



Chris: Thank you, everyone. Thank you for joining us, for introducing yourselves. It's an opportunity for us to connect all around the world. We have been so fortunate in having members and callers from Australia, Sweden, Denmark - all different parts of the world.



My name is Chris Attwood. I am the Features Editor of Healthy, Wealthy nWise magazine, which brings you "The Passions of Real Life Legends" twice a month - the opportunity to connect with incredibly successful individuals who have discovered their own passions and lived a life aligned with their own personal destiny. We talk to them about how that came to be, how they discovered their passions, and what are the lessons that we can learn to apply that knowledge in our own lives as well.

It is my pleasure, as always, to particularly welcome the members of our Real Life Legends Club. Those of you who are members know that within the next day or so you'll be able to download the recording of this interview, and within two weeks, we'll have the transcript for you.

If you are not yet a Real Life Legends Club member, we have a very special opportunity for you to apply the knowledge that you gain in these calls in your own personal life by taking The Passion Test Assessment. With that, you will not only receive a copy of my partner, Janet Attwood's, book, *The Passion Test: Discovering Your Personal Secrets to Living a Life on Fire*, but you will also receive a one-month membership in the Real Life Legends Club.

So, if you were to do that after this call, you will be able to download the recording of this call and the transcript, as well as receive the recording and transcript of the call we have with Stephen Simon, co-founder of the Spiritual Cinema Circle, on April 5th.

You can do that by going to www.HealthyWealthynWise.com, and clicking on Step #3. You can see what you need to do to take The Passion Test Assessment, get a copy of the book, and have a one-month, complimentary membership in the Real Life Legends Club.

Tonight, we are extremely fortunate to have a man who is



extremely well-respected in the business community. Two weeks ago, we had the great pleasure to introduce and interview his father. Tonight, we are interviewing Stephen M.R. Covey, the former CEO of Covey Leadership Center, which, under his tenure, became the largest executive development firm in the world.

As CEO of the Covey Leadership Center, Stephen grew revenues over 100 percent, from \$55 million to \$112 million, and he increased the profits of that company by 12 times during that time. The company, when he took over, was valued at \$2.4 million, and within three years, he had grown shareholder value to \$160 million in a merger that he orchestrated with then Franklin Quest to form Franklin Covey.



Stephen M.R. Covey was personally responsible for the strategy that propelled his father's book, Dr. Stephen R. Covey's *The 7 Habits of Highly Effective People*, to the number one, best-selling business book of the 20th century, according to *CEO Magazine*. He has now recently co-founded his own boutique consultancy, CoveyLink, and is recognized as a leading authority in creating high-trust, high-performance organizations.

He's in the process right now of writing a new book entitled *Business at the Speed of Trust*, which will be published in 2006. Stephen, it is such an honor and a pleasure to have you with us tonight.

Stephen: Well, thank you very much, Chris. I'm absolutely delighted to be here with everyone this evening.

Chris: We would like to begin with the theme that we have for "The Passions of Real Life Legends" calls, and ask you how it was that you personally discovered your passions, the things that are most important to you in your life? How did that happen?

Stephen: I really discovered these twice, and the second time knew it even better than the first time. The first time I had spent a few years doing a variety of different professional work assignments. I'd been a real estate developer with a great real estate development company. I'd done a little bit of investment banking.

I enjoyed these activities, and I enjoyed the excitement and the deal making and the like from them, but I still sensed that there was much more that I could be doing, that would fit my personality even better. I remember my father, when he was trying to convince me to join with him after he had launched Covey Leadership Center.

I had just finished my MBA and I was considering returning back into real estate development. My father posed to me a great little statement that kind of struck me and got me thinking. He said, "Stephen, that's great if you want to do real estate - nothing wrong with that. It's exciting, it's fun, and you're good at it. But, do you want to spend your life building buildings or building souls?"

It struck me that – "nothing wrong with building buildings, it's exciting work." But, the chance to impact people and to really help



people create and develop their own potential and to manifest this in their lives was very appealing. So, I said, “You know what? I want to focus on building souls and building people, and organizations in which they reside.”

I made that move then and really ran with that for many, many years, and helped build Covey Leadership Center into, as you mentioned, the largest leadership development company in the world. After the merger with Franklin Quest to form Franklin Covey, I stayed for quite a while and stayed on with the new company, but then over time, decided I wanted to do some new things.

So, I launched out on a number of different entrepreneurial ventures. Again, all of them were very exciting, interesting, and very stimulating intellectually. But, I recognized after having experienced the work that I’d been doing with Covey Leadership Center for so many years that something was missing.

This time I knew it because I’d experienced it before. What was missing for me was that I needed to have all of my needs met. The need that was missing was I wanted the work that I was doing to matter, to make a difference - not just to make money and not just to have fun, and not just to develop my talents.

All of those things were very important to me, but I also wanted to make a difference in people’s lives. So, it’s learning through living that I’ve come around to understand and really follow and run with what I consider to be my passions.

Chris: That’s wonderful. What’s interesting in listening to you is that it sounds like you spent some time doing work that you really did love at the Covey Leadership Center. But, then, you had to go off and spend some time doing some other things that perhaps were not quite as fulfilling in order to come back and have the clarity to know what were truly your passions. Is that true?

Stephen: It’s absolutely true. I spent some time, even before Covey, but then I had this long period of time at Covey, and it was terrific. I was excited to try some new things, but you’re exactly right. As I did those things, I found that yes I definitely lacked some variety and some exciting new industries for me. But, I had to return to something that I felt a spiritual dimension to, meaning some



meaning, some purpose, some passion, my passion. I found that for me that was vital. Having experienced the difference, I had to return to what I knew, so I'm back in the whole world of ideas and ways to help people.

Chris: Would you share with us, then, how you got from there to this whole idea of the speed of trust such that that's really become a central theme of your work today hasn't it?

Stephen: It absolutely has. How this has happened is really, over the last 17 years, I've been involved heavily in this whole idea of releasing human potential, releasing talent, and it's in the process of being engaged in this that I was a practitioner in it. I was not just someone talking about it, but I actually was helping to build something and do something.

It became very clear to me that trust was, I found for me and for others, truly at the highest form of human motivation. It provided a motivation that was different in kind than anything else. I began to recognize that as I looked back at some of the early struggles that we had at Covey Leadership Center in the early days, our issue was not whether or not we had a good idea in the marketplace; we did.

We also had a lot of client appeal and attraction to what we were doing, but we were losing a lot of value in that we did not really build an organization that had trust in all its relationships. We had trust with our key players, but we had not built an organization with the level of trust that we needed yet.

I came across this great quote by Francis Fukuyama that really impacted me. It created a passion for this topic. The quote was this: "Widespread distrust in a society... imposes a kind of tax on all forms of economic activity, a tax that high-trust societies do not have to pay."

I began to think, "Well, not only is it in a society, but widespread distrust in an organization imposes a tax on everything." Widespread distrust in a relationship imposes a tax on every activity that high-trust organizations, high-trust relationships don't have to pay.



While ours was not extremely low, because we had great people and we were doing good things, nonetheless, we felt like there was a gap there and that we were paying a tax, and that any tax was too much and that we were paying a tax.

So, I began to focus on the notion that if we can eliminate this low-trust tax and instead give the opposite of a tax, which is really a dividend. That was the whole notion of trust affecting everything else - everything around us in our organizations and our relationships. And, it began to be something that I put more energy into, and saw that it was something that was widely misunderstood in business, widely misunderstood in life, and it could have a profound impact.

So, it appraised as passion for ideas and for making a difference into what I felt was a big idea that made a profound difference, and yet hardly anyone knew how to deal with it because it was seen as so soft and so fragile that I wanted to make it real and tangible. That's the whole idea of this Business at the Speed of Trust.

Chris: Could you just give us a couple examples of what you mean by a tax that occurs in low-trust environments?

Stephen: Sure. Let's just take this recent tragedy that happened to the United States a few years ago with this 9/11 activity, where this terrible terrorist act took place. After 9/11, on September 11th, trust in our entire air transportation system, the airline system in the United States, went down quite a bit because people began to be worried about the safety of traveling.

It was both, "Are there people out to get us?" (you know, terrorists have an agenda), but also, "Is our system set up to catch them? Is it trustworthy? Is it capable of catching this?" So, trust went down.

Trust always affects two measures every time. Whether it be low trust or high trust, it affects two measures. They are speed and cost. When trust goes down, and in this case, there's a tax and that tax is affected in slower speed, things take longer, and higher cost - things cost more.

Chris: So, that's like the long lines in the airports that we have to wait in.



Stephen: Exactly. Immediately, suddenly, we had to arrive at the airport an extra hour than we did just the week prior. Things took a lot longer. Why? Because trust was lower, and now you had to go through more procedures and they took longer to go through. They were more careful as you went through and the net effect was it took more time.

But, it also cost us more. We had to literally pay, and we still are paying a 9/11 tax, but then also we're paying... More of our taxes are going for all the security that's in place, and so you see immediately less speed, more cost. I call that a tax.

That's at a societal level in our entire society, but the equivalent of that is played out in an organization whenever trust goes down. There are a lot of things that now are going to take longer to do and to accomplish, less speed, and there's going to be more cost that gets embedded into our structures, embedded into our company.

Higher cost - that's a tax. Speed and cost. So, you see it throughout, and it's opposite is true where trust gets higher. You see, instead of a tax, a dividend, meaning you see higher speed and less cost.

Chris: You talk a lot about the speed of trust. Can you explain, a little bit more in detail, what you mean by that?

Stephen: Well, here's an illustration. Recently, Warren Buffett, who's the CEO of Berkshire Hathaway and is well known. He always writes a management letter every year with his annual report, and his management letters are studied widely in business schools and elsewhere in the country and around the world.

A year ago in his management letter, he talked about the big acquisition that his company, Berkshire Hathaway, did of a \$23 billion company that they bought from Wal-Mart. This company was McLane Distribution Company, \$23 billion in revenue. Now, Berkshire Hathaway is public, Wal-Mart is public, so these are two public companies.

They have all the requirements of the public marketplace; all the scrutiny, et cetera. But, to make this deal happen, it took place in a total of a two-hour meeting, and then 29 days later, Wal-Mart had



their money from Berkshire Hathaway for a \$23 billion transaction. It did no due diligence, and Warren Buffett said, "I trusted Wal-Mart, I trusted the people I worked with. I knew everything would be in exactly the order that they said it would be, and it was." He said, "We did no due diligence," and in 29 days they did this deal.

In most mergers of this size, we're talking several months, if not six, eight, ten, twelve months to close a deal like this, with armies and teams of accountants, CPAs, attorneys, et cetera, that come in and do all kinds of due diligence to verify, to validate. It takes a lot of cost and it takes a lot of time.

But, the idea of the speed of trust is literally, it's both speed in terms of actual time that you can do things in, but it's also speed as a metaphor, to mean benefits, results, dividends that are abundant, the fruits of high trust and the speed of which you're able to move, and the benefits that are produced.

In this case, a deal was done in 29 days, start to finish, out of a two-hour meeting because there was high trust in the relationship between the CEOs of these companies, and the fact that they would not do anything wrong to the other. In the long run, that would not be sustained by such high-profile individuals and companies. What an amazing ability to move, and speed.

Chris: Absolutely. I wonder, going from that very vivid example, can you help us see how that works on a personal level as well? Obviously, that was a major business transaction, but isn't it the case that the speed of trust even applies for people who aren't doing billion-dollar deals?

Stephen: Absolutely. The billion-dollar deal kind of validates that you know what, this is not just a nice idea for relationships. This works in business and produces tangible, bottom-line results because speed and cost are real. They'll get measured out on income statements.

But, you're absolutely right, Chris. This same idea that trust always affects speed and cost in a relationship also applies. Take, for example, when you have high trust with an individual. When you communicate with that person, you have very high trust, but maybe in communicating with them, you say the wrong thing, or you don't quite communicate exactly what you meant.



Because of the high trust, they kind of get your meaning anyway. They give you the benefit of the doubt; they trust you. So, you might say the wrong thing, but they still get your meaning. The opposite is true when it's low trust. In a low-trust relationship, you could be very measured, very precise in your communication, and yet they'll still misinterpret you.

So, it's very tangible, very real; it gets played out in individual relationships. It gets played out in teams that we work on, either we're a team leader of, or that we're a part of. When trust is high, you get the benefit of the doubt, things move fast, people believe, you move forward, the speed is there, the cost is lower.

But, when trust is low, when people are questioning, wondering, doubting, they're suspicious about your agenda, about your motive, or you're suspicious about someone else's agenda or motive, it puts all kinds of extra layers and levels of communication and discussion that take place, all of which cost both time and money. So, it's as tangible and real as anything that you see in life.

In fact, the big test of this is in meetings. When you go to meetings at work, when trust is low, just watch how those meetings take place. There's usually pre-meetings and then post-meetings after the meetings to discuss about what really happened and what was meant by this, and who was doing... what's happening over here in this other group, and what's the agenda behind the scenes?

The amount of time and energy that's wasted and spent in these other agendas is extraordinary, and it's characteristic of low trust, whereas high trust is the opposite. Things are open, they're on the table, there's no hidden agenda. It's transparent, and you're able to move with extraordinary speed. So, it applies the big boys and gals, and it also applies to basic, day-to-day relationships.

Chris: Thank you, Stephen. This interview actually is an example of the principle that you're talking about because even though you and I have not met in the past, my partner, Janet, and I have both worked with and have known your partner, Greg Link, for quite some time.

This interview and the interview with your father was really a result



of the high-trust relationship that Greg and we have developed over the past few years. I know that that never could have happened as quickly, and perhaps even happened at all, except by virtue of that high-trust relationship. Isn't that true?

Stephen: It's absolutely true, and a great example of results happening, but also of them happening fast because of the relationships that have been established where you both trusted each other. You and your partner trusted Greg, Greg trusted you. As a result, we're able to make things happen fast.

Chris: And both you and your father trust Greg, right?

Stephen: We trust Greg and because of that, when Greg says, "This is a worthwhile organization. They're doing great things. We ought to be a part of this because you can make a difference and it will help what we're trying to do," I listen because I trust Greg. We move incredibly fast.

Now, if I didn't trust Greg (that's my own partner), if I didn't trust him and I questioned or doubted his competence or his agenda on this, I might say, "Well, gosh, I don't know enough about this. Let me learn more." The whole thing is going to cost more and take longer - speed and cost.

Whenever you see trust, ask the question, "What's it doing to speed? What's it doing to cost?" The higher the trust is, then the higher the speed will be, the lower the cost. The lower the trust is, then the lower the speed will be and the higher the cost, it's inevitable.

Chris: As we mentioned earlier, the title of this interview series is "The Passions of Real Life Legends," and in your father's newest book, *The 8th Habit*, he talks about these four intelligences, which are key to an individual finding their own unique voice, or expressing their own unique, personal significance. Those are body, mind, heart and spirit.

I know that trust is wrapped up in these somehow, so could you share with us what is the role that trust plays in allowing an individual to find and express their own unique voice, or to say it in different words, to live their own personal destiny?



Stephen: Great question. I think there are two key things that trust impacts profoundly here as it relates to our own uniqueness and our own missions and destinies. The first is this: that we live today in an interdependent, inner-connected world. I'm not just talking about being wired and the fact that it's a wired world and we're all connected that way. We are, but everything affects everything else.

It's an ecosystem, and it's very interdependent, and there's very little that's truly isolated. It's a global economy, and changes that are taking place in India affect things in the United States and vice versa, and all over the world. In this interdependent world, it puts a premium on working with people, with multiple stakeholders, and these relationships with other people and with multiple stakeholders...

By stakeholders, I mean those that have a stake in your success and what you're doing, what you're all about. So, these are customers, investors, suppliers, shareholders, employees, reports, influencers, people you work with, people you want to influence. Relationships are at the heart of interdependence.

Trust is truly the key, the glue, that makes relationships work for the reasons we've been discussing. It increases speed and decreases cost and time again. Relationships are at the heart of this interdependent world that we're living in, and that's just the reality - that we are living in this world.

So, in most cases, people, as they are looking to live out and express their own unique voice, it generally is not only isolated to themselves. It might be through themselves that they want to impact, affect, work with, influence other people, in some way and fashion in their life, and the key to that interdependence is relationships. The key to relationships is trust, and building relationships at the speed of trust, and carrying them out that way.

I think a second thing is this: when you are full of credibility and trustworthy, you develop what we might call reputation capital. This is the way people view you; they view you as trustworthy, much like Greg did with you, Chris. Your reputation capital was high with him. The net effect is, when you have reputation capital, you can actually be yourself because your track record's behind you. It



speaks for itself.

You can be authentic, you can be real. You can be totally congruent with expressing your voice because you're credible, and your reputation precedes you and it gives you the strength, the courage and conviction to go ahead and follow through with your intentions, and to carry out your unique voice, your uniqueness. This credibility that precedes you, this trustworthiness, this ability to build trust with other stakeholders, gives you that permission.

It grants you that so that you don't have to be someone that you're not. It helps in the interdependent world that we're living in through relationships. It also helps through reputation capital, in being able to then express your true and unique, authentic voice.

Chris: The natural thing that comes out of what you're saying is - I'm sure everyone on the phone is wanting to know - okay, trust is clearly central and at the very basis of relationships. I think all of us would agree with that. How does one go about building high-trust relationships? How do you go about being able to take advantage of that trust dividend, rather than having to pay the tax that comes with low trust?

Stephen: You're exactly right. Once you make the case, people get the case. Do you know why they get it? Because they experience it. They have it in their own lives. Carl Rogers said, "That which is most personal is most general," so all of us have experienced relationships of low trust and relationships of high trust. All of us know that, so it applies across the board, generally, to people.

We get it. Once we frame it this way, then we say, "I get it. Help me now improve it." The process of building trust is an interesting one, but it begins really, with yourself, with what I call self trust, and with your own credibility, your own trustworthiness. If you think about it, it's hard to establish trust with others if you can't trust yourself. Trustworthiness is really the foundation upon which then, relationships or trust are built.

I call this self trust, building individual credibility. Basically, there are two dimensions to how trust works and how this individual credibility works. These dimensions are these: first, there's character, second, there's competence. Both are vital to building



trust with others. Both are vital to building self trust.

Character is the one that we understand the most as it relates to trust. When we think of trust, most of us put it in “softer” terms of character. It includes our integrity and the like. And that is true, it does. That’s vital - the character component is vital because we need to have integrity to be trusted, to trust ourselves, as well as to have others trust us.

Also, we need to have competence. If you think about it, you don’t trust someone if they’re not competent to deliver results. You might trust their heart, their character, but you wouldn’t trust them to get a job done. I say it this way - that I might trust someone enough that I would leave my kids with them if I went on a trip, to watch them, but I may not trust that same person to take on a certain project at work because they may not have the skill set.

In both cases, it’s a matter of trust. Both character and competence are needed. Both are vital. When someone has character and competence, you trust them. You trust them in many different circumstances.

My wife trusts me, I trust my wife. I care for her, I’m honest with her and she with me. She recently had to have some surgery, and you know what, Chris? As much as I trust her and she trusts me, she did not ask me to do the surgery, and it’s obvious why not!

Chris: What a relief!

Stephen: I’m not a doctor! I don’t have any competence in the medical profession, and so she wouldn’t trust me in that, and yet she would trust me to help raise a family with her. So, both are vital; and it just depends on what you need to accomplish, what you need to do. The character is a constant and the competency needed is very task-oriented or job-oriented, very situation-oriented, but both are vital - character and competency.

You start with that. With that in place, then you’re able to now work on interacting with other people in ways that build the trust versus destroy it, and I’ll talk about that in a moment.

Chris: I want to go back to what you touched on briefly, for a moment, this



idea of character. Competency seems to grow both from one's individual talents and from one's training. Character seems to be rooted much more deeply in our upbringing, in many different factors. You and I talked earlier, before this call, that this interview is going to be coming out in May, which is National Family Month.

You've touched on this idea that trust within families is just as important as trust is in the work environment, but I wonder if you could explore what is the role that family plays in this ability to have the kind of character that creates high-trust relationships. And in particular, I wonder if you could really make it personal, and share with our listeners what it was like to grow up in the Covey family, and how that contributed or not, to your own ability to understand and be able to build these high-trust relationships. That's a long question.

Stephen: But, I'm delighted for it. I think that it's a great question because there's no question that in our homes and our families, trust, for most people, we first learn about it there. We start with a basic, implicit understanding of it, and we extend trust rather easily, usually as young children.

In fact, right now, I have a two-year old, and I have an 18-year old. You talk about the two extremes - right in my own home. My two-year old, she trusts me implicitly, almost. If I ask her to jump into my arms, she will jump into my arms and I will catch her. We start learning trust at that age, and we learn it and understand it.

With my 18-year old, I'm trying to teach him that he needs to earn our trust to gain privileges. So, if he's going to go out at night and there's a curfew, I expect him back at the curfew time, and if something holds him up, he needs to call. There's no question that we learn this trust in our homes, as well as in society, but our homes are probably our first experience with this, as we learn about it.

As I grew up, I was very blessed and fortunate to grow up in a home where both my father and my mother were great models of this, and both teaching us integrity and teaching us the idea of making a difference and making a contribution in life. But, also, the way that they interacted with us actually really did build trust.



I'll give a brief example. A popular story, for those that have read my father's book, *The 7 Habits of Highly Effective People*, is the story of "Green and Clean" in there, which some of you who have read the book will remember. It's the story of my father training me - I was a young child at this time, about seven years old - how to take care of the yard, and how to make sure that the yard was green and clean.

That was my job. I could do it however I wanted, but my father recommended I might turn on the sprinklers because that would help. But, he said, "If you want to use buckets and just bucket the lawn, you can do that too," but that probably wasn't very smart. He taught me the idea was - you achieve results. The result here is I want a green yard, and clean. It was up to me on how to do it, but he gave me some good ideas on how to do it.

At the time, I was rather young. My father uses this story to talk about how he was teaching stewardship delegation and he was delegating to me results, and the responsibility to take care of that. And that is true; it was stewardship delegation. My father's also talked about this in terms of being a win-win agreement, that he was teaching me that if I did this, here was my win, and here was his win, and it was a win-win agreement.

Do you know what, Chris? What I remember, because I was just seven years old, was that I felt trusted. I felt an extension of trust from my father to me to take care of this yard. I was too young to care about money at the time. That didn't motivate me. What motivated me was I didn't want to let my father down.

I wanted to come through. I wanted to show I was capable and responsible of doing what he felt like I was doing. What he was giving me was this responsibility to take care of something. I felt trust. That motivated me. He extended it to me, and it inspired me and built in me a sense of responsibility and stewardship and integrity that has stayed with me throughout my life, and now I'm trying to pass it on to my children.

I think we clearly learn this in the home, both the character dimension of trust, but also how to extend trust, how to expand trust, and how to be a good model of this trust. The modeling is so important. Example is the greatest way to influence another



person, and then the relationship on top of that, and then finally teaching.

I think teaching is third. I think example comes first, then relationship, then teaching because example is seen, relationship is felt, teaching is heard. People tend not to hear until they see and feel, and that's what happened with me is that I saw and I felt in my home. Then, that enabled me to hear because of what I was seeing and feeling.

Chris: Listening to you, what I also heard in that story is that your father trusted you to figure out how to do it, not just to do it. In my experience, it's somewhat unusual for a child that young that he could just tell you, "I want you to do this. This is the result. Here are some ways you can do it." Essentially, he was saying, "I trust you to figure out the best way of getting this done."

Stephen: He essentially did, and he gave me great ideas that were kind of self-evident; they made the most sense versus the other ones. Where there's some danger in trust, and this is where some people in business, in organizations, in other life, they maybe have some reservations sometimes because people have been burned before.

They've said, "I trusted someone to do this. They didn't come through. They let me down and it cost me or it cost our company. I don't trust anyone anymore, I'm not going to. I'm just going to do it myself." That's kind of a backlash when trust fails.

But, in this case, he didn't leave town for the next month and just leave me in charge of the yard and have it just dry up. He was around, and he offered himself as a source of help. So, he was kind of mentoring, coaching me, and didn't just take off because I wasn't ready for everything yet.

He gave me the stewardship and the responsibility. I was able to figure it out, but I had to go to him a few times and ask for help. He was there to help, and he made sure that he only really extended enough trust that I was ready for. He didn't just take off and leave, and suddenly I had the yard and I didn't know what to do.

So, that's a key dimension as we get into extending trust with other people. We need to understand both the character and the



competence required to do the job that we're extending, and to make sure that we extend that much, and maybe to stretch people to it, but don't extend too much beyond their competence.

My wife didn't ask me to perform the surgery. That would have been too much and would have been a disaster. Instead, we extend trust where people are moving in that direction. Then, as they get better and better and as we challenge them and inspire them, then we can find that we can extend more and more trust to them as they prove worth of it.

Chris: One of the things that I'm hearing is that the process of building trust is a process that takes place over time with increasing levels of trusting involved at each stage. So, as we see that an individual or an organization is increasingly trustworthy, both in terms of character and competence, then we feel more confident to extend greater trust. So, it's a process that takes time, it sounds like?

Stephen: It is a process of taking time and of going through this and getting to know people better, and their strength better, and the task, and trying to match this up. There's the whole mind set that you go into business and into life with, and that is, 'Can I trust other people or not, and do I want to trust other people or not?'

People want to be trusted. It brings out the best in them. It's an extraordinary form of motivation. When people don't feel trusted, when they don't feel like their boss trusts them, then it actually is a de-motivator and is discouraging. Then, they are more apt to leave and go somewhere else and do other things.

It doesn't bring out the best in them at all. It doesn't bring out their passion and their talents and creativity. It's very important to have a desire and an intent to try to seek the trust of other people. You just don't want to get ahead of yourself with extending too much trust beyond their competence or their character.

If you have the mindset of "business is better by releasing people and their talents and capabilities than if we don't..." I remember Robert Galvin, Jr., the CEO of Motorola, who took over from his father. He did a great job and he said he was asked this question: "People ask me how I'd had the interest and the zeal to hang in there and do what I've done. I say, 'Because my father treated me



with very stern discipline. He trusted me. I'm stuck. I've got to see the trust through. He trusted me. I trust other people, and they do the job."

So, the whole idea was trust is a great form of motivation - of releasing talent, energy, passion - of releasing your own energy and passion by being trusted and also by extending trust to other people. You just want to make sure you do it with wisdom and understanding this idea of character and competence, and you've got to match them up. What's the competence needed to perform the task at hand?

Chris: What prevents people from being able to build trusting relationships?

Stephen: Well, several things can get in the way. One, what we've just mentioned, is that people have been burned before, and in the process of being burned, they're reluctant to take another step. That can happen in a personal relationship where someone says, "I'm not going to trust another man or woman again because of what went wrong," for instance, in a romantic relationship.

It can happen in a work relationship where a report let them down, let a boss down, and now they say, "Boy, you've just got to do it yourself. You can't trust other people." So, that type of thing can be harmful.

The other thing that can be harmful is that our society at large is becoming less and less trusting because there have been so many violations of trust. As that happens, people become more and more suspicious. Trust, certainly in the United States, has gone down over the last many years. Today, in America, only 34 percent of people believe that you can trust other people.

That's gone down quite dramatically. Now, that's not the case in other parts of the world. For instance, in Scandinavia, in Norway, Sweden and Denmark, 68 percent of people believe other people can be trusted - double what it is in the United States. In Latin America, it's 23 percent, and in Africa, only 18 percent.

These societal factors around us are real and they affect us because when we start to have scandals and things where we're



impacted by low trust, we start to create more suspicion, which is the opposite of trust.

That's the reality that we're operating in, but we need to recognize that building relationships of trust inevitably will ultimately result in greater motivation, greater voice and greater results than if we try to do it without such relationships, and without building complementary teams and organizations within our work.

Chris: I know you do a lot of work with organizations, and we've talked about the role that family plays. What's the relationship between families and work team environments? How does the trust or lack thereof that one grows up with express itself in a work team environment? Or how does the trust or lack thereof actually show up in this work team environment?

Stephen: You see it in work environments all over. In fact, again, the data is overwhelming that we actually have a crisis of trust in organizational life. This Watson Wyatt survey showed that only 39 percent of employees trusted their senior leaders. If you don't trust the people that are running your company...

On this phone call, we have people both that are senior leaders, as well as people that are part of companies with senior leaders. But, if you're not being trusted or you don't trust others, then your ability to get things done, to make things happen, goes down. Why? Because speed goes down, cost goes up - that very form that I gave earlier.

That happens time and again within teams, within individual relationships on teams, and within divisions, departments and entire organizations. The family thing obviously affects because that affects how we approach so many different things, but none of us are programs; we are programmers.

We can write the program and we can create our own script, and we can try to build relationships of trust, try to build teams of trust and cultures of trust. I mentioned, when I talked about how you go about doing this, the need to first start with yourself and be credible, to focus on your character, your competence first.

Also this: now, learn how to interact in ways that build the trust



within your relationship, and learn how to avoid the ways that destroy it. Let me give just two simple examples that everyone here can apply today, tonight, or tomorrow. Here are two ways that you can immediately begin to increase trust in a relationship.

The first is to create more transparency in any given relationship, on a team. By transparency, I mean openness. It means to tell the truth in a way that other people can validate, can verify. The opposite of transparency is having a hidden agenda because there you're not open. There you've got something hidden, and in most cases, people sense it; they feel it.

They don't know what it is, but they distrust what you're doing because they question what your real agenda or motive is. Instead, be transparent; be open. "Here's what I'm trying to do. Here's why." Companies that do this, leaders that do this, experience far greater results. Individuals that do this in relationships get better results because it opens things up, and they realize that, "Here's your agenda. Your agenda is on the table." It's open, it's clear.

Recently, there's been a big challenge with some of these charities that, "What are you using your money for?" The best way for charities to make sure they don't lose trust of the public... That's vital. If people are going to donate money to charities, you can't lose that trust. The best way to keep it is to become transparent: open up your books, open up what you're doing with the money.

If people are questioning what you're doing, open it up. Make sure that you're worthy of that by doing the right things with the money. But, if trust is low, people don't trust what they can't see. Instead, let them see it, open it up. I know a lot of companies have opened up their financial books and let people see the financials because the very process of doing that is a great demonstration of trust.

You need to apply this in your own situation. If you're trying to build trust in a particular relationship ask, "How can I be more open, more transparent so that others can see what I'm really trying to do - my intent, my motive?" In the very process of doing that, you challenge yourself because maybe you're not being open.

Maybe you do have a hidden agenda. If you do, you're not going to be building trust. People will sense it. Instead, be open, be clear,



be transparent, and you'll be amazed at the immediate impact it can have.

Let me give you the second thing. The second thing you can do today is to take issues head on. Confront reality, take these issues head on, even things that are so-called "un-discussable," because so often what happens is we skirt issues. We avoid them, we run from them, especially for a leader within a company or within a team.

If there are things that everyone's talking about except for we're not talking about it as a team, it's the un-discussable, and yet everyone discusses it behind the scenes. Instead of ignoring it, ignoring it only decreases trust because it signifies one of two things: either you're not open and honest with people, which is not being transparent, or you're clueless, you don't understand!

That's not good either. So which is it? Both are bad. So, instead of ignoring it and skirting it, take it head on, key it up. Say, "I understand we've got this issue. Let's discuss this," because it's being discussed anyway with or without you. Why not have it be with you?

I had this situation, after the merger of Franklin and Covey, where we had a group where we were really struggling with building trust. All mergers are tough; they struggle with trust issues, and ours was, too. Here I was, the president of this unit, trying to build trust. I had a one-hour speech with this team of consultants. We were supposed to talk about strategy.

You know what? I could see and sense that no one really wanted to talk about strategy. They wanted to talk about a whole host of merger issues that were really dividing the culture and dividing us from bringing our companies together. I decided, you know, I can talk about strategy, play it safe, and probably get nowhere. Or, I could really open it up and say, "What would you really like to talk about?" knowing that they wanted to talk about these things, and then make it safe for them by bringing some of these issues up myself.

So, I did that, and I opened it up and I said, "I sense that from private conversations some of you would really like to talk about



what's our process of integrating these companies. Who's making the decisions? Who's philosophy is winning out? How are we going about doing this? Which physical facilities are we going to keep and not? Is that right?"

Everyone said, "Yeah! We really would like to talk about that." Then, they opened up and they began to ask real tough questions, and rather than skirt them, I took them head on. The net effect was I had people afterwards say to me, "You know what? We built more trust in one day than we had in the prior year. I appreciate your being open and honest and taking these issues head on."

I didn't have answers for everything, and I'm not giving myself as a great model of this. I struggled too, but I've learned creating transparency and confronting reality are two quick, easy ways that any of us can do to increase the trust in relationships and with our teams and organizations.

Chris: Stephen, thank you for sharing those because those are very practical things. What comes up for me immediately, when you talk about both things, creating more transparency, being more open and facing difficult issues head on, is one of the major reasons I think many of us don't do that sometimes is because it's scary. We have to be extremely vulnerable to be truly transparent, right?

You took a big risk by bringing that up in that meeting because people could have sliced and diced you. They could have been very unhappy with your answers, or with what was being done in the company. How do you deal with the issue of the fear of being open, the fear of addressing things head on?

Stephen: It's a great question because I felt all those things in that case, and most of us do. That's why I really believe that you start first with yourself, this self trust, with your own character, your own competence and focusing on that first because in the process of doing that, you start to find your voice.

You start to develop your courage and then you come to realize that, 'Because I started with myself first, I'm now in a position to move outwards to other people,' and yes, there's some risk in doing this. There's some fear that accompanies that risk and that's very real.



But for me, what I find is I look at if I don't do it, then what? In other words, if I don't take a risk here, the risk I was running is, they were talking about this stuff anyway. They were frustrated with it.

We were not, at the time, the culture was not high trust, it was low trust. We were paying an enormous tax because we were trying to integrate and merge these companies, and trust was low because we were not, at the time, confronting and taking on these tough issues.

So, I kind of had to dig down deep inside and just look at "If I don't do it, what are the consequences?" Compare that to "What if I do do it, what are the consequences?" Because I started with myself, where I knew what my intent was, see, this character is both integrity, but it's also intent. What's my intent, what's my motive? What's my agenda here? Do I care about the people I'm trying to serve?

And because my answer to that was, "Yes, I do care about them," and, "No, I don't have a hidden agenda," it gave me the courage to risk. It gave me the courage to confront this fear and say, "It's worth it." And then, I also always compare it to the cost of not doing it, and I find that sometimes, I realize, "Hey, it's costing me more not to do it."

That's not as good as exercising some courage to take this head on. There's no easy answer to this one, Chris. You're exactly right, but I'll tell you what – I always believe you start inside out. You start with yourself, and you check your agenda, your motives, your intent. Then, if that is fundamentally solid, I find you kind of weigh the risk of moving ahead with openness versus not, and kind of play it out, and maybe that'll give you the strength and courage to try it.

Or, maybe you try it in a small way first before you risk the whole thing. I mean, it might not be wise in some cases to just open up like that. That might not be a good decision, or you might try it in a small team.

You might try it in a one-on-one relationship. I've just generally learned you work inside out. You start with yourself, then your



relationships, then your team, then your organization, if you're a leader over a larger group, but usually starting from the inside out.

Chris: Just in that theme, Stephen, I'm wondering if you're starting from the inside out, which one element of that, of course, is this idea that we focus on in these interviews, understanding what's most important to you. What's most important to me as an individual? What are the passions that I have?

What are the things that I feel passionate about? What are the talents and the skills that I have, and how do I see myself moving those into the world? If I'm really aligned with those, doesn't it make sense that then, the ability to take risks in environments becomes greater because I feel more grounded and more solid in myself?

Stephen: There's no question. Absolutely, your own individual credibility is there with yourself first – your self trust, your sense of who you are, what you're about, what your passions are, and what your interests are - are clear even if it's only to yourself. That does ground you and give you the strength and the courage to now risk with others.

That's why inside out ultimately is the most sound and reliable way to work with people, with organizations, getting a sense of who you are first. That's why I think what you're doing at *Healthy, Wealthy, nWise* makes so much sense of helping people individually first start with themselves, and with discovering and identifying their greatest interests and talents and passions.

Starting with that, and then, as you identify it first, then helping them express it and lead the life that they want to lead and carry it out. But even then, there's a sequencing to it, isn't there? You start with kind of identifying, becoming clear yourself, and then you move outside. So, it is with trust. You start with yourself, your self trust, your individual credibility, and then you start to work and interact with people in ways that builds that trust.

My father calls this the "emotional bank account." I call it "trust accounts," which is a metaphor for the amount of trust in a relationship. You learn what kind of deposits to make with others that build the trust account, what kind of withdrawals to avoid, behaviors to avoid, that deplete the trust account. I gave two



examples of deposits or withdrawals into that trust account.

There are really dozens and dozens and dozens, probably limitless numbers of deposits and withdrawals. It's a matter of understanding how to build that with other people, but the first step always is starting with yourself.

Chris: As you're speaking about this idea of moving from the inside out, the other thing that occurs to me, and it relates back to what you were saying earlier - that I start with myself.

But, if I am in the process of building trusting relationships and particularly, if I'm not used to this process, if I'm not used to being transparent, open, and facing issues head on as you were suggesting, then it makes sense that I would do that first with those who are closest to me, those who I have the greatest amount of trust with, get more experience, become more comfortable with that, and then step out into environments where it may be more challenging.

Does that make any sense? I'm just thinking in terms of this inside out process, that if it begins with myself, then the expansion outward... I'm going to be more confident if I've done it, this process of building trust, with people who are closest to me – my family, my friends, my business associates that I work with all the time.

Stephen: No question, and that's really how this works because so much of influence in life is the greatest influence and the greatest trust will come about as you start with yourself, and then work with those that you work most closely with. But, also, you can have an immediate impact there.

Any one of us can work on increasing the trust in a given relationship tomorrow. Yes, it might be hard to build and establish trust and credibility with an entire company tomorrow. So, we have to start with what we can do, and focus on ourselves and on those deposits that will build the trust and avoid the things that destroy it in a relationship immediately.

But absolutely, it's always an inside out process. And yet, its ultimate impact could be extraordinary because the ability to build



trust individually and one-on-one portends well to the ability to now also be able to extend that to a team environment, and then ultimately even to groups of teams and different stakeholders, different groups, and even organizations at large.

Chris: So, we can even do a \$23 billion deal?

Stephen: So you could even do a \$23 billion deal, which couldn't have happened without first of all the individual credibility within the relationship of trust, and then recognizing that that's been extended in these organizations, or else you can't do deals of that magnitude without that.

Chris: This has been such a pleasure, and I have to say, I could go on talking to you for a long time. We're coming close to the end of our time together. At *Healthy, Wealthy, nWise*, Stephen, we believe strongly in the power of intention to manifest outcomes. We would like to ask you what is your biggest current project, and what intention would you like us, here at *Healthy, Wealthy, nWise*, along with our readers and listeners, to hold for you?

Stephen: I'm excited about this work I'm doing on trust, and the biggest project is really this: that I'm building what I call a "trust practice." The whole idea is to focus on helping individuals and organizations build trust, create trust, grow trust with all stakeholders that they interact with in order to improve business results and their own personal results in their lives.

Part of this includes a book that will be coming out on this that will probably be called *Business at the Speed of Trust*, or more broadly speaking *The Speed of Trust*, because it's much more than just business. It's relationships and so much more, leadership at the speed of trust.

So this has excited me, and I'm taking on a topic that has been very much misunderstood and almost even maligned by some. For some, there are so many myths around trust. It's seen as soft, it's seen as slow, as nebulous. I saw something this week that said, "Can you teach trust?"

I want to emphatically answer: absolutely! Trust can be taught. It can be learned; it can be implemented. It can be grown; it can be



measured. It can be applied in an organization, and it can and should be an explicit objective of every relationship, of every organization. What's happening is it's there whether you're aware of it or not. Either you have trust or you don't.

If you have it, you'll get a dividend. It will pay results to you in countless ways. You'll see it in speed and cost. If trust is low, you're also paying a price. You're paying this tax that will be manifest in speed and cost, and that is happening whether you will believe it or buy it.

It's inevitable that low trust means low speed, high cost. It happens throughout, and so I'm trying to show how you can measure this. You can quantify this, and you can then do something about it. I'm making the case, and then I'm showing what you can do about it, both individually and within companies, to increase trust and to get the great fruits, the great dividends, the great speed of trust within companies and also within relationships.

So, that's my big objective - building this trust practice, helping individuals and organizations practice trust and see the great dividends that come from doing it.

Chris: Wonderful. Stephen, for those of our listeners who would like to learn more about your work or if they have organizations that could benefit from your work, how do they get in touch with you? How do they get more information?

Stephen: Two ways: they could either go to our website, www.CoveyLink.com, or they could call us at 801-756-2700, Extension 6, and they could leave a message or talk to our team. We'd be delighted to talk to you more about what we do, but also there will be a forthcoming book that will be out sometime. I'm reluctant to put a date on it because we're still working on this thing.

We've got training, workshops, speaking, and consulting and coaching on all of this, so there are a lot of different ways to access it. We'd be delighted to have further conversation with anyone.

I think the final thought or idea I'd leave with our listeners is simply this: that I predict that the ability to create, grow, extend and restore



trust with all stakeholders will become the key leadership competency of the 21st century. And I mean that seriously – more than strategy, more than vision, more than all these different things.

The reason I say that – it's a pretty bold prediction to say it's going to be *the* key leadership competency, the ability to create, grow, extend and restore trust with all stakeholders – is we're in a knowledge worker economy, where relationships are the key. Low trust is everywhere in our society and our organizations, it's all around us.

There's an extraordinary high cost of this low trust that we see manifest in both the speed and cost, and that trust affects everything else that we do. It affects our strategy, our execution, our innovation, our communication. Every dimension in a company, in a relationship, is affected by trust, its presence or absence.

Therefore, as we increase the trust in our organizations and our relationships, we then experience this multiplicative effect, this multiplier that increases rather than taxes what we're doing. It increases the communication rather than taxes it. It increases our ability to execute rather than taxes, or discounts our ability to execute, and it affects every dimension, every aspect of this.

So, it's an exciting thing to be a part of. There are so many things that we could immediately do to impact it, and I'm delighted to have this opportunity to talk with your listeners about this vital and business-critical topic.

Chris: It is vital. Stephen, thank you so much for being with us. It is a great honor and privilege to be able to spend this time with you. I want to repeat, for all of our listeners, the homework that you gave them because I want to make it very specific.

You have suggested to all of us that we can begin creating more trusting relationships right now, tonight or tomorrow. So, for all of our listeners, my challenge to each of us is to pick one person in the next day or two and choose to be more transparent.

Choose to be open in a situation that maybe you haven't been in the past. Do it with someone who you already have a close relationship with so it's not too scary. Choose a situation to create



more transparency.

Secondly, what Stephen suggested is to take an issue which you ordinarily wouldn't discuss with someone straight on. Maybe it's one of those un-discussable issues that Stephen described. Choose to bring it out and bring it out for discussion, and see what the results are. Did I state that clearly enough, Stephen? Is that an accurate expression of what you suggested to each of us?

Stephen: Absolutely. These are two things you could do in any relationship right away, using your judgment as to how best to apply it. I know we're out of time, but here's a third. It's simply this: make a commitment and keep it. Make a commitment with another person and keep it, and make another one and keep it.

You'll build trust with yourself because you make commitments and keep them, but you build trust with others. See, when you make a commitment, you build hope. When you keep a commitment, you build trust. So, making and keeping commitments is another immediate way to start to increase trust in a relationship.

Chris: Thank you so much. I love it when we have some practical steps we can take immediately. Thank you so much for giving that to all of us. For our listeners, I invite you to join us again on April 5th. We will be interviewing Stephen Simon, producer, director, and co-founder of the Spiritual Cinema Circle, with 15,000 members around the world with whom the Spiritual Cinema Circle shares uplifting, inspiring, and entertaining movies which are not generally available to us in the movie theaters.

The Spiritual Cinema Circle selects these from the best films from film festivals all over the world. Stephen Simon is a wonderful example of an individual who has created a life completely aligned with his passions, completely aligned with who he is.

For those of you who are not yet Real Life Legends Club members, you can get a recording and transcript of this interview, as well as the interview with Stephen Simon on April 5th, and take *The Passion Test* Assessment to identify your own passions and get aligned with your own personal destiny.

Simply go to www.HealthyWealthynWise.com and click on Step #3.



**Rising Speed of
Trust Legend**

Stephen M.R. Covey

That's it for tonight. All of you, thank you for being with us, and good night everyone. We'll talk to you in a couple weeks.