

Inside Trader Joe's Podcast Transcript — Episode 65: Q&A With TJ's CEO & President

[Light upbeat music begins.]

Tara: Every episode of Inside Trader Joe's sets out to answer questions, mostly things we hear from our customers. This episode is similar, but different.

Matt: We're going to answer some great questions from Trader Joe's crew members, and we have two particularly helpful people here to cover them.

Tara: All right. Are we ready?

Jon: Oh yeah.

Bryan: Yeah, let's do it.

Tara: Okay, from the Trader Joe's mothership in Monrovia, California.

Matt: Let's go Inside Trader Joe's.

[Theme music begins and two bells at a neighborhood Trader Joe's.]

Tara: I'm Tara Miller, director of words and phrases and clauses.

Matt: And I'm Matt Sloan, the marketing product guy.

Tara: So, this is the point where our guests jump in and introduce themselves.

Matt: So, guests, jump in, introduce yourselves.

Bryan: Hi Matt, hi Tara.

Tara: Hi.

Bryan: I'm Bryan Palbaum. I'm the chief executive officer at Trader Joe's. I have the great pleasure to be able to work with everybody in the office, everybody in the stores, really focused on providing a great experience in the stores for our customers, making sure we've got great products for our customers, making sure that we're taking care of our crew members in the stores and giving them all the tools they need to do their job. It's a fun job.

Tara: So, yeah, you're not very busy at all.

Bryan: (laughs)

Tara: Okay, I get it.

Bryan: Doesn't feel like I'm busy cause I enjoy it. I enjoy all the people I work with.

[Music transition.]

Tara: I understand how that feels. That's a good feeling. And other guest?

Jon: Hi, I'm Jon Basalone, and I'm president and vice CEO of Trader Joe's, and I get to work with a lot of great people to make sure that our stores are a wonderful place to work and for customers to shop.

Tara: Neither of you guys are new to Trader Joe's.

Bryan: Well, it's hard to describe what a new person is at Trader Joe's because we have so many people that have been here for quite a long period of time. I've been here myself for almost 21 years.

Jon: And I've been with Trader Joe's for 33 years now.

Bryan: So, I'm kind of the new guy compared to Jon.

Tara: I get that.

Bryan: That's the way it works.

Tara: I feel that sometimes when I'm sitting here recording these podcast episodes with Matt, because even though I've been here 21 years, I'm like, well, it's like nothing compared to the 35...

Matt: Older than dirt.

Room: (laughs)

Tara: Yeah, collectively we've got over a 100 years of Trader Joe's sitting here.

Jon: The story I like to tell is when I was doing a recent TJU Q & A session and one of the mates raised his hands and started by saying, "Now Jon, in your decades with Trader Joe's..."

Room: (laughs)

Jon: Okay, now we're measuring my time in decades. Okay, I guess.

Tara: Wow.

Matt: Yeah, but I mean, three decades and counting.

Tara: You just provided us an unintentional, really good segue way, Jon, we were recently in Chicago attending a TJU session and we got to do a Q & A with a bunch of mates, and it was really kind of great.

Jon: Do you need to do a jargon alert for a mate? We say mate all the time. People know what a mate is, right?

Tara: I think we need a jargon alert

Matt: We do need a jargon alert.

[Jargon Alert - News Flash Sound]

Matt: The subject, maritime nomenclature, as it relates to your neighborhood Trader Joe's. Captain, a store captain, similar to a store manager, the leader of your neighborhood Trader Joe's, the person running that ship. Sticking with the maritime

metaphor here. Mates, mates are similar to assistant managers, and yet they have at Trader Joe's a little more responsibility, some leeway for decision-making, and they really help the crew deliver on an amazing time for customers. The Crew, crew members, members of the crew, those folks employed at your Trader Joe's, making it happen, and making sure that those Hold the Cone! stay frozen. TJU, Trader Joe's University this is in-person training, and I love TJU, Trader Joe's University, because it's applicable anywhere. It's such good stuff. And of course, that sounds cult-y to say, but darn it, it's true. This works really well at the dinner table. It even works when you're working the frozen loads. Good stuff.

Tara: Bryan, back on one of our very first episodes of Inside Trader Joe's we talked about how customers often ask, "Why is everybody so nice?" And Bryan, you answered, "Because they are."

Bryan: Exactly.

Tara: I walked out of that room feeling like this is why I love working here because it's filled with just nice people.

[Music ends.]

Tara: Should we just jump into the questions?

[Light upbeat music begins.]

Alex: My name is Alex and I'm at Store 670 in Indianapolis. Whoop, whoop.

Tara: (laughs)

Alex: So, if you were training a new crew member that just walked in the door, what two things would you tell them they absolutely have to know about Trader Joe's?

Bryan: Well, I think one of the most important things to know when you start working at Trader Joe's, be genuine and be yourself. And if you're comfortable with that, then just enjoy the ride. You're gonna be working in a store, a lot of like-minded crew members, that want to show you and demonstrate how we like to do things, that want to support you. We hope that you're going into an environment that you're going to feel comfortable everyday walking into and enjoying it and finding people that you enjoy working with and having wonderful interactions with customers.

Jon: That's exactly what I would say. And I would say, "Now let's go try something."

Matt: Smoked trout. I was thinking, where do we keep the smoked trout? That would be something I would share.

Jon: Yeah, because we, you know, we get to sell food and we get to have fun doing it. And then you mix in the great crew members that you hire, and you tell them to be genuine, be nice to people, and it all works pretty well.

Matt: I think people hearing this might say, "Really? Jon? Bryan? Really? Is it this simple?"

Jon: Yeah, because it has to be, that's really all we got. The simpler, the better. And it works, you know? Or it has so far.

Bryan: And that really is our focus, and I think people feel most comfortable asking questions when they're comfortable in being genuine and being themselves, we're not trying to change anybody.

Tara: If you were yourself in a job interview, and then you got hired, don't be something different when you walk in the door. Be who you are.

Bryan: It's exhausting to try and be someone you're not, we don't want to add that burden on anybody.

Jon: Yeah, the last thing we're going to do is provide scripts for people, "Here, say these things when customers walk up." It works so much better when you just get to be yourself. Then you have a mix of 60, 70, 100 crew members all being themselves, and it creates a really great environment.

Tara: Here's an opportunity to put something to rest because you're saying be genuine and be nice. Can you please tell us once and for all, are our crew members told to flirt with customers?

Bryan: Definitively, no.

Tara: Thank you. It's something that will not die out in the world.

Bryan: Well, I think we just have such a unique environment in our stores that, to go into a Trader Joe's store and feel that everyone is genuinely interested in whether or not you are having a good day, compared to maybe perhaps other retailers, I could see how that might be misinterpreted.

Jon: Bryan's right. I mean, you go through this world, and you run into so many people that aren't genuine, that aren't kind to you, that when you walk into a place when that's happening, it feels like, whoa, okay, I think they're flirting with me when actually, yeah, that's just what niceness feels like, you know?

Matt: I can only imagine the motivational poster you would need if that were a formal practice.

Jon: (laughs)

[Drum ba dum tss.]

Tara: (laughs)

Matt: A kitten giving you a little [purring], a little look [meow].

Tara: We're going to move on to another question

Bryan: This could go sideways real fast.

Tara: (laughs) We are going to go back to the tape of the Q & A, and we're, we have a great question from a mate named Emily.

[Music transition.]

Emily: I'm just wondering what you would, what advice you have or what steps you would recommend taking to start looking towards Captain Hood. What do you think is

important that we like, learn, or what do we put emphasis on that would help propel us to that next level?

Jon: That's a good question, Emily.

Tara: There was a lot of head nodding in the room when Emily asked that question.

Jon: I'm really happy to know that that's a fact, that there are that many mates interested in becoming captains, because we're going to need them as we grow. First things first, do everything you can to be an outstanding mate, put all your effort into that. You will become in the store, somebody that people are drawn to, the crew is who will identify who the future captains are based on who they go to for questions, answers, support, whether it's personal or professional, or just how do you do something in the store? So that you're focused on having everyone else be successful and achieve their goals and by doing that you will achieve yours, which is to become a captain.

Bryan: There's not a checklist. If you, you know, do these certain things, then you will be a captain. It really involves a lot of intangible and it starts with, as Jon said, be the best mate that you can. Be the best supporter of your crew, that'll come through that gets noticed.

Tara: You said the crew will choose who becomes a captain.

Jon: Right, nobody's better at recognizing a future leader than the people that are being led. That's how they're identified.

Tara: My natural thought progression goes to opportunities for new captains and opportunities for new mates and opportunities for new crew members. We're not a stagnant company, right? We're not just sticking with the number of stores we have right now. So how is that, how do we staff a new store?

Bryan: When you think about a Trader Joe's store, it's made up of crew mates, captains, and products and the physical space. But what really brings it all together is the 'wow' customer experience. We can't bring that in from outside. It just doesn't work. We really need people that have worked in a Trader Joe's that it's become Trader Joe's has become part of their DNA. We really do look to existing stores for leadership and then supplement that with new hires from around whatever that neighborhood might be.

Jon: We're going to grow, but we're not going to grow faster than our people development can keep up with it. All captains will have been mates in our stores, and 90% of the mates in our stores are former crew members first in the store to absorb the Trader Joe's culture, not only understand the operations and the way we operate, but why we do things the way we do them.

Bryan: And I asked crew members, "How'd you end up at Trader Joe's?" And the conversation generally comes back, "I just wish I'd found this place earlier because I love my fellow crew members." I think that makes all the difference.

Tara: Funny you should say that Bryan, because we asked this question of the mates in Chicago, "Why did you decide to make this your career?" We got some really great answers.

[Music transition.]

Mate 1: The culture.

Tara: What is it about culture? What do you mean by that?

Mate 1: The openness with the people, the friendliness. When someone asked you to do something, you say, "Hey, let me show you." It was refreshing.

Mate 2: I got a job at the Winter Park store just outside Orlando. And what kept me there was the people. We joke around some mates at my store now that we get to play grocery store every day.

Tara: (laughs)

Mate 2: Customers have no clue what it looks like before 8:00 AM with pallets broken down all over the store. But then like you open those doors at 8:00 AM and you create this beautiful store every day at 8:00 AM with people.

Mate 3: I started at the company originally because I was hitting 26 and I needed insurance at the time, but I felt like I hit the land of misfit toys and I felt like I belonged here. Everybody just felt like family.

Mate 4: I originally, career wise, thought I would be in the non-profit sector. And originally I started because of our Shares Program, what we do and what we give back to our communities, and I left the non-profit sector. I love the fact that Trader Joe's has given me, just an opportunity to be me and to be seen for what I can provide.

Tara: Thanks.

Mate 5: I came from a grocery background and when I came here in my interview process, I actually talked to the mate who was interviewing me and I said, "Hey, man, it felt like everybody who was promoted was just a yes man, like who was willing to say yes the most." I strictly told him in that interview, I was like, "Just tell me right now if it's like this whole situation because I'll thank you for the application and I'll leave." And he told me, he is like, it's not, and then he's like, at the end of the day, if you don't like it, you're more than welcome to leave. And it's seven years later, I'm still here.

Tara: Thank you. Got one more over here.

Mate 6: You learn from everybody every day. We're not therapists, but sometimes when you're at register they tell you their whole life story. And that alone to me is worth it.

Tara: That's awesome.

Mate 7: The quality life was a big thing, having work separate from my personal life cause my previous job that wasn't the case. I was always on the clock essentially, and then once I saw that and realized like, wow, this might be my career. Like I'm gonna stay and retire here.

Mate 8: I love that you can be able to be with your family. I love that you can be yourself, you don't have like a script on how you have to be as a leader. Just be yourself and be the reason what they saw in you when they interviewed you.

Tara: Who else? Anybody?

Mate 9: I have stayed with Trader Joe's because I realized I just love to have fun, and I could never work at a job where I had to be serious for the entire day, day in and day out.

And I've had the biggest laughs of my life just working with crew, hanging out with the customers.

Mate 10: It's much more difficult than it looks on the outside. A lot of times people think that we just have fun all day, and we very much do. But, it's a lot of work and it has challenged me both personally and professionally, and I've grown so much.

Tara: Thanks for sharing those stories. Everyone has a story to tell. And all those stories together make every store that neighborhood gathering place that it is. Thanks a lot.

Mates: (applauds)

[Music transition. Back to mothership.]

Matt: I love the idea, this cultural idea of if customers are going to have a 'wow' kind of experience that that experience is built on the Trader Joe's crew experience and it's the circular reference.

Bryan: Absolutely agree with that.

Tara: When you're visiting stores, what are you, what are you doing? What are you, why are you there?

Bryan: I'm visiting stores to understand what's happening in the stores. I can't sit in an office and assume that I know what's actually happening in the stores. And again, I'm going to steal this from Jon, there are two things that we look for when we visit a store. One of the things we want to know is, is this a store if I were a crew member that I would want to work in, are people enjoying themselves? Does it seem like work here is actually something that's fun and engaging? The other question is, is this a store I'd want to shop in? If I were a customer, do I feel good in here? Do I like it? If the crew enjoys working in the store, then the customers are going to enjoy shopping in the store. So that's why we visit the store. It's not really a tour of stores where we're looking to make sure the cans are located in the right place, because each store, as you've covered in previous podcasts, really knows their customers, knows their neighborhood and sets up the store that makes sense for them. So, we're not really looking to tour and make sure things are necessarily ship shape or something like that. For me, I want to meet the crew. I want to talk to them. What feedback can they give me so that when we are in the office having to make decisions or make investments on whether it's technology or how product is shipped to stores, what can we do better? That's our job. Our job is to support them. Plus, it's just the most fun I can have in my job is walking into a store, talking to the crew, hearing what they're excited about, hearing what they did last weekend or what have you. It just is so inspiring. And I'm encouraging as we've done for years, our crew members in the office to spend as much time as they can in the stores.

Jon: Yeah, the best days I have are days spent in stores, spending time to talk to crew members, customers, work. Some, spending an hour, hour and a half in a store goes by so fast. We always leave stores saying, "I wish we could have stayed longer." A lot of people will ask, crew members will ask, "What do you see? What are you seeing?" A lot of times I'm not even looking, I'm listening. You can tell by listening to what's going on, whether or not this store is operating to its fullest extent for both crew members and customers. Are customers and crew members interacting with each other? Do you hear that kind of activity that comes from a place where people would want to work and shop? Your eyes can fool you, but your ears, that's what really tells you when it's working right.

Bryan: It also reminds me of how fun it is to work in a store. If a store is really busy and they need someone to bag groceries, we'll bag groceries. And that's probably to me, one of the most fun things you can do is not necessarily the act of bagging groceries, although if you like Tetris or putting puzzles together, it's kind of fun, but the engagement, the interaction you have with customers during that process is just a lot of fun. And then learning about them, what they're doing, helping them out with their groceries, whatever it might be. It's fun to do.

Jon: Yeah, and one thing that we're looking forward to is, you know, we've been doing this a long time. Does it still feel the same as it did 20, 30 years ago? And it really does, you know, the basics of it, the, what makes Trader Joe's so unique and so fun, great place to work, a great place to shop is the consistency and the fact that, yeah, the store itself has evolved, the products we carry, but the actual environment still feels as great as it did, you know, 10, 20, 30 years ago.

Tara: All those decades.

Jon: Decades.

Bryan: (laughs)

Tara: Since you've been with Trader Joe's.

Matt: Decades.

Tara: (laughs) All right.

Matt: Let's do a round of true or false.

Tara: Okay.

[Game show music.]

Matt: I have a bunch of rumors that I would like to prove true or false. Are we ready? True or false, coming soon, self-checkout.

Bryan: Oh, that's a false.

[Buzzer.]

Bryan: That's a double false.

Jon: That's as false as false can be because we believe in people and we're not trying to get rid of our crew members for efficiency sake or whatever the, I don't know what the reasons are people put self-checkout in.

Bryan: It's not fun.

Tara: That is true.

Bryan: I was just saying, I would, I have fun bagging groceries and working at the register. Self-checkout is work. I don't want that.

Tara: (laughs)

Jon: That's like the time I was in a store, and I couldn't get the thing to scan and do the, and then the person came over and was trying to explain to me. I'm like, I do this for a living, and I can't get this thing to work.

Room: (laughs)

Jon: Like, what are you talking about? You know?

Matt: Exactly. That's see how this one sits with you. Coming soon, drive thru sample cups of coffee.

Jon: False.

[Buzzer.]

Jon: You know, it took me a while to answer that because I was just trying to picture that. Oh my gosh, that would be...

Tara: (laughs)

Jon: Wow.

Bryan: Yeah, there's probably plenty of room in our parking lots for a drive thru.

Tara: Sure, yeah.

Bryan: I think that would work out really well. Yeah, good idea.

Tara: I think people would love that. No.

Matt: Okay, here's another on people's minds. Inquiring minds want to know coming soon in store restaurants with in-aisle waiting areas.

Bryan: Also, false.

[Buzzer.]

Tara: Okay.

Matt: You know, as wacky as these things sound, these are happening in other places actually.

Tara: Really?

Matt: Yes!

Tara: That's insanity.

Bryan: Yeah. They have extra space.

Tara: Maybe if you have a 100,000 square foot store, maybe.

Bryan: That's a different place.

Tara: Then you need to find a way to fill it. But, you know, our stores are filled with great products and amazing customers and crew members, so there's no need for any of that.

Jon: So next is drive through restaurants with self-checkout?

[Buzzer.]

Matt: A-I empowered, yes!

[Music transition.]

Matt: All right, clearly these were not going to happen. But you know, what are some things that are coming soon? And maybe it's a new flavor of Hold the Cone!

Jon: Aprons and bow ties? I don't know.

Tara: No bow ties.

Jon: Class up the joint a little.

Tara: (laughs) I think that's it. Maybe a t-shirt with a built-in bow tie.

Matt: It's called a tuxedo shirt, thank you very much.

Tara: Okay, a tuxedo shirt.

Matt: And maybe.

Jon: Well, that's an interesting question, like saying what's new and then you know, we're going to start selling tires. No, we're not. We're going to keep doing what we're doing, but we're going to grow. And so the newness comes from, yeah, the new customers we're going to be able to reach, the new products that we're going to see on our shelves, the new opportunities for the crew members who get promoted and get to run those stores into the future. You know, that's where the excitement comes from. You know, it's not crazy new ideas like the robot in the aisle that answers questions and helps to clean up spills. It's simpler than that and actually more exciting than that because of that reason.

Tara: You know, how do you make things really exciting? You just keep doing them the same way, right? Like, I can go back to a radio ad that we did almost 20 years ago that was about not having television screens at our checkouts and, you know, we could, if we still did radio ads, we could put that on the radio again right now, because that hasn't changed in all those years. And I think we're the only retailer selling groceries as our main business that doesn't have flat screen TVs all over their stores to engage with customers so that they don't have to have people to engage with their customers.

Bryan: As Jon is mentioning us, you know, opening more stores, newer location, new geographies, what might feel old to us is brand new to all those new customers, wherever they may be, even in our existing stores. For a new customer walking in, one of the most exciting products I think they could see are Peanut Butter Pretzels. And how long have we had Peanut Butter Pretzels? Thirty, 40 years? Yeah, many decades. But if you've never had Peanut Butter Pretzels, it's unbelievable. It's a whole new experience. It's exciting. And that's new.

Matt: And I'm not so sure that all new is going to last like those robots in the aisle. I was at the movie theater recently and there was a robot delivering snacks and I was standing right in front of it. I wanted to see what would happen. And then this guy who worked at the theater said, "Hey, you got to move out of that thing's way." And I thought, well, I thought it was a robot I was like, let's see...

Tara: Did that really happen?

Matt: Yes, I was playing chicken with the snack bot at the movie theaters thinking this guy's gonna walk, work around me cuz you know A-I. And then I was told I have to move. And I did.

Tara: Was it really called a snack bot?

Matt: No, but that was my cute name for it. He had eyes.

Tara: We have one more question from the crew in Chicago that we would like to ask you.

[Chime.]

Beanie: I'm Beanie. I'm from Store 718 in Rochester, Minnesota. I know why I came. I know why I've stayed for five years, but I'm curious, what inspired you to stay for 21 years, for however many years to grow together, watch the company grow and change, and your roles to change?

Bryan: The reason I've stayed is the satisfaction and the enjoyment I get every day working with great people. But if you really want to know whether or not you like a job, I think it always comes down to, do you enjoy the people you're working with? Do you enjoy the mission, if you will, of the company you're working with and its customers? When I get up in the morning, I say, well, I'm glad I'm going to see these people and get to work with them.

Jon: That's a good question, Beanie. Since day one as a member of a crew in the store, every day's been fun and that's what I was after. I didn't have to change who I was or anything to be successful. It's the interactions you have with people that don't work for Trader Joe's. When they find out you work for Trader Joe's, oh, I love Trader Joe's, when I forget that I still have my name tag on.

Bryan: It is fun when people out in public recognize and they are generally excited. I think to myself, wow, we got to keep delivering on this because it's really fun.

Jon: Yeah, and the fun part about it is when they say that to you, "Oh, I love Trader Joe's," it's easy for me to think, well, thank you, you know? But then I realized, you know what, that's because of the experience they have in their store that they're shopping in. And so, I get to bask in the glory of, of the work that's been done by all the stores out there and, all the captains, mates, crew members. And hopefully that's how everyone who works at Trader Joe's feels. Yeah, you represent Trader Joe's in that moment, but they're referencing something even bigger, which is pretty cool.

Bryan: What I really love about all of our crew members is we know our job is to sell groceries in a great environment in a store.

Jon: So, the trick in the future is getting the robots to behave that way too.

Room: (laughs)

[Fade into next scene on the laugh and with Tara saying, "That's for the blooper reel." Music ends. Closing music begins.]

Tara: I think the company is in really good hands.

Matt: I do, too. You know, Bryan and Jon are really smart cookies.

Tara: Yes, yes, yes, yes. But I was also thinking about our other crew members too. The crew members in our stores, the mates we met with in Chicago, they asked really great, sincere questions that to me just point to the fact that they really care, especially about our customers.

Matt: Absolutely. We love our crew, and we love our customers.

Tara: And we love our podcast listeners, of course. There's another episode of Inside Trader Joe's on the way soon. So please click that free subscribe or follow button.

Matt: It *is* free and worth every penny.

Tara: Until next time, thanks for listening.

Matt: And thanks for listening.

Bryan: Great job.

Jon: You make it easy.

Tara: That was good. That was, uh...

Jon: Can't wait to hear this episode.

Tara: Me too.