

Zingermans? It's a Cut Above the Rest!

He was sitting next to me on a flight from Seattle to Minneapolis. Normally, I put on my headphones and bury myself in a book. I asked him what he did for a living. He modestly said, "I own a deli." Paul Saginaw and his deli are so much more.

Ari Weinzwieg and Paul Saginaw started a little deli in 1982. They somehow squeezed 24 seats into the 1,300 square feet they rented. They were armed with a \$20,000 bank loan, a staff of two, a small selection of great-tasting specialty foods, a relatively short sandwich menu, and three guiding principles: Great FOOD, Great SERVICE, and Great PROFITS. From this beginning, they have flourished for 28 years. In an industry where 90 percent of new businesses go under in their first year, Zingerman's is truly the exception, not the rule. Today, Zingerman's Community of Businesses, located in Ann Arbor, Michigan, employs over 500 people and includes a bakery, a creamery, a sit-down restaurant, a training company, a coffee roaster and a mail order business.

They are a regional company with a national reputation and a loyal flock of raving fans. I first heard of them from my friend, Andrew Bennett. He lives in Ann Arbor and spoke of them in glowing terms. "Great food, fabulous service, a cool company that gets it," were his exact words. I have conducted hundreds of "Customer Service Excellence" seminars over the last ten years, many of them in Michigan. Zingerman's name kept coming up as a company that provided great service. The short list of awards they have received includes Retailer of the Year three times by various food specialty publications and voted one of the 25 Best Food Markets. Zingtrain, their consulting and training company that teaches other companies the "Zingerman Way", was named one of "Training's New Guard" by *Training and Development* magazine in 2003. The same year, they were named "The Coolest Company in America!" by *Inc.* magazine. <http://www.zingermanscommunity.com/wp-content/uploads/2008/05/inc-jan-2003.pdf>

They have a national reputation for world-class service, which was recognized by the *New York Times* in a 2007 article:

<http://www.zingermanscommunity.com/wp-content/uploads/2008/05/nyt-6-3-07.pdf>

They walk their talk. How do they do this? They do this in Five Ways:

1. They TEACH it.
2. They DEFINE it.
3. They LIVE it.
4. They MEASURE it.
5. They REWARD it.

Their mission statement reads: ***We share the Zingerman's experience selling food that makes you happy, giving service that makes you smile, in passionate pursuit of our mission, showing love and caring in all our actions, to enrich as many lives as we possibly can.***

Once the plane landed, neither of us wanted the conversation to end. As we walked through the airport terminal in Minneapolis, I asked Paul if I could interview him. He graciously agreed to my request. Here is my interview with him:

We met on the flight from Seattle to Minneapolis. It was the most interesting conversation I have ever had on an airplane. How did you get started in the food business?

An early love of food learned from Mom and Grandma in the kitchen. At the age of 14, I got a job working with my good friend in his father's catering business. I really enjoyed it. Food tends to be celebratory. It was fun from the beginning! After a while, I said to myself, maybe this is what I am supposed to be doing!

Zingerman's has become an "Employer of Choice" in the Ann Arbor region. How do you explain your incredible reputation and why you have been able to attract and retain the best people?

We wanted to create an extraordinary business. We had worked with other companies at a young age and knew what we didn't like. Their values were different from ours. Dignity and a sense of community: Who had a great idea? Who had a solution to get the job done? We wanted to create an open-book organization. We wanted to treat people like adults; give them tools to get it done. Transparent financial company. Where does the money go? Everyone knows how to read a profit and loss statement. We are completely transparent. Annual planning is created by everyone. It's a promise on what we will deliver. Every department has a financial huddle and sales, labor, food costs, delivery are tracked on a white board every week. Each line item is owned by an employee. This is what we planned, did, variances, forecasts, next actions, changes. We track everything. It's hard to improve something you don't track. Ari and I have a basic belief that no employees can deliver any better service than we provide to them; able example is everything. Never doubt you are being watched by everyone and sending a message to everyone how we are supposed to behave. Example is the only way they learn. Three primary measures or bottom lines: great food, great service, great profits. We measure all three bottom lines.

What is the most important business lesson you have learned in 28 years?

I think the most important thing is having an inspiring, strategically sound vision of the future, a long-range vision that defines success and stick to it. It works. The power of that vision is not appreciated until you write it down, share it with entire organization, and then with all your heart, give yourself over to it. When things get tough, you can point to the vision to get everyone back on track, sticking to the knitting.

Your public relations and marketing success is extraordinary. Your Web site has some great articles from some high-profile national magazines. How did you do that?

In the early days, we created a list of every food writer from every major publication of newspapers and magazines and sent out press releases and MAILED them out every week. It got our name out and, over time, we became perceived as an expert in the industry. If it's well-written, when they need some copy in a hurry, it was there. We faxed, then e-mailed, all designed to develop relationships without expecting anything in return: "Thinking of you. I thought you might like this." Eventually, they will be your friend and promoter.

How do your businesses serve each other in the interdependent way we discussed on the plane?

Nine businesses are separately incorporated. Seventeen partners that operate as one business, based on trust, a shared vision, and a shared set of guiding principles. We meet every two weeks for three hours and we pay the front-line staff to attend. All decisions that affect the organization are made in that meeting: HR, payroll, IT, benefits marketing and graphics, and financial oversight. All decisions are made by consensus. We are committed to synergy. We support each other's businesses.

Paul, thank you for making the time to talk with me today. Continued success. I can't wait to come back to Ann Arbor and have some lunch with you. How can my readers learn more about Zingerman's?

Go to our website: www.zingermans.com. You will find links to all nine businesses: articles; ideas; recipes, information, and books. They can also email me, Paul Saginaw, at psaginaw@zingermans.com.

P.S.

Paul shipped a huuuge box of goodies to my office. It included two kinds of bread, brownies, scones, jam, honey, bundt cake, cookies, and three books. I am officially a raving fan of the food and service!

Book of the Month

Zingerman's Guide To Giving Great Service

by Ari Weinzweig, Hyperion, 2003

In the preface, there is an old Jewish proverb, "Don't open a shop unless you know how to smile."

That is some of the best advice I have ever read. It also describes co-founder Paul Saginaw. Since his partner Ari wrote the book, and the picture of him in the back shows him smiling, they practice what they preach.

Reading this little book is like attending a really fun seminar. However, as I read it, I found myself underlining one great business principle after another. The graphics and illustrations are drawn by the same person who did their Web site. It's a very distinctive art: fun, unique, and a little zany.



I can only imagine what it must be like to work at Zingerman's, but don't let the FUN fool you. This is a well-thought-out business run by sharp, focused, hard working owners (there are now 17 of them), and is an echo of the philosophy of the founders, Paul and Ari. Here is a quote from the book:

WHY We Give Great Service

1. **Great Service Makes Us Something Special** - We need customers far more than they need us. Something simple as a smile, competent delivery of goods and a little enthusiasm can make a lasting positive impression on customers.
2. **Great Service is Sound Marketing** - The best advertising is word of mouth. A positive story about our extra-mile service has been told by one customer for over 15 years.
3. **Good Service Keeps Customers Coming Back** - They will come back because of the service first, product second.
4. **It Yields Better Bottom Line Results** - It increases sales, reduces errors and waste, builds customer loyalty, and reduces time managers spend on problems.
5. **It Makes for Better Place to Work** - I have learned the hard way that more than any benefits program, bonus system or retirement plan we can put in place, the way people treat their peers is really one of the contributors to quality of workplace.
6. **It Helps You Attract Better People to Work With You** - A more enjoyable workplace may be the selling tool we need to attract the best employees out there.
7. **It's Easier** - It's easier to do things well and make the customer's experience something special than it is to do a slipshod job and clean up the mess later.
8. **It's the Right Thing to Do** - On a less practical and far more spiritual level, when we are giving great service to our guests, we are making some small, positive contribution to their lives.

You might not be able to visit Ann Arbor, but you can buy the book, study it, and incorporate some of the ideas in your business. Try something as simple as “**6 Steps to Effective Telephone Service.**” This powerful process can be adopted by your company in the new year. What if you typed this up, taught it to your staff, and made it part of your culture? The results could be profound.

1. **If the Phone is Ringing, Answer It**
This may seem obvious, but if you don’t answer, or it rings more than three times, you may lose business.
2. **Body Language Speaks Volumes**
Smile and sit upright. You can “hear” a smile on the phone.
3. **Politeness Counts**
“Good morning. Thank you for calling Zingerman’s. How may I help you?” Simple. Polite. Effective.
4. **“Can you hold, please?” is a Question, not a Statement**
Be sure to give the guest a chance to answer the question before you put them on hold.
5. **Accuracy and Attention to Detail are Critical**
We ask our staff to read back the order in order to avoid mistakes.
6. **End Every Call By Thanking the Guest**
After all, there are plenty of other providers they could have called. We appreciate the opportunity to serve them.

And by the way, go online and order some of the bread or brownies. The best I have ever had! The bread had more raisins per square inch than any I have ever tasted. They will make you smile...



Paul Saginaw is the guy in the middle of this picture!