

How the Founder of Panera Bread Outperformed Chipotle & Starbucks and Why He Killed His Original Business

00:00

The topic of vulnerability is front and center inside of a lot of organizations today,

Jacob Morgan 00:05

but should you actually be vulnerable at work? In my brand new book leading with vulnerability, I actually say that you should not be vulnerable at work, but instead you should lead with vulnerability. The difference. Vulnerability is about exposing a gap. Whereas leading with vulnerability is about exposing a gap that you have and then demonstrating what you are trying to do to close that gap. To figure out how to make all of this happen. I interviewed over 100 CEOs and surveyed 14,000 employees around the world and I put all of that into my brand new book which just came out you can learn more by heading over to lead with vulnerability.com Again, that is lead with vulnerability.com Hey everyone, welcome

00:53

to another episode of great leadership my guest today Ron shake he is the man behind three iconic Restaurant Brands you've probably eaten at one or all of them, including and I we were practicing for me to not butcher the name of this first one before I hit record so I'm going to do my two will I probably will. All bone pen. Oh no elbow pen.

01:15

What's your How about just a BP AB most people use that

01:19

awbum pen? Yes. ABP alright, we'll go with that one. Panera Bread and now Cava. Panera has more than 2400 Bakery cafes, over 120,000 Associates and nearly 6 billion in annual system wide sales. He was also able to outperform both Chipotle and Starbucks during his time as CEO, which was 27 years. And as he reminded me that was longer than Cal Ripken played baseball. And he's also sharing all of his leadership lessons, mistakes, failures, the tough times and the good times in a brand new book called know what matters lessons from a lifetime of transformations. There you go. He just got the hardcover there. He said he just an hour ago. Yeah, an hour ago. So if you're watching this on video, you can see what the hardcover actually looks like. He's also the managing partner and CEO of Act Three holdings, which is a \$1 billion plus evergreen fund that invests in public and private restaurant and consumer companies. And really quick for everybody who's going to stay to the end of the last 15 or 20 minutes, we're going to be talking about something I haven't explored on this show before. And it's how to deal with pain in leadership, because as Ron reminded me, it's a very real thing. And we're

going to be putting that episode up on substack, which will be at great leadership.substack.com. So Ron, having said all that, thank you for joining me, welcome to the show.

02:48

Jacob, it's great to be here with you and your listeners.

02:51

Why don't we start with a bit of background information before you started these iconic brands before you started investing in companies? What have you

03:02

just to be clear, we I just want to clarify one. Yeah, sure. I'm not. I'm not the founder of Kava. I am the lead. I am a lead investor and the chairman, and had been instrumental in how they've evolved and developed. But there's a wonderful group of founders, Brett showman, Demetri I can and Ted, who were at the core of it, and I want to make sure that we call attention where it's still

03:27

got it. Got it. Okay, thank you. So going back to before you got involved with these restaurants before you created some of these iconic brands. How did you get involved in this space? Did you know you always wanted to go down this path of entrepreneurship and being a CEO?

03:43

No. No, I had no interest in being in business. I was political. And I wanted to help change the world. And I had an experience in college, I was tossed out of a local convenience store. I came back and and said, you know, heck with these guys, they're, they're abusing us. They're not treating us, right. Let's let's create our own nonprofit, I mean store and I was treasured. The student body was able to tax the student body raised the money to start the store. There was nobody actually to develop it. So I did. I stayed a summer and created it. And then I was its first general manager for a kid who can't dance, or sing. It was the most creative thing I ever did in my life. And I discovered that business being creative and business was was live performance art and I loved it. And one thing led to another and over the course of a half a decade or so, I felt the poles of really social action, social change, and a business I found when I was doing political work. I was usually being strategic and in applying those skills when I was was was doing business work. It had Add a political element to it, it has a constituent to it very, very similar. In a lot of ways. This is just a campaign that never ends. You know, just a business. That's one day, but they all have constituents, and they all have target customers.

05:15

Yeah. But talk a little bit about the creativity aspect in business. I feel like we don't talk about that enough. You know, today, a lot of people who have full time jobs, whether they're entry level employees, or even mid level leaders, it seems like oftentimes, we get very focused on the task, the project, the to do list, and either we don't have the time or the inclination, inclination to bring in that creative aspect of business. So what role did that play for you? Do you have any examples of of how creativity helped you grow this?

05:50

Sure. I mean, first, I want to contextualize it for you and your listeners, you have to recognize the difference between means ends and byproducts. We often forget that, I'm going to tell you by way of a story, I have a friend who is a type one diabetic, okay, his goal in life is to stay alive as long as you and me Jacob, but he can't do that anymore than either you or I can create happiness is a byproduct. What's his end, keeping his blood sugar between 90 and 180? What's his means diet, exercise and insulin control. In many ways, business is the same thing. Do we want value creation? Absolutely. But I can't make value creation, it's a byproduct comes out the other end, what I can make. And what we need to stay focused on is building a better competitive alternative, a better product, a better mousetrap for our target customers. The means, which is what we spend our time on, is where the action is. So creativity is the means to ensure that I develop and create something that's better for my target consumer. So when we think about creativity, we're really thinking about starting with being the expert in our target customer, understanding them, having empathy, climbing into their shoes, understanding what they feel, and probably the best example of it was the development of fast casual. In 1990, it's now a someones 80 to \$100 billion segment of the restaurant industry. And many people give me credit as one of the forefathers of that. Yeah, where did it come from? It was 92 and 93. And I was I was I was traveling a great deal. I was on the west coast and the East Coast. And I was I just could feel that when people walked into fast food. They held their noses, not everybody, maybe one out of three people. And you could see that they weren't getting served, the options were fast foods and fine dining, and neither one offering them what they wanted something that made them feel good about themselves. And you began to do the work. And we began to discover that there was a very powerful, deeper trend playing out that's where the creativity applies. What was the deeper trend? People wanted to feel special in a world in which they weren't? Increasingly post World War Two, a pre World War Two everything was local, post World War Two. All these major industries get consolidated to about coffee, Folgers and Maxwell House. You think about beer Anheuser Busch and Miller. You can you can you can think about beverages Coke and Pepsi became at Waldo, Snapple. Every one of these consolidated industries found that that ultimately people were waking up and wanted something more special. Yeah. And we began to say, You know what same thing is going to happen in the food industry. Now McDonald's and Burger King are going to yield to specialty food. And the question was, who was going to develop that? Similarly, the same thing was going to happen in bakery, bakery had become three loaves for 99 cents it at Kroger, and what I'm trying to share with you and your listeners is creativity starts with feeling and empathy. And trying to understand these people were Miss served. And if the currency of fast food was a lot of food for not a lot of money, the currency we began to think about and understand is that people wanted, they spend a little bit more money, but they want to real food environments that engage them, people that cared, and actually something ultimately that elevated their sense of self esteem. So what we're really talking about, yeah, we're really talking about creating through a process of listening. And from there, we then did the kinds of things that allowed us to put that in place. But it had to come from that empathy for that vision. And the vision had to come from the empathy.

Jacob Morgan 09:48

You all know that I spent a lot of time talking about themes like leadership in the future of work, but there needs to be a company out there that's actually powering the future of work. A company out there that's Designing, building and managing the systems that the world depends on. Without those types of companies, there is no future and there is no future of work. And that's why today's episode is

sponsored by Kindle. They are a technology services company that advances the vital systems in the world depends on every single day. Kindle is the heart of progress at Kindle progress starts by standing up for something with intention, being pro something with your whole heart. And those of you who've been listening to my program, know that I talk about being able to take a stance for something being able to fight for something, and not just being passive and playing in the gray areas. So one of the things that I love about Kindle is they are pro something. Kindle stands up for progress by committing to help their customers digitally transform technology systems with a global team of curious and diverse minds. Again, both themes that I have talked about on this show quite a bit, because there's nothing better than taking a step forward together. You can learn more by going to kindle.com. That's kyndryl.com.

11:13

How do you spot those trends, though? Because, you know, a lot of companies out there and you look at different industries, right? Whether you look at a blockbuster, whether you look at you know, I mean, so many different companies out there Kodak, where they thought the they were spotting trends too, and they missed the mark on a lot of those. And in fact, you know, even I remember when I was a kid, we used to eat at Sizzler. And she's learned many years ago was like, all the rage, right? I mean, everybody would go to CES or there would be lines out the door. And now sizzler has all but disappeared. You know, there are a couple of locations if you're lucky to find them in some random parts of, of California here. But a lot of companies out there think that they're spotting trends, but they're not. So what do you have a process for how you were spotting this and deciding, okay, this is the direction that we need to go in?

12:05

Yeah, I mean, I mean, okay. It starts with knowing what's going to matter. How do you learn what's going to matter tomorrow? Well, you first begin with something we talked about extensively in the book, which is doing a pre mortem. That is to say, trying to imagine what it's five years from now, you're running a company, you're running an enterprise? What is it, they're going to write in the Wall Street Journal, the New York Times about your company, your product? What is the headline? How did it get there? How did it do that? That's about trying to set yourself up to live into that future. And then it's about trying to figure out where it's going to go, one of the most powerful ways to figure that out, is to look at other industries. And to try to figure out what's the generalization that's happening? What's the deeper trend? Not what's the this the the chaff that we're you know, but what's the not the signal? What's the deeper trend? What do I mean by that? We're talking about fast casual, but it was it it wasn't hard to understand that what had happened in in, in beer, that that Anheuser Busch and Miller lent themselves to craft beer, what had happened in coffee, Folgers and Maxwell has lent themselves to specialty coffee, what we saw in beverages was going to happen in the food industry. You could see it and feel it. And so it was the realization of that as a deeper trend, following generalizations from other industries, that allowed us to combine with empathy and have a sense of what was going to matter in the world tomorrow. You can look around and feel it. Where are the tailwinds in your industry? Where are the headwinds compete with the tailwind? And then the question then becomes how do you then bring that to bear? How do you build something that is really genuinely delivering on what you set out to do?

14:11

Yeah, I mean, maybe the challenges we don't spend enough time reflecting on what those things are, what the headwinds and what the tail winds are. I mean, I don't know you probably work with a lot of business. I

14:21

would I would just generalize that Jacob just to cut your hair. Yeah, we don't spend enough time reflecting period. Yeah. Well, the most important thing. Look at if you're running a company, whether it be a Panera, which had 125,000 employees, where you've got you and your spouse, what, what, what actually matters. What your most important tasks to figure out is, is is what's going to matter over the next year or two or three. In fact, it's the same thing with your life. If you're a one person enterprise, you're running your life, what's going to matter. What are you going to respect? What is it that when you get to the other side of this, you're going to say, I'm glad I did it. And the reality is, those are the things that we've got to focus on. That's what we call the book know what matters? beginning that process of focusing on it.

15:15

Yeah, I love that approach. So okay, so spotting the trends. And then, I mean, you went through quite a few interesting transformations, that you talked about four transformations, but it seems like one of the really hard decisions that you had to make was to, for lack of a better word, kill off one of your brands so that another one could succeed and thrive, which, which it did, and it became such a massive organization. Can you talk a little bit about that story? How you came to making that decision? Because I think a lot or a lot of leaders will be able to relate to this. And even entrepreneurs for that matter, right? You have a lot of different products, you have different businesses, different teams, and you never want to let one of them go because you feel like they are your babies, right? But sometimes you do need to let one go so that another one can really release and realize its full potential. How did you come to that realization? Because, you know, I mean, have you ever, for example, taken a step back and thought, well, what if I would have done that and Panera didn't become what it did, and I just killed off one of the brands for nothing. And that was just a stupid mistake. And, you know, could have been a different outcome.

16:28

Well, Jacob, we all know, life. And business is about choice. It's about making the choices. And you've got to make choices. If you make no choice. You're making a choice. And so in my case, it was 1998. And I was bumming. I was really down. I had this I had four I was running a public company, four different divisions, professional managers running each of the divisions. Everybody fighting. That guy's in and the guys in Oban pen. were wondering why why was taking capital from there and putting it against his new division? I had Panera, the guys in International, which was the second division. Were saying, you know, you know, why are we part of a, an American company, the guys in manufacture, trying to ask why were we part of a retail company, everybody was at each other's. Next, and I have to tell you something. I'm looking at this thing, Panera, which at that time was like, like the second or third largest of these four, four divisions. And I'm saying to myself, My God, this thing has the potential to be a nationally dominant brand. How did you know for everything else? I could feel it. I could feel it because it did. It was producing significantly high volumes, consistently from Portland, Maine, to

Chicago, Illinois. And the fact that I could see that stability, and I could see the structure. And I could see customers eyes when they walked in, you can feel it. You can walk in and feel that kind of energy and that kind of success. And back then you could feel it in Panera. You could feel it at 630 in the morning, when we open their lines out the door before we even opened the way people reacted to what they were excited by. And you talk to him, and you'd listen to him. But at any rate, I could feel this head that potential I knew it. And I was I was on a beach, I looked at a friend and I said, you know this thing is the most powerful thing I've ever seen come down the pike, and we're going to screw it up. My friend looked at me said What do you mean? I said, well, it needs human capital in each financial resource. And we're not going to be able to give it any of that. It's going to just get caught in this corporate model. And my friend looked at me and said, Ron, what would you do if Panera was the name of the business? What would you do with Panera owned all those other divisions. I said, My God, if I had any strength, I would recognize this as the crown jewel, the jewel in the rough. I would I would essentially monetize every other asset we had. Take the best people and that capital and myself and go down there and let this fulfill its destiny. And then I started to think about I'm the kind of guy if I think about it, and it makes sense to me. I want to go do it. And I came back and said I'm gonna go do that. And it took me two or three months to make that decision. I brought it to the board. They didn't love the idea number O ban pen was the name of the company. And to be clear, we weren't selling one division. We were selling all of the rest of the company but Panera. And when that played out over the next year and a half in the company, it was the most horrible experience of my life. Every day you could have convinced me not to do it. Why was it so hard? Because I loved at business bumpin and I can only tell you it's only in retrospect with the stock up 100 fold since we did that. That that that it feels you get a sense of the perspective Yeah, but that's why I keep trying to say, knowing what matters is about going into the future. And then coming backward till today and making that future.

20:08

You mentioned something interesting, which is that you, you just knew it, you could feel it. In today's business environment, how much of decision making is based on gut and intuition and knowing it versus being based on data? In other words, is there still a role for intuition and gut instinct in today's business environment? And have you ever been wrong? Have you ever made a good choice where you thought you knew something was gonna turn out? Well, and it didn't?

20:39

Yeah, I mean, I think data is Palma data down that is powerful as an input. But data isn't going to give you the answer. I'll never forget a market research professor who taught me something, I love it. He said, never do any research, if you're not going to do anything with it. The value is not collecting the data. The value is not doing the research. The value is in understand is developing a hypothesis of the world. Having an understanding of what you think is going to matter. What do you think you're trying to do? Once you have that hypothesis, the data and the research augments and support your ability to discern what's going to work and what isn't. And actually had to adjust it in carpet. So yes, we want research. But research isn't going to tell us which way to go.

21:32

Yeah, so combination of both, but it sounds like there's still value in intuition and instinct in kind of knowing and feeling something in your bones as a leader.

21:43

Yeah, I mean, I would go further this, it's not there's still value, I would start and say, it's the instinct, the mastery, the understanding, that comes from empathy, that comes from looking at what's going on and other industries, from understanding your future back. It's those kinds of things that allow you to develop hypotheses. From those hypotheses, we're able to build what we call a rendering a visual in our mind's eye of what we're trying to create, or what we're trying to do. And again, all this applies not the business to your life, you start to develop it, and you can see it, and you can feel it. And then you begin to test out pieces of it, you start to do research, you start to make it live, you give it experience with customers, and then you start to evolve it and change it and make it better as you go.

22:36

You mentioned empathy a few times. And you know, this comes up a lot, even I talked about it in my book that's coming out. But it seems like you can't you can't practice empathy. If you're just sitting in your ivory tower, like you can't be empathetic sitting in your office. And I know in your book, you tell several stories of how you would actually be in the stores, you would see how people were ordering sandwiches and how people want the bread cut. Sorry,

23:03

Jacob, everything. Everything that I've learned came from listening and talking and being with guests. Yeah, with customers, with team members, with investors. It doesn't happen in the office. Right? We don't we, you know, I don't I think most many companies collaborate with headquarters or an office to be honest with you, you know, when we developed what became the ideology of fast casual, that happened, because we spent two years on the road, talking to customers. And I literally can remember a friend, one night, we were sitting in a in a in a bar in LA. And he said to me, you really want to understand today's customer. He said to me, take a look at that beer bottle. The label on that beer bottle is a mirror for who that customer perceives themselves to be. And you know what, it's going to be the same exact thing in the restaurant industry. It's going to play out the same exact way. That's an understanding. It's an understanding of listening to and talking to customer and then trying to make sense of it. I mean, look at you can really discover today, what's going to matter tomorrow? If you understand what's the trends, not just what the photograph is at that moment. But what's the movie longitudinally? Where are we coming from? Where are we at? Where do where's the consumer going to be? Not everybody, but some that we want to target? Where are they going? And how do I be the best alternative for them? One of the things we haven't talked about here is not trying to be everything to everybody. But literally if you're building a company to recognize who your target is, and then what is it literally mean to be the best competitive alternative? You know, we've had business after business succeed whether it be Oban pen Panera, Cava Tatay, life alive level 99. All of these companies start with what we call a concept essence document something I talked about in the book. Yeah, I love it. Understand In the guess what's my go to market strategy? Why are people going to walk across the street, walk past other other competitors and come to me, it's the starting block. If you don't have that you don't, you can not know where you're headed. And if you get in a car and you press the accelerator, you don't have your hands on the steering wheel. You know what, you don't know where you're headed. You're gonna you don't know, you just spin in circles. And so our focus is literally on staying in staying clear, and direct that unconscious essence.

25:32

So I wanted to switch gears a little bit and talk about frenemies. And the importance of frenemies, especially for people in current and aspiring leadership positions. In the book, one of the frenemies that you talk about is Howard Schultz, of course, the iconic CEO of Starbucks. Can you talk a little bit about what that relationship was like? Both in terms of how you were fiercely competing against him and Starbucks, and also in terms of where, where was the friend aspect in there?

26:09

Yeah, I'll start with the friend next aspect. I knew Howard. When I first got to know how or when he had six or seven, Starbucks in Seattle. And I had Oh bumpin and I was looking to put specialty coffee into Oban pen. I literally had a common YPO friend, I went out and visited him, literally, he was running half a dozen stores. And and at that point, I actually chose not to use his product. And I love that. Well, we're gonna get to it, I ended up buying a third interest in a Boston based company called Coffee connection, which was the Starbucks of the East Coast. And I think he saw them potentially as a threat, which we'll get to. And and that sort of began, you know, and I think there was, at that point, some fear, maybe we would get in the coffee business, I don't think we ever wanted to be we understood. Our authority was not in coffee. But but you know, we then started developing, we were in the capital markets together, we went public first. I think that right before they went public, if I remember correctly, they wanted to buy coffee connection. And I had a right of first refusal on it. And that led to a really interesting sleepless night in which we kept bidding up the price, because we had the right of first refusal, and they needed it and wanted it. And we don't use that kind of thing that over the years, but but to be honest with you, I have such profound respect for him, and what he was able to build and what he cared about. And the reality is if there was friendly competition, from my perspective, at least, is because I so profoundly respected him. He was one of the very few people who actually got it, got what we were trying to do, and could do it. And so I believe there's no competitor you don't learn from. There's no competitor, who you can't you can't find the lesson. And so over the years, I watched Howard and I watched what he did. And I tried to say, Well, why is he doing that? And you know, we, we enjoyed the press, I'll tell you a funny story. I remember when they rolled out Wi Fi with T Mobile, I believe it was, and it was like, you know, 1495, and, you know, a month or whatever it was, you had to pay for it. Everybody had a PE model. And I looked at it, and I went, Oh my gosh, you know, I said they don't have many seats in their stores, you know, to profit model for them. They're gonna make some real money on this thing. We've got all these seats. If we put free Wi Fi in me, we'll fill our stores. And it's a place they can't go because they don't have the seats. It's like they have small airplanes. And we have these these large airplanes that were built for lunch. Anyway, we rolled out free Wi Fi, we ended up rolling out nationally, we got I mean, we just what that did to them, who continued to have this model of charging and had this relationship with T Mobile. It was a great deal of fun to watch them squirm trying to explain why they were charging. But over time, to be honest with you. I saw myself in him, I'm sure he saw himself and me. We shared similar values. We wanted to build quality companies. We wanted to break through the mold. And over time, we developed a sort of friendship and a mutual respect. I'd say the same thing with Steve Eills at Chipotle. I remember when Steve just had a couple of stores, somebody introduced us we traveled a day or two together, we became friends we shared with them, our Joint Venture Program. I mean, we all were playing in the same space, which is about

delivering this fast casual I call specialty food kind of experience, a bit, truly something that elevated people.

30:06

This episode is made possible by Kindle. They are a company that is designing, building and managing the systems that the world depends on. There is no future of work without companies like Kindle that are out there making all of these things happen. Kindle is a technology services company that advances the vital systems that the world depends on every single day. They help their customers digitally transform a global team of curious and diverse minds. You can learn more about them by going to kindle.com. That's kyndryl.com. Did you have a lot of one on one conversations with Howard and Steve, where you guys just kind of sat with each other and either gave each other advice? Or were Howard said, Hey, we want to buy you and take you over? Like what? What were those one on one conversations that

31:00

no, we would not? I'd say to this way, we would not call each other. You know, for for advice. I would say? I would say it could go years. But we knew I certainly knew what he was doing. He knew what I was doing. We interviewed similar people, people moved from organizations. I can tell you in the book and it's a great story. But But I can remember somewhere around 2016 Howard called me it's Ron, it's been a while I'd love to come up and visit with you,

31:36

like literally calls you on your cell phone out of the blue literally calls

31:39

me I mean we have that kind of relay calls me says I want to come up to Boston. Right and he flies up to Boston. I meet him on a Saturday at Hanscom. I will tell you his jet was bigger than mine. It's a first roll kind of problem. Right. But but he flies in and his new Gulf Stream. You know and and we spent you know, and I must be clear, I shouldn't say before that I said to my my chair, my leaving dependent director. I said if Howard's flying up from the Hamptons to talk to me on a Saturday isn't just to talk about all times. If they obviously have something in mind and probably what's the bias? Well, anyway, we spent for three or four hours at Hanscom just talking just I mean, literally told him about business in our lives. And I went back after the meeting. I said, Well, he didn't say anything. And my lead director said, you know, well, you know, where's this guy? So I have no idea. Right up next week, he calls me and he says, Ron, I want you to come out to Seattle, I want to show you the new roastery. You know, I'm so proud of this. We built this come on out. And I you know it took us two months to schedule it. But I came out with a couple of my my people. And we went and we he poured me my first cold brew. It was it was actually excellent. And he and I went to dinner. And we talked and again, same thing. We talked about life. And we talked about our own lives and how we got to where we were. And and and ultimately, it was what he was proposing. And I spent a day with his senior team. But what they were proposing at that moment was that we supply them with bread and sandwiches, and they would supply us with coffee. But I really knew that there was something going on that was really much deeper than that. Yeah. And at one point, the discussions a couple of weeks later I said to Howard, listen, Howard, let's cut through this isn't going to work with us supplying you sandwiches. Right? If we're interested,

you want to buy the business? Let's talk about it. Right, because it isn't going to make sense. And we started a committee. I took one of my top my actually one of my my partner, Bill Morton, and Bill began working with their CFO. And we built a model for how we would look together. And it represented, I don't know, some billion dollars in EBIT da huge amount of money. Wow. And we gave some thought to and it was pretty clear to me was a good deal. And this is a question you asked me for when do you get it wrong? I had one of my directors down at a house I have in the Caribbean that Thanksgiving, Howard and I were going to talk after Bill in their CFO had met the following Monday. And I said to my my see, to one of my board members said you know we're going to talk Howard and I on Monday. I am sure there's a deal here. There's too much. That's that's being generated. And Monday, Howard gets on the phone. So we've decided your stock has gone up too high. We can't do a deal. And I didn't understand why. It was only two weeks later, I understood when Kevin Johnson was was appointed the new CEO of Starbucks, and Howard was stepping down. And my point is, we all look at each other. We all Compare, if you're smart, there's nobody you don't learn from. And I would say the I have profound respect for Howard Schultz, for all of these guys, I learned from every one of them. And I hope in some small way, they learned something from me.

35:13

You know, for a lot of people that obviously, they're not CEOs. And so they're not going to be frenemies with a CEO and another company, but maybe they could be frenemies with somebody inside their company. Do you think it's valuable to have that kind of a frenemy relationship with somebody that you work with? And is it just, I mean, it seems like in the case of you and Howard it was, it's not like, you guys identified? Hey, we're gonna be frenemies. But you you had that relationship where you knew you were competing against each other, but you were also cordial with each other? And you knew that you were both pushing each other? Is that kind of a relationship important for everybody to have at work, even if you're an entry or mid level employee?

35:54

Yeah, I mean, I listen. I think the idea that we're, I think two things that are very true. This idea that I'm friends with all my competitors, is nonsense. At least my I'm trying to take market share from them. They're trying to take market share from me. Yeah, that ain't pleasant. No, it's the reality. Alright, at least if it's another company, I'm not talking about my own organization. But if I'm in another company, so this idea that like, my best friends are my competitors, in true, right. Having said that, I respect them. I respect how they make the decisions they make, I want to learn. There's nobody I don't learn from. So we would often have a day long session, a learning session with a competitor. I did it with the folks with Chipotle really out there and spend a day with even his team. We ask questions, they ask questions. I always hope we got more than we gave. But but but but that's a process of understanding. There's nobody you don't learn from. Now, in your own organization. I think it's different. You're not competing with the guy sitting next to you. Well, maybe

37:06

you could be competing with somebody for if there's one leadership spot, you're or leading a team or something like that.

37:13

Yeah, but you know, I think when you're on the same team, you can generally get I'll tell you speaking as a CEO, I'll have infinitely more respect for you. If you if you if you do what needs to be done to support the whole the enterprise, the business, the guy standing next to you, then to do what makes you look good. Now this isn't you know, about competition within the same team. We're playing on the same team. Right that nobody ever said Jacob did well, but but but Panera did poorly. They say Panera did well or not. And Jacob was part of Panera. The reality is help your organization, whatever it takes to get it done.

37:57

I like that mentality. Simple, straightforward. Okay, so let's transition to the last portion of our interview here, which is what I call the leaders toolkit, where we talk about something specific, and maybe spend the remainder of our time just on that one topic. And we talked about this before I hit record and brainstormed a few ideas. And one of them that you brought up, which I thought was very interesting that we haven't talked about before, is how to deal with pain and leadership. And you said, Oh, you this is important, because it's also very real, and everybody experiences it and goes through, but we never talk about it. And this is important, because a lot of people especially if you're not in a leadership position, and you want to get to one, we have this perception where leadership is, is easy, it's this cushy job, you get more money, more responsibility, you're coasting things are easier. But I remember Frank Blake, the former CEO of the Home Depot, he told me what a lot of people don't realize about leaders is that when you get into that role, you do more, and you care more, you care more than everybody else, and you do more than everybody else, and it is freaking hard. So when you talk about pain and leadership, what exactly do you mean? And can you share how you have felt pain in leadership and what you did as a result? That's it for this conversation with Ron shake, unless you head over to greatleadership.substack.com where you can get access to this extra leaders toolkit episode. And this is really a fascinating one. It's not a conversation or a topic that I've really covered on this show before. And it's really about how to deal with pain in leadership. So again, if you head over to greatleadership.substack.com And subscribe over there, you'll get access to this episode, where we spend 15 or 20 minutes talking about how to deal with pain in leadership when you're going through tough times. When you feel like you're getting beaten down. How do you get out of that? How do you mentally get out of that? How do you focus on the things that matter most and Ron has a lot of Ask any insights and stories and things that he's gone through, and I won't spoil it. But again, you can get access to that entire conversation by going to greatleadership.substack.com. If you subscribe over there, you're gonna get access to one of these episodes every week, as well as weekly leadership hacks and guides and leadership guides that I write for you every single week as well. So that's it. Our podcast is over. Thank you for tuning in. Remember, if you get a couple of seconds, leave a review on Apple podcasts or whatever your preferred platform is. And hopefully, I will see you at the substack community again, last time URL, I promise. [Greatleadership.substack.com](https://greatleadership.substack.com) I'll see you there.