named Laurie Christmas said to me, she just looked at me, she kind of poked at me in my shoulder, and she said, "Howard, only the truth sounds like the truth." And I said, Lori, you're right. And, we called a company meeting. I laid it all out. I said, here's what we know. Here's what we don't know. And here's where we're going. And it was amazing what happened. People just stood up and all came together and said, how do we help? How can we help you in this process? Even though we might be laid off, we need to know how we can help because we want to do that. And I would have never believed in a million years that that would have happened.

Howard Behar: And it was a fabulous lesson for me. You get these lessons along the way in life. It was a key lesson. And I just said, okay, that's the way I am going to live my life 100%. It wasn't that I didn't tell truths, but these kinds of things, sometimes you wonder, what do you share? But boy, that was a valuable lesson. From then on I just said, okay, that's it. I'm going to trust, even if it costs me, even if someday people stand up and say, we hate you, or we don't trust you, or we don't like you and you shouldn't be here. Fine. I can deal with that.

Les McKeown: Which of the other key principles in the book do you think is the most underrated?

Howard Behar: That's an interesting question. I think the one that people struggle with the most is, I call it "listening to the walls talk". And what that's about is listening without your ears. It's not the listening that we do when people are talking with us. It's the listening that we do with the antenna that are up, that are in our head, the ones that we can't see. And it's an awareness that we develop over time, as we live our lives, of what's going on. Sometimes it's just being uncomfortable. It's a knot in the stomach. I used to go in, when I was running furniture stores, I used to go into the furniture stores. I used to crawl in, on my hands and knees, right. Trying to get a feel for what was going on a store and get a different view.

Howard Behar: Sometimes I would close the store and I would go sit in the middle of the store in a chair and I'd close my eyes and I would just listen. Nobody was in the store. I know this sounds strange, and a lot of people say, you're crazy Howard, but I challenge you sometimes when you're going to a friend's house and they say, can I get you a drink Say, yeah, I'll have a





drink. Just go sit in their living room and close your eyes while they're not there. And you can kind of feel what's going on in the house. And I used to get so good at it, walking into stores, I could feel what was going on in the store, if there was underlying tension or something, and it's strange, but it's what I call listening to the walls talk.

Les McKeown: So like developing a presence and just being in the now. And of course the sounds almost too obvious to mention, but you can't do that if you think you can be a leader or a manager by just sitting in your office,

Howard Behar: That's right. You have to be out there.

Les McKeown: Howard, just in closing tell us a little bit about what life is like for you now. What are the challenges and goals that you have, if I can call it 'post-Starbucks'.

Howard Behar: I have a fantastic life. I get to do all the wonderful things I want to do. I spent a lot of time lecturing and speaking around the world about what I believe in - that leadership is about first leading yourself and maybe then leading others and that we need to lead in a humanistic way. So I get to do that. I've been doing some teaching at universities. I had a great opportunity last year to be the leadership chair at the university of Washington school of business. So I enjoyed that. I do a lot of coaching and mentoring particularly with Starbucks people along the way. So I get lots of gifts. I'm still serving on a number of boards, both nonprofit and for profit boards. And the number one job that I love is being a grandpa - I have five wonderful little grandchildren.

Les McKeown: That's wonderful. That's excellent. You're feeling fulfilled on every front.

Howard Behar: I do feel fulfilled. It wasn't easy making the transition from getting that feedback every day to, you don't get the same feedback when, when you're not out in the day to day activity of running a business, but, but you learn to be comfortable with it. And, and believe that that the work that you do has meaning,

Les McKeown: Well, thank you for being so generous with your time with us Howard, we really appreciate it. And for everybody's listening, I know that you've got quite a few nuggets from our discussion and I recommend you hop on amazon.com and get a copy of "It's not About the Coffee". It's a great, great book and Howard, thank you so much and very best wishes for the future.

Howard Behar: Thanks for having me.