



Tony Sarsam

EDITORS' NOTE Prior to joining Ready Pac Foods in 2014, Tony Sarsam was President of the Nestlé USA Direct Store Delivery Company. In 2006, shortly after Nestlé acquired Dreyer's Ice Cream, he joined the company as Executive Vice President of Operations and Supply Chain. He later served as the Executive Vice President of Sales and Operations. Prior to this, Sarsam spent 20 years with PepsiCo's Frito-Lay business. He joined Frito-Lay as an associate engineer and progressed through a series of significant leadership roles including Plant Manager, Director of Finance, and Region Vice President for Sales and Distribution in the West. He also led the development of Frito-Lay's and PepsiCo's overall sales and supply chain strategy as Vice President of Go-to-Market Strategy. He has a Bachelors degree in Chemical Engineering from Arizona State University, and a Master of Science degree in Management from Stanford.

COMPANY BRIEF Home of the original Bistro Bowl® complete meal salad, Southern California-based Ready Pac Foods (readypac.com) has been delivering on their mission to "give people the freedom to eat healthier" for 48 years as a premier producer of convenience fresh foods and fresh-cut produce. With processing facilities throughout the United States, Ready Pac Foods manufactures a complete range of products featuring fresh produce and protein under the company's Bistro®, Ready Snax®, Cool Cuts®, and elevAte™ brands. Offerings include fresh-cut salads, fruits, vegetables, snacking, and complete meals distributed where consumers buy groceries and in restaurant chains across North America.

What excited you about taking on this opportunity and joining Ready Pac Foods?

As a leader, what I liked about it was that I like food, and I like the fact that food industries and businesses are very people-intensive. I really enjoy the opportunity to lead front-line organizations that have everything from

The Ready Pac Foods Difference

Interview with Tony Sarsam,
Chief Executive Officer, Ready Pac Foods

manufacturing and procurement all the way through selling, strategy, and marketing.

That passion made me continue to look at food opportunities as I decided I wanted to move into a CEO role. At Ready Pac Foods, I found an organization that had experienced some trouble, but they had a great history of innovation, great products, and a very large and committed workforce.

It was the kind of business I liked being a part of and I was convinced that I could take this organization to the next level.

How important was it to communicate your vision and plans for transforming the company early on?

Communicating a vision quickly and getting people aligned to it immediately is critically important for any CEO joining a new organization. Before I started, I prepared myself as best as I could.

I was focused on the great things I would do for the people and assumed they would quickly respond to the vision I was developing for the company.

However, life often doesn't follow a pattern. The Friday before my first day, I got a call from the HR head and she told me she had just spoken with the National Labor Relations Board. They told her they had scheduled an election for union representation for our plant in Florence, New Jersey.

Not only did I have a troubled business, but I had a troubled business facing a new, potentially very catastrophic people issue. My whole message was about how I was going to bring in a great new focus on our people, and the first thing I heard before I started was that my people were bailing on me, and they hadn't even met me. I had to get into a more aggressive mode to get my start back on the right path.

In order to do that, I had to spend significant time in the plants, which I did. It was a great blessing because it allowed me to quickly get in very deep. I spent long hours with front-line folks to gain an understanding of the business in terms of all of its great attributes as well as its great problems. I was now more clear about what I had to do next than if I'd had a more academic view.

What I found with the employees was a tough situation. We had employees who had received inconsistent wage and benefit changes over the past five years. The management team

had not had an opportunity to learn how to lead at the highest level. We had a plant at which, even to this day, less than 10 percent of the people speak English as their native language and probably less than 30 percent of them speak English at all.

I spent the time there talking about how important respect is. I had a fleet of interpreters and took them everywhere in my discussions so people would understand what I believed.

Another asset was that my father is an immigrant so, by nature, my family is multicultural. We went to a church that was multicultural as well, so I was able to study how different people took in information and what mattered to them.

I also understood some of the subtle cultural elements that were not well understood by the union. As an example, in some cultures, while people may be very comfortable talking about their displeasure with a leader, they really don't like when someone on the outside exhibits the same behavior. They value more straightforward approaches, like having honest discussions about their futures. They want someone to know their names. They wanted to see a smile and to see their leaders on a regular basis in their environment in the workspace – things that key leaders often forget.

I made sure I exhibited those fundamental human touches and spoke very openly about our business and what I thought the future could hold for us. At day's end, we won the election by a pretty good margin and have since moved on.

I really believe it's a blessing. With the very long days spent talking to people, I learned, in a very compressed manner, the most important elements I needed to address in the next phase of my journey at Ready Pac Foods. This was critical because I had to get the business back on the rails quickly.

How important is it that leaders realize the importance of getting the employees onboard first?

It's a very important practice that many leaders miss. I had more than 3,000 employees and I was not going to win them over unless every one of those 3,000+ employees won. I firmly believe that, if I take care of my employees, they will take care of the business. My ability to go out and create the type of change that would make us successful is microscopic compared to what I can get from a focused team of employees who believe they are respected and valued



A plant-sponsored exercise class for Ready Pac Foods employees (above); happy associates packing Ready Pac products (below)

and, thus, return those same traits in their work for the company.

I have focused hard on our people, on what we do for them, on the culture we create, and on the values to which we aspire. Those things make great companies, and the rest comes from the team. They will take care of the service, the products, and the quality.

Will you talk about the stability you have been able to create at the company and the strength of the business in today's environment?

After I moved on from the early work at the plants, I focused on the fact that people weren't feeling respected, which is something that is so central to who I am and what I want to bring.

Respect is about knowing what you're supposed to do and knowing that other people value you for doing those things and doing them well.

I started the institutions that would help foster that respect. We very quickly created a monthly newsletter, and it's littered with names and photos of all of our employees. It's almost like a six-page gossip column, but it tells people who we are and what's important. It includes people's anniversaries and their life experiences. It has interviews with key operators and we just make sure we emphasize what Ready Pac Foods is. We've now done this every month since I've been here.

Also, because I knew I wanted to speak to the plant folks more often than on a quarterly basis, we do a quarterly video that tells people where we stand on our goals and what our focus is moving forward, and I do some recognition of our people in the video as well.

I conduct quarterly town halls at headquarters and at each of our manufacturing plants where I have a chance to talk about some of the same things. I answer questions and talk to people very directly about what is going on in our business, and address their concerns specifically.

I wanted to make sure our people knew that we were going to structure wage increases. They really get a lot of value out of knowing that we're now a company that is addressing that.

wanted to provide a vision for the organization and I wanted them to understand their role in fulfilling it. I brought in a number of people who were good thinkers on this. I involved my entire leadership team as well as about 10 percent of the organization in focus groups on what we would call the Ready Pac Difference.

About 300 people had a chance to weigh in on things. We created a vision statement and a mission statement. We outlined what we believed to be our signature strengths, the capabilities we needed to have, and developed a set of core values.

Those things are an important part of this new attitude of respect and are a key definition of who we are. I thought it was really important to do this early on.

The number one value we chose was respect; then we chose a bias for action, results orientation, learning, and having fun. We talk about those every week and how we're moving those forward as an organization. We make sure that people have a chance to develop those in their workspace and their plant. It can be tailored to local needs and culture, but we make sure that we're doing things that help reinforce those values.

I brought on a new team of direct reports to lead and represent those values. I needed talented senior leaders, but I needed them to understand the vision and mission first.

We managed to get the business back on the rails. It was in rough shape in terms of profitability. We were not profitable at all. After two years, we have moved into industry average profitability and we have significantly better than industry average growth on

We put together a wage authority process that, within a certain timeframe, tells employees what the market looks like, what we're thinking about for wage increases, and how they will work. It addresses how someone can move into a better financial position as an employee, and we do that every year in the third quarter of our business cycle.

Once I got those basic communications institutions established, I

the top line. The capabilities and values that we aspire to in our Ready Pac Difference have allowed us to make significant and positive changes in areas that have helped both the top line and the bottom line.

As you look at how the business has progressed, how critical has it been to maintain an edge in innovation?

This was one of those things that people still embraced as the foundation of who we are as a company. Our founder started this company based on an innovation that has led to many other innovations. He was the first person to provide restaurants with pre-prepped lettuce for salads. He invented the triple wash system that, to this day, is still the standard in the industry. He developed many of the ideas around blends and packaging that have made retail bagged produce successful. We were the first to introduce the single-serve complete meal salad, the original Bistro Bowl, which today is still the market leader.

People still acknowledge and respect that piece of our heritage, so it wasn't hard to convince the organization that innovation would be important for us to be successful.

It gets harder as we grow. In the early entrepreneurial phases, it is part of our nature, but as we grow we have more constituents and more varied customers. Continuing to renew capability to innovate is something that requires specific focus.

We have set our own benchmarks that we believe will help distinguish us as the most innovative fresh foods company. One example is that we want to bring a significantly greater number of new, innovative items into the market. We want to find efficient ways to get new ideas, new recipes, and new culinary experiences through our base products. Being innovative with what we bring to the marketplace will keep us sharp and maintain our respect in our community.

We also want to continue to be innovative in the way we think about and engage our people, and in how we go to market. All of those parts matter when we are creating a real culture of innovation. We, as a leadership team, focus on this and provide people an environment where they can continue to innovate even if it's not around the R&D for a product. ●

