

Speech to the Research Chefs Association
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Just Showing Up Is Not Enough:
A Few Thoughts on Risk

For me, leadership is a willingness to listen to your instincts, what your heart, and if you're a chef, your palate, tells you is the right way to go.

Among the small achievements I've been part of, they've come at difficult times when it would've been easier to get carried by the tide. But the times I was able to force myself to swim in the wrong direction, against the tide, I, and the teams I was working with, got to some interesting places. Instead of riding the gray wave toward mediocrity, we found ourselves in uncharted territory. Our hearts were racing, and we were scared—but we didn't have to ask ourselves why we were bothering to get up for work on Monday. The work had become an extension of who we were.

Pillsbury's VP of Technology, Jim Behnke has said that "every great innovation starts drowning." That makes sense to me. Every great, scary change fighting for its life against a tide of fear and negativity.

For the folks in this room, I think it's natural for there to be a conflict, a disconnect sometimes, between the food we love to eat (pause) the food we're passionate about, and the food we're trying to bring to market. That's ok. But I think that for many of us, the way to get our customers passionate about our food is to be passionate about it ourselves. To bring our soul, our passions, to the table when we make some of the important decisions.

Back in 1992, when I worked at CA One Services, an airport restaurant and retail company, we had about 42 airports around the country we were servicing; some big, some small, but many of our

contracts were in trouble. Our airport concepts were miserable places where you paid eight bucks for an old sandwich and a bruised apple. You remember those days.

The easiest solution, the swim-with-the-tide solution, would've been to copy what was already being done by our competitors at several airports. That is, you build mall-style food courts with the biggest names in fast food. That was the common sense thing to do. But to me, it wasn't any different than going to a food court in a mall. Welcome to Anywhere, USA. No culinary differentiation, whether you're in New Orleans or San Francisco.

That was always something that bothered me, that these airport concessions never seemed to take advantage of the incredible culinary traditions of the cities and regions they were located in.

So I fought with this idea in my head over a lot of sleepless nights, and finally I said to the owner of the company: "How about if we ask top local gourmet chefs in a city to help us design new airport food concepts?"

At the time, I hadn't given much thought to the main problem with this idea: What already-successful chefs would want to connect their names, their futures, with that sad, wrinkled balloon called airport cuisine? Could airport and cuisine even be used in the same sentence?

Imagine going to meet with a world-class chef like Wolfgang Puck, which I did. Here's a guy steeped in the tradition of the finest French cuisine, a chef who'd worked at the Baumaniere in Provence, the Hotel de Paris in Monte Carlo and Maxim's on the Rue Royale. To set up a meeting with this renowned chef, at the top of his game, chef to the Hollywood royalty, and say: "How'd you like to bring your cuisine to the Los Angeles airport?"

The idea sounds absurd, right? Making this airport pitch to a chef who's making Roasted duck breast with Cointreau sauce and beet risotto and Jasmine-Anise infused crème brûlée.

But as you hear me talk about it, I think you'll understand how passionate I am about democratizing excellence. My feeling is that airport food, highway rest-stop food, any food can have boldness and flavor and soul and excellence. And sometimes it goes the other way. Sometimes the fanciest places with the best silverware are too fancy for their own good, and they forget about what really matters, the food. They get too caught up in the attitude, and those chefs could learn a thing or two from a roadside BBQ or a local clam shack.

So I went to meet Wolfgang Puck. I explained to him that we'd be committed to quality, and to menu, but most importantly to the sacred nature of what chefs do. I explained my idea that instead of all of us complaining about how awful airport food was, well, here was our chance to change things. Instead of an airport being Anywhere USA, it could become a gateway to the city it served, a place where you got introduced to the best chefs and best regional cuisine in that city.

I finally convinced him to open two Wolfgang Puck Expresses at the Los Angeles airport. I had a similar discussion with about a dozen great local chefs.

I remember talking to the Flores family, the owners of El Charro, one of the oldest Mexican restaurants in the United States. People drove from neighboring states to go to the El Charro in downtown Tucson. The Flores family said: "We've got three generations of tradition. You must protect it." But they didn't put their noses up at the idea of being in an airport. They brought

their passion for excellence and required that there be no compromises on quality.

These relationships built with great local chefs, that was an important change for airport restaurants. To this day, you go anywhere and you'll see local restaurants in the airports and a level of food quality at these places that would've been considered impossible just a few short years before.

This innovation resulted in a huge financial turnaround for CA One. Host Marriott was our largest competitor, and they started doing what we were doing, trying to give airports a local flavor. It was the ultimate compliment, the little guy convincing the leader to try a different path.

Now I'd like to take a minute to talk about a great chef named Billy Jacob. Here's a guy who lives and breathes the Cajun-Creole southern Louisiana culture. He grew up in Lafayette, Louisiana. I was working as the president at Popeyes when I met Billy. And Popeyes wasn't in such a great situation financially. So here was this fried-chicken chain, and this chef from the bayou says: "Why don't we start doing Cajun food? Crayfish and poboys and gumbo and shrimp with remoulade and Bananas Foster.

Billy wanted to take us back into the rich traditions of the birthplace of Popeyes. It was founded in New Orleans, probably what many consider the culinary epicenter of the country. He was asking: "How do we tap into the Cajun traditions? How do we follow the vein of southern Louisiana and Cajun-Creole cooking and bring it into Popeyes and change it from a fried-chicken chain into a southern Louisiana Cajun quick-service?

Billy Jacob was swimming against the tide, because most of the folks he talked to said, "Hey, we're a fried-chicken restaurant, we

don't do Cajun." They assumed that a fast-food chain could never pull off foods like crayfish, and had no business trying.

But what Billy did, was this: He put relentless attention back onto the part of the business that really matters, the menu. Together with our menu strategist Joe Scafido, we started to build a Cajun menu that tapped into the soul of Popeyes birthplace.

We hired Paul Prudhomme to create sauces for some of our chicken products. We worked with John Folse, considered one of the best chefs in this country. With Billy in the driver's seat, we invented Louisiana Legends. And Louisiana Legends won the MenuMasters Award, the best new product extension in Quick Service Restaurants in 1999.

And even in New Orleans, in some of the regional areas, we tested a fried oyster poboy once. We couldn't keep it in stock. And, I mean, who was thinking about doing this stuff in fast food?

Billy was eventually named one of the top fifty chefs in the country by Nations Restaurant News, not because he was a corporate chef, but because he was a culinary genius who was willing to go where his passions led him.

Because of Billy's willingness to take a risk, Popeyes average unit volumes reached one million dollars. People thought he was crazy. The first time Billy suggested Étouffée [Jon explain what it is]. Well, Étouffée eventually became a big part of our Louisiana Legends line. The marketing guys were all flustered. None of us even knew how to spell it.

But Billy's innovations resulted in a ten-year run of category setting comps. We doubled the number of restaurants in four years. And our franchisee ratings approached eight out of ten, almost unheard of in our segment.

Menu will always differentiate you from the competition. The most effective advertising in the world today for our industry is new product news. It isn't price, and it isn't giveaways. It's new product news, because the consumers are so aware today, and so in tune with good products, that to focus on anything else would be a fool's mission.

If you're a talented chef and you're frustrated because, where you are, people don't appreciate the fact that menu is the driver of your business, then I've got some advice for you: Get the hell out as fast as you can and go somewhere where the leaders are committed to menu. That's what's going to drive your business. And that's what's going to satisfy you as a culinarian.

I'm not saying there's no such thing as a bad idea. I'm saying that if you want to be part of something great, you're going to have to take the risk of looking foolish. I've been flat broke three times in my life and part of more failures than I care to count. So be willing to keep an open mind and to look in unlikely places for good ideas. A five star French chef can learn from a guy making beef jerky and vice versa. Never be the first one to laugh at a person with a crazy, new idea.

I've always wondered why it took so long for the luggage industry to catch on to the idea of wheels on suitcases. Is this an innovation that required a great deal of debate? In the '70s, some poor guy working at Samsonite probably went up to the VP of product development and said: "I've got this idea: How about if we put wheels on our suitcases," and the VP said: "Are you kidding me? Wheels? That'll never work. Too expensive. Nobody wants that." It took an enterprising airline crew member who started her own company to finally bring that invention to the mainstream.

Contrast that with the invention of Listerine's new breath strips, the ones that melt in your mouth. What I've heard is that the idea came out of a trip to Japan. One of the Pfizer folks, Pfizer owns Listerine, was trying a Japanese rice candy wrapped in edible rice paper that melts on your tongue. That concept eventually became an oral breath strip and a huge profit-maker for Pfizer. Instead of laughing at the strange new idea, somebody at Pfizer said, "You know, that just might work."

When we all talk about innovation and change, sometimes people become afraid of those words. They think that means you have to be crazy, and that's not so. Creativity and leadership can mean that you take a food and you make it simpler to eat. Bolder, easier, better, faster, cheaper, more flavorful.

Sometimes, how you execute is the innovation. Here's what I mean. Dunkin' Donuts just launched a line of espresso drinks. And we may be late to the espresso party. We're not the pioneer. But how we're executing espresso is the innovation. We're making consistently great-tasting espresso FAST, espresso in under one minute, without a lot of attitude and fanciness about it, so people can get on with their busy lives. Accessible, affordable value. That's our passion.

I'm not saying that every innovation has to change the world as we know it. Sometimes you're just going to make the old standbys better. A good example of this would be apple pie. Dunkin' Donuts just came out with a warm apple pie. The latest reports are that it's four and a half percent of our sales. It's apple pie. But we did it differently. We improved the quality. We gave the presentation a different twist and created a dessert every bit as good as one you'd get at a sit-down restaurant. Our version is ready for the customer in twelve seconds.

I've talked a lot about following your heart, and I'm sure there's someone out there in the audience today who'd like to remind me that about 90 percent of the new products never make it to market. Someone who wants to tell me to follow my heart to Chapter 11.

What I can say to that is: Keep the consumer in the game. Don't talk to each other all the time. Talk to the consumer and they'll tell you what they want. And then get creative in how to deliver it to them. But keep in mind that consumers can't see the future. They can tell you they want convenience, but they can't tell you they want a mouthwash strip that melts in their mouths. There's always, always, going to be risk involved. Embrace that risk if you really want to achieve excellence.

Only ten percent of the products make it, and no matter where you are, whether you're at Procter & Gamble or in the kitchen at Dunkin' Donuts. Some of the innovations never see the light of day. With the apple pie I was talking about, it was five tries before we got it right. But you know what? We knew it was the right thing. We thought it would work. We just had to keep working on the quality. We had to keep working on the presentation. We had to work on a number of things -- pricing, cost, value, ease of use. Now we think we've got it. But, you know, if we would have stopped after the end of the first run, we wouldn't be enjoying four and a half percent of our mix right now on that product.

Or if we'd decided, "Oh, we can't compete with Starbucks with espresso -- I mean, they've got baristas. They've got the category locked up." Do you think the first time Dunkin' Donuts put a cup of espresso in front of somebody, it worked? Absolutely not. It took too long. We didn't have the right equipment. We just kept working, and it took us eighteen months. Now it's launched, and

we're going to hit five to ten percent of sales.

Someone once said to me that 90 percent of life is just showing up. That's not a great way to live your life. And, anyway, it's not true. I need to keep reminding myself, especially on the hard days, to try to do more than just show up.

Robert Joss from Stanford University writes: "By leadership, I mean taking complete responsibility for an organization's well-being and growth and changing it for the better. Real leadership is not about prestige, power or status. It's about responsibility."

I leave you with the words of Theodore Roosevelt who said: "The credit belongs to those who are actually in the arena, who strive valiantly, who know the great enthusiasms, the great devotions, and spend themselves in a worthy cause; who, at the best, know the triumph of high achievement and who, at the worst, if they fail, fail while daring greatly so that their place shall never be with those cold and timid souls who know neither victory nor defeat."

Thank you for allowing me to spend time with you today.