

## **Clark values help guide Panera founder**

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“It all started at Clark.”

With those five words, Ron Shaich '76, the founder and longtime CEO of Panera Bread, launched a rousing multi-media presentation at Reunion Weekend, tracing the path that has led to his newest venture, Panera Cares, a rare marriage of business principles, altruism, an abiding faith in the honest nature of the average person ... and good food.



“Clark, for many of us, certainly for me, is fundamental to who we are,” he said. “Clark is what helped me become what I am.”

Shaich said he learned “how creative the process of building a business was” when he opened The General Store in 1974 in a three-decker on Downing Street, comparing the experience of operating the home-grown convenience store to live 3-D performance art.

“Clark gave me an extraordinary gift. It was a powerful place to grow and evolve. The power of The General Store was that it taught me about myself and my capabilities to make a difference through business and the joy in the process. It was at Clark that I discovered who I am and what I love doing “” solving problems.”

He had plenty of opportunity to do just that, beginning with his first store, The Cookie Jar, which he opened in downtown Boston in 1980. Shaich and another investor later bought the Au Bon Pain chain, eventually sold that and then purchased St. Louis Bread Co., which grew into Panera Bread.

Panera’s success has been astounding. To date it boasts more than 1,400 bakery cafes in the United States and Canada and \$3 billion in revenue. The company’s stock has grown 25 percent since Panera went public, the best performing restaurant stock over the last decade.

Yet while turning a healthy profit has been a major achievement, Shaich acknowledged “that’s not the way I measure [success]. It’s not how you think about things when you come from a place like Clark.”

Panera is an example of a business that practices “conscious capitalism,” he said. The company’s goal is to make a difference in the lives of its guests, its employees, and in the community, reflecting the kind of values that are “in the water” at Clark. “I learned to challenge convention/change our world “” I’m amazed graduates at other schools don’t get it.”

On May 13, 2010, Shaich stepped down as Panera CEO and became its executive chairman, scaling back his work schedule. By then he’d been putting into a motion a way to leverage Panera’s resources to benefit people who were reeling in a faltering economy. “I wanted to do more than write a check,” he said. “I wanted to get up and do something.”

Shaich knew the alarming statistics about hunger in the United States, including the fact that one in six Americans lives in a “food insecure” household. Having worked in food pantries and soup kitchens, he also knew that the process of getting donated food to those who need it was frustratingly inefficient and could be undignified for the recipients.

He began researching “community cafes” where people can eat for little for no money and considered the possibility of offering baked goods and coffee based on a similar model. But Shaich decided that if his company was going to pursue the community cafe route, it had to fully commit to the concept, which meant offering a robust menu of breads, sandwiches and soups and branding the venture with the Panera name.

The result is the non-profit Panera Cares cafes, which allow customers to purchase high-quality food strictly through donations based on suggested prices. Those who are struggling to make ends meet typically pay less or even nothing at all, and those who can afford the meal often pay full price or even more if they choose. No questions asked.

The first Panera Cares opened on May 16, 2010 in St. Louis, though not without concerns. The notion that folks would pay through the honor system was greeted with skepticism by some who insisted it would never work, and trepidation by others who assumed the new shop would simply provide an excuse for opportunists to, as Shaich quipped, “have lunch on Uncle Ron.”

Shaich himself worked at the cafe the first three weeks, constantly evaluating the operation to determine how it could be improved. There were hits and misses, and tweaks, but over time the risky business plan that relied on people’s honesty bore fruit. Within the first year, a study showed, 20 percent of customers donated more than the suggested price, 20 percent donated less and 60 percent donated the suggested amount.

The St. Louis Panera Cares has since been joined by two more cafes “” in Portland, Ore., and Dearborn, Mich. “” with plans to open more in the coming months. The cafes serve 10,000 guests a week and are financially self-sustaining, Panera Cares is using excess revenue to launch job training programs for at-risk youth, and the company has received more offers than it can handle from folks who want to volunteer in the cafes.

“People are fundamentally good,” Shaich insisted during his presentation. “Given the opportunity, they will do the right thing.”

Panera Cares has drawn substantial national coverage, including profiles on the CBS and NBC nightly news programs. Shaich is now challenging other corporations to make a difference by leveraging their vast resources to benefit the common good.

Looking back on his three decades in the business, the logic behind Panera Cares is inescapable, Shaich said.

“Thirty years ago we could have ignored the community,” he said. “But we are of this community. And if we don’t take care of it, the community will die, and we’ll die along with it.”