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Recorded Message: The Hennessy Report from Keystone Partners. A free flowing conversation with leaders in the HR community talking about themselves, the industry and their work. Brought to you in cooperation with NEHRA, the Northeast Human Resources Association.

Dave Hennessy: Welcome to The Hennessy Report, I'm your host, Dave Hennessy. This is already our 20th episode. Very exciting for me and the podcast team here at Keystone and also the NEHRA team where we produce this podcast in cooperation with. By the way, the NEHRA conference is September 26th to 28th, Falmouth Massachusetts down the Cape, so be sure to register.

And now for this episode, my guest is the CEO and co-founder of ezCater, Stefania Mallett. I think you'll find this episode intriguing because Stefania's not exclusively focused on HR as the leader of the organization, but at the same time since she started ezCater, she naturally brought cutting edge, people strategy, and culture building principles to this amazing organization. Next up on the podcast is the CHRO of MFS Investment Management, Mark Leary, and now I bring you my conversation with Stefania Mallett.

Well Stefania, welcome to the podcast.

Stefania Mallett: Thank you. It's great to be here.

Dave: Our common connection is your CFO, Bob Cruickshank. While coaching soccer on the side lines together, he's been telling a lot about ezCater, and about you, and about the awesome culture that you have developed here and the exciting growth of your business. So great to be able to sit down with you.

Stefania: Nice. It's nice to know that even off hours Bob tells those good things, that's great.

Dave: He's always talking about you and ezCater.

Stefania: That's good. We have high opinions of Bob too. That's great.

Dave: You're our first non-HR-practitioner, although I think you actually do practice HR, well we'll get to that a little bit, so it's great to have a CEO on the podcast, and we know you're very culture and values based as an organization, and you personally. But before we get into that, I know that's going to be a big part of our conversation today. It'd be good if our listeners could get a sense of who you are and maybe an early life experience, or some influence that you've experienced in your life that helped make you who you are today, or helped shape who you are as a leader.

Stefania: Sure. I would say that I am a pretty principled person. That was probably the best thing that I got out of my very strict and very micromanaging parents at Catholic parochial school. But I decided ... early on, I wanted to push back against influences that I had. I wanted to let people be themselves. I wanted to be able to be myself and I wanted to let people be themselves, and I will tell you, it took me many years before I could articulate that that was what I was heading for, but unconsciously that is what I was heading for.

Let people be their best selves. Being themselves, if you are yourself, then you are your best self. Most of us introduce badness, behave less than better, less than as well as we could, because we think we



Keystone Partners

have to be something else. Because we think we're pleasing somebody else, because we're being artificial. So I'm on a journey to being myself, and I'm a journey to letting everybody around me be themselves. I trained as an engineer ... pretty soon though I discovered that I'm a business person, more than I'm an engineer.

I think in systems, it's one of the reasons I like principles. It's clarity, it's organizing principles, whether they're ethical or how you file your documents. It all makes for a smoother operation.

Dave: Can you think of a time when that switch through for you? Where you said, I'm not just software and engineering and I'm more of a business leader. When did that happen?

Stefania: Well, it had been happening more and more that I was being asked by my fellow programmers, you go talk to the customers, you find out what they want to do, because I was a woman, this was the mid-seventies and I showered every day. And they didn't, and I kind of got dressed because I was a woman that I just happened to dress slightly better, and they were guys who were like throw me, raw meat, leave me out of talking to human beings.

And so I was out there talking to humans and I started to realize, engineers have a tough row to hoe. If you're Steve Jobs, the world bows down to you, but most of us engineers do work that makes things work very smoothly and people don't notice it. They only notice us when we do something that breaks. So, it's frustrating to be an engineer. You don't get the kind of positive feedback that every one of us wants to have. Unless you're Steve Jobs.

Dave: The offensive lineman of the business world, it sounds like...

Stefania: It really is, yes.

Dave: ...only when there's a penalty.

Stefania: Only when there's a penalty, but I discovered that as a businessperson, you get lots of strokes because you're kind of out there making noise. People are noticing things, so there's a lot of feedback. The feedback loops are strong. So I thought, "Huh, I have a choice. And I'm probably even slightly better as a business person than I am as an engineer." I was never going to be a Steve Jobs. So I went for where the feedback loop was more positive and I'd be less frustrated.

So, I can't remember what day that was, but it was a pretty clear realization that led me to that. And so then I kept doing it, and the world kept responding well, because people who can translate from technology to humans were in small supply in those days. There's many more people like that today, but it's still a very valuable thing.

Dave: Absolutely.

Stefania: So I did that.

Dave: That's great. And how did you ... you're one of the co-founders ezCater, maybe you could talk a little bit about the founding and if you want to, about the ... you know, what market need you're



Keystone Partners

serving. Explaining a little bit about the business model because I think I know, and I think some of our listeners know. But let's be clear ... and by the way, this is an HR leader audience. They're in charge of...

Stefania: Ordering food.

Dave: ...event planning and there are their people in the teams that are in charge of employee events. So this is a good chance for you to sell.

Stefania: This is the part where I need to get my advertisement.

Dave: Which you grew up doing. So here's the ad section of The Hennessy Report.

Stefania: That's great. So I am the execution person. I'm an operating executive. I don't come up with a brilliant initial idea for a company. I have built several companies, but they've always been somebody else's first idea. This company is no different. My co-founder Briscoe Rogers had an idea for a company that he launched in 2003. I joined in 2004, which helped sales reps get in front of their clients. It was solving the last mile problem for sales reps.

It turns out that industry, there are many industries in which, in order to get time from your decision maker, you have to bring in food for the entire office. The net of that is, people who are sales professionals have to order catering. But that's not what they really want to do, right? They're trained sales professionals selling, whatever kind of complex product they have to sell. Their brains are full of all that other information, why would they do this?

We built a product that helped these sales reps get in front of their customers, but after three years or so, we ran out of cash before we got to profitability, we shut the doors and we said, you know, we've had several thousand people ask us several thousand times, "Make the food appear." So we launched this company.

Dave: Just based out of that need that..

Stefania: Just based out of the need that just slapped us in the face.

Dave: Right.

Stefania: And so then, we discovered that not only do sales reps do this but, I mean this wasn't really a discovery, it was a realization like, "Of course companies order food for themselves too." And what we thought was a billion dollars of food that gets ordered every year, actually turned into \$22 billion of food...

Dave: Just in the US?

Stefania: ...in the US.

Dave: 22 billion of catered food.



Keystone Partners

Stefania: 22 billion of catered food goes into businesses for all kinds of meetings. All kinds of...

Dave: 22 billion.

Stefania: Yeah. All kinds of events. And I'm even leaving out the three-day sales kickoffs in Boca Raton, where you're...

Dave: That's a hotel thing that's already taken..

Stefania: That's a separate thing. This is meetings...

Dave: This is where it's ordering from somewhere else to bring it in.

Stefania: To bring it in. Ordering to bring it into your office for a meeting, for a sales call, for a project team meeting, for lunch for all your employees, all of that together, \$22 billion a year.

Dave: Wow.

Stefania: So we're helping make that happen. You come to our website, enter an address anywhere in the United States and we will show you 10, 20, hundreds of restaurants and caterers that will deliver to that location. We give you the full information: menu, a delivery fees, whatever fees the restaurant has to charge. Place your order. You're done. From then on, we quarterback that thing. To use your sports analogy from before, and we make sure that it makes it all the way to completion.

Dave: So you're managing...

Stefania: It works really well.

Dave: You're managing all of those caterers as well. Making sure their performance is there.

Stefania: Make sure...exactly.

Dave: Their quality, everything.

Stefania: That's exactly what. And we have great customer service backing up every order that you place. If you have a problem, let's say you have a problem. Something does happen. Even the best restaurants can make a mistake or they get caught up in horrible traffic jam. It's not their fault, we will find out that they're late. We will let you know. You get back to your meeting. You have an issue with...the food has arrived, it's on time, but oh my God, they forgot one dish. You call us, chat with us, text with us by whatever means...

Dave: They don't have to deal directly with the caterer.

Stefania: You don't have to do anything.



Keystone Partners

Dave: Everything is through ezCater.

Stefania: You go back to your meeting and say, "I got it under control, let's have the meeting." It works really well. And it costs you nothing. It costs exactly the same.

Dave: You just pay, whatever the fee ... you pay whatever the cost of that food is.

Stefania: You pay what the restaurant would have charge you anyway.

Dave: Wow.

Stefania: We get paid as a marketing fee by the restaurants.

Dave: What are some of the things your customers are saying that maybe ... I mean those benefits are obvious. Are there any surprise benefits that people are experiencing?

Stefania: The one thing we hear a lot is I had no idea there were so many options of restaurants that would deliver to my location.

Dave: Yeah. We get in a rut at our company.

Stefania: You get into a rut.

Dave: We always go to that are the same ones, people will get bored.

Stefania: People get bored. People say I'm a hero. Now in my office I'm a hero, because we have all kinds of different things. Another thing that people don't expect is that we have a reward program. If you deal with a restaurant again and again, you get rewards from that restaurant. If you order all the time through ezCater, you get rewards for everything that you order. Every meal you order, you can aggregate those and then you can use them either for the next event, for a discount off of the next meal, even if it's from a completely different restaurant from any that you'd already ordered from before.

Dave: Well, that's the commercial HR people from ezCater...

Stefania: That's the commercial.

Dave: Try it out. Well, in addition to Bob, we got connected to your organization and I think that after this news story came out, it was a channel four CBS Boston interview, where our President Ralph Roberto was being interviewed about culture and so were a couple of your employees about your own culture. And Ralph said that culture is almost like an invisible ecosystem that determines whether you're going to be happy or successful in an organization.

And then, a couple of your people, one said that at ezCater, each member of the team is bright, driven, curious and also kind. And then a manager said, "We hire for culture first," and then followed up with "And we mean it." So this made me think to talk to Bob again and say, "Well we should be talking to



Keystone Partners

ezCater about what they're doing because our listeners are very focused on culture." And maybe we could shift, and you talk a little about, when did you first think about we want to create an intentional culture and then what steps did you take to do it?

Because we've had a few guests on the podcast from larger companies that are very culture focused like HubSpot, Rapid7, several others, but I interviewed them and they have thousands of employees and here we are much smaller but growing fast, and it'd be good to get a little bit sooner to when it happened.

Stefania: The first year or two, it was Briscoe Rogers and I ... and then we hired our first employees, and I thought, "Oh my gosh, I have to explain how we operate and go back to principles like create a system. I said, "What really matters to us is that you treat the customers this way, and that you treat each other this way." There were all of three of them at the time. We didn't think of it as building a culture. It was just setting in place the principles.

And we hired people, I hired people whom I suspected would hold to those...

Dave: You weren't calling it culture and values, but they were just things you were saying.

Stefania: They were like values. They were things that I was saying.

Dave: Right.

Stefania: I would say it was probably five, six years later that we finally said, "We should write this down, because we keep saying the same things again and again." I would tell people, they would tell their people as we started to hire more and more. It just became something we talked about a lot. The behaviors matter, the principles matter. We like to give people a lot of autonomy, not only responsibility, but the autonomy to act on that, and if you do that, you cannot have ... you will create chaos, if you don't give them principles within which to operate.

You need to have the guard rails. You need to understand what the values are so that everybody's judgment calls will be similar. If you want people to act, help them understand the context within which they need to act. From there on you're done. So since we have always cared enormously about scaling, about having this be a company that can grow very fast and then it started to grow very fast and we thought, "Boy, it's a good thing we care about this because man, we need this. We need the scaling ability."

And that the only way you can scale is if you give people guardrails and let them run. So, I would say it's two or three years ago that we actually wrote down and put into stickers. Put onto sheets of stickers. What are nine ingredients in our culture recipe are, didn't take us too long to hammer them out because we've been talking so much about them. And now we have these stickers, That's a lovely green shade. That is the green of ezCater brand.

Dave: Yes. I'm looking at it right now. People on the podcast know I'm a sucker for a pun, and I really like this culture recipe idea. So this is great.



Keystone Partners

Stefania: I know that's ... our ace marketing department invented that. There's a lot of food metaphors in the English language, we use them all. So these items, by having them as stickers, we see that people take their favorite one or two, and they put them on their computers. They put them on their desk, they put them on the screen of the monitor. The one that's the most powerful is the one in the center, which is "be insanely helpful." From the start, I would always talk about, be as helpful to people as you can be. Be the best person you can be. Be the nicest, kindest, most outgoing, most positive, most supportive person you can be to the customers, to the restaurant partners, to each other, to our investors, to the landlord, to our vendors, anybody.

And it turns out when you are that, a lot of other things follow. If you are insanely helpful, part of that is, you will tell people what's going on. You will explain why something has happened. You will own what's going on. So two other of our tenets are trust and transparency, tell people what's happening, own it, figure it out. Well, if you're being insanely helpful, you're going to take on the customer's problem, or the other party's problem. That's really our central thesis. Be really, really good to each other.

Dave: Right.

Stefania: A lot follows that.

Dave: That follows to the customers as well.

Stefania: To customers, to restaurant partners, to each other, everybody.

Dave: How do you hire for these things Stefania. As you're bringing in people, you're growing, the needs are great, it's a very competitive market for all sorts of talent, especially the talent you're looking for with I know technology, and, software engineering is a huge field.

Stefania: So our engineers for example. We have the most helpful engineers possible. The engineers actually have done a very good job of articulating specific questions to ask that help identify whether someone matches our cultural attributes. We have a pretty nuanced approach to this. Ed Ariel, who heads our customer service team. At one point I said to Ed, "I know you're hiring for cultural attribute. You're hiring for personal attributes more than you are for specific skill." We have a lot of people who never did customer service before, who are excellent at our customer service.

I said, "So you should be hiring optimists, right?" And he said, "No, we hire positive realists. An optimist will be saying, "Oh, I'm sure the food will get there." A positive realist will say, "You know, the food might not get there, but here's how we could handle it if it didn't." And I said, "Ed, you've got the nuances. You're completely right. I am backing away. It's in your hands, you are doing a super job." So, that's the level of nuance precision that we bring to understanding the people that we bring in the door.

Dave: Right? Well, I could see in some of the ... there's also some values that really, to put some ... making sure things are right, spending wisely is one, try it but also track it as well. You know, talk about that value.

Stefania: So tracking it is critical. There're two parts to that. The tracking part is true in everything we do. Measurements make for a psychologically safe workplace. They introduce objectivity, they introduce



Keystone Partners

fairness. They focus each of us on the shared element of, what do the numbers tell us. It isn't whether it's my idea or your idea, is whether the results demonstrate that one of our ideas, and usually by then we've forgotten which one, works better than the other one. Measurements make it so that I, as the founder can't run around playing the founder card all the time. Somebody who has a big and loud voice isn't going to automatically win over somebody who's a little more introverted, or a little more quiet.

It's measurements become this objective, clear, fair arbiter of what we should do next. We then marry that up to try it. It's okay to try it, and it's okay to fail. We have moved fast. It's okay if you break things. Measure to tell if you did break something or not, decide that was a good idea, move on, decide it wasn't a good idea, stop, do the next thing, try the next thing. So the track it part makes for a safe place, the try it part makes for a fast moving place, and often fast moving and safe may seem antithetical, but we have them together.

Dave: Now you're bringing all sorts of new people into the organization. You have these awesome values with all this growth, there must be times when things aren't going as well as you want them to as you're growing this quickly. What do you do to get it back on track? How do you keep the organization when it veer? How do you bring it back?

Stefania: The organization so far has not veered. Individuals veer, but one of the things that we say to everybody who comes in here, usually within the very first week of their being here. We have a conversation in which we say, "Look, the culture is not Stefania's. The culture is not the original founding team. The culture is everybody. You own this culture. You, newest employee here, own this culture as much as I, the one who invented it does.

And so you need to help us strengthen it, help us police it," for lack of a better word, "help us ensure that it remains strong." And so it's not like, "Oh gosh, we have 400 employees now, or 375 or something, who are potentially running off in 375 directions." It's actually we have 375 people who are working to keep our culture on track. We have such great people, I love our employees. There's so much willingness on the part of everybody whom we've brought in to own it, and help it, and make it better.

Dave: Well, you know, we do this podcast in cooperation with the Northeast Human Resources Association, and they have a young professionals group and so we have the question of the podcast, the NEHRA-YP question of the podcast. I have one for you. This question comes from Farrell Murphy, she's an HR manager at Wayfair and the question is, "How do you overcome the fear of failure?"

Stefania: So life has chapters, and what that means is if you mess this chapter up, there's going to be another one, right? And when you think, I can't make a mistake here, look backward at your own data. Again, use your own measurements. Did you not mess up before? I bet you didn't get to wherever you are. It doesn't even matter once you're like more than three days old. You didn't get there without having done something silly the day before, you survived that.

So use the data to say, "Oh, there's going to be another chapter. I'm going to be okay." So look backward, and realize other people have failed. You have failed, and they're still upright. They're still going on. And there's going to be another chapter. There's going to be another opportunity to fail. There's going to be another opportunity to do it really well. So life has chapters.



Keystone Partners

Dave: So this is another question. It's a little bit more personal.

Stefania: Go for it.

Dave: It's more about advice you'd give your younger self, if you could write a letter of advice to your 30-year-old self, what would it be? What would you write?

Stefania: My 30-year-old self, my 20-year-old self, my 10-year-old self, my 40-year-old self, my 50-year-old self. Don't be so afraid. There are more chapters. Humans try to introduce a lot of fear into your world. Just try to put away the nos. And even your parents, "Oh, be careful. Don't do this. Be careful. Be careful." Like don't be so afraid, there's going to be another chapter.

Dave: You know, it's interesting you say that because, a couple podcasts ago I interviewed Paul Davies from GE. Head of employee experience, and he talked about a book that changed his life and it was, *Who Moved My Cheese*, a book we all read 20 years ago. But he said there was one concept in there, and that was to "continually ask yourself if you weren't afraid, what would you do?" And, he said "That informs me over and over again." I usually end up doing that. So it's just what you're saying.

Stefania: Same idea.

Dave: What's important to you about people you hire for HR leadership or a Chief People Officer?

Stefania: We just hired a Chief People Officer. I'm very pleased about that. I have been our acting Chief People Officer all this time. And one of the reasons that we didn't hire somebody for a long time is because we wanted to inculcate deeply into the way that are managers operate. That they understand that, they own good treatment of each other, of their employees and of their peers, as much as anybody else does. You can get into this mindset of, "You know what? Let's let HR take care of that." We wanted to inculcate deeply that, we all own that.

So what I was looking for, for a Chief People Officer was someone who would not centralize all that, would continue to strengthen everybody's ability to be a really good employee, a really good employer, and a really good interface between those two, and would add in deep, deep kindness. You can get lost in HR, and become the police that are worried about compliance, and worried about the laws. You have to be thoughtful about those, and you can't take stupid risks. But, deep kindness is the best way to treat people. And so we hired a woman who I believe she hasn't started yet, but I believe that she embodies deep kindness.

Dave: That's great. And do you have any other messages for HR? Interesting you've built such a strong culture organization without having an HR leader. You have played that role. You play that role.

Stefania: For better or worse.

Dave: But I bet you might have a message overall to the HR community. Any advice, ideas?



Keystone Partners

Stefania: An advice I guess I would say for them as much as for anybody else, say yes more than you say no. Find ways to make it possible for the employee to do that. More than find ways to protect the company, or protect somebody and say no.

Dave: Find a way to say yes.

Stefania: Find a way to say yes.

Dave: Is there a thought leader that you look to, or study, or follow on leadership, or business or?

Stefania: I get advice, I get input, I get human learning from every single person I bump into. This morning coming out of the train, there was a conductor and I'm always nice to the conductors because they're there every day and I like them. And they're good, they help me. And so I saw him and I saw that he recognized me, but he was shy, like he hadn't seen me for a while, but I could tell that he knew who I was and I said, "Hey, I'm not on my normal train, it's nice I bumped into you."

And he said, "Yeah. Well, it's nice to talk to you. It's good to see you. I don't get to talk to customers very much because we're told not to get too familiar." And I thought, oh, that's why they often ... you know, often the conductors almost act like you're not there, and I think come on. But so I learned there why, they're actually told not to get too familiar because what? Then maybe I would say I didn't bring my badge or this is my buddy and he doesn't have a ticket will you let him on? And so, there's a professional reason to be a little cautious. I learned that from having a little chat with this guy today.

Dave: You get a new perspective.

Stefania: You get a new perspective. You learn things from people every day.

Dave: All right. I have some lighter questions for you Stefania. We'll have some fun with these.

Stefania: Okay.

Dave: What gives you energy?

Stefania: Sleeping.

Dave: You recharge your batteries.

Stefania: I recharge my batteries. No, people and laughter. It's one of the things I was noticing when I was walking down here to this conference room when I walked down the hall. I mean a bunch of our people were clustered together at one end and they were laughing really hard about, I don't even know what. And I thought, I just love that, and I just kept going. So it's laughter, people,

Dave: A book that changed your life.

Stefania: A lot of books have had a lot of influence on me. There's one that just flashed to mind. It was a book that reconciled for me two important things. Part of me wants to be very Zen, and very calm, and



Keystone Partners

another part of me is this incredibly driven capitalist, who wants to build a world leading company, and I could never reconcile my strong ambition. I think I was born ambitious. I was certainly born industrious, and my desire to be calm. And this book, I'm going to paraphrase what they said that I have carried forward as: work like hell to do the best you can at everything you can control, and then let go of the outcome. And I thought...

Dave: Separate those...

Stefania: Separate those...

Dave: ...and that's where the Zen comes from.

Stefania: Yeah. So as it is, I fight like hell to do everything I possibly can do. And I let go of the outcome.

Dave: That's great.

Stefania: And that was, *The Corporate Showman*.

Dave: You got it.

Stefania: There you go. It's Richard Whiteley, he made a huge difference in my life with that one.

Dave: With that one.

Stefania: With that way of reconciling those two things.

Dave: That's great. All right, one last one. What is your secret life hack as a software person, you know that terminology. Do you have a secret life hack?

Stefania: I'm terrifically organized. I have systems ... like, organize yourself with systems. Have certain kinds of lists, things belong in a certain place. I don't think I'm ... I think I stopped short of OCD, but I'm...

Dave: Right up against the edge?

Stefania: Right up against the edge. I have these systems, and it just makes it so that a lot of friction is gone, and you can focus much more on the creative parts and the people parts.

Dave: Stefania, it's been so great having you on the podcast.

Stefania: Thank you. It's been great talking to you. Thanks a lot.

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