

The Future of Work podcast is a weekly show where Jacob has in-depth conversations with senior level executives, business leaders, and bestselling authors around the world on the future of work and the future in general. Topics cover everything from AI and automation to the gig economy to big data to the future of learning and everything in between. Each episode explores a new topic and features a special guest.

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Jacob: Hello everyone. Welcome to another episode of The Future of Work Podcast. My guest today is Jonathan Neman, the co-founder and CEO of Sweetgreen. Jonathan, thanks for joining me.

Jonathan: Thank you, Jacob. Really happy to be here.

Jacob: I was actually reading an article about you, I think it came out earlier this year. It talked about how you start your day. That's one of the things that I actually love to ask a lot of the podcast guests on this show, and you have a really unique and interesting way that you start your day. Maybe we can start with that. How do you begin your day?

Jonathan: Sure. For me, the beginning ... I love the mornings and the beginning of the day is really important in terms of how I set myself up for the rest of the day, which is usually jam packed with meetings and work and just very ... the day moves very quickly, so the mornings are sacred when I can have them. A few things. One, something I've been practicing is not looking at my phone in bed, so waking up and not being the first thing I do is check my e-mail or any of the notifications. Try to just take that moment for myself and just wake up and feel the world, not the phone. And then I like to do something grounding. Some sort of exercise or some sort of spiritual practice every morning. I live in Venice Beach, California, and when there's waves and when I can, I try to get out there and surf at least a couple times a week. Other days where I can't do that, practice yoga, meditate, something for myself in the morning that I can always tap back into in the craziness of the day having that practice in the morning.

That's really the focus of my morning. Beyond that, I take an Uber to work. I live pretty close to our office in Culver City, about a 15 or 20 minute drive. We have a Blue Bottle downstairs, and so-

Jacob: I'm very jealous.

Jonathan: Yeah, which is nice. I grab a Blue Bottle and come up and kind of start the day. I do start by checking up on both my e-mails as well as the news from the day before. I subscribe to a couple of different news sources. Try to just get a collection of what's going on. For me, checking in with the world in terms of specifically the business world, what's happening from an innovation and perspective in different industries really helps inspire me in terms of how I help lead Sweetgreen from a strategic perspective.

Jacob: Sounds like an exciting day.

Jonathan: And then I get after it.

Jacob: Yeah. Get to work. For those people not familiar, Blue Bottle, I think it started in the Bay Area, but if you haven't had Blue Bottle coffee, you should go try it because it's very good. I'm curious just about you. How did you get involved with Sweetgreen? How did all this happen?

Jonathan: Sweetgreen started just over 11 years ago. We've been doing it for quite a while now, and it really started as a solution to a problem that we had in our own lives. I started Sweetgreen with two of my best friends, who I still work with today, Nicolas Jammet and Nathaniel Ru. The three of us met while we were in college. We were students at Georgetown University and we met freshmen year. Bonded over food, entrepreneurship, really wanting to create something, and senior year were confronted with really just something that we craved in our own life, this idea of wanting a place to eat that was delicious and healthy and affordable and convenient. Kind of brought all of these components together and it started with this thesis around the stages of food, and we thought about food where it was stage one is how you feel before you eat the food. You want to feel excited.

How you feel while eating it, hopefully delicious. How you feel right after, hopefully not dead, but energized. And how you feel 10, 20 years out, and hopefully it's alive and healthy. What we realized was all the food brands out there were either really good at the first two or really good at the second two. There was companies that were great at marketing, great experience and tasted great, but it was really bad for you. It was full of crap, processed food, and not only did you feel bad right after, you felt it was really detrimental to your health. Or there was companies that were really, the food made you feel good and it was good for you, but you weren't really excited to eat it. It wasn't easy to eat, it wasn't convenient, it wasn't affordable. There was all this friction to being healthy.

We wanted to create a place that solved for all four stages, and like I said, it started with us just wanting to do something really for ourselves. We spent our senior year writing a business plan. We went out and started raising money from friends, family, professors, anyone who would talk to us. Nick met someone on a plane, sat next to him on a plane, that he somehow convinced to give us a check. It was anyone who we'd talk to. Yeah, we spoke to hundreds and hundreds of people. Ended up finding 45 people that just believed in the mission we set out and really we had no experience, we had no place doing this. We were complete naivete and I think maybe that worked to our advantage, because we didn't know how things should be or how hard it would be, we just knew we wanted to do it.

We ended up raising about \$300,000 from 45 people, which meant it was just over \$5,000. The average check was somewhere between \$5,000 and \$10,000. It was a lot of people and it really forced us to hone the vision and the brand that we wanted to create. For us, from the very beginning it was about creating a brand and a movement, not just a business. It was the thought leadership and the mission and the way in which

we wanted to work was just as important as what we did, so we said ... we always wanted, we started with why, not just what. And then we opened our first restaurant August 1, 2007. 11 years ago we opened ... we came up with the design, the menu, the experience, the whole thing, and opened in a very, very small, 500 square foot space.

It was right across the street from where we lived in Georgetown. Right off campus on M Street. It was interesting, it was an old burger place. It was part of a large chain in the Mid-Atlantic called The Little Tavern, and there's dozens of these old burger shops around, and this place was just sitting abandoned. We transformed it into what it became, the very first Sweetgreen. It was so small that it forced us to do things very simply. It forced us to really just focus our experience on the produce and where we got the food from was gonna be what defined us. It was about where we got the food from, our supply chain, and to start it was just going to the farmer's market, meeting farmers and buying from them, and then making food from scratch. The freshness. Those were the two tenets of our food that we started with that we still continue today.

Today, we now have over 300 local farmers that we work with that we vet very, very closely. We're very proud of our supply chain. It's what makes our food taste so good. Also make all our food from scratch, every day, in every single restaurant. Every single thing we do, everything you eat is made that day, from scratch. From breaking down all of our lettuces, all of our greens, washing and chopping daily, multiple times a day, to marinating our proteins and roasting them on site all throughout the day, to even making all of our dressings from scratch every day.

Jacob: I actually didn't know that you guys do everything from scratch like that. Today, you said ... how many? 300 locations?

Jonathan: No, no. Not 300. Not quite yet. We have about 90 locations today.

Jacob: 90 locations. And how many employees do you have now?

Jonathan: We have over 4,000 employees overall.

Jacob: Wow, so you literally went from three people to 4,000 people in the span of a couple years, and it sounds like you guys are growing and expanding and looking at world domination.

Jonathan: I don't know if I'd call it world domination, but yes. Continuing to expand rapidly just using our mission as our guiding light, which is to build healthier communities by connecting people to real food. For us, our brand and business is ever evolving, going beyond ... this year it's a huge focus going beyond just the restaurant. Building out what we call our on demand ecosystem. Delivery and different formats of enjoying healthy food. Just constantly evolving and learning and growing.

Jacob: What does the Sweetgreen demographic look like? I know you have a lot of employees that are working at the Sweetgreen locations, but you also probably have the back

office. What percentage of people are in corporate locations versus those who are working in Sweetgreen stores serving customers?

Jonathan: Yeah. Our corporate, we don't call it ... we call it the Treehouse. It's our support center, and our job is really supporting our restaurants and our customer here at the Treehouse are our team members in the field and of course our customers who are enjoying our product. We have about 150 people at the Treehouse and here we focus on things like brand and marketing, technology, digital experience, operations support, HR and people, all of the brand building, communications and creative that help us create the brand that then is executed within our restaurants. In the field, of those 150 people a number of those people are not in the office. We're very decentralized. We have restaurants across the country, so we have a lot of field leadership as part of that. People who are overseeing cities, different markets. For example, supply chain people that are regional. Real estate teams and designers that are regional. It's a very regional workforce.

And then within the restaurants, the star, the most important person at Sweetgreen is our head coach. Our head coach is our general manager, essentially, and that individual really runs the 360 degree business of their restaurant. They're responsible for multiple ordering channels, creating a great workplace inside of their restaurant, motivating their team, managing the P&L, connecting with customers. And then we have of course our wonderful teammates, the ones that actually make our food from scratch every day and go above and beyond for our customers.

We're very data driven at Sweetgreen, and we know ... we've learned a lot through our data, but one of it is people originally start to come for the brand, the food, but what really keeps our most loyal customers are the connections with our teammates. Those emotional connections within the restaurant are really, really powerful.

Jacob: I definitely want to talk about that, because I think that's quite unique, but before we jump into some of the culture stuff, I'm curious. Are most of the people that work for Sweetgreen, whether it's in the Treehouse or in the stores, are they mainly millennials? Is it a mix of Gen Xers, Millennials, Boomers? What does the demographic look like?

Jonathan: Definitely a mix. I'd say the Treehouse is mostly Millennial, but as we continue to grow and bring on different functions and need different levels of expertise, we definitely have brought on some Boomers and some older, experienced executives on the team as well as now some Gen Zers. One thing that I think a lot about is when we started Sweetgreen, we were really at the right place at the right time. I was 22 years old. Today I'm 33, so I'm kind of on the older edge of the Millennials, and saw a changing food system and the fact that people wanted to eat in a different way, and luckily I was of an age where I was just old enough to be able to start that. But the reason Sweetgreen was successful to start is because we knew what the customer wanted, because we were the customer. We were really, we were building for ourselves.

Something I think a lot about is as I get older, my co-founders get older, how do we continue to stay relevant, regardless of if I am that core customer or not. As Sweetgreen evolves, we want to try to attract different types of people to work for Sweetgreen, but

also different customers of all ages. It really helps, diversity is something really important to us, both in terms of age and race, gender, etc. Having a diverse workforce helps us make better decisions and create a brand and a product and experience that would attract people from all different ages and walks of life. Gen Zs, for example, help us understand what the kids are up to these days. What are the kids listening to, and it's amazing to watch how rapidly the different generations interact with brands and products differently.

Jacob: Yeah, and I can tell you that I'm your ideal customer, because ... similar age, I also love to eat healthy and so, I agree. I feel like there has definitely been this change in food and wanting that, so perfect timing for a company like Sweetgreen. I know you're super passionate about culture, so I want to talk a little bit about that. Maybe we can start high level, with what is it like to work at Sweetgreen? And maybe we can look at this from two sides, so as somebody that might work in a Sweetgreen location, serving customers, what that experience is like. And maybe somebody that also works at the Treehouse and what that experience is like.

Jonathan: Yeah, of course. I'll start with the two words that really embody the Sweetgreen culture most, and it's the two words we use to describe what we call the Sweet Life, and that's passion and purpose. Those are the two common, those two things brought together, integrated into one, are really what ... the two ideals, I'd say, that really embody the Sweetgreen culture most. We're very, very passionate group of people. We care what we're doing. This is not just a job. We don't hire people that just want a job. We're on a mission. We like to have fun, we work hard, we're very competitive, but we do it with purpose. There's a greater purpose to what we're doing, both from a company perspective, from a community perspective, and even from a personal continuous development and learning and leadership perspective.

There's a few other things that we think of in terms of our culture that are the same, again, at the Treehouse and in the field. The way I define our culture is happy, humble, hard working, curious and coachable. The profile may be a little bit different to some of the people that work in the field versus some of the people in the Treehouse, but those things, again, are the same. First and foremost, happy. We like to have fun no matter how serious the work is. We like to have fun what we do, and we like to hire people that are naturally happy. I like to say sincere, not serious. Even when we're doing things that are really hard, it's let's not take ourselves too seriously with it.

Jacob: Really quick, before you jump to the next one, when you're interviewing somebody, and I don't know how many interviews you personally do versus interviews that are done by HR, how do you identify that kind of a skill or quality? When somebody applies to work at Sweetgreen, is it kind of the typical process that most companies have? Submit an application, we get back to you, you come in, we ask you some questions, and if you're a good fit we'll let you know? Or is there something unique that you guys do that helps you identify these types of people that are in it for the long run, that care about the mission and that have these qualities and characteristics?

Jonathan: Yeah, so for me when I interview, I like to understand one, why they're ... what drives them. Really why they want to work at Sweetgreen. One of the most important

questions for me is, "Why Sweetgreen?" Another is how people think. I care less about what you've done but more about how you think. Situational questions are really important for me, almost like these hypothetical, let's solve a problem together questions, and it's not about the answer. It's about how you process the information. Part of our culture is this coachable, continuous learning. I think about it in terms of this idea of velocity of learning. If you have two candidates and one is growing at ... if you could quantify these things, growing at 100% per year in terms of their development, but they're starting out with say, level five. And you have another candidate who's growing at 10% but is starting at level eight, which one do you go with? For me, it's always ... for the most part hiring for potential and acceleration of development and growth, and trying to find individuals that have that. It's not just where you are, it's how fast you're growing.

Similar way is how you look at a company, right? How you invest in a company. You can invest in a really big company that's not growing, but you're probably better off with a company that's smaller, growing faster, is probably more valuable.

Jacob: Yeah. I love that approach. In fact, I think from all the executives I've interviewed, I don't think I've ever heard anybody explain it like that. I love that focus on hiring more for potential instead of what you've done. But you know, it's also probably tricky to identify potential in somebody, isn't it? How do you look at somebody and say, "Yeah, this person has potential or this person doesn't have potential?" Is that just kind of an intuitive thing that you've built after doing this for a while?

Jonathan: Yeah, I think for me, there's a lot of intuition into it. I do have my list of questions that I go through. But we are trying to get a little more process oriented about as we put together interview panels, making sure one, we're seeing diverse candidates and also asking the same slate of questions, so we can calibrate accordingly. Especially on more technical roles. Making sure we are looking for ... there's the technical checks, and we do actually a lot of homework. That's part of, if you want a job at the Treehouse, you'll usually get some homework. The idea again there is not just the answer, it's how you thought about it. How much work you put in. How much do you care?

But also, when we are interviewing, we bring on people ... not just the hiring manager and the people who would be directly involved, but we also create ... have a group of people who are more the cultural check of that candidate. Interviewing for culture. Making sure that these ... it's almost like the asshole check. Making sure the person is going to fit in and not be a drag on our culture. Because culture is ... it's the behaviors. It's the little things that are the big things, but it's not ... you can't ... people say this all the time. It's not what the office looks like or the happy hour. Your culture is the collection of all the behaviors. The way people treat each other. The little things are truly the big things, and so ... it's how we work, not just what you get done. It's really, really important for us. It's really hard to do. You have to really nurture it.

Jacob: Yeah. I'm sure. All right, we can jump to the next one. I didn't mean to cut you off after you get into the happiness component, but you talked about a couple others.

Jonathan: Yeah, I mean the rest ... relatively self explanatory, but curious. We look, the guys kind of talked about that one. It's looking for continuous learners. Are you someone who wants the answer given to you? Are you looking to grow and develop yourself? I think one misconception of companies is this idea around career development, and people come and they come to companies and they're like, "I want to be developed." My take is, "Good. Develop yourself. Here are all the tools. Ask questions. Go get it." There's some companies that are maybe meant to develop you. Maybe you go work at a consulting company or a bank and they want to take absolute raw talent and have a path. Do X, Y and Z for two years and you can be here, and then do this and you can be here. There's like a track. I don't, at least in this stage of Sweetgreen, we're a fast growing startup. I don't believe in that. You want to grow here? Go get it. And there's a lot of people that complain about it, they're like, "Where's my track?" It's like, dude, that's not how it works here.

Jacob: I love that approach. It puts the accountability on the individuals instead of assuming that the company will do everything for them.

Jonathan: Correct, and I think it's the individual, and that's part of this entrepreneurial culture that we want to encourage, again, so my core beliefs on leadership are around empowerment and autonomy, and how we set up a workplace that sets people up for success in that way. Great people don't want to be told exactly how to do something. They want to be told maybe a goal and a vision, an objective, but the strategies and how to get there need to be really up to them. What I encourage people who want to grow is go do great work and people will see, and then ask for more work and kind of continue. That's how you grow. If you sit and wait for someone to give you a promotion because you've been there three years, that might work in some companies but that won't work here.

Jacob: Let's say I'm employee a Sweetgreen. I've been working there for a year. I want to learn something new. I want to expand and grow and do other stuff. What opportunities does an employee have to kind of do that for themselves? Do they just step up and start doing stuff? Do they work with a manager around it? How do they actually go about doing this for themselves?

Jonathan: Yeah, so Sweetgreen, we have a culture around goal setting. We set goals. Long term goals, like big, hairy, audacious goals around the long term, where we want to be. Really around our overall mission and how fast we want to grow and kind of big things we want to do. That is then broken out into our yearly goals, our quarterly goals, and then monthly goals. We use OKRs at the company, so objectives and key results. Find it to be very effective in managing work. There was actually just a great book John Doerr wrote about it, Measure What Matters, that I just read. Highly recommend in terms of how you organize work. But around that, in terms of goal setting, the way you would grow is to set your goals in an ambitious way, to achieve them, and as part of those goals, it's not just work goals, but there's a softer scale goal. Development goals.

Kind of creating, working with your manager and having those conversations. We encourage our team to have those conversations often, about not just the work but about the leadership development and the career growth, and create stretch

opportunities. Well, first of all, I think you have to be good at your day job. It's really hard to ask for more when you're not succeeding at your day to day job. But I think once you're doing your day job, it's then having those development conversations about where you want to go, and then spending that extra 10 or 20% growing in those areas. It's getting exposure both laterally and so I think there's growth in terms of learning other parts of the business that make you a better general manager that can help you grow within the organization. My philosophy is also, especially in a startup environment, there's so much opportunity created when a company grows. That's where a lot of other big roles get created is if we can grow at the growth rates we're hoping to grow at and create a multi-billion dollar business, there is unlimited potential for the individuals here who create that. But it's really hard to just create jobs when the company doesn't afford it.

Jacob: Totally agree. And again, I love that message of be accountable over your development. We'll give you the tools and resources, but don't wait for somebody to walk up to you and say, "Hey, how do you want to grow or how can we grow you?" You've really gotta be that kind of entrepreneurial person to want to grow within a company like Sweetgreen. And quite honestly, that's one of the things that I hear from a lot of companies that they wish they had more of. Clearly, whatever you're doing seems to be working. Maybe we can jump on to some of the other elements that you talked about as well.

Jonathan: What else?

Jacob: We talked about I think happiness. You talked about kind of this accountability for learning and development. But I think there were two or three other values that you said you were for-

Jonathan: In terms of our culture. Yeah, so a big one is humility. Something that we look for a lot in our team, and the reason is Sweetgreen, like most companies, and especially when you're in the food business, it's really a team sport. It really, what we do is not one person can do it alone. It's a very ... the work, when we do at our best, it's very, very cross functional and it requires so many people. We look for people who are humble, want to share the credit, have positive intent in that, and we found that to be a really important part of our culture. That humility component.

Jacob: Being able to admit that you don't know how to do something or that you need help.

Jonathan: Oh, so important. Know what you know, know what you don't, don't be afraid to ask for help. I think, as a first time CEO, really this is really the only job I've ever had, I can be very honest about what I know and what I don't and ask for help. I think if you have the ... you know, humility leads to you wanting to hire people better than you, and the opposite of that is if you're self conscious and not sure of yourself, you may not do that. You may not want to hire people that are smarter than you. But the best leaders, they lift themselves by surrounding themselves by people that are actually smarter. I think it was ... I was listening to a podcast with Mark Zuckerberg and he says, "My rule is, I don't hire anyone that I wouldn't work for."

Jacob: That's a great quote.

Jonathan: That made me think about, if you're gonna hire someone to work for you, would you flip it and would you work for that person? If not, maybe they're not the right person.

Jacob: Yeah, makes a lot of sense. Okay, after humility, what was the next one?

Jonathan: Let's see. Happy, humble, curious. Coachable we kind of talked about.

Jacob: Yeah, maybe-

Jonathan: Happy, humble, hard working, curious and coachable.

Jacob: All right, so we went through all of them. Earlier in the podcast, you said that one of the reasons why people eat at Sweetgreen is not just because of the food but because the connections that they get with the people who work there. Which I thought to be particularly intriguing, because some people might say, "What are you talking about? You're just going in there to get a salad. What connections are you talking about?" Can you elaborate a little bit on what you mean when you say that? Any examples or stories that you can think of that pop to mind?

Jonathan: For us it's just ... the way I think about it is it's just the little things in your day that just make you smile. I think a lot about how the energy created within an experience, that it's all how the little things come together that you may not notice, but when they all come together you can feel it. When you walk into a place that's just humming the right way. The energy of the team is what creates that. What creates this loyalty are little things, it's the quick conversation across the counter. It's remembering a name. It's going above and beyond when you see a guest that needs help or is having a bad day, maybe adding what we call a Sweet Touch, maybe offering them something for free. It's opening a door. It's helping someone in need. Just the little things that show our customers what we stand for, in terms of how we treat people, I think creates this emotional connection to the brand, because it's us actually living our values. We try to instill that at every touchpoint we have.

Again, from like you were talking about how we interview. We use our core values as the framework for how we interview people to join our team. We make sure that our core values are integrated and in all of our training materials and how we review performance. Everything is kind of guided, our whole company is really guided by two things. Our mission and our core values. Everything is kind of built off of those key tenets. We can go ... we have six core values we've had since the very beginning, and these drive our decision making, like I said. Who we hire, who we fire, who gets promoted, and how we interact with our customers, most importantly, how we take care of them.

Jacob: You actually said something that I think is quite interesting, and that is if somebody's having a bad day you give them ... what was it that you call it? I know you give them something for free, but it's called a Sweet what?

Jonathan: A Sweet Touch. So that's one of our core values. It's just that little thing going above and beyond, where it's that extra 10% that someone will remember.

Jacob: Which I think is great, but how do you ... I mean, is there a process for that? Because I've flown various airlines before, and I'm sure you have flown quite a lot and have been to various stores, where often times when you get something, it's a template. For example, I remember I was flying on an airline once and I flew a lot of miles with them, and in the middle of calling people up by boarding group, the lady that was boarding the plane, she's like, "Oh Jacob, come here." I heard my name and I go up there and she hands me a card, and it just said, "Thanks for flying," or like, "Thanks for flying X amount of miles." Didn't look at me, she was literally talking on the intercom while she handed it to me, and I can tell that she did this clearly because somewhere there's a script that says, "Okay, somebody flies X amount of miles. Here's a little card you have in the desk. When they're there, take it out, hand it to them," and they try to make it feel like they're making the customer feel special, but that's not how it comes off. In your example, or in your situation, when you try to bring in that Sweet Touch, is there a template or a process for that? Or is it more of giving employees the ability to use their best judgment? How do you provide guidance on that?

Jonathan: Yeah, it's a combination of the two, and I think as technology permeates retail and more physical experiences, it can be a tool to enhance it and help your employees create these better experiences. Or it can make it very mechanical. It can be one where it says this is someone you should recognize, but then use a human emotion to do it. Don't just make it so transactional. But for us, we do it both leveraging technology through our digital experiences, but also in person. It's creating systems and processes that allow for it. Allow flexibility within our framework for people to use their judgment, and I think the airlines are historically really bad for this. It always baffles me when ... what I thought you were gonna say or tell me the airline stories, let's say you're boarding a plane and it's groups one through six, and nobody's in groups one through five, but they'll stand there and not let you board the plane until it's group six. Or like when you're sitting on the plane and the whole first class is open, but they still don't upgrade people. It's crazy to me, some of these things.

For us, it's just using good judgment and how we reward that and how we recognize people who've done that is also one way of doing it. We celebrate Sweet Touches at Sweetgreen. One thing we do, we celebrate Sweet Touches a number of ways. One thing that we have at Sweetgreen, we call notes of gratitude. Once a month, the whole Treehouse gets together and we take a look at all of our customer service comments. The positive ones, which we get tons and tons of. Love letters to our team members. Hundreds and hundreds, actually thousands a month, of people writing these amazing, amazing notes of, "Hey, I had this experience and Jacob took care of me at the restaurant. He was amazing, he went above and beyond. Thank you." What we do is we write notes of gratitude to ... for every letter that we get, we write two notes. One to the person who wrote us that note, thanking them, but another note to the team member or the team that created that awesome experience.

At our family meetings, our monthly all hands meetings, we tell stories from the field of examples where people did go above and beyond and add the Sweet Touch. People, you

know, that's how these little touchpoints or how we encourage these things to be part of our culture. You know you're never gonna get in trouble if you did something by putting the customer first. You're never gonna get fired for it. Listen, if you're giving away unlimited free food, there's a conversation there of why that's probably not a good idea. But if you have someone who you know comes in all the time and then one day they forgot their wallet and you bought them lunch, great. We do actually ... there is some more process into it. We do budget for it, so in your ... every head coach within their budget or their P&L, they do have a certain amount that we just allocate, hoping that they do this.

For us, we actually hope they hit that number. We want to make sure that they're actually taking care of our guests in that way. And it's not all free stuff, right? I'll give you an example. It was raining a couple weeks ago, a torrential downpour, one of our head coaches ran, bought a bunch of one dollar umbrellas and started handing them out to people that didn't have them. It's just that little thing that is so unexpected to get at a fast food restaurant, but all of a sudden they handed out, you got an umbrella. You're like, "Wow!" That's amazing.

Jacob: That is amazing. I've actually never heard of a company doing that, let alone a company that serves food. You literally built in this kind of ... you call it the Sweet Touch, but you've built in this kind of go above and beyond ability for your employees. You actually support them with it by giving them resources and tools to do it. I'm assuming the head coach at each location encourages this as well? When an employee, let's say starts working at Sweetgreen. They're probably not used to this, right? Because chances are, their previous company didn't give them the ability to do something like this. Does this ever come as a shock for employees when they start working there and you say, "Hey, by the way, if somebody forgets their wallet, if they're having a bad day, feel free to do this for them." Are any employees ever saying, "That's weird. Why would you let me do that?" Does that ever come as a shock?

Jonathan: Yeah, I think it's like this refreshing breath of fresh air. Actually, when you talk to our team members in the field, why they love Sweetgreen is they love that they can be themselves. We encourage ... a lot of places you work, it's like no piercings, no tattoos, everybody looks the same. You look at our team and it's incredibly diverse. From all walks of life. We really welcome people from everywhere and we encourage you to be yourself and celebrate that, this individuality. We also celebrate autonomy and empowerment. We have a ... something we do every day in every single one of our restaurants is called the Sweet Talk, and it's ... you know, most restaurants have some version of this. It's like a pre-shift meeting, except ours is that with a daily dose of inspiration and storytelling and kind of some Sweetgreen rah rah traditions built in. We actually made an awesome video of our Sweet Talks that you can find on our YouTube page, but it's every morning around 10:15, and there's usually a second one before the evening shift. Our team gets together, shares stories from the night before recognizing Sweet Touches and people that went above and beyond.

And again, we'll have an intention or thought for the day of how we can go above and beyond to connect with our guests and create experiences that create that emotional connection that create loyal customers. Sweetgreen's not the type of place that has ...

we have actually less customers that come very often, so our team members know our guests actually really well. It's amazing. I go in, some of the times ... I was in one of our restaurants in New York last week, and our head coach there, I was sitting there with him for an hour and he knew almost every single name of customer that had come in to pick up their online order. And that store will do about 1,000 online orders over a lunch period. He knew everybody's name. It was like high fives and hugs.

Jacob: You don't see much of that in any kind of store, so that's definitely pretty unique. I have so many more questions I can ask you, but I want to turn our attention to maybe what companies can do. Well first, why do you think other companies struggle so much with this? Because it seems like around the world, culture is always a huge problem. Engagement is a huge problem. Companies are trying to fix it, yet they're not able to. What is it that you have done that you think other companies can start to apply in their company. Let's say you were, I don't know, consulting for an IBM, a Pepsi, one of these massive companies out there, and they said, "You know what, we want some of that Sweetgreen culture. But we're 20 times the size. Or 100 times the size," and they brought you in. Where would you start with trying to build that Sweetgreen culture?

Jonathan: That's a really good and I think to answer part of the question of why don't most people do it, I think it's really hard and I think it's really hard to maintain as you scale. Where we're at today, our culture's amazing. Our goal is just to maintain that intimacy as we scale. Some of my advice of how to do that would be one, connecting to the why behind what we do. So not just what we do, but why we do it. For us, it's our mission. Having really values that are real, not just something you post on a wall, but values that actually are used in action behaviors that define the culture. Not just statements, but how does that show up in real life? I think Netflix is kind of famous for taking their culture and making a culture deck, but it's not a culture deck of big lofty statements. It's very specific behaviors. This is what we are, this is what we're not. It's just a lot of introspection work to get to that.

And it's not something you can hire a consultant to do. It's something that you have to do yourself and it takes a lot of time. Many iterations and a lot of deep, deep soul searching. Another thing is culture is not any one person's job. It's not the HR department's job. It's not just the CEO or the executive team's job. It's everybody's job. I think everybody has to feel like they own the culture. One thing that we try to do is, when we think about these little cultural touchpoints, people have basketball games and wine club and all these things, my approach to it is I don't want to be the one that comes up with these things. I want to create almost like the framework, this place where people want to do it and we'll support it. Maybe we'll pay for it, but we want our team to co-lead and build the culture with us.

I think another thought on that is that culture is always changing and that's a good thing. There's this thing around the nostalgia of culture that I think is bullshit. People always kind of want for the days where it was before and forget all of the hardships of how that was, and the reality is that as a company grows and as people grow, things are gonna change and evolve, and that's okay. That is a good thing. We just have to hopefully evolve for the better and invite new people in to co-create the culture together.

I'd say a couple other things. What you recognize and then just general communication, as a CEO, one of my top priorities as I think about my job and one of the things I think about most is internal communications. How do I communicate with what channel to who? Whether it's what's on e-mail, what's on Slack, what's in person, what's one on one, what's family meeting, all of those different touchpoints. Those messages are really important in creating and maintaining an awesome culture.

Jacob: How do you scale that across the many stores? Because you have, I think you said 90 locations. They're all across the country. Do you ever run into challenges where maybe a couple stores or a handful of stores ... they're not there when it comes to culture? Maybe the head coach isn't a good fit. Maybe the employees aren't a good fit. How do you deal with something when things aren't quite going the way they should be?

Jonathan: Yeah, of course. We're definitely not perfect. We're learning and growing. I think that we're a great place to work. I think we can be so much better. One thing that we've done as we've gotten bigger is how we use data to inform our decisions, to create kind of like an ongoing temperature check, so how do you measure these things so it's not just a feeling, so you actually know? We use that as a baseline of both what we call our happiness index, our retention index. How do people feel and then what are the themes that rise up? We actually use some machine learning around how we collect the data around and then how do we nudge our team members? How do we nudge our team to get better at the things that we may not be great at?

For me, every quarter we do an engagement survey across the company, both at the Treehouse and the field. What cycles up is the overall temp check, but then there's a, "Here's the three things that you're doing really well right now. Here's the three places where you could possibly improve." It helps with having that report card so things don't fester for too long.

Jacob: Yeah, so you constantly have a good sense of the pulse. I wanted to ask you some questions now that people online wanted me to ask you. The first one is from Mohammed, who's a senior manager at a telecommunications company in Syria. He said, "In his opinion, what are the top three reasons to boost staff engagement and what are his strategies for talent retention? Does he think his answers would change considering the different cultures?" I guess it sounds like a couple part question. One is why bother boosting staff engagement? Why bother making that a priority? And the second is what are your strategies for retaining people inside of Sweetgreen?

Jonathan: Yeah, so the reasons for engagement are directly linked to retention. Engaged workforce one, creates ... does better work, but also stays longer and for us, we have real data that shows the longer people stay, the more productive they are. We actually know, for every three months of tenure of our team, it's actually significant profitability gains of the restaurant. It's actually directly correlated to the profitability of our restaurants. Our first core value is this idea of win, win, win. It's my favorite core value, I kind of live my life around this, and this is creating a great culture and an engaged workforce is a win, win, win. It's the right thing to do for your team, because it creates a great place to work. It makes people happy. It makes our customers happier, because

our team is engaged, but it also makes you more money. That's a ... it's a really, really important that it does all of those things.

Jacob: All good reasons, for sure. And then what are your ... I guess we talked a lot about some of your strategies for retaining people. I don't know if there's anything else that you want to add to that that we didn't touch on.

Jonathan: In terms of retention? Yeah, there's a lot of things that we do, whether it's how we compensate our team and how both the base compensation and bonus, our benefits, equity is a huge part of how we work, how we compensate our teams here, which is you're building something bigger than just your day job. There's a lot of long term value, especially working at a fast growing startup like ours. We have something called Family Fund, which ... what it is, it's kind of like our emergency fund. We encourage everyone in the company to chip in as little or as much as they want. As little as a dollar per paycheck. And what we do is we set aside that money. When our team members do have emergencies, a death in the family and they can't afford a funeral or you know, their home was burnt down. These things that could be pretty disastrous to life if you just, and could cause actually bankruptcy and really difficult situations, we're able to step in and take care of them. There's a lot of hard stuff. Things like how you pay people and benefits and vacation policies and all that, and then there's the softer stuff of how do you feel? How do people treat you? How does your boss treat you? How do you think about your career opportunity? And then there's the larger spiritual stuff, like I feel like I'm part of something bigger. This mission actually inspires me. All three components are important for creating an engaged workforce.

Jacob: Yeah. Makes sense. You know, when a lot of people work for a restaurant or for a retail store, the general kind of stereotype is it's a stepping stone. You do it when you're young, make some money, then you kind of move on and you do something else. It sounds like you have a very different mentality and Sweetgreen has just a very different culture around that, where it's not just kind of a stepping stone, but you want people to be there for a while. Are your retention numbers higher than average for your industry? Because I know in retail there's very, very high turnover. Have you seen positive impact there from all the things you're doing?

Jonathan: Yeah, we definitely do. And one thing I'll say about that is we encourage people to build a career here, but it may not be for everyone. And some people may, it may be a stepping stone, and that's okay. I think it's just like, let's have that conversation up front. Hey, I want to work here while I'm getting through school. And you can work here and get health insurance, eat healthy food, learn something, learn some life skills that are beyond just the restaurant, just working in a restaurant, and that's okay, too. And then if you want to build a career here, there's a track for that as well. One thing that I think about is ... and I think this is with the best companies, aren't just a great company that you want to work for. They're a great company to have been from. If we can think about, you want to be a place that ... great to come to, but also on your way out you're treated with respect and you've learned a lot you can take on with you. I look at our Sweetgreen alumni and see them doing amazing, amazing things, and it makes me so happy and proud.

That's another thing that we want to encourage. No one's gonna work somewhere forever. That's the reality. I might work here forever, but nobody else here at Sweetgreen will probably work here forever. The reality is, is that let's treat you really well while you're here, hope to keep you for as long as makes sense for both of us, but leave you better off than we found you.

Jacob: Yeah. All right, two more questions from you from online. The next one is from Suzanne. She says, "I'm a big fan of Sweetgreen. I would be interested in learning how they think about the frontline employee experience, given that they are closest to the customer, and what do they do to engage them? In particular, when they want to reinforce or change an aspect of their culture." I think we did talk about some of that stuff, but if there's anything else that you specifically want to address for the frontline worker, now would be the perfect time.

Jonathan: Yeah, I mean that's ... good question, because we have a whole team focused on that, thinking about all of the aspects of the team member journey, from the second they think about Sweetgreen, to apply, through their application process, through their day in the life, in their training, all the way through how their day to day tasks, both how they operate and the tools we give them to feel more successful. We focus a lot on those. Right now there's a lot from a technology perspective that we are implementing within our restaurants to make it easier to work and set our team members up for success. And then there's other things just around space. Simple things around lockers or uniforms or tools when you're working on the line, you know ... I'll give you a really ... such a funny, weird example. We have these, when you don't order online or on your phone, when you order in store, you go, you're working with a frontline employee across the counter. We opened a few restaurants where depending on the state, the health code was to have these sneeze guards had to be so high.

It made the team member experience so difficult, because they couldn't hear the customer across the counter. It was just such a small little thing that we were optimizing for food safety, which was 100%, huge concern for, huge area of focus for us, but making sure we also think about, "All right, but how does that effect the team member and how they can deliver that experience?" And again, okay, just a small, little thing that made us rethink the actual design of our restaurants and our operation based off of optimizing for the team member.

Jacob: I've seen those massive sneeze guards, so I know exactly what you're talking about, because often times the person across the counter is like, "What? I can't hear what you're saying."

Jonathan: Exactly. It's a little thing but it's a big thing.

Jacob: Yeah, and that breakdown when you're trying to order is obviously a huge negative impact on the customer and the employee experience. Last question is from Tiago, and he says, "How do they view the issue of multiple generations within the same environment?" I don't know if you guys have thought about that or have done anything around that?

Jonathan: You know, I think it's just about inclusivity. Creating a workplace that includes, where everybody is welcome and treated fairly. Our restaurants are like that. We have restaurants with people of all ages, races, genders, sexual orientation. It shouldn't matter. We want to create a place that is open for everyone, both here at the Treehouse and within our restaurants. Whatever we can do to welcome that and support everyone and welcome all walks of life is really important.

Jacob: Perfect. Well, just to wrap up, I have just a fun series of rapid fire questions for you, starting off with what's the most embarrassing moment you've had at work?

Jonathan: Most embarrassing moment, we throw a music festival and a few years ago during that music festival I was called on stage to rap with Kendrick Lamar and I did not know the words.

Jacob: Oh, man. All right. I think that probably tops I think some of the embarrassing moments. That's a good one.

Jonathan: 20,000 people watched.

Jacob: Oh my God. So you were up there with Kendrick Lamar and then couldn't remember the words. I would imagine that that is probably embarrassing. That's a good one. If you were a superhero, who would you be?

Jonathan: Oh, man. That's a good one. God. Let's see ... let's go with Iron Man.

Jacob: Okay. What's a book that you recommend? Could be business or non-business.

Jonathan: Book that I recommend, I just read Measure What Matters by John Doer, which I loved, and another business book that I tell everyone to read is Good to Great. I think that's one of the classics.

Jacob: Okay. If you were doing a different career, what do you think you would have ended up doing?

Jonathan: Probably something in music or tech.

Jacob: And if you could have dinner with anybody in the world, who would you have dinner with?

Jonathan: My wife.

Jacob: All right. Fair enough. And the very last one is when are you guys gonna come to Alameda, California?

Jonathan: Good question. Hopefully soon.

Jacob: Well, I know we're at the end of our time, so where can people go to learn more about you and Sweetgreen and maybe any potential opportunities to work with you and Sweetgreen?

Jonathan: Sweetgreen.com, and go to our Careers page. We are hiring for all kinds of roles at the Treehouse, in our regional offices across the country in our different markets, and definitely for different, both leadership positions in the field, head coach, area leader, which is our district manager, and a host of different positions within our restaurants. Sweetgreen.com/careers, and you can also check out our LinkedIn page.

Jacob: Perfect. Well, Jonathan, I know you're super busy, so thank you very much for taking the time to speak with me.

Jonathan: Of course. Thank you, Jacob.

Jacob: My pleasure, and thanks everyone for tuning in. My guest, again, has been Jonathan Neman, the co-founder and CEO of Sweetgreen. I'll see all of you next week.