

Chapter 7

Learning the Ropes

In our first year at Harvard Business School, between the first and second term, we were put in groups for a special type of case study. Each group was a company, and the entire class made up the industry. Through our choices of which product to build, which segment to compete in, and how to price the product, our company either made a lot of money, a little, or could go bankrupt.

I can't remember exactly how it all happened, but I was the Chief Executive Officer of our little company. CEO, that sounded nice. I guess I always liked that title and must have pushed for it. Unfortunately, having the title is not sufficient for having any real leadership quality, and I sucked at it. I had great teammates but made all the wrong decisions.

The case study was meant to demonstrate the links between various departments and how they contribute to running a business. Each team member had to focus on his or her department, and the team leader, in this case, me, had to harness our strengths to propel us forward. It also showed my team how my leadership failure can lead to bankruptcy. You don't easily forget the feeling of letting everyone down.

Now here I was, six years later, thrust again into a leadership position, but I was not about to make the same mistakes. This time, instead of thrusting immediately into decision-making mode, I would take the time to listen and understand from everyone around me. Instead of pretending to "know it all," I went above and beyond to deep dive into each role and function. I wanted to know how the business worked, the current systems and processes, and what improvements, if any, we could make to realize our five-year plan and grow.

To prepare myself, in the two months between packing our things and moving from New York, I picked up all the books I could find about transitioning into a leadership role, leading family businesses, change management, and lots and lots of books about retail and grocery stores in particular. I took detailed notes from books like *The Trader Joe's Adventure*, *The 22 Immutable Laws of Marketing*, *Harvard Business Review on Change Management*, *Harvard Business Review on Strategic Marketing*, *Influence*, to name a few.

Since we had a classic tiny New York apartment and didn't have much to pack, I had lots of time to read!

Time and again, I found the most successful leaders are not made in a vacuum. They are not born with a CEO gene. Contrary to what others would have you believe, great leaders are not sitting in their office alone, contemplating the future of the industry and making big, bold bets as a result of deep self-reflection and personal analysis.

No, effective leadership starts with learning the business and listening to those keenest on seeing you succeed: your staff and your customers.

Take Sébastien Bazin from Accor, one of the largest hotel companies in the world. He took over the company in 2013 and spent the first three months visiting hotels on all five continents and having open meetings with the staff wherever he went. He did not hold a single call with investors, instead focusing his time understanding the issues and opportunities faced by his staff and managers the world over.¹

In a way, this was similar to how I ended up learning about the Houston property market: learn first and do later. I decided the same approach would work here. I would not make a single decision the first three months of joining Green Leaf. I knew nothing about the supermarket business, so I identified each role in the company and would spend a week in the shoes of a person in that role. More importantly, I would be on the floor doing the work and not overseeing as a supervisor or simply spending time with the relevant manager of a function.

This meant I would be a cashier, a merchandiser. I would pack the goods to be sent from the warehouse to the store and receive goods sent from suppliers or the warehouse to the store. I had to do them all myself to see firsthand what it took to run this business, what challenges everyone faced, and how we could improve.

And yes, this also meant I was a bagger and learned how to properly pack lettuce.

Fun fact: I knew how to handle a till from one of my jobs while at university. So when one of the cashiers tried to teach me how to use one, they got quite the surprise when I showed them how fast I learned it! Considering how little I knew about other aspects of operating the store, the fact that I was so comfortable at the register made for a light moment.

Lesson #1: No task is too small. Reading about management helps, but the real learning comes from doing every task you can find in your business.

¹ Mozaffar Khan and George Serafeim, "Accor: Designing an Asset-Right Business and Disclosure Strategy," *HBS Case Study* no. 9-115-036 (Boston: Harvard Business School Publishing, 2015).

I learned merchandising with the help of the shelf attendants who had been doing this for fifteen years and knew intuitively what grabbed customers' attention. I spent time stocking sodas, pasta, cereals, yogurts, and having discussions to get this knowledge that they couldn't quite explain in words because they had been doing it for so long.

I learned about pricing strategies from working with Sandra to evaluate setting a sales price for new items we received. If a supplier didn't give us a recommended price, which happened for our imports, she would apply a margin on the cost based on the product category and similar items we already had on our shelves. Sometimes the look and feel of a product determined whether it should be at a premium or discounted. Part art, part science.

I learned how to fill up a truck with goods the right way from our warehouse loaders. It was important to put certain items first due to their size, which then helped maximize the number of goods that could be sent. I really had to sweat on this one!

Out of everything I did during those months, the most memorable week I spent was at the bakery.

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I showed up at the store at 4:00 a.m. every morning, along with the bakery team, to help prepare bread and the morning pastries. It was hard work, and Marcus, our head baker, did not let me get off easy.

Nor did I expect him to. I wasn't a trained bread-maker and didn't expect to become one in just a week, but I did want a realistic experience working in that department. If I had joined as Marcus' trainee, what would he expect me to do?

It was important not to be treated any different, so I got the unvarnished truth on the workload and operations and demonstrated how committed I was to learning. This was not only for show. It fit directly into our five-year plan and the immediate goals Nijhad and I set for Green Leaf; how can we find areas for growth and improve the operations so we could scale better?

Officially, we would work from 4:00 a.m. until 12:00 p.m., but many days ended past 2:00 p.m. as customer orders kept coming through. Marcus and his team were so dedicated to never having an unsatisfied customer that they pushed themselves every day, taking orders for dozens of breads, varieties of pastries, and decorated birthday cakes.

What looked fun and delicious on the display was incredibly time consuming and difficult to do behind those closed doors.

First, the job was intensely physical. I spent ten-hour days standing almost the entire time, lifting twenty-kilogram bags of flour from the storage area to the bakery multiple times a day. The bags then had to be emptied into the mixer. The resulting dough had to be moved to a stainless-steel table to be rolled into shape, cut, and put into individual pans. The pans went onto a vertical rack trolley that baked dozens of breads and baguettes at the same time.

The room in which the oven was working was sweltering hot, but even though the breads were baking, you still couldn't take a break. We had to move to the pastry room and start working on cakes and sweets that could only be done in a cold room. Back and forth you'd pace all day between sweltering heat and arctic cold.

When the breads and pastries were ready, you tried not to burn your hands while taking them out of the oven and to the display area, where they cooled before being sold to customers. You couldn't use a glove for some of the more delicate breads; otherwise, they lost their shape. That wonderful smell of baked bread often comes at the expense of a few burnt fingers!

Second, each item we made required near-perfect knowledge of all the ingredients. At Green Leaf, we prized ourselves on providing variety, which meant we regularly made more than fifteen different types of bread: white, brown, sourdough, rye, olive, multi-grain, seeded, ciabatta, focaccia, brioche, and gluten-free—all in different sizes; five types of baguettes: white, brown, multi-grain, seeded, olives; a variety of pastries: plain croissant, chocolate croissant, cheese croissant, cinnamon rolls, samosas, sausage rolls; and finally, a multitude of cakes with an infinite possibility of decorations.

If I was at home, I would need to look at each recipe in a cookbook or on my phone to remember which ingredients were used for what, but Marcus knew by heart not only ingredients but the process and baking times for all of these items. He taught them to everyone on the team, including me.

"Ram, are the baguettes ready?" Marcus shouted from the other room.

"Let me check, Marcus."

He came running to me.

"What do you mean check? It's been forty-five minutes, didn't you set the timer?"

"Sorry, I thought it was sixty minutes for baguettes and forty-five minutes for the loaves."

"No, it's forty-five minutes for the baguettes, and sixty minutes for the pastries. You need to pay attention. Now this batch is ruined!"

Let's just say I felt more at ease relegated to restocking the flour bags.

Even our sales staff knew the ingredients for all the goodies we made. Customers walked in saying they were allergic to gluten, or cutting down on sugar, or couldn't have eggs because of their faith. I was so impressed to hear our employees suggesting what foods would accommodate their diet.

Third, you needed the hands of a surgeon to execute all this. A key skill for a trainee to practice was the scoring of a baguette, the process of slashing the dough with a knife to help it expand in the right direction during baking. It sounds easy, but it takes hundreds, if not thousands of attempts for any baker to perfect the technique. Sometimes my angle was off, or it was either too deep or not deep enough. I liked to think I was getting there by the end of my week though.

We also decorated cakes for birthdays and theme parties. I was in the bakery in May 2016 during the UEFA Champions League, one of the biggest European football (soccer) tournaments. We had to make cakes shaped like footballs (soccer balls), and many decorated with the Real Madrid logo and colors (one of the most popular UEFA teams in Dar). Some even needed figurines of real players on them, others had to look like a football pitch, and so on. To this day, I can't explain how Marcus and his team mixed all the right colors as they replicated even the tiniest details and made the cake look like a 3D version of what you saw on TV.

Once Marcus asked me to try to write "congratulations" on a cake. Except the cake looked too small for me to write the full word so I split it over two lines.

"Ram, what is this?"

"It's the cake you asked me to take care of, Marcus."

"Yes, I know it's the cake I gave you, but how can you write this message in two lines? Who is going to read it like this? You couldn't fit it in one line?"

"This is one of our 20cm cakes, I can't fit a fifteen-letter word on one line here."

While I was finishing my sentence, he scrapped my decoration, took the piper from my hand, and proceeded to write the word in one line and in much better cursive than I had used.

"There you go. Now, better you go get us three bags of flour. We are running out."

Marcus was a stern but patient teacher. He was not trying to make a point; he expected the same from everyone on his team, and I appreciated that.

His goal was simple, and it matched our vision—provide Green Leaf’s customers the very best they could find, not only in Dar but compared to any standard. He took pride in continuously learning and improving, even sometimes from our customers who hailed from different countries and shared their preferences.

And this was the key—one of the reasons Green Leaf was so attractive to our customers. The bakery was a window into their reasons to shop in the store because of their direct interaction with the bakery staff.

Early morning customers waited outside until the store opened at 8:30 a.m. looking for fresh bread, croissants, and their morning coffee. Because production was sometimes late, we might only have yesterday’s bread, but they refused, preferring to wait as long as it took to get that morning’s batch.

Then those who came for a snack before lunch wanted something salty. Samosas, pies, and sausage rolls did particularly well at that time. During afternoon tea or coffee time, customers looked for a slice of cake to go along with their coffee—something sweet, but not sugary; moist, but not spongy.

One of our stores was right across from a school, and every day, at 4:00 p.m. without fail, half a dozen or so kids entered to buy a combination of candy or chips and soda. Most often, they grabbed one of every snack in the bakery display and ate it along with a smoothie or a juice while they were waiting for their parents. They were the least fussy.

Customer preferences were endless, and our strength was responding to their wishes. Our staff knew all our regular customers. They didn’t know all their names, but they knew how they liked their coffee or kept aside their favorite snack if it looked like it would run out. This personal touch made a difference and helped smooth out late breads in the morning or typos on birthday cakes.

This confirmed the assessment we had made before buying the business. Green Leaf excelled at providing quality, variety, and service.

However, the behind-the-scene operations needed improvement.

Since the bakery staff had to come in early in the morning, we contracted a taxi service to help them get in on time. If the taxi was delayed, which it often was, the entire morning bread schedule was delayed.

Marcus and his team didn’t receive any sales data, so each day, they guessed the previous day’s sales by looking at what was left in the display and counter. If a holiday

was coming up, he also had no way of knowing how many cakes were sold last year during that same holiday, which could have helped him prep for this year.

Due to space restrictions in the store, we could only keep two days' worth of flour, butter, and eggs—the main ingredients used in the bakery—in the store itself, and the rest were in the warehouse. This meant they were dependent on the store manager to place an order to the warehouse for what they needed and hoped it would come on time. It often wouldn't, and production had to stop for an hour while someone called the warehouse and made an urgent appeal for the missing ingredient.

All of these holes in our operation were made clearer during my time working in the bakery department. If I could help ensure the taxi service was there on time every day, provide them direct access to the sales figures, and give them autonomy to order from the warehouse, their administrative load would lessen and they could focus even more on providing the best to our customers.

These changes didn't cost money, but they did require more thoughtfulness. And it could lead directly to both increased profits and employee satisfaction, as we could reduce wastage, lost sales, and coordination headaches for staff.

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I showed up every day and did what I was told. It was awkward for some of the staff, as I was supposed to be their boss, but here they were showing me how to best display sodas based on the type of bottle and size, or how to print and put price stickers on the shelves. I did all the work and observed diligently.

I also got to know the staff better along with their hopes and aspirations. Rehema, the same cashier who tried to teach me how to use a till, had recently graduated from night school, earning an accounting degree. She was looking for another job where she could earn more and use what she had studied. Since she was hard-working, meticulous, and well respected in her position, I thought, "*We have to find a way to keep her!*" Balendra was actually looking for a new team member in Accounts, but because there was no internal communication, Rehema had no idea.

I told her about the opening, and she applied and got the job. Not only did we retain a strong employee, but this also had a huge impact on my ability to build relationships with staff and for them to feel comfortable sharing their life goals with me.

This led to the most important realization I ever had during my time at Green Leaf: by participating in all these tasks, by listening, by sweating this small stuff, I realized not only what changes needed to be made to improve our operations but also that all changes were possible as long as I had the staff's trust.

Lesson #2: Earning trust is as important as understanding the business.

By working alongside and enduring the same joys and hardships that went with the workday, I got to know them as people and not just numbers on a spreadsheet. This helped me gain their trust, and that trust led me to become an effective leader in the organization.

As much as I enjoyed having the title of CEO, it was nothing compared to having the respect of the team. It was now my team, and I was ready to lead them.

Ram's tips:

- Sweat the small stuff! Go all in to really understand how operations work at all levels of the company.
- Don't make assumptions upfront about what you think works or doesn't, what you can or should improve. Let yourself be guided by the work and the process. After all, if things are done a certain way, there must be a reason. Figure out the reason and then decide what to do.
- Earning trust is not easy, but it's the key to being a successful leader.