



Ron Shaich

You Always Have To Balance The Ideas Of Discovery and Delivery



Adam Bryant [in](#)

Senior Managing Director at The ExCo Group; Author, "The Leap To

October 24, 2023

***Ron Shaich**, founder and former CEO of Panera Bread and Au Bon Pain, and author of the just-published book, "[Know What Matters: Lessons from a Lifetime of Transformations](#)," shared his key leadership insights in my latest "Art of Leading" interview. [Subscribe here](#) to receive future interviews.*

Q. When you mentor and coach executives, what are a few themes that come up most often?

A. One is trust yourself. When people are in new positions, they want to do so well that they often bring a level of insecurity to the role. I can't tell you how many issues in my

career in my life I've obsessed about, sometimes for years. Only in retrospect do I realize that all I needed to do was trust myself and believe in myself and take risks based on my thinking and my gut at the time.

I also share a framework that I use for a lot of things— "Means, ends and byproducts." We often get confused about them. In business, we are so focused on value creation. But we don't "make" value creation. We can't "make" numbers. They come out at the other end.

What we can make is a better competitive alternative, a better run company. And so, the focus should be on delivering a better alternative for your target customer. That's where your competitive advantage comes from and that should really be the goal of every enterprise.

And I always advise people that one of the most powerful exercises is to write the article that you would want the *New York Times* or the *Wall Street Journal* to publish about your enterprise five years from now. What are they saying about it? What's the headline? What's the first paragraph? What are the two or three things that you got done that made the biggest difference? In leadership, you're always going to be remembered for one or two things.

Once you are clear on those two or three things, then you have to use your calendar to focus on what really matters. We often schedule our time in reaction. But everything should flow out of those two or three key priorities.

My view is that when you're running a company, you can only get about 80 percent of what you commit to done. And the reality is that most companies get a lot less than that done. I'm often blown away by how ineffective companies are in actually getting done what they say we're going to do, rather than just reacting.

Q. Why do you think that is?

A. It's because they've never been trained in what I call the "doing of the doing." And frankly, a lot of companies just do what everybody else does. And they don't ask the question, "What's going to actually matter and make a difference?"

The ability to understand those few key things that will make

the biggest difference took me a long time to develop. But wisdom comes from experience, and experience comes from banging your head against a wall. But I have always been trying to understand, "What are the unifying themes? How do you bring everything together?"

Q. Let's shift to early influences. Where does your drive and stamina come from?

A. From early on, I always wanted to make a difference, to have an impact, to be able to say, "Wow, we did that." That's a powerful feeling. I started out as a social activist, and I took a year off before going to college. I was probably going to become a lawyer.

But I discovered that business was the most creative thing I had ever been involved with. It forced me to broaden, to figure out how to integrate everything, whereas so many other pursuits narrow you. That interest started when I was attending Clark University, after I was tossed out of a convenience store across from the university, supposedly for shoplifting.

I didn't do it, of course, but I said, "Let's open up our own nonprofit convenience store." Because I was treasurer of the student council, I campaigned to tax the student body to raise \$60,000 to open the store. I stayed that summer, built the store and ran it. I loved the process of figuring things out.

Early on, I always was pulled between business and politics. I helped run political campaigns as part of a consulting firm. In business, the work felt very similar—a business is like a campaign that never ends. It's the same process of figuring out who your target customer is and delivering what they want and need in a consistent, solid way.

Q. I'm sure you meet with a lot of young people who want to start their own businesses. What advice do you give them?

A. I always try to talk them out of it. I'll say, "If you're starting a business for the glory of it, for the financial rewards, you'll never get there." You have to love the work itself, the doing of the doing. I'd rather hang out with the people who are

running my restaurants than investment bankers. Frankly, I never worried about the money and I made a lot of money. I knew that if the company did well, I would ultimately be fine.

Going public is a whole other discussion that I've had with people. I'll ask them, "Why are you doing it?" About 90 percent of people who take their companies public end up regretting it, because you're bringing in a whole other universe of constituents and much more complexity to your life. And you have to meet yet another set of standards.

And those outside interests have a much more short-term focus. When I first went public in 1991, the average shareholder held the stock for four months. By the time I sold the company, the average investor was holding it for four weeks. There's a pervasive short-termism in our capital markets. There was a time when the long-term money was in the public markets and short-term money was private. Today long-term money is private and public money is short-term.

Q. How do you hire? What questions do you ask in job interviews?

A. I tend to want to know not what you say but what you do. Where are you coming from in your life, where are you today, and where are you trying to go? And is your ability to get on our bus the right step for you and are you the right person to be on our bus?

I'm really looking to see whether we have an opportunity to be going to the same places for the right reasons. And I care who you are every bit as much about what you do. What do you care about? Are you the kind of person I want to be in a foxhole with, that the rest of our team will? If I bring you to this organization, is that going to be good or bad for my credibility? I'm really interested in who you are and the journey of your life.

Q. You've pulled off a number of transformations of your companies, which is always challenging for leaders—to take apart and rebuild what they've created.

A. But who better to take on the sacred cows than you? It's about balancing the ideas of discovery and delivery. When

you start out, you get really good at discovering what is more effective. But then over time you bring in people who are focused more on delivery and efficiency.

Those languages are different. Efficiency often overtakes discovery and you wake up 20 years later filled with the kind of big companies you see in my industry that are responding to the customer of yesterday and not the customer of tomorrow. It takes two to three years to move the needle in a large company. It doesn't happen overnight. And so you better make the right big bets or you're going to miss the market.

[Subscribe here](#) to get future "Art of Leading" interviews.