



The Power List 2016: Ron Shaich

Transforming the fast-casual restaurant experience — again

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Thirty years ago Ron Shaich shook up the restaurant industry when he created an elevated version of the quick-service restaurant — a bakery-cafe serving up artisanal soups, sandwiches and salads in a comfortable atmosphere. His innovative vision set the stage for the emergence of Panera Bread Co. and the fast-growing segment now known as fast casual.

Today, he's shaking things up again, reimagining the 35-year-old Panera for an on-demand world.

Through Panera 2.0, an ongoing multimillion-dollar initiative, the 1,900-unit chain is using technology and operational improvements to meet its customers' demands for speed,

convenience and customization. Features include self-order kiosks, dedicated areas for picking up to-go orders, and enhanced mobile and online ordering.

“We’re now running a major technology organization here,” Shaich said in an analyst call last October.

The company said at the time it expected to have nearly 400 Panera 2.0-enabled restaurants by the end of 2015.

The initiative appears to be making an impact. The company reported that same-store sales rose 3.8 percent in the third quarter ended Sept. 29 and 3.4 percent for the first 27 days of the fourth quarter. The percentage of all orders that were digital increased from 10 percent to 12 percent during the third quarter.

The chain is modernizing in other ways as well. It has been testing delivery in several markets with plans for a broader rollout this year. And it underscored its commitment to “clean” foods last year with its “No No List,” a list of 81 additives that would be eliminated from Panera’s menu by the end of 2016.

The changes are all par for the course for Shaich, who measures his effectiveness as a leader by the ability foster the company’s evolution.

“As a leader, the greatest value I can bring is discovering new opportunities for the company and make sure we actually get there,” Shaich told Fast Company in 2014. “If we don’t, then the world will continue to change, and the company won’t keep up with it.”