



## Ron Shaich: The accidental philanthropist

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Ron Shaich probably wouldn't describe himself as a corporate America philanthropist. In fact, at the start of his young career in the restaurant industry, Shaich had just ditched a long-held belief that he would go into politics, opting instead to start a student-funded convenience store at Clark University in Worcester, Mass., where he was attending school.

He discovered he had a passion for business and from that experience applied and got accepted into Harvard Business School.

At the age of 57, and with an annual income of approximately \$1.5 million (more than \$3.3 million if you include total compensation), Shaich is in a position to revisit the reason why he wanted to get into politics: to help make the world a better place.

**FastCasual.com:** When did the idea of Panera Cares and the Panera Bread Foundation originate?

**Ron Shaich:** It was not something that I had been thinking about for 20 years. Where it comes from is the idea that Panera Bread has had such success in the communities in which it operates and part of what we've done is build relationships and communities.

Several years ago, we were watching a special about a café in Denver that had opened as a community café as a gift to the community and I remember saying: 'Heck we open two restaurants a week, we have 60,000 employees, this is the kind of thing we should do.'

We give away \$100 million in products each year and can put ourselves on the line rather than write a check.

**FCC:** How did franchisees in the Panera Bread system respond to the concept?

**Ron Shaich:** We talked to franchisees and a lot of them were interested in the idea. With food banks, the one thing I realized was these aren't attractive places – there isn't a lot of dignity to it.

The second thing was, if we were going to do it, we couldn't operate it through a conventional cash register. We had to give people dignity.

**FCC:** How does the concept work?

**RS:** When people walk up, we ask them what they want. There is an indication of a suggested retail price and they go to a donation box and give what they want. Twenty percent give more, 20 percent give less and 60 percent give what is expected.

What makes this work is that we have put this in a 501(c3) foundation and there's complete transparency. We call this café a shared responsibility. This is our gift to the community and the community's responsibility is to take care of each other. It's not a hand out and it's not a soup kitchen. It's a hand up.

Assuming the community is willing to support it, we use the revenue for direct programming to support groups like the Covenant House. But I think the key to this is transparency. People have to understand where the money is going and why and how it adds to their community.

To read more of Ron Shaich's interview with FastCasual.com, [click here](#) to register to receive our 2011 Top 100 Movers & Shakers.