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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 by Keystone Partners. I'm Dave Hennessy and today's guest is Annie Drapeau, the chief people officer at Toast. Annie shares how they pivoted their business model at Toast to adapt to the impact of the pandemic on their customers, restaurants, and how hospitality is a core value at Toast. And that so many of their employees have run and owned restaurants prior. She also discusses how proud she is of her team and how they had compassion for Toasters early in the year, who were impacted directly by the pandemic and helping them find new work at other organizations. And now, they're hiring many of them back because of their business model pivot, and that the most dire predictions for the restaurant industry haven't come to pass. Annie is an incredible HR pro with such an amazing career herself in different industries and different functions. It really comes through in this discussion. I think you'll enjoy this episode.

And next up on the podcast is the CHRO of Mass General Brigham, Rose Sheehan, formerly known as Partners Healthcare.

And now, our conversation with Annie Drapeau. Annie, welcome to the podcast.

**Anne Drapeau:** Thank you so much. I'm so glad to be here.

**Dave:** I'm so glad that our friend and your colleague, Kim Looby, reconnected us. We met many years ago. I don't even think you remember. I think it was way back on your Vistaprint days. As we get started, we always like to hear a little bit about our guests. Let our audience know about you. What's something early in your life that informs your work today, maybe something that you see as an inflection point as you look back on it now?

**Anne:** I can actually think of two in particular. One, I've been so lucky in my career to have had some amazing mentors and role models. And my very first, both personal and career role model, is my dad. And my family has been in a sort of family owned, family run business for a really long time. I worked there in high school and through college. And I sat right outside of my dad's office. And so, I could hear him on the phone with his employees, with his customers, with prospective clients. And there's a way that he treated everyone. There's a transparency and honesty, really straightforward, uses humor. It really informs the kind of leader that I wanted to be. And I was really lucky to get exposed to that so early.

I'd say one other really interesting turning point for me that also informed in some ways my philosophy of leadership was I was in a rotation program at PepsiCo where you had an opportunity to do a lot of different jobs across the company. And I was running a territory for Pepsi-Cola. So, I had a group of truck drivers that worked for me. They were also commissioned sales people. It was my very first management experience. I had never managed people before. Before that experience, I had sort of a vision of what managing people might be like. I sort of imagined that I would someday hire a junior



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version of myself, and I would delegate to them all of the things that I didn't want to do. Well, that was not my first management experience.

My first management experience was managing a group of people whose job I could not do. I can't drive a truck. I'm not really a very good sales person. I really can't drive a truck. I can barely park my own car. But my job was just to help them be successful. It was to be a coach. It was help them figure out how to take barriers from being essentially a brick wall to a speed bump. It was really just about enabling their success. And we now call that servant leadership. It wasn't a phrase that I knew at the time, but I am so grateful that that was my first management experience because it really informed part of my philosophy of leadership right now, which really is about enabling the success of others. Because that's what I had to do. I couldn't delegate my job to them, and they couldn't ask me to do their job.

**Dave:** That's a great story, and it leads to my next question. I'm glad you brought this up because, as I looked at your career and followed your career, being in the Boston area, you've had such an interesting career path for a chief people officer. Here you're talking about being a territory manager. I think you worked in finance and consulting. You were in operations. Can you talk a little bit about the evolution of your career, how intentional it was to get where you are today? You already talked about one of these benefits, the benefits of these different perspectives you had in different industries and different functions.

**Anne:** Yeah. No. My career path has not been intentional at all. My undergraduate degree is in chemical engineering. And then, I got out of college and immediately became a banker. And so, clearly there was...

**Dave:** You were already shifting, early in your career.

**Anne:** Yeah. There was a reason. I was lucky to have a lot of different options along the way and leaders and managers who were willing to take a chance on me to enable me to pursue things that I was just curious about. I think there was a common thread there through all of it. I started in finance roles and strategy roles. And then, as you said, I was an operator. I owned a few...

**Dave:** And an author as well.

**Anne:** Yeah. I wrote a book somewhere along the way. I was always really, really deeply curious about the people and organizational piece of the business. And it was a gravitational pull for me. And I was very fortunate. I was working at Digitas, actually, and I was running one of our practice areas there in a client facing role, but I had been very, very passionate about how I felt that Digitas needed to build the HR function. And I had sort of built my own little HR function for my team.

And the CEO of Digitas at the time, David Kenny, who is just a tremendous leader, he reached out to me and he said, "I want you to take an HR job for a while." And I looked at him initially and said, "That's crazy. I don't know anything about HR." And he said, "No. Actually, you have really strong opinions about it." And I was lucky I'd been the beneficiary early in my career of organizations that had very, very strong people functions, like JP Morgan and PepsiCo. And so, I had sort of a vision of what I thought



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good could look like. And I knew I could fill in the technical gaps just by networking and getting myself some training.

So, I agreed to take a chance on it. I told him I would do the job for a year, and then go back to my old job. Of course, that was 20 years ago, and I'm still in this field and love it. And so, when you can find those mentors and managers who see something in you that you might not see in yourself, it is such a gift. But having had all of those experiences, operating experience, finance experience, worked in private equity, I do think it just helps you to become a more well-rounded executive, because I can view businesses from many, many different perspectives. And I think one of the things that's so critical to careers in talent or HR is empathy. And there's no better way to build that empathy than having actually walked in those shoes.

**Dave:** Right. Like when you're talking to other functional leaders inside your organization, you can speak their language because you have those roles or similar roles.

**Anne:** Yeah.

**Dave:** And that's cool. It sounds like you did some research as you were shifting into HR because you hadn't had the practical training. Where did you look to kind of build your skills? I was wondering if there was anybody that you benchmarked against, or reached out to, or read.

**Anne:** I relied really heavily on a network of amazing CHROs in the Boston area. Very early on, I was part of the group that Fred Foulkes over at BU used to put together.

**Dave:** Oh, sure. Yeah. I'm on the board of NEHRA with Fred. Yes.

**Anne:** Yeah. And it was a really amazing group of people who were really generous in sort of sharing what they learned and their best practices. So, it was a great network for me to leverage. I could pick up the phone and call any of them at any time when I had a question about employment law or executive comp, some of the things that technically you really do need to have a pretty solid grounding in. Obviously, relying on outside counsel also around some of the technical things was really important. I went to a lot of employment law seminars just to make sure that I was well-versed there. But, yeah. The network of CHROs in the Boston area was extraordinarily helpful. And similarly, over the seven months or so, we've all been leaning on each other pretty heavily.

**Dave:** I heard about the emails flying around.

**Anne:** Yes.

**Dave:** Yes. You're part of that.

**Anne:** Yeah. Yeah. Yeah.

**Dave:** Part of Fleur Segal's email group, right?



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**Anne:** Yes, exactly.

**Dave:** Yes. I've heard great things about that. The NEHRA board, some of the members are saying it was really valuable. So, let's talk about Toast. Wow.

**Anne:** Yes.

**Dave:** Can we talk about what Toast was pre-COVID, and what was happening, and the strong culture, and the amazing things that were going on, the growth trajectory, and what you were excited about before early March?

**Anne:** What Toast was, thankfully Toast still is many of these things. It's what happens when the cultural underpinnings are so strong that they endure through good times and through bad. What really excited me when I first got to know the company is one, there's an amazing mission orientation at the company and a customer centricity. We love restaurants. And, for listeners who don't know Toast, we are a restaurant technology company. And we love our customers. We're really, really passionate about our customers. Nearly two thirds of our employees have worked for restaurants at some point in their career. In some cases it might be waiting tables in high school.

**Dave:** Right.

**Anne:** But in many cases, it's people who have been restaurant owners or chefs. So, we are deeply, deeply committed to the success of the restaurant industry.

**Dave:** Even you, early in your career at Pepsi, I'm sure.

**Anne:** Exactly. I had lots of exposure to restaurants. And, back when I was at PepsiCo, we still owned restaurants. Yum! Brands was part of the company. So, I'd always had a passion for that industry. So, really deep customer centricity and just a very, very positive and employee focused culture. One of our values is to embrace the hospitality mindset. And we talk about that both in terms of how we treat our customers, but maybe even more so how we treat each other within the organization. It's a very welcoming place. We focus on strengths. We focus on celebrating successes. I've just come to believe, through my career, that those are some of the really critical building blocks to inspiring great performance. And I think Toast has always believed in that as well and does it really, really well

**Dave:** Can you give us an example, Annie, of how the celebrating success, how that looks like inside Toast?

**Anne:** Right now, we're doing monthly all hands meetings. For a while, we were doing them every other week. We always make a point of telling the stories of really interesting work, calling out the teams of people who are involved in that work. There's a lot of gratitude in the company. And so, we have an internal recognition platform that is liberally used. It's something that just sort of pervades the company. There's sort of a positivity, I think, about the way we behave with one another, and again, the way we sort of celebrate wins.



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The other thing is that lots of companies talk about this, but there's very much a bring your whole self to work. We really sort of value the whole person. Our Toast communities or our employee resource groups are very, very active. So, I think it's a really important part of the Toast experience for a lot of our Toasters. And it made us a destination employer, not only in Boston, but across the country because we have employees all over the country.

**Dave:** Right. You have a lot of remote workers, it sounds like as well.

**Anne:** Yes. Yeah.

**Dave:** Yeah. Maybe we could delve into how you dealt with the challenges earlier in the year. And I'm sure it feels like you have been through a war, like many organizations. But your clients were one of the top industries to be just devastated by the pandemic. Can we talk me through some of how you got through that? It sounds like you felt like the strong culture and values of the organization helped you navigate through that.

**Anne:** We believe in a lot of communication and a lot of transparency. As COVID hit, we were very transparent around how we thought it might impact our business. I was sending out a nightly email to our entire employee base. I did that for a couple of months, actually, both to address I think the personal stress that we were all feeling, but also to address the uncertainty that we were facing in the market. Toast, like many companies, all we could do with guess what the future would look like. There was no data. There was no playbook to suggest how a pandemic might pan out, in particular, how it might affect restaurants. We had a little bit of data from some of the countries that were maybe a month or two ahead of us in the pandemic. But, beyond that, we weren't really sure.

So, we had some pretty pessimistic assumptions that we were working with around how COVID would affect the restaurant industry. And we decided to resize our organization based on those assumptions. And, as was announced at the time, we ended up laying off just over 50% of our employee base. We also furloughed a bunch of employees. And it was a really, really hard time, but we were transparent. We did everything that we could to treat those people who left who we call Always Toasters. We really do believe, once you're a Toaster, you're always a Toaster.

**Dave:** Like alumni. Right?

**Anne:** Yeah. To treat them with generosity and support. Our talent acquisition team, those that remained, focused immediately after our reduction on helping all of those folks land their next jobs. And we were really pleased that people landed very quickly for the most part. But that was part of, I think, who we are and part of the ethos. Like we really do believe this, once you're a Toaster, you're always a Toaster, and have wanted to support those folks throughout all of this. Thankfully now we've brought many of them back, which has been great.

**Dave:** I've heard.

**Anne:** Yes.



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**Dave:** Kim was telling me. Maybe you could talk a little bit about the business too now, because now you pivoted. It used to be that your restaurant customers needed did both the device technology as well as the mobile ordering technology.

**Anne:** Exactly.

**Dave:** But you've changed some of that. Can you talk a little bit about this business shift that you've made?

**Anne:** Yeah. Absolutely.

**Dave:** And then, of course, the people strategy that follows.

**Anne:** Absolutely. Again, this is what happens when you're mission oriented and you're saying, "Okay, we are absolutely committed to ensuring that restaurants, not just thrive, but they survive. What can we do to do that?" And so, we pivoted our product roadmap. And there were a number of things that we had been sort of considering, but that we knew that we now needed to accelerate, particularly around the guest experience.

So, as you mentioned, one of the things that we did is we unbundled in our point of sale product from the online ordering product and offered the online ordering product broadly to the restaurant community. It was free for the first three months for anyone who wanted to sign up. And that really was a game changer for the restaurant industry. We also accelerated some other products that had been in the pipeline for some time, things like order and pay at the table. When you go to a restaurant and the barcode is on the table and you order right off the phone.

**Dave:** Yes. I've got a lot of receipts from Toast. I didn't even know that Toast was involved, and then the receipt comes.

**Anne:** Yes.

**Dave:** Right. It's like you're everywhere.

**Anne:** Yeah. I mean, so the restaurants now that are surviving and thriving are those that are digitally enabled. And we are the best partner to help them do that. And so, what happened is many of our sort of pessimistic forecasts about the business didn't materialize. We actually...

**Dave:** It wasn't as bad as what was predicted?

**Anne:** Not even close.

**Dave:** I think that would be shocking to a lot of listeners right now.



**Anne:** And certainly, it's not to say that it hasn't been hard for the restaurant industry. It has been really hard for the restaurant industry. But I don't think we're seeing the kind of churn in the restaurant industry that we had predicted. And a lot of that is because the restaurant industry has been agile and resilient and they've made the pivot to more digital offerings.

**Dave:** The curbside, the delivery.

**Anne:** Yeah. Yeah. And we're grateful that they've turned to Toast to help them do that. So, we're now in a situation where our business is thriving and growing and we're rebuilding the organization. We've brought back a lot of our Toasters who had left.

**Dave:** And re-toasted them? Yes.

**Anne:** Yeah. That's a good one. Yeah. Re-toasted them. We like bread puns a lot. We have a bread pun for almost everything.

**Dave:** Well, even Toast is a double entendre, because toasting at a restaurant is not even bread related. Right? It's also cheers. Right?

**Anne:** Exactly. Exactly. I'm proud of what we've done to support the restaurant industry. It feels really good right now to be growing and thriving as a company as well.

**Dave:** Yeah. I'm sure the pressures, the importance of HR and your people strategy team is even more so. Can you talk a little bit about your team and what you're proudest of what your team, what HR has done, inside Toast, this year?

**Anne:** Oh, gosh. There's so much. Going through a RIF is really, really hard. I've worked now through lots of different economic cycles and crises. And so, I've done it a bunch of times.

**Dave:** Yeah. Just the last 20 years has been three of these. Right?

**Anne:** Yeah. Exactly. Exactly.

**Dave:** Right.

**Anne:** And there are certain things I've come to believe about how you treat people through that. I'm really proud of the way my team rallied and always kept in focus the humanity of the situation. We made sure everyone who left the organization had a one-on-one conversation. And that was a lot to do in a short amount of time. We made sure that they felt supported as they were looking for their next opportunity. I'm really proud of the way the team showed up through all of that, especially given that some of them themselves were being impacted.

And then, on the other side of it, I'm just really proud of the ways that we've worked to innovate to build community. We aren't alone. I mean, every company is sort of facing this right now, is we're all



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operating in the world of Zoom. The ways that we traditionally built community were very in-person and, obviously, those don't exist anymore. But the way we're communicating, we do our all hands meetings on a regular basis. We're doing virtual open mic nights. We do virtual pet shows. Like we've really embraced this work from home situation. We've always been a bring your whole self to work kind of a place. And we really embrace it now. Dogs and kids show up on Zoom, and we love that, and we celebrate it.

**Dave:** That's great.

**Anne:** And I'm proud of the things that my team is doing to make sure that we're still keeping things as fun as Toast has always been, and that we're continuing to build the community.

**Dave:** That's great. Annie, as you hire HR talent, I'm curious, what's important to you about the kind of people that you bring into your organization?

**Anne:** My expectation for folks on my team is that they're business people first and, to some extent, HR practitioners second. I'm looking for a real curiosity and a desire to really deeply understand the business. If they're supporting a specific group within the team that they really, deeply want to understand what those folks are doing every day, the impact they're having on the business. I think analytics and data are increasingly becoming important. And so, people who are comfortable in the world of data, but understand how to apply judgment to the data to draw conclusions. I look for people who are comfortable with ambiguity and a little bit of chaos, because that is just a part of all of our roles.

We're going through goal setting right now as a team and budgeting, obviously. And one of our guiding principles is that we have to be prepared for the inevitable extraordinary, because there is always something extraordinary that will happen. At Toast, there have been many extraordinary unexpected events, but they are inevitable.

**Dave:** Mm-hmm (affirmative).

**Anne:** And it is particularly true in the HR space. The ability to pivot quickly and deal with the unexpected is really important.

**Dave:** That's a good answer. Well, we produce this podcast in cooperation with the Northeast Human Resources Association. You mentioned one of my fellow board members, Fred Foulkes. And Meghan is part of a subgroup of NEHRA called the Emerging HR Professionals. So, I'm going to invite Meghan in and ask you the NEHRA question of the podcast.

**Meghan Mandino:** What new tasks or career skills did you have to pick up due to the pandemic or that you would recommend emerging professionals hone early in their career, looking back on your own career?





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**Anne:** One of the things that's going to become even more critical going forward is how do we build community and culture in what will be an increasingly remote way of working? It's interesting. We've been surveying our employee base over the last seven months around their preferences around how they would want to work. And immediately when the pandemic hit, the vast majority of our employees who were working in offices said they wanted to go back to their office full time. When we most recently surveyed people about a month ago, only about 5% said they wanted to go back to an office five days a week. The majority said, "I'd like to get back to the office, but maybe two or three days a week."

So, I think this world of Zoom and how we collaborate digitally is going to become much, much more the norm. And frankly, it's going to be even more challenging when we're in a hybrid space. When everyone is in the world of Zoom, it's actually reasonably straightforward. But, when you're in a hybrid model, I think it's going to be much more challenging. So, I think for all of us thinking about and imagining new ways of working, new ways of collaborating, new ways of designing our spaces, I think many companies probably across the globe are sort of rethinking that. The days of everybody sort of holed up in offices, I think, may be over, because if you're going to do that, you might as well do it at home. There's sort of a futurist capability that we all need to develop as we're thinking about and imagining what this could look like.

**Dave:** Yeah. That question makes me think of another. Is the culture changing? We talked about the values and the culture of Toast, but isn't every organization's culture changing just because we work differently now? Does it definitely have to change just because we work differently now?

**Anne:** Yeah. I think some elements of culture likely will change because we're not together. Although, I wonder if it's really the culture, whether it's just the manifestation of the culture. I mean, Toast as an example, the values that have underpinned our culture, those don't change. But the way they manifest themselves absolutely will change. That book hasn't been written yet. This is what's sort of interesting about the time that we're in right now is we know that we're all operating right now in a mode that's temporary. We're not going to work like this forever.

**Dave:** Right.

**Anne:** But what it's going to look like, I'm an optimist so I'm going to say six months from now, but some would say a year from now. I don't know.

**Dave:** Yeah.

**Anne:** I think we don't know yet.

**Dave:** But I think you're right. The work has changed forever. We'll always work differently now.

**Anne:** Yeah.



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**Dave:** Because I think we're learning how effective we can be remotely. If you could write a letter to Annie of, I don't know, when you were 25 or 30 years old, write a letter of professional or career advice, what would you write?

**Anne:** Trust your instincts. Trust your gut.

**Dave:** You didn't back then?

**Anne:** Well, you know what? I probably did. I didn't think others would. And so, I probably didn't speak up enough. And be kind to yourself would be the other piece of advice.

**Dave:** Good. That's good. If, Annie, you just found, all of a sudden, a couple extra hours or a half day just gets thrown to you, unscheduled time, something gets canceled, what would you do?

**Anne:** First of all, I would be in such an unbelievable state of shock that I'd probably be paralyzed for a moment, because that doesn't happen very often.

**Dave:** After the surprise wore off, what would you do?

**Anne:** After the surprise wore off, I'd work out for sure. My workouts have been really important. And I would really hope that one of my kids was around in the house. I have teenage kids. And I would just want some spontaneous talk time with my kids, because that doesn't happen very often. But the spontaneous times are where you get the best nuggets.

**Dave:** That's for sure.

**Anne:** Yeah.

**Dave:** Your favorite event that you've ever attended? It could be sporting, a show, a musical, whatever. What would you say your favorite event?

**Anne:** So, people who know me well know I'm a musical theater geek. I love musical theater. I think it's magical. When I was about 12 or 13 years old, my parents took me to see *Annie* on Broadway and it was the first Broadway show I had ever seen. Sarah Jessica Parker was playing Annie.

**Dave:** Wow.

**Anne:** We had great seats.

**Dave:** Where you can actually see their faces?

**Anne:** Oh, yeah. It was like fifth row center. And I was sure that Sarah Jessica Parker was looking right at me through the whole show. It was the first Broadway show I saw and I was just hooked. I mean, I really believed that it was the most magical experience, and I still feel that way.



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**Dave:** Were you the kind of person that would go to Broadway every year or?

**Anne:** Oh, many times. My husband was never really into musical theater. I, thankfully, gave birth to a child who shares my love for it. And actually she's an actress, and singer, and dancer. And so, that is our thing. We go to New York a couple of times a year to see a bunch of shows.

**Dave:** That's awesome.

**Anne:** And it's been sad not to be able to do that right now.

**Dave:** Well, I'll give you one last question. If you could go to dinner with any person that you don't know, who would it be and why?

**Anne:** One of my COVID obsessions has been the show *Schitt's Creek*. Love it. I think it's brilliant, and funny, and so full of love and joy. And Dan Levy, who is the writer, and producer, and director, and one of the stars of the show, I think he's brilliant and amazing. And I would love to just have an opportunity to chat with him.

**Dave:** Everybody has been recommending it, and I watched a couple episodes and I didn't laugh.

**Anne:** Yeah. You got to get at least halfway through the first season, and then it really gets good. And there's so many absurd moments. Eugene Levy and Catherine O'Hara are outrageously funny. And, if you've ever watched the movies like *Waiting for Guffman* and *Best in Show*, which I think is one of the best movies ever made, and they're just so brilliant. They're so funny.

**Dave:** I'll go back to it on your recommendation, Annie.

**Anne:** It's worth it.

**Dave:** And it's been so great having you on the podcast. Thank you for being a guest.

**Anne:** Thank you so much for having me.

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