



# SETTING UP A COMPANY TO STEP DOWN CONFIDENTLY: LEADERSHIP LESSONS FROM THE FOUNDER AND FORMER CEO OF PANERA BREAD

**Ron Shaich**

# There were many things that made me proud of Panera in the fall of 2009.

The way the company had come through the great recession. The culture we'd created. The food we served. The value we'd produced for shareholders. The awards we'd received. And the fact that fast casual, for which we were the poster child, was now the fastest-growing segment of the industry. But if I had to boil it down to one single thing, it would be this: I founded a company that my then-ten-year-old son desperately wanted to be a part of. So much so that he had spent his summer washing dishes and making coffee at our local Panera rather than playing Little League.

Michael's love for Panera also symbolized something essential: that no matter how big the company grew, it was still personal to me. It was part of my fiber—fused with my sense of self. Which was why, when I stepped onto the iconic stage of Nashville's Grand Ole Opry theater, the venue for the company's 2009 Family Reunion, I began my speech by showing a video of how Michael spent his summer vacation—helping out at his local Panera. See, I wanted to talk about pride in our company and how we maintained that well into the future.

As the video ended, I had tears in my eyes. No doubt the four thousand team members who packed the auditorium just thought I was being sentimental. But there was a deeper reason for my tears. The truth is, that reunion was a bittersweet moment for me. What I knew,



but those in the audience did not, was that I intended this to be my last Family Reunion as CEO. I'd recently made the decision to retire—but had not yet announced it. So, the speech was something of an unspoken farewell. Soon, I would hand over the CEO role to my trusted colleague Bill Moreton. But until then, I still had the chance to shape Panera's story, to remind people where we had come from, where we were, and where we could go in the future. I couldn't tell them yet that I wouldn't be there with them when that future arrived. But I could still play a part in defining it.

I worked on that 2009 speech for literally hundreds of hours. That's how much it meant to me. I wanted to infuse every word with my love and affection for the people of Panera and the company itself. I wanted those listening to feel as proud as I was of what we'd accomplished—and to feel intensely responsible for where we needed to go.

I spoke of the pain and difficulty inherent in every creative process and every personal journey. I reminded everyone that the odds had always been against us. I challenged them: Is our success by chance? Absolutely not. I wanted every person in that room to feel personally responsible for the journey we'd taken—and accountable to the one we would continue to take. Indeed, I wanted them to feel the burden of everything that was at stake if the company were to stumble now—the livelihoods, the investor capital, the franchise owners, the guests. I raised the specter of failure—of losing our shared dream—and the potential for success.

"Creating value tomorrow is completely dependent on the choices—on the bets—we make now," I said, looking around at the animated crowd, feeling their energy and commitment rising toward me like a great tide. Evoking the metaphor of our company as a ship on the



stormy sea, I called on them to “sail on” and reminded them that our future was in their hands. “It’s yours.”

*WE...ARE...PANERA!* The chanting crowd of thousands of people echoed my words back to me, every person on their feet. Stamping and clapping, many of them had tears in their eyes, and the warm surge of love that radiated up toward the stage far eclipsed the heat of the lights overhead. The words on the teleprompter were a blur through my own tears, but I knew them by heart. I had honed every phrase until it rang true in my soul. The rhythm of the words, the resonance of their meaning, beat inside me like a drum, building to a climax. As the applause echoed through the cavernous auditorium, I felt more like a preacher leading a revival meeting than a CEO addressing a company gathering.

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I know that, on paper, our company jamboree probably comes off as hokey. But when the crowd’s triumphal chant echoed back, I can assure you it was a near-religious moment for me. By the time my family and Panera’s leadership team joined me on stage, tears were streaming, unchecked, down my face. Bill Moreton leaned over and whispered in my ear, “Ron, are you sure you want to leave?”



It wasn't too late to change my mind. I hadn't announced it yet. For a moment, enveloped in the emotion of the moment, I wavered—but not for long.

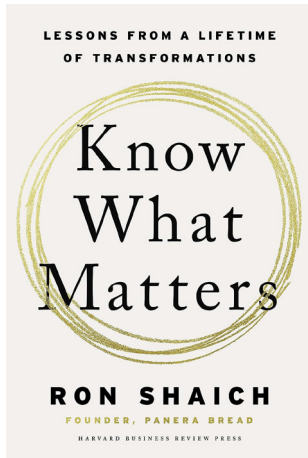
“Yes,” I told him, with more conviction than I felt. “We’re going through with it.” As I stepped off that stage, I knew I’d done everything I could, in that moment, to set the course for a positive next chapter in Panera’s story. But what would be the next chapter in mine?

For me, as you can tell by now, there’s never been a hard line between my work life and my personal life. Different leaders may take different approaches to the equation we call “work-life balance,” but I think it’s fair to say that for most company builders—whether they’re entrepreneurs nurturing their own idea of business builders turning a good company into a great one—work is intensely personal. It’s a source of meaning, satisfaction, and fulfillment.

I believe that a high degree of personal investment and an intense feeling of responsibility are essential elements if you want your leadership to be truly impactful. That doesn’t mean every leader should work eighty-hour weeks and skip family dinners. But it does mean that the growth and vitality of the company **should be central to your own vision for your life.** 📌



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## ABOUT THE AUTHOR

Ron Shaich is the founder and former Chairman and CEO of Panera Bread and of Au Bon Pain and is the current Chairman and lead investor in Cava, Tatte, Life Alive, and Level99. Shaich is often credited with defining the \$80 billion fast casual segment and is known for continually disrupting industry paradigms to find new ways to build companies of value and with values. Shaich has twice been recognized as an Ernst & Young Entrepreneur of the Year, was selected as the 2018 Restaurant Leader of the Year, and was presented the prestigious Nation's Restaurant News Pioneer Award as one of the most significant contributors in the history of the restaurant industry, joining the ranks of Colonel Harland Sanders, Ray Kroc, Norman Brinker, and J. Willard Marriott.

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