



## New Cafe Is a Model for ‘Pay What You Can’

Ron Shaich, former CEO of Panera Bread, gives back by opening a nonprofit restaurant

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— Jennifer Silverberg

To the casual observer it looked like any other [Panera Bread](#) restaurant. Same menu of soups, salads, sandwiches and a case full of bread and pastries. Same décor. Same friendly staff.

But as the doors to Saint Louis Bread Co. Cares opened in Clayton, Mo., in May, it became clear this was no conventional chain café. Gone were the cash registers. In their place, “donation” boxes. Prices were renamed “suggested funding level.” A sign above the bread read, “Take what you need, leave your fair share.”

Ron Shaich had a fleeting moment of worry. Having stepped down as CEO of Panera Bread only a few days prior, he wondered whether the public would “get” his grand experiment—a nonprofit Panera restaurant where patrons are on the honor system to pay what they can, even if the currency is time and elbow grease.

“Who’s right—the optimists or the cynics?” asks the 56-year-old Shaich, who clocked 14-hour shifts overseeing his new concept for the first five days. “Will people pay their fair share and a bit extra, or game it?”

So far, so good. Initial traffic exceeded what the restaurant drew when it was cash-and-carry. Sure, there was the college student who ordered six sandwiches and left only \$3. But there was also the businessman who not only paid for his meal but tossed in a few extra bucks, telling Shaich, “This was the most expensive sandwich I’ve ever eaten ... thank you.”

### **From idea to reality**

The “what if ...” idea for a take-what-you-need, leave-your-fair-share enterprise came to Shaich in 2009 after watching a national TV news story about [SAME Café](#) in Denver. Its owners spent years struggling to open a pay-what-you-want restaurant. “I told my wife, ‘Panera does two openings a week. We could have helped [the owners]. Maybe we should do this, too,’ ” recalls Shaich, who then spent nine months researching the risky world of nonprofit community kitchens and developing a plan.

Ground zero would be one of the six original St. Louis-based Panera Bread cafés (still called Saint Louis Bread Co. because the brand was founded there) in an economically diverse neighborhood whose residents range from affluent to day laborers to those just getting by. With a little tweaking of set-up and signage, Saint Louis Bread Co. Cares opened.

The concept is simple. Order your food and a cashier hands you a receipt showing what your meal would normally cost. There’s no pressure to pay, and cash is dropped into a donation box. Those who want to barter can trade time as greeters or help with cleaning. This is no soup kitchen, and isn’t about a handout, but a hand up, explains Shaich. People of all walks of life simply sit down to enjoy a meal. He recalls the night a man came in with four kids. “He told me how he’d lost his job and his kids hadn’t eaten well for a while. Could he feed his family here?”

### **Timing is key**

Shaich’s parents instilled his philanthropic nature. “They taught it was my responsibility to give back to my community, my society, and my country.” The kid who couldn’t sing or dance realized in college while operating a nonprofit convenience store that business and the problem-solving skills it requires could be his creative outlet and a method for change.

He cofounded Panera, which has donated millions to charities, and for more than 25 years served as its CEO. About a year ago the happily married father of two contemplated a life change. “I started talking about leaving the CEO post because as I look back on life I want to feel like I did things I respect,” he says. “I’m not retiring, but transitioning—keeping one foot in Panera [as executive chairman of the board] while utilizing the things I’ve learned and the skills I’m good at in other ways.”

It wasn’t an easy step. “When you’re the founder of a \$2.8 billion brand with 50,000 employees the world revolves around you,” he admits. “I needed to find a way to make a difference and go

back to the struggle of building something.” For Shaich this transition is akin to a trapeze artist who has released one bar and hasn’t yet grasped the second one. “You have to stay in the neutral zone for a moment. It’s exciting and, at the same time, terrifying.”

As it is for an aerialist, the challenge is perfect timing. In shaky economic times, are people willing to buy in, or will the freeloaders win out? Shaich promises to give the concept as long as it takes to see whether it works. Success would lead to a national model, called Panera Cares, that is self-sustaining—meaning it generates enough revenue to cover food, labor, rent and other normal expenses—and can be reproduced. The cafés might even extend their reach into a community by providing on-the-job training for at-risk youth.

As for leaving his CEO job? “Having watched my parents pass away, I realized I needed to take a risk,” Shaich says. “I didn’t do it to do less, but to do more.”

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