

Interview

Enriching and Nourishing Lives

An Interview with Eric J. Foss,
President and Chief Executive Officer, Aramark



Eric Foss at an Aramark Healthy for Life event

EDITORS' NOTE Eric Foss was named to his current post in 2012. Prior to joining Aramark, Foss served as Chairman and CEO of Pepsi Bottling Group (PBG). He was named CEO and elected to the PBG Board of Directors in 2006 and elevated to PBG's Chairman in 2008. Foss oversaw PBG's acquisition by PepsiCo in 2010, and then led the integration of the business within the corporation serving as Chief Executive Officer of PepsiCo's Pepsi Beverages Company. Foss earned a Bachelor of Science degree in marketing from Ball State University, and as an active alumnae was honored with the Miller College of Business Award of Distinction. Foss serves on the Board of Directors of Aramark, Cigna, and UDR, Inc. His passion for sports led to an ownership position he holds as a principal investor in the Omaha Stormchasers, the AAA affiliate of Major League Baseball's Kansas City Royals and winners of the AAA National Championship in 2013.

COMPANY BRIEF Aramark (aramark.com) is in the customer service business across food, facilities, and uniforms, wherever people work, learn and play. United by a passion to serve, their more than 270,000 employees deliver experiences that enrich and nourish the lives of millions of people in 22 countries around the world every day. Aramark is recognized among the Most Admired Companies by FORTUNE and the World's Most Ethical Companies by the Ethisphere Institute.

What is the heritage of Aramark and what makes this company so special?

Aramark started over 75 years ago with a lone entrepreneur selling peanuts out of the back of a pick-up truck, and has grown into a \$14-billion FORTUNE 200 powerhouse that recently went public. What has driven our success from day one until now, and will drive our success forever, is a relentless entrepreneurial spirit with a total focus on and obsession with customer service.

What does customer service really mean, and have expectations changed?

Customer needs are constantly evolving. Great customer service organizations have a mindset to always let the marketplace set the table, and make sure they're listening to the needs of their customers and consumers. As those needs change, as they invariably do in our dynamic world, it's about being able to anticipate and adapt accordingly.

What customers expect most is service that is rooted in innovation and is meaningful to them – value, quality and, ultimately, delivering a great and consistent experience. That requires us to have a

strong and repeatable business model that we follow day in and day out.

Where is the greatest innovation taking place in the company today?

Our mission at Aramark is to enrich and nourish lives. Driving our mission are two imperatives essential to our success: the fact that we dream, which is all about the importance of innovation, and the fact that we provide a great customer experience.

On the innovation side, it includes everything from product innovation to technology innovation to process innovation. Innovation is pervasive in the holistic approach we take to the products and services we offer, and ends up coming to life in a variety of ways. As an example on the food services side, we innovate to deliver an entirely different experience by partnering with iconic culinary leaders. This includes teaming up with Danny Meyer's Shake Shack at Citi Field in New York, and DMK, the hottest burger concept in Chicago at Soldier Field, to name just a couple.

How do you offer a local feel in different markets but maintain consistency of the brand?

We behave like a \$14-billion company and leverage our size, scale, and strength while making sure we have a consistent strategy, framework, and processes in our repeatable business model. We call our process Excel, which keeps us focused on achieving excellence in everything we do.

When it comes to a standard approach, our single minded goal is to be incredibly consistent in how we sell, serve, execute, operate, and market. Having said that, it's also critical that we never lose that vital entrepreneurial spirit, which allows us to creatively activate on terms that are perfectly paired with the needs and wants of clients at the local level. It's a delicate balance maintaining consistency of our framework with the nuances of the marketplace and our customers' and our consumers' unique needs.

How do you avoid losing that culture when you reach a certain size and scale?

The starting point is to understand the fundamental business you're in. For us at Aramark, with 270,000 associates engaging tens of thousands of customers on any given day, and providing services to millions of consumers around the world, it certainly defines that we are in the people business.

So we like to focus on what we call our 'service stars,' our people who are involved with selling, marketing, and merchandising our products on the frontline. One of our core values is frontline first. It means ensuring that everything we do enables our service stars to deliver exceptional experiences to

our customers and consumers exactly as they expect and deserve, every day and everywhere.

This not only unleashes their entrepreneurial spirit and empowers them to make the right decisions and trade-offs, but it helps us understand and provide them with the tools, processes, and technology they need to be successful at their jobs.

Will most of the growth for Aramark come from international markets?

The reality is that in the outsourcing business where we hold a lead position, the world is literally our industry's oyster. About 50 percent of the businesses we serve are self-operated and have yet to be outsourced. This is especially the case in our healthcare, education, and business & industry sectors. This provides a sea of opportunity for us to continue to spur increased outsourcing, and that opportunity exists worldwide – irrespective of geography.

Looking at the opportunity more closely, the healthcare and education sectors are higher-growth opportunities for us. Geographically, emerging markets present a tremendous opportunity for growth. For example, we already have strong businesses in China and South America that are primed for continued growth. These geographies will be key to our future while we keep expanding in more established and developed markets.

Is there a growing international awareness of the value Aramark can bring?

It's an education process. It is becoming more apparent to many leaders that no matter what their core business may be, a top driver of their own customer's satisfaction is the food service offering. It's the fourth most important reason, for instance, why a student selects a university or college. So our products are extremely important – not just to our customers but to the ultimate consumers.

It's a real opportunity for organizations that are attempting to do this on their own when it's not their core competency. Whether they are a hospital, a school, a ballpark, or an office, they can view outsourcing as an avenue to improve the overall experience of whatever they provide that leads to a renewed and added loyalty from their constituents who matters most.

Additionally, with increasing costs weighing on businesses, whether its wages or benefits like healthcare coverage, it is becoming increasingly important for organizations to look at outsourcing as a key opportunity for saving money and improving their customer's experience. In the end, outsourcing is the ultimate virtuous circle, enabling a business to excel at what they do best by engaging Aramark to assist them by doing what we do best. ●