

Published on Axiom News (<https://axiomnews.com>)

Great Harvest CEO speaks to challenges and benefits of freedom-centered approach

Famous for its 100 per cent whole-grain breads, Great Harvest Bread Company is now gaining recognition for its ‘freedom-centered’ approach to doing business.

The American company was recently singled out as an example of a democratic organization by Worldblu, a leadership and business design studio. CNBC TV also recently featured the company in one of its Power Lunch segments.

A franchise-company, Great Harvest encourages an “entrepreneurial spirit” with its storeowners, unlike many franchises. “Anything that is not expressly forbidden is allowed,” reads the company’s Uniform Franchise Offering agreement.

At the same time, storeowners aren’t flying completely solo, as with any other start-up business. They have the leadership, as well as expertise of fellow storeowners, to lean on. An extranet Web site keeps storeowners connected and sharing ideas, recipes and best practices. The philosophy is summed up on the Great Harvest Web site: “We try to find that middle ground between the advantages of a traditional franchise and the fun of a let’s-do-it-all-ourselves start-up.”

Mike Feretti, CEO of Great Harvest, says that the leadership didn’t realize they were creating a democratic organization until they started thinking about it.

“What we did was grow as a company centered on the power of the individual over the structure of the organization,” says Feretti.

The objective was to keep as close to the market as possible.

“If the power of the company lives at the local level instead of in a headquarters office, we have a much better change of staying in touch with our customers. That in

turn leads to better marketing, which leads to more profits.”

Feretti says this model of doing business also generally, but not always, leads to “lower turnover and happier people”

The process appears to be successful on the market and profit sides. Great Harvest has over 200 bakeries in 39 states and is a multi-billion dollar business. NASA has taken the company’s breadsticks into space.

Franchisees testify to the great satisfaction they find in running the bakeries. Jason Pennock, co-owner of the Great Harvest bakery in Draper, Utah, is an example of someone who is passionate about the company. “We love the bread, we love the people, and we love the basic beliefs that this company is founded upon,” he is quoted as saying in a testimonial on the Great Harvest Web site.

Feretti says the approach is not without challenges, despite its overall success.

“With most decisions being made at a local level, two possible conflicts can arise. First, location A may not agree with Location B and conflict can result. Sometimes that is healthy. Sometimes it isn’t,” he says. “Second, there are times that a headquarters’ decision does have to be made in the interest of overall good of our brand. At those times, not all local decision makers will agree with the outcome.”

The challenge is to keep the delicate balance between the decision-makers, which Feretti says will be a focus for the future. “We will continue to execute our vision of local decision making with national guidance,” he says.

Great Harvest has been making 100 per cent whole-grain breads for 30 years.

In 1999, the U.S. Food and Drug administration issued endorsement of whole-grains as a way to reduce risk of heart disease and some cancers.