

Inside Trader Joe's Podcast Transcript – Episode 52: How To Make A Trader Joe's (Part One)

[Hand saw.]

Tara: Matt, whatcha doing?

Matt: Uh, I'm building a Trader Joe's.

Tara: Okay, you're gonna need some help.

Matt: Ain't that the truth?

Tara: From Monrovia, California and Parker, Colorado...

Matt: Let's go Inside (what *will* be a) 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. Now, how does a Trader Joe's become a Trader Joe's?

Tara: Well, Matt, that takes brilliant execution of a tried and true process, lots of creative problem solving, and plenty of smart, hard working people.

Matt: And that process begins with researching and choosing a perfect location, a place like Parker, Colorado.

Tara: So before we talk with our team there, let's find out why Parker?

[Theme music ends. Light music begins. Transition to Donny interview.]

Donny: Hello, I'm Donny. I am the vice president of real estate and construction with Trader Joe's. I've been with Trader Joe's for nearly 33 years. I have kind of come up through the ranks of Trader Joe's starting off as a crew member, working my way through up to being a captain for, I believe, 17 years. Worked as a regional for eight years and currently in this role with construction and real estate.

Tara: So how'd you go from being a regional VP to being the VP of real estate and construction?

Donny: A phone call, I guess. I received a phone call from one of our presidents and that was on a Thursday and Monday morning I was in this role.

Matt: I mean, I always get the phone calls that wanna sell me insurance or make sure that my warranty is up-to-date. So I'm glad you answered that phone call.

Donny: Yeah, me too, me too.

Matt: I'm imagining you're a pretty popular person because you hold the keys, as it were, to getting a store in a new Trader Joe's neighborhood. What is it about Parker, Colorado that worked, that made sense to build a store there?

Donny: We listened. We listened to our crew, we listened to our customers. And it was clear that with the success of what was going on in Denver, there was a need to branch out. We were able to send out our broker that takes a look at the areas within Parker, once we identified it. They submit sites to us and then at that point it goes through an incredible, kind of checks and balance system internally. We do not want to end up being known as the underpart or undersized store.

Tara: Okay, well, too late for that. (laughs)

Donny: Yeah, moving forward we are really, really striving to get out from that style. So we go through, we look at accessibility, we look at our loading dock, we look at the size, we look at everything to really make sure that we belong there. It's gotta check every box.

Matt: I would imagine that very few sites, locations, really work for us. Is there a sense that you have at this point? Is it 50% work? 10% work?

Donny: Twenty percent of the site submittals that we receive passed our tests and get to an internal review where we really dig in. That's when we dive into everything.

Matt: Of that 20%, how many make it to be an actual Trader Joe's?

Donny: At that point I would say 50%.

Matt: Okay.

Tara: Okay. So one out of 10.

Matt: One out of 10.

Tara: One out of 10. And that makes sense when you think about how deliberate we are about how many stores we open. The instinct, you know, this is my job, I gotta get as many stores done as possible. But having that experience as a captain, as a crew member, as a regional to say, "No, no, no, no, we gotta just do this the right way and make sure that all the steps we're taking are creating a great Trader Joe's and not just a box with stuff in it. So could we open 50 more stores a year?"

Donny: Absolutely.

Tara: But we can't support that many stores.

Matt: We can't open every store that we'd like to open. Not all at once, certainly. And yet we're definitely a growth oriented company. We're interested in opening new stores and bringing a great Trader Joe's to great new neighborhoods.

Donny: Yes, you're right. We could go anywhere and open a Trader Joe's, but is it gonna feel like Trader Joe when the customers walk in?

Tara: How many places around the country are we currently considering?

Donny: Somewhere between 200 and 219.

Tara: That's a lot.

Donny: Yeah. These are all, on what we call our prescription, which to me our prescription is like a treasure map and it keeps us laser focused on where we need to be.

Matt: So a prescription of real estate sites, "Take two of these and call me in the morning," is kind of like a shopping list. So a group determines those places, general places, and then we go gather the sites. Do you just have a giant map with push pins and like people on phones in like a smokey room and...

Tara: (laughs)

Donny: We have help. Our team is fantastic. They keep track of every site submittal, sometimes we go back and look at another site twice, as we may not be able to find something better, but we want to be in that community.

Tara: So you find a site, you start your lease negotiations. How long from there to starting to build out a store?

Donny: That is the magic question, I guess, and it really ranges. Santa Monica that took multiple years and we finally opened it up. We have others that we've been able to negotiate a lease in 30 days. From 30 days to store opening, depending on whether it's in an existing building or a ground up, could take anywhere from within that year to, you know, a year and a half to two years. Is it a massive building that requires vertical transportation? Or is it a self standing box that's built and we just go in and turn it into a Trader Joe's?

Matt: I need a real estate construction jargon alert.

[Jargon Alert - News Flash Sound]

Matt: Donny, break it down for me. What is vertical transportation?

[Upbeat music begins.]

Donny: That would be our elevators, escalators, uh, all of that. Yeah, that's a term that I learned.

Tara: That's fantastic.

Matt: Because why say elevator? When you can say, self propelled individual vertical transport system. There are so many places that we truly, believe it or don't, would love to open stores. And people I think are always looking like, "Why, Trader Joe's, why not this town? Why not that town?"

Donny: We have to stay focused. Our goal is to get 20 to 25 stores a year opened. If we took on every request and spent time looking into every one of those, our focus and our drive shifts.

Matt: If we entertained every conceivable opportunity, we would get nothing done.

Donny: Correct.

Tara: What's been the most eye opening thing for you?

Donny: I think eye opening is how long things take. So finding ways to celebrate the little victories we have and seeing that line of customers that get out there at four in the morning and build the line to see the doors open for the first time and the ribbon cutting. All of that, that's just one of those feel goods and it makes you feel like, gosh, all of that work that we put into negotiating and back and forth, and it all panned out, it worked.

Matt: Those are actual goosebump moments.

Donny: Yup.

Tara: Donny, I know that you are a busy person, um, and you are out looking at new potential sites.

Donny: Always.

Tara: So thank you so much for making some time to talk to us this morning. We really appreciate it.

Donny: Absolutely. Thanks for having me.

Matt: Yeah, and let's go find some more cool stores.

Donny: I'm on board.

[Music ends. Transition to Rich.]

Rich: Hello, my name is Rich. I've been with Trader Joe's for 23 years and I do construction.

[Upbeat music begins.]

Rich: I do new stores, remodels, upgrades to the stores. That's what I do.

Matt: That's a lot. I mean, whether it's fixing existing stores or making brand new stores from scratch or fitting a brand new store into an old building, that's all on your plate. That's a lot of stuff.

Tara: Let's talk about a new store. How does that start from a construction process?

Rich: As soon as real estate determines what type of store or location of the store, I get involved pretty early as to how much it costs to put together the stores. We have a store designer who actually designs the store. And if it's approved through the real estate committee, then I start doing the drawings with our consultants, architects, engineers, structural engineers, and everybody else. And once we get a permit, we would actually start the physical construction of the store.

Matt: It sounds like we're involving all these groups of people with all these titles and we are, and yet those are also all crew members.

Rich: Correct. It takes 12 weeks to do the construction and it'll take four weeks to do the store stocking. The accounting department, the tax department, they have to put together the business license. They have to get health licenses and all that kind of stuff.

Matt: Seriously. So it turns out if you want to open up and sell a bunch of groceries, you gotta file like crazy amounts of paperwork.

Rich: That is correct.

Matt: And I suppose that's all fine and good. And I'm so glad that someone's doing it.

Rich: And then we also have a utility and licensing person who actually sets up all the utilities for the store.

Matt: I'm picturing this person next to a giant light switch.

Rich: Right, and then (chuckles) the liquor license.

Matt: You can't sell wine...

Rich: Right.

Matt: If someone didn't do that.

Tara: Well, then there's all the, sort of, IT infrastructure too, right? All of those cash registers are computers, basically.

Matt: That seems like a really compressed timeline to me.

Tara: Yeah.

Matt: That feels like a lot of work in 12 weeks.

Rich: It is. And when I first started with the company, it did take a lot longer.

Matt: What have we done to improve that timeframe?

Rich: Well, we've kind of spearheaded a situation where they actually have to look at the plan. They have to approve the plan. We lay it out on the floor. We can make changes at that time. There's hardly any changes done after the fact. And that has cut out quite a bit of time and money too, because you know, every time you make a change, people want to charge you more money. So.

Tara: It is magic to see a big empty space that's just kind of cavernous turn into this very familiar, comfortable, enticing place to shop for groceries. I mean,

Matt: Yeah because the empty shell is anything but those things when you walk in. It's sort of like yucky, just like, eh, nothing going on. And then your team Rich, you set the stage, as it were, and then the crew comes in and it becomes that neighborhood store. It is pretty magical.

Rich: Right. Does take a little imagination too, because you're looking at a blank canvas.

Tara: You can't have magic without imagination so I think that's pretty awesome.

Rich: Previously we used floor sinks at each refrigeration case.

Matt: AKA the yuckiest things in the store.

Rich: That is correct. We decided to go in a different direction and use a vac system.

Tara: In my mind, I'm thinking of bending down and like washing my hands on the floor. That's not what you're talking about.

Matt: You would not want to do that in these places.

Tara: Tell us what a floor sink is.

Rich: Basically, it's a 12 by 12 little sink and what happens is the condensate drain into that and then they get pushed out to their gravity to the outside. The VAC system gets stored into a little container and then from there it gets sucked out. Using the VAC system is a lot better because of the fact that we remodel our stores quite often. And it's a lot easier to move or add cases when you have a VAC system, because now you're not tearing up the floor to access those floor sinks in the concrete floor.

Matt: And that's totally different from when we move the cookies to a new spot and everyone is just totally thrown into chaos wondering where are those little chocolate chip cookies?

Tara: Even seemingly small things like the floor sink versus the VAC system, that makes a more efficient store all around and a nicer experience for customers.

Matt: Oh, yeah. And we're using, in terms of efficiency, those refrigerators, those freezers, those lights, they're all more efficient from an energy usage standpoint. We are constantly changing and evolving and adapting to put together a store that basically looks and feels like a good ol' Trader Joe's, even though it's got a bunch of new, cool stuff.

Tara: Okay, Rich. Thank you so much for joining us. We appreciate you.

Rich: Thank you for having me.

[Bi-plane buzzes us to Colorado. Transition to Colorado.]

Tara: We are talking to our crew in Parker, Colorado about 25 miles or so southeast of Denver. That's where we're building a new Trader Joe's right now.

Matt: And if that building and getting ready is successful, well, then by the time that you're hearing this podcast, the store will have been opened and ready to go for customers and if we're not successful well...

Tara: No, no. We're not even going there, Matt. This store is going to open. It's going to open on time. It is going to be awesome. We are completely confident in all of these things. How about we start with Captain Ty and Regional Phil?

Matt: And we're not talking about Punxsutawney Phil. We're talking about Regional Phil and Captain Ty. A Trader Joe's captain is synonymous with a Trader Joe's store manager. It's that leader running the ship, making that neighborhood Trader Joe's happen and leading the crew. And to support that work, we have what are known as regionals or regional vice presidents, covering a large area, a region of stores to help support those captains and crews to make their neighborhood store the greatest thing it can be.

Tara: Ty, Phil, welcome to Inside Trader Joe's.

Matt: Hello.

Ty: Hi.

Phil: Hello.

Matt: Tell me about seeing the space that is now the Parker Trader Joe's before it was anything.

Phil: My dad had to move in with me and we were even sharing a car at a certain point and I said, "Hey, dad, we'll go look at this site up on the hill, over here." And we stood on a patch of dirt and could see every mountain on the front range and could see an intersection of major highways. I thought to myself like this is a slam dunk if I have ever seen one. This is where this store is supposed to be like a shiny store on the hill. We need to have the biggest brightest red sign you've ever seen and if you build it, they will come.

Ty: Yeah.

Matt: And now that when people are hearing this, it's gonna be an actual thing.

Tara: Ty, how do you hire a crew for a brand new Trader Joe's knowing how important that crew is gonna be in making it a neighborhood?

Ty: In some ways it's easy. We just look for really nice people that love people. You know, and if you have that, you know, we can kind of teach the crew to run register and stock shelves. That kind of stuff is not what's important. What's important is if you really like people.

Tara: How do you build a culture within the store? Is it calling upon veteran crew members to just really mentor people?

Ty: It's hard to talk about Trader Joe's without talking about love, because if you talk to anybody about Trader Joe's, they're eventually gonna mention it. They love a product, or they love shopping at our stores, but a lot of it is, they love working here, you know, and that in and of itself is sort of our culture, right?

Phil: I feel like this store has been destined to exist. This was an hour ago. I went outside to make a quick phone call and talked to 20 different people who pulled up demanding information and they were a little upset that we weren't open today.

Ty: Everybody's always coming up, like, "When are you opening?" Or, you know, just grabbing a bite to eat somewhere close and people are super excited.

Tara: Are you out in your Trader Joe's garb and a name tag?

Ty: We are, yeah. We've considered it like a recruiting tool.

Phil: When I opened a store 15 years ago, you put up a sign and then people see it on the road and hundreds of people will get in line to fill out something and wait, and there's this mad, crazy rush for five days. And here the internet allows you to space it out. Lots of people connect that way. But it also seems streamlined and more peaceful and calm as a process.

Ty: I think the people who express their love for Trader Joe's in the application are the ones that really catch our eye. They put a couple sentences about why they wanna work here. They've shopped with us for years or they grew up on Trader Joe's. That's a big one.

Phil: We have three stores that are right near really cool Colorado universities. And those kids that started eating Trader Joe's food at 13 and 14, now that they are shopping for themselves, come to school, and go to Trader Joe's.

Tara: Thanks guys. Really appreciate it.

Phil: Thank you. This has been an honor.

[Music ends. Transition to experienced mates - Jake & Lena.]

Tara: It's no accident that at a new Trader Joe's store, we're gonna have some veteran crew members because we need to have folks who know how the store works.

[Upbeat music begins.]

Jake: My name's Jake. I've been with Trader Joe's 21 years now and this'll be my 15th store.

Tara: Wow.

Lena: My name is Lena. I've been with Trader Joe's for 14 years and I'm a new mate.

Matt: That's fantastic. I think let's take this moment to dig in jargon wise and talk about mate. What is it that we mean by this term? So it's part of this overarching maritime, nautical nomenclature. And I suppose if there were a real world analog, it would be something like assistant manager, but being a mate at Trader Joe's is so much more than that. Rather than just a real specific niche, mates in Trader Joe's stores operate like generalists with many points of focus, often taking on special projects and also making sure that they're supporting the whole crew every day in that store to do great stuff for customers.

Tara: Here I was thinking that mate was something that was on a dating app. It's a little different.

Matt: I mean, they're not mutually exclusive, but we are talking about different things.

Jake: I think a lot of it is communication with crew, developing relationships, developing the crew to become more Kaizen obviously is one of our values and instilling that in not only ourselves, but also, the people that work with and for us.

Tara: Can you remind our listeners, Jake, what Kaizen is all about?

Jake: Kaizen is getting better every single day. So, you know, learning something new, just growing knowledge and, you know, just growing yourself.

Lena: It's a whole different experience opening up a new store as a mate, but it's been great. I always seen Trader Joe's as family. So I'm really excited to get to know everyone in the neighborhood, our customers, see what Parker is all about.

Matt: I'm sure that there's a lot of work, a lot of time spent covering the interview process. How's that been going? Finding new people?

Lena: Everybody that I've interviewed has been excited that we're coming to Parker so they've all pretty much said they've been waiting for a Trader Joe's to come to the neighborhood.

Jake: What's really kind of cool is we only transferred, you know, uh, maybe a quarter of the staff. So we're really trying to be almost organic by bringing in locals that actually live in Parker to become part of our team. I mean, I live in Parker, so I've been waiting for this store for a long time.

Matt: Interesting, interesting and paint for us a picture of Parker. What's your take on Parker as a town?

Jake: We have a lot of ranches and a lot of, still kind of, cowboys. And then we still have, kind of, the Denver, the outskirts of Denver. So we do have a little city and we do have a little country. At the same time it is blowing up in Parker, crazy, they're building houses left and right and a lot of them are Californians coming in here. And so we're definitely gonna have some success with the transplants from California around here too.

Matt: Oh, that's exciting. It makes sense as to why there have been so many people so keen on getting that store open.

Jake: Absolutely. Moving to Parker was the best decision I ever made for my family and now I get the feeling that they're gonna bury me in this state cuz I'm not going anywhere else. I love Colorado so much. I opened the first stores in Colorado. So we were opening stores in a brand new state that had never seen a Trader Joe's and to try to create a vibe, I had believed that was, you know, our responsibility and management to somehow create that. We have blueprints in here that are super thick and there's nothing in that blueprint of building the store that is going to help with a vibe in the store.

Lena: It feels good right now, though.

Jake: Yeah, absolutely.

Lena: Feels like a good vibe already.

Matt: Lena, Jake, what would you like to say to folks out there in Parker or even parts farther flung?

Jake: I raised my family on this stuff. I eat this stuff. It's not, I'm not just, you know, here for the paycheck. There's something special about this and I love the fact that we can establish, you know, a new store in a new area. And it's super important to me.

Lena: We're here. We're ready. We're ready to serve Parker.

[Music ends. Transition to new crew - Gabi & Lori.]

Tara: Okay, all right. Everything you say will be edited to make you and us sound as great as possible. That's the goal. So.

Matt: I thought you were gonna say everything that you say can and will be used against you in a court of law.

Room: (laughs)

Tara: No, that's just what I say to you.

Matt: Whoa, this is getting really serious.

[Light music begins.]

Tara: We have the honor of having two brand new Trader Joe's crew members with us right now. They have never worked inside a Trader Joe's that's open to the public.

Matt: Mystery, new crew members, why don't you say hi and introduce yourselves and tell us how many days you've been working at Trader Joe's.

Gabi: All right. I'm Gabi,so, hello. I've been working with Trader Joe's, I wanna say the past two- to three-ish weeks. It's so much fun. I'm not really keeping track of the time.

Lori: And my name is Lori and this is my sixth official day here in the store, just trying to learn the ropes and there's a lot to learn.

Matt: What were you doing before Trader Joe's? How did you come to check out Trader Joe's as a place to work?

Lori: I began my career shopping at Trader Joe's a few decades ago. I was actually an elementary school teacher for 17 years and when I saw this one opening up just a few miles from where I live, loving the store as much as I do, I just thought it might be a fun adventure.

Matt: Cool.

Gabi: And I came from retail prior to coming here. You know that like the environment's so different here. They kind of make sure there's no toxic or negativity here, which is really amazing. It's really uplifting and a motivating environment to be a part of.

Tara: Have you had a chance to taste a bunch of stuff yet?

Gabi: Not yet, it's coming soon and so excited (laughs).

Tara: (laughs)

Gabi: I think, well, I've tried a couple of things. One of our mates over here went shopping and brought back a couple little snacks for the breakroom.

Tara: Are there things that have surprised you since becoming a crew member just a few days ago? Or is it kind of what you expected it might be?

Lori: I think it's actually better even than I expected. I mean, as a shopper, everyone has always been incredibly helpful and friendly. You just expect that, well, that's what they have to do. But people are just genuinely friendly and nice and excited to work here. So that's been a pleasant surprise.

Gabi: It's not because we're getting paid to do it. It's because we do really enjoy each other. We enjoy meeting new people. We enjoy food.

Lori: Yeah.

Matt: Well, I'm thinking you've probably been getting a lot of advice from these veteran crew members, people who have been around working in other stores. What are some pieces of advice you've heard from the crew that have struck a chord with you? Good, bad, or otherwise, pieces of advice that have been memorable that you've been getting over this last say week or so.

Lori: I was just told today, cuz I got some training on the register, which actually is the only thing that's made me nervous so far is being on the register when there's actually gonna be customers in here, she said, just, if you get nervous, take a breath and remind yourself it is still just a grocery store. It's not life and death. People are happy to be here. They're gonna be excited and welcoming, you know, as far as being in this neighborhood. So just kind of relax and try to enjoy it."

Matt: I think that's a wonderful piece of advice.

Lori: Yeah.

Gabi: Yeah. Truly they do want you to be yourself and just be, you know, your dorky self, whatever your personality is. (laughs) So, that goes along with the openness of working here, which is so amazing.

Matt: Oh, that's great. Thank you.

Tara: Is there anything else that you wanna share with us? I mean, there doesn't have to be, but...

Lori: I don't think I have anything other than, I didn't know that this podcast existed until I started working here (laughs) so now I'm kind of excited about that. So,

Matt: Keep your expectations in check.

Lori: Okay. I'll lower him a little bit. (laughs)

Tara: (laughs)

Matt: Yeah.

Tara: Nicely done. Thank you both so much and good luck with the store opening.

Matt: Yeah, have fun.

Lori: Thank you very much.

Gabi: Thank you so much.

[Music ends. Closing music begins.]

Tara: Well, well, well, would you look at the time?

Matt: Gee, it's half past a podcast.

Tara: Exactly. We don't wanna overstay our welcome. So we'll close out this episode. We will have more to say about how to make a Trader Joe's on our next episode, and to be sure you receive it, hit that free subscribe or follow button.

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

Tara: Until then, thanks for listening.

Matt: And thanks for listening.