



# Non-profit Panera cafe: Take what you need, pay what you can

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By **Bruce Horovitz**, USA TODAY



By Tim A. Parker for USA TODAY

Lisa Matthews says a short prayer before lunch. She said she paid the full suggested price, and likes the idea of the cafe.

Imagine walking into a [Panera Bread](#) and picking out anything you wanted to eat or drink — then, at the end of the line, instead of handing your money to a cashier, you faced a donation box.

What would you do if you knew that some of the money you placed in the box would be used to train at-risk youths or to feed folks lacking funds to feed themselves?

That's what Panera Bread is trying to find out this week in an outside-the-box experiment in [St. Louis](#). It's a concept that has never been tested by a restaurant chain — and that marks a new career for Ron Shaich, who stepped down as Panera's CEO last week.

"I'm trying to find out what human nature is all about," says Shaich, 56, who has converted a former Panera-owned restaurant in an urban area of St. Louis into a non-profit restaurant dubbed Saint Louis Bread Company Cares Cafe. (Similar cafes planned outside of the St. Louis area will be called Panera Cares Cafes. Panera was founded in St. Louis and still brands its restaurants there as St. Louis Bread Company.)

A sign at the entrance says: "Take what you need, leave your fair share." Customers who can't pay are asked to donate their time. The cafe opened Sunday and will operate seven days a week from 7 a.m. to 4 p.m.

While the store does have cashiers, they don't collect money. They simply hand each customer a receipt that says what their food would cost at a conventional Panera. The receipt directs customers with cash to donation boxes (there are five in the store). Cashiers do accept credit cards.

Shaich considers the non-profit Panera Foundation to be his next big thing. "My hope is that we can eventually do this in every community where there's a Panera," says the entrepreneur who bought Panera more than two decades ago when it had just 19 locations and grew it to more than 1,400 locations and upwards of \$2.8 billion in annual sales.

He plans to open two more of the non-profit cafes in two more cities in the next six months, but declined to say where. His goal is hundreds of

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Panera Cares Cafes around the country.

But first, this one has to work.

"It's a fascinating psychological question," says Shaich, who says he's dreamed of doing something like this for years. "There's no pressure on anyone to leave anything. But if no one left anything, we wouldn't be open long."

Experts are divided on whether the concept can work.

"It's a step forward not just for Panera, but for the whole restaurant industry," says Dennis Lombardi, executive vice president at WD Partners, a food service consulting firm.

"You'll see other restaurant chains thinking about doing the same thing."

Not everyone agrees.

"I don't think the honor bar system will work nationally," says Marian Salzman, a trends consultant. "While young people are very much attuned to helping out and making a difference, if they find themselves sitting next to other customers with whom they don't feel comfortable, they're not coming back."

But the concept has worked, with surprising success, at a handful of individually operated community cafes in Salt Lake City, Denver and Highland Park, N.J.

Those cafes have all operated under the guidance of Denise Cerreta, founder of One World Everybody Eats, who has consulted with Panera. The community cafes are open to everyone, she says, but are less of an attraction to the homeless and more of an attraction to folks who may have lost jobs or are facing other unexpected economic hardships.

She says that Panera is about to take community cafes to the next level. "Ron Shaich is creating a tipping point of this movement," she says. "I think we'll see a wave of people following."

But all that Shaich really wants right now is for his first community cafe to work. It looks like a Panera. Its menu is identical to a Panera's. It even puts the

same antibiotic-free chicken in its salads and sandwiches.

The only substantive difference is that the baked goods — except bread used to make sandwiches — arrive one day old. These are unsold items from other St. Louis Bread Company restaurants in the area.

This particular Saint Louis Bread Company site had been a marginally profitable company-owned restaurant. Shaich was particularly fond of the location because he once lived just down the street — and ate at it often — when he formerly lived in St. Louis.

He converted the restaurant into a non-profit and reopened it Sunday. As it turns out, he says, the location's revenue was actually up 20% on opening day vs. the previous Sunday.

What's more, says Shaich, who spent Sunday and Monday at the cafe, one-third of those who ate at the restaurant left more than the suggested retail price.

Many have warned Shaich that this will fail. He thinks otherwise: "The core of my life has been to make a difference. Now, I'm using my business background to make a difference in the world."

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