Panera Bread Company (2010): Still Rising Fortunes?

**Synopsis**

At the time when Panera was built, the fast-food industry was characterized as highlighting low-grade burgers, greasy fries, and sugared colas. Shaich chose to create an informal but comfortable place where consumers could eat fresh-baked artisan breads, sandwiches, and salads without bothering about either it was healthy or not. Panera Bread Company assists as a retail bakery/café restaurant.

In 1993, Au Bon Pain Company acquired St. Louis Bread Company. Earlier this, the St. Louis Company was contained of 20 bakery/cafes in the St. Louis area. From 1993 to 1997, Au Bon Pain altered all their bakery café names to Panera Bread. By 1999, Au Bon Pain sold all sales except for Panera Bread Company. Panera Bread Company has maintained growth everywhere their quarters. Panera currently has 429 franchise operations and 173 company-owned bakery/cafes. By growing their sales of franchises, Panera is progressing in other areas as well. The CEO and chairperson of Panera Bread Company is Ronald Shaich. Then Shaich has been the CEO, Panera’s revenue has rose from S350.8 million in 2000 to S1353.5 million in 2009.

The key actions of Panera’s growth strategy concentrated on raising store profit, gross profit per transaction and increasing transactions using its capital smartly. The company contributed precise assistances to the expansion of new markets and further penetration of existing markets by controlled franchised bakery-cafés. This also includes the selection of sites that would produce aimed returns on invested capital. Panera’s strategy in 2009 was distinct from various of its competitors. When many restaurant companies were centered on bearing the economic meltdown by downsizing employees, cutting prices, and lowering quality, Panera chose to stay the plan and proceeded to execute its long-term strategy of investing in the market to benefit the customer.

**Resources**

* Financial Capital
* Innovative ideas
* Brand Name — Panera Bread Company
* Management Team
* Human capital

**Capabilities:**

* Training
* Marketing
* Price
* Quality of products
* Location
* Strategic management
* Environment

**Core Competencies:**

* Brand Name - Panera Bread Company
* Franchise owned restaurant
* Quality of products
* Operating System
* Supply chain Management

**Capabilities:** Management demanded that the company’s fresh dough-making capability provided a competing advantage by ensuring consistent quality and dough making efficiency. It was more efficient to fix the dough-making methods in a few facilities assigned to that function than it was to have each bakery-café supplied and helped to make all of its baking from scratch

**Human Resources:** From the beginning, Panera understood that the key components to the successful development of the Panera brand varied from the standard of food it served to the kind of people. The company set a preference on staffing its bakery-cafés, fresh dough facilities, and care center with skilled members. The company also paid in training programs to ensure the quality of its operations.

**Marketing:** Panera concentrated on customer analysis to propose its marketing and brand-building initiatives. Panera’s target patrons were between 25 and 50 years old, earned $40,000 to $100,000 a year, and were exploring fresh ingredients and high-quality choices. The company’s customers contributed an average of $8.50 per visit

**Supply Chain Management System:** Panera thought its fresh dough facility system and supply chain function implemented the competing success and to improve the quality at its bakery-cafés. The company had a unique supply-chain system in which dough was provided daily from one of the company’s regional fresh dough to considerably all company-owned and franchise operated bakery-cafés. Panera bakers operated through the night shaping, scoring, and finishing the dough by hand to bring buyers fresh-baked cakes every morning and during the day.

In 2009 and 2011, class action lawsuits were registered by former workers claiming that the company broke the California Labor Code. The company miscarried to afford the meal, to pay overtime, rest periods and also fail to pay employees upon termination and violated California’s Unfair Competition Law. Panera arranged aside $5 million for the payment of claims. Panera refused any wrongdoing.

In 2011, a previous employee registered a racial discrimination claim; he was finally fired after frequently having a black man work the cash register instead of placing him in a less noticeable place. The plaintiff also said he was dismissed for asking another month off after returning from three months of medical leave. Panera said they do not discriminate based on national origin, race or sex. He also said that the plaintiff was discharged because he had used all of his medical leave and was incapable to return to work. The plaintiff worked in a store possessed by franchisee Sam Covelli who also holds the stores that were involved in the 2003 racial discrimination action. Covelli Enterprises is the single largest franchisee of Panera bread with nearly 200 stores in Northeast Ohio, Western Pennsylvania, West Virginia, and Florida.

**References:**

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