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Business diary: Ron Shaich, Panera

As told to Rebecca Knight



A veteran of the bakery and café sector, Ron Shaich founded Panera – Latin for “time of bread” – in 1993. Today the restaurant chain, which is known for hearty sandwiches made with artisanal breads, has nearly 1,500 stores. Last year, Mr Shaich moved from the role of chief executive to executive chairman. He is based in Boston.

When I decided to switch from CEO to executive chairman last summer, I headed to Italy for eight weeks off. I wanted to experience what life would be like if I wasn't thinking about Panera every second of the day.

So, what happened? I found myself still thinking about Panera. I imagined, for instance, how I would compete with it if given the chance. Then I pondered how Panera might evolve three, five and seven years down the road – the organising principle of my working life has always been that value is created in the medium and long term. That is why it is like raising kids.

Back in the US, I started a kind of “innovation lab” for Panera at our office in Needham, just outside Boston. Now, while the new CEO Bill Moreton concentrates on the delivery side, I have the luxury of focusing on innovation and discovery.

I chose a group of six internal people and one consultant to work with me – I think of it as less the US army, and more special forces. By that I mean a limited number of team

members asked to be generalists, rather than functional experts coming and going. We're using a special design process where we apply observation, patterning and rapid prototyping to come up with solutions to our problems.

I'm up by 5.30am every day – it's the only free time I have – and three times a week I work out with a trainer. By 7.15am, I am driving one of our two kids to school, and I arrive at the office by 8am.

As CEO, I used to go to a lot of short meetings but now I have three- and four-hour morning meetings with the innovation team. In the afternoon, I visit Panera stores or those of competitors.

I spent time recently working in an entry-level position in one of our cafés. I wanted to be in the thick of the Panera operation so I could figure out what causes breakdowns in accuracy – sometimes we don't enter the order correctly, sometimes the customer thinks they ordered something different and sometimes we make the order wrongly.

I regularly talk with Scott Davis, our chief concept officer, who is in charge of food and design. We talk about the menu and what's new. Around Thanksgiving this year, we will introduce a new turkey recipe as another protein for our salads and sandwiches. You don't succeed unless people are willing to go out of their way to buy from you.

I spend about 20 per cent of my time on the road but the company is a sophisticated user of video-conferencing. Panera lets senior management live wherever they want: our headquarters are in St Louis; our CEO is in Chicago; I'm based in Boston, along with our chief finance officer and two chief operating officers. We're all happier and it saves millions in recruiting and relocation costs. Once a month, the executive team meets up in a hotel or office. We go for 18 hours straight each day, for three or four days. I organise my life around these meetings.

Work travel for me means going somewhere new, to learn something new. Last week, when I was in Los Angeles to shoot a Panera commercial, I rented a car and drove to San Diego. Along the way, I visited 25 restaurants that are doing interesting things in two days. At one point, I was down and dirty in a sandwich shop observing its delivery system; next I was at a fine dining restaurant with white table linens that is doing something creative around local food sourcing.

I don't have hobbies. My real hobby – and love – is figuring out what works and using what I learn to make a difference. I am fortunate that my wife Nancy understands that this is who I am. Even my kids know that I'm going to stop at three Paneras and two competitors on our way out of town for a family vacation. That, to them, is normal – because I'm doing what I love.

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