

# Inc.

## The CEO's Most Important Job, According to Panera's Ron Shaich

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BY LEIGH BUCHANAN

A great CEO values 'discovery,' says founder Ron Shaich—not becoming more efficient.



Ron Shaich is CEO of Panera Bread, which grew out of Au Bon Pain, a bakery co-founded by Shaich in Boston in 1981. [Panera](#) operates 1,800 cafés in North America and had 2013 revenue of \$2.4 billion. In recent years, the company has launched big initiatives, including Panera 2.0, a technology system that lets customers place orders online or at tables or kiosks in the restaurant, and [Panera Cares](#), a chain of nonprofit cafés where customers pay what they can. He spoke with Inc. editor-at-large Leigh Buchanan about his most important role as CEO.

I think there are two big parts to any business: discovery and delivery. Companies form because somebody discovered a better way to do something. Once that business gains some success—particularly if it takes on investors—the delivery people often follow. Their job is to make the business more rational and take costs out of it. They give the company stability.

The delivery and discovery processes are very different. The language of discovery is the language of imagination. The language of delivery is the language of numbers and accounting. Getting more efficient is quite seductive, because it works. But the delivery muscle starts to overwhelm the discovery muscle. And then you wake up one day and wonder, How come we don't know how to compete anymore? One of my most powerful roles as CEO is to protect discovery. Even in a company like Panera, with 80,000 employees, my most important role is discoverer in chief. Because that's where value is created.

As CEO, I don't focus on financial success. That's a byproduct. Instead, I focus on competitive advantage: the thing that made people walk past 20 restaurants to get to ours. But you can't just manufacture that. So I think about, How do I create an experience that is more enjoyable for customers? My job is to get this company ready for the future. It starts with observation and research: understanding what matters to people and what they will want five years from now. I did that with Panera Cares and with Panera 2.0.

Each innovation is like a rendering in my mind's eye: I can see how the customer will relate to it, how the employees will feel about it, and how it will work financially. I paint a picture in my mind, and then we prototype it and develop it. Protecting discovery, understanding what matters, and painting pictures of the future—that's how to be a successful CEO.

***Previously in Ron Shaich shared the story of Au Bon Pain's success in July 1987 ("May the Force Be With You").***