

Ernst Enterprises Newsletter



Hire in a Recession? YES!

See how Panera Bread bucked conventional thinking and came out ahead.

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In the Businessweek.com article "How Panera Bread Kept Rising Through the Recession," Executive Chairman Ronald Shaich describes how the chain prospered by adding staff and boosting food quality while competitors cut back.

According to a Restaurant Research analysis of chains with more than \$1 billion in sales, the U.S. restaurant industry saw same-store sales drop 2 percent last year, including a 4.7 percent decline at casual restaurants. **However**, since the end of 2007, about the time the U.S. recession began, Panera Bread ([PNRA](#)) boosted revenue 24 percent and added 191 café-bakeries to its 1,421-unit chain---all while increasing its workforce by 20 percent with the hiring of 4,661 extra workers. How many of us could report the same thing?

PANERA'S STRATEGY: STAY THE COURSE

Staying the course made Panera a better competitor; it actually became easier to compete everybody pulled back. **The best time to grow is in a recession. The worst time to grow is in the boom days.**

Almost every one of Panera's competitors said, "We need to pull costs out." The consequences: consumers walk into their restaurants and the lines are longer, the waits are longer, and they sit next to tables with dirty dishes. That is the effect of increasing labor productivity: it has to come out of somewhere.

Panera continued to invest in labor in their cafés and in the quality of their people. They invested in the quality of the food. When everybody pulled back and Panera did more, the difference between them and their competitors went up.

And Panera has been taking market share: near double-digit [same-store sales] for over a year now. The stock has tripled in the recession. Click [here](#) to read the full story.

NOW IS THE TIME TO MAKE YOUR MOVE

For many industries, with the exception of retail, the last 6-8 weeks of the year can be slow and the typical response is to close down the plant for period of time, shorter workweeks, etc. However, by taking a page from the Panera playbook you can differentiate your business from the competitors. To assist you, we've assembled a "Top 4 List" of things to do to finish the year well positioned for 2011, and hopefully ahead of your competitors.

THE TOP 4 LIST OF THINGS TO DO TO FINISH 2010 SMARTER, STRONGER AND POISED TO GROW

1. Update or develop your strategic plan. It's hard to know what to do if you don't know where you are going.
2. Update or develop your IT plan. Your IT infrastructure is typically behind the curve and it will hold you back.
3. Invest in manager training: people management. This is an area most managers have had the least development and it has a very high ROI and dramatic impact on morale and productivity.
4. Plan for your own professional development. Make a commitment to attend professional development workshops or engage a business coach to help you assess your development needs and make a plan for success.

Don't wait and be a follower in 2011, start today to leave 2010 stronger and better prepared than ever before.

At Ernst Enterprises we can provide you with management expertise needed to help you update or develop your strategic and IT plans. We can also help you evaluate your manager's development needs and customize and deliver on-site training programs that can give your managers the skills they need to drive higher levels of employee engagement and productivity.

Call 847/438-8977 to schedule a confidential meeting to discuss your success plan. To learn more about all of our business services, click on [Ernst Enterprises](#) to go directly to our website.

We bring experience and innovative thinking necessary to help you grow your company in these tough economic times.

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Not sure how or where to begin, then call today to schedule your appointment for a Dash Board Review. This tool gives you an objective review of your business and identifies opportunities that often hide in plain view because you have been so busy working "in" your business you have not been working "on" our business.

How secure are your IT systems? Take our systems [security quiz](#) to learn more.
To read more, see [Newsletters](#). Follow us on our new blog, [Be a Better Manager](#).

Sincerely,

Mark

Mark Ernst
Ernst Enterprises, LLC

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