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Want to Build a Big National Brand? Here's Advice From a Founder Who's Done It Twice.



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IMAGE: Getty Images

Ron Shaich is the driving force behind both Au Bon Pain and Panera Bread. Here's his advice for entrepreneurs.

Ron Shaich was a college student in the 1970s, when the management at a local convenience store accused him unfairly of shoplifting. He didn't just get mad--he got into business, by launching a competing, nonprofit campus shop. (It did \$60,000 in revenue in its first year.)

That early retail experience set Shaich on the path to becoming one of the great modern entrepreneurs in the food and dining industry--the driving force behind both Au Bon Pain in the 1980s and Panera Bread in the 1990s. Now, as Panera's co-CEO, he's in the middle of a highly tech-enabled effort to bring the chain to the forefront of the 21st Century.

"I have a powerful platform," he told me in a recent interview. "We serve 10 million people a week, and we're trying to change the way the world eats. I've been able to make a difference in a lot of people's lives."

We talked about what it took to launch a big dollar national brand--and then do it again, on an even larger scale. The key takeaways are as follows:

1. Don't be confined to a single vision of success.

Shaich opened a cookie shop in Boston after attending Harvard Business School. He merged with a French bakery, took over as CEO and built it into the Au Bon Pain chain. A decade later, his company acquired Saint Louis Bread Company, and sold off its original restaurant chain to focus on the new one, which mostly renamed Panera.

Building big brands was never his goal, he said.

"I never think of it that way," Shaich told me. "All the people who talk about having a nationally dominant brand--for 1,000 guys who talk that way, one actually makes it. It's really hard."

2. Focus on discovery.

Instead, Shaich said, he's far more focused on innovation and discovery, as opposed to a particular business goal.

"Fifty years from now everything you put on my resume will be sand. The joy comes from the doing of it," he said. "On my deathbed, I would say ... I've been wonderfully successful in discovering today what will matter in the future tomorrow. The pursuit of that is intellectually interesting. It's a fascinating process to go through."

3. Don't let the money overwhelm you.

There's no doubt Shaich has made a lot of money, and Panera itself is now worth \$4.45 billion according to Wall Street. However, he said making money has never been his main goal.

"I don't believe an entrepreneur is a capitalist. We're opportunists. We see opportunities others don't. We take that opportunity and we chase it," he said. "What I did 40 years ago in that first general store is what I'm still doing today--figuring out what are the opportunities, what matters to some group of people that I can offer them."

4. Bet on the good bets.

"The 90s just sucked," Shaich said. "I had these four different businesses, and by '97, '98, I'm looking at this thing we renamed Panera, and I'm thinking this has the potential to be nationally dominant--and we're going to screw it up. We have this beautiful gem and its buried."

A friend challenged him to articulate what he would do if he felt free to do anything, and he said the answer came quickly: "If I had any guts, I'd [sell] everything else and go down there and run it myself. Well, if I say I should do it, I'd better go do it."

5. When it's time, move on to the next challenge.

Even though it made business sense, Shaich said it was very difficult for him to agree to sell off the original chain of Au Bon Pain restaurants--because as he put it, "ABP was my first child."

But he also said that a true entrepreneur doesn't really have a choice in that kind of situation--assuming they want to remain an entrepreneur.

He emphasized the difference between entrepreneurial companies that are focused on discovery, versus more mature companies that are focused on delivery and process.

"'Discovery' is about the future, and the language of 'delivery' is about numbers and 'prove it to me' and spreadsheets," he said. "What happens is companies take form--in the restaurant business it happens over and over--and in walk the 'delivery people.' Everyone wants rational business people--but that delivery muscle works and overwhelms the discovery muscle. And then there's no discovery muscle left."