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## Graziadio School of Business and Management

### Dean's Executive Leadership Series - 2008-2009

### Transcript of Presentation by Sheri Miksa, former CEO, President and Director of Robeks Corporation – Part 2

**About DELS:** The Dean's Executive Leadership Series at the [Graziadio School of Business and Management](#) features in-depth audio or video interviews with today's top business practitioners and thought leaders. [Listen](#) or [subscribe](#) to the podcast to hear their views and insight on the current challenges and opportunities facing the business community.

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**Narrator:** The Graziadio School of Business and Management at Pepperdine University proudly presents the Dean's Executive Leadership Series. This podcast invites top business practitioners and thought leaders to share their view on the real world of business.

**Dean Linda Livingstone:** Well thank you, Sheri, that was wonderful to hear kind of your story and the process of talking about the factors that you think are really important for transforming organizations and yourself. And, in fact, in the school we talk a lot about, as people go through our various programs, how it really transforms them from a business perspective but also from a personal perspective.

**Sheri Miksa:** Good.

**Dean Linda Livingstone:** So it's very much in keeping with the kinds of things that we emphasize. But you shared certainly quite a bit about your background. But you did get an M.B.A. from Stanford, but you also have an undergraduate degree in Psychology and then a minor in Musical Theater.

**Sheri Miksa:** I do.

**Dean Linda Livingstone:** So I think we all understand what you learned from your MBA at Stanford that's been helpful to you in being a CEO and in the business positions. But you might reflect for a

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minute, because probably a psychology and musical theater background isn't typical of the average CEO in the country...

**Sheri Miksa:** That's true.

**Dean Linda Livingstone:** So what about that part of your experience and background and sort of interest has been helpful to you in the various roles that you have?

**Sheri Miksa:** Sure. Well you're right. That probably wasn't very traditional nor was my first management role running the hotel on the top of the Alaska pipeline, so there's probably a trend there as well. My psychology background actually has been tremendously helpful, and as you can imagine, I talk so much about people and about the importance of creating a team and surrounding yourself with people that share your vision and values. And I think having that experience studying psychology was actually really helpful because it helped me to think about how people think, how people react to things, and more so perhaps than we even think, having that psychology background and having a little bit of insight into the mindset that people might have, especially in difficult times, probably less important in good times. But as I'm going through things like a transformation or turnaround, it's been really helpful to have that experience and background. Now on the musical theater side, that one's a little tougher to, let's see, to extract what that's worked for. I guess it's good because as I've had to make presentations, and certainly every quarter when I had to do an analyst call while I was running a public company, having that experience and comfort was probably a good thing.

**Dean Linda Livingstone:** I tried to get her to sing for us, but she said that was probably not the best thing to do today.

**Sheri Miksa:** I said not today, not today.

**Dean Linda Livingstone:** We'll do that another time. One of the comments you made was, especially in challenging times, is to really build the top line. And one of the things we're seeing right now in these difficult economic times, is just companies slashing costs and people right and left. And frankly, probably some companies doing it that really are doing okay from a profitability perspective. What do you think the sort of long-term impacts of those are, and how good of a strategy is that? Clearly this is an unusual and very difficult economic time, so it may call for different measures than we would normally think about. But

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how do you balance that building the top line in difficult times versus cutting costs which we're seeing so much of right now.

**Sheri Miksa:** You know, you're right, it's a difficult time and it's a different time than what we've experienced. I do think, though, that you start cutting into bone as you make substantial cuts and especially if it's on the personnel side. And I'm so focused on creating that great guest experience that I am always going to err on the side of investment. And I can tell you that it's a difficult economical discussion to have with people when things are tough, but I've had the benefit of talking to franchisees over the years about investment spending and this very topic. And one of the things that they've said is, "Well, if I don't have the lunch hour to support it or I don't have the dinner hour to support it, how can I afford to add an extra person?" And what I've tried to help them see the economics of is if you, in fact, invest in that additional person, you can drive the top line that allows you to cover the incremental costs. And, in fact, you can probably drive the top line higher than you would have even believed if you have a well-trained and knowledgeable person filling that role. So it's a tougher discussion, and I fear, that in some cases, particularly guest-focused and customer-focused businesses, it'll be hard for them to come back if they cut too deep. And that's that really fine line that people are walking now. I think in a consumer-driven society, which we clearly have where people have lots of choices, I think if you either minimize your quality of product or service because you're cost cutting, it's really difficult to get people back. And I believe because they have so many choices that that may be, for some, the way that they lose those guests that they so counted on in better times.

**Dean Linda Livingstone:** Now one aspect of your career that you didn't touch on a lot in your remarks is the boards that you've served on. And you served on some because you were CEO, but then you've served on other boards, both nonprofit and for profit. How do you think your experience as a board member has informed the way in which you lead an organization as CEO? What have you learned as a board member that's made you a better CEO?

**Sheri Miksa:** Well, the role of the board, of course, is to insure that they're looking out for the shareholders. And so, so too, is the role of the CEO but in the ways that perhaps are different, the CEO is managing the company, and the board members are supporting the CEO in that role. And so I think that having been on both sides has been good. It's supported me as a CEO. It's supported me as a board member. But most importantly, there's this whole discussion about risk. I think that for a CEO, your role is to mitigate risks and insure that you're clear about what they are and you're focused on how to minimize them. As a board member, you're focused on, in many cases, pulling out and assessing what those potential risks are, and it may cause you to open your thinking even more because of that. And so I think that approach, perhaps where you're not leading the organization, but you can think differently about

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it as a board member, and you have fiduciary responsibility as well to insure that you're focused on shareholder returns, it gives you an open-mindedness to look at things in a different way because you're not managing it day to day and I think that ability to sort of get above it all is a good thing and has helped me be even more effective as a CEO.

**Dean Linda Livingstone:** Well, one more question for Sheri and then we're going to open it up to the audience, so be thinking about what you would like to ask her in the time we have left. But you have, in addition to being on several boards, also been involved in really trying to promote and encourage diversity among boards and among leadership in organizations through the Women's Foodservice Forum and through Women Corporate Directors. Talk about maybe trends you've seen in that regard, places where you're encouraged, maybe things you're not so encouraged about just in terms of enhancing diversity in leadership roles in organizations.

**Sheri Miksa:** You know, it's interesting at the Women's Foodservice Forum, which I've been a member of for 15 years, our focus is on elevating women leaders. And their business case for diversity is a strong one and as you know, it's been proven that those organizations that have a more diverse C-suite or more diverse board of directors actually provide better results to their shareholders. And so, it's that business case that has guided the organization in developing programs and initiatives to help people develop themselves and become better leaders and elevate themselves and their businesses. Interestingly, not just in the foodservice and hospitality industry that the WFF supports, but really across all industries, we still don't have as a diverse a look to our boards of directors and our C-suites all across America as I think we should. And it's interesting, again, because of the business case and the financial reality of more diversity of thought and experience and background brings you an opportunity to have a more successful company, so why wouldn't people want to do that? And yet, I think that we're still faced with perhaps a smaller pool in some industries, perhaps less knowledge of the business case and the importance of looking to a more diverse C-suite and board of directors. And I think that even that there's some research that Catalyst did recently that says that across all industries we haven't made as large a strides in diversifying those boards and C-suites. So I think for all of us, it's an opportunity to continue to communicate the message that diversity at those levels is good. It's good for business, and because of that, I think over time, more and more executives, who are the decision makers in their organizations, will seek out diversity when they have positions to fill and really start to fill that pipeline, fill those slates, and ultimately, as more people get on the slate or in the pipeline, then there's more opportunity to fill those roles.

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**Dean Linda Livingstone:** Wonderful. What questions do we have for Sheri from the audience? And we have microphones for folks, and somebody's going to have to help me because it's a little hard to see. I know we've got a question right here in the middle.

**Woman 1:** Yeah, you talked a little bit about going back to get your MBA and how you wanted to make a shift to the corporate world. I wanted you to talk a little bit more about that, like how that shift was. Was it difficult in the marketplace?

**Sheri Miksa:** Well, it's interesting. The question was about going back to get my MBA and wanting to be a corporate executive and how difficult or easy that shift was. And I actually was speaking earlier with some of the attendees here at the reception. When I went to get my MBA I actually had been working for a number of years. So one of the toughest things for me was actually to pull myself out of the work world to go back and get my MBA. I had gotten very used to leading a large organization. I was running the hotel in Alaska, and to make that change was actually challenging just in terms of the way I was used to living my life. But I knew that I wanted to do it, and I knew that it was the right way to do it. So I actually think that because I had been working and I'd had a very senior leadership role, I brought more to the MBA program than I might have if I had come straight through from my undergraduate program. I was able to think probably more effectively through some of the discussion in class because of my work experience. And I think, quite frankly, when I came out, I didn't have a challenge coming out into the corporate world per se, but I think the combination of having worked and then bringing something different to my MBA gave me a good entre when I got out into the corporate world. And let's be honest, as the Dean said, my undergraduate degree was in psychology and musical theater, not exactly the pedigree that you might normally see for a CEO role. And so that financial experience, certainly, and the course work, and the MBA program were extremely helpful for me. And when I first came out, I was in packaged goods with Frito Lay, so I went right into a PepsiCo organization and jumped right in. In fact there were, I think, 17 of us that started on the same day, all from MBA programs all around the country, all of us sure that we were going to come up with the next great marketing program for one of Frito Lay's products, so it was pretty competitive. But I felt ready and I felt like it was a good thing for me to do when I did it with the experience that I had behind me.

**Dean Linda Livingstone:** And those of you that did our Bachelor of Science in Management program will appreciate Sheri's experience because she did her undergraduate degree at University of Alaska while she was working full time. So she had that similar experience. Our Bachelor's program is a program for working professionals, working and going to school.

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**Sheri Miksa:** Ah, yes, I can remember it well, yes.

**Dean Linda Livingstone:** So they can relate to your experience. Yes.

**Man 2:** You talked about turnaround to the company and the employees. What suggestions do you have about turnaround for the board and the shareholders?

**Sheri Miksa:** So the question was about turnarounds for the board of directors and for the shareholders. One of the most important roles that a board of directors can play in a turnaround or transformation is being supportive, being clearly aligned with the CEO. And it's the CEO's responsibility to insure that they have the alignment and support of the board because transformations and turnarounds are not easy. As I said, they're not for the faint of heart. And so I can certainly say that taking the time with the board to educate them around where you're going and why, and what it's going to look like when you get there is critical because they need to be on your side. So I think the education process is there. Interesting question with the shareholders, it depends. In a publically traded company, which I have lead and have also lead a private equity backed company, it's a little bit different, but I can tell you as I was going through the annual meeting with Rubio's, which was the publicly traded company, we talked a lot about where we were going, why we were going there, the competitive marketplace, how it had given us an opportunity to really need to clearly differentiate ourselves. So we were in fact, educating. Now we didn't do it on a frequent basis, but we certainly used our annual meeting to do that, and of course, in my quarterly remarks to the analysts, which were of course public information, people would also learn what we were working on, what had progressed and kind of where we were in the process. Great question.

**Dean Linda Livingstone:** Yes.

**Man 3:** Sheri, would it surprise you if you learned that the same principles you're talking about are applied in Aerospace and particularly to little machine shops.

**Sheri Miksa:** It wouldn't surprise me at all. I would hope, in fact, as I thought about trying to get to the six questions and the six guiding principles, that they could apply across a wide spectrum and it could be that you were the CEO, or you could be an individual contributor. It could be in hospitality and foodservice as most of my experience has been, or in any number of other industries. And certainly, I'm delighted to know that you believe that to be the case because I think so many of those things, they just

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come down to following a set of principles and holding yourself to those in order to be most successful. Thank you.

**Dean Linda Livingstone:** Yes, okay.

**Woman 2:** Sheri, it was really interesting to hear about how you would actually go into the Rubio's restaurants and talk to the customers. But how you would handle yourself being just one person, how do you get out to a large number of people?

**Sheri Miksa:** Great question, the question was about while I might have taken myself out to the restaurants at Rubio's, and as the CEO introduced myself to guests and gotten their feedback, I was only one person. And so how do you get to the rest of your organization and touch all of those people that you need to? And I think the key is those lieutenants in that team that I talked about, if you have people that are with you that are so focused on the same vision and values that have the same passion that you do that are so aligned with where you're trying to take the company, they can be out in all of those places, and hopefully, in a guest-focused organization, all of your employees are your ambassadors every day so that as, whether it's a general manager in a restaurant, whether it's a shift lead, that they can ask guests, and I encourage them to cycle as the shift went on, encourage them to talk to guests. Some of them were more comfortable doing that than others, but really to engage people. How are you doing today? How was your meal? Great to see you again. And it also keeps that warmth and that connection that people begin to feel like this is really my place and people really care what I think. But you're right, as one person, you can't do it all. As many evenings as my husband and I spent in our restaurants talking to people, and he always was my ambassador as well, so that was my second lieutenant there. But I think that's the important thing is surrounding yourself with fabulous people who share the same vision and values and passion that you do about where you're taking the company. Thank you.

**Dean Linda Livingstone:** Yes.

**Woman 3:** You talked to diversity, and I was just curious to find out, being a woman executive, obviously you were early. You were at the front of the edge. What differences did you see gender-wise, age-wise that would be good for us to be aware of today?

**Sheri Miksa:** The question was about being one of the early adopters and being a female executive and certainly being a female CEO. And I think probably the main thing that was different for me was there

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weren't very many role models. And so where other executives and leaders might be able to look right and look left and see people that looked like them, there weren't nearly as many of those. So I would argue that we probably, those of us that were in those roles, had to pave our own way a bit. There was probably a little more on-the-job training and certainly one of the things that I have learned in my executive career is it's so important to have and be a mentor, to have and be a sponsor of others and bring others along with you. And so that was something that I could certainly do from an early stage, and have continued to do and with organizations like the Women's Foodservice Forum and Women Corporate Directors, which are great places to network, to connect with other leaders that are in the same kinds of situations that you are. And really, it's about spreading that perspective to the larger executive pool regardless of gender, and really tapping those people who have filled those roles before you so that as you go into those roles, you have the benefit of their learning.

The only thing that I've found is people love to be asked. People love to be asked. Tell me about how you did such and such. Share with me your experience about XYZ. And so, I've found as a leader, one of the things that I can do as a mentor, as a coach, just as a participant in some of these various organizations is really make myself available to speak with large groups, small groups, one-on-one as a mentor with a mentee, and help give people some of that additional perspective. Hopefully they don't have any of the stumbles along the way or as much of the OJT. Perhaps there's more people now paving the way. I certainly hope so, and that benefit I think of continuing to reach out, reach down, bring people up with you, and bring people along with you is really all of our responsibilities as leaders so that others that come after us have the same opportunity that we did.

**Dean Linda Livingstone:** Yes.

**Man 4:** Perhaps you could talk a little bit about your view on the foodservice hospitality industry in these times and then in sort of short-term future.

**Sheri Miksa:** The question was about the foodservice and hospitality industry particularly in these turbulent times and my view on it as well as what I think for the future. The good news is, people have to eat, people have to travel, so from a foodservice and hospitality standpoint, that's the good news for the industry. The challenge is that people are making tougher choices. They're eating out less often. They may be traveling less often. They may be staying less days, so what that says for us as an industry is that says we've got to be great every day. And so as I was talking earlier in my prepared remarks about exceeding expectations, that's something I absolutely believe and I'm passionate about and from the

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standpoint of whenever you're in a guest-focused or customer-focused organization, certainly foodservice and hospitality, at least in the frontline roles are, you've got to make sure that you're fabulous every day.

And so one of the things that I always loved hearing about the Disney organization was they talk about people going on stage and how if you're not ready to go on stage, you don't go out from behind the curtain out into the organization. And I think that's really true in foodservice and hospitality in the operations roles where you're frontline with the guests every day and they just have too many choices. So I think if you keep your quality high, and keep your standards high, be true to your culture and your vision and your values, then ultimately you'll keep those guests. Maybe not as often, maybe not as many, but when the economy continues to turn around, you'll be there and you'll be the one that people will come to. The last thing I'll say is that the good news is that going out to eat can be a really nice change for people when things are difficult. So we also have a bit of a responsibility to make sure that it's a great experience for people because they're spending less, they have less to spend. And so I think it puts a little more of an onus to make sure that you have a great experience if you go to a hotel or you go to a restaurant. And since our business is about serving people, it's as great opportunity to really test us for what we're worth.

**Dean Linda Livingstone:** You would love my family because we keep the foodservice industry quite busy.

**Sheri Miksa:** Excellent.

**Dean Linda Livingstone:** A lot, so.

**Sheri Miksa:** Excellent, I'm delighted to hear that.

**Dean Linda Livingstone:** Yes, it's actually a treat for us to eat at home, because that would be contrary to what we normally do in my family.

**Sheri Miksa:** Good, I love to hear that.

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**Dean Linda Livingstone:** Now you have talked a lot about your husband and all the places you've drug him to eat and various other things, and he's with us tonight, so I would like to give you the opportunity to introduce John to the crowd as well since he's been a part of your story tonight.

**Sheri Miksa:** Oh great, well John...

**Dean Linda Livingstone:** I don't know where John is.

**Sheri Miksa:** John is with us. I know he's somewhere over in the bright lights over here. This my husband, John Miksa.

**John Miksa:** Can I ask a question?

**Dean Linda Livingstone:** You certainly can. Can we ask you questions too?

**Sheri Miksa:** <laughs>

**Dean Linda Livingstone:** Go ahead.

**John Miksa:** So you've talked so much about using the score cards from <inaudible> in the various roles, and I was just wondering if I was going to receive mine this quarter?

**Sheri Miksa:** <laughs>

**Dean Linda Livingstone:** Great, great.

**Sheri Miksa:** <laughs>

**Dean Linda Livingstone:** I do have one question because John is in the audience because Sheri and I were talking about this earlier. John is, in his own right, a very successful businessperson. He is writing a book now on customer service. But I believe he said he was a CEO when you were COO, and you had

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some interesting sort of personal, you know, experiences with that and it lead to some interesting choices about your careers. I mean, would you mind sharing that? Because I think it's interesting as we sort of all think about our professional careers and how we manage that with our personal lives. People do it in different ways, so would you mind sharing maybe a little bit about what you guys ended up doing?

**Sheri Miksa:** Sure, well as the Dean said, we did have a two C-level family for a while, and as you can well imagine, not much got done. So we were married to our work and to our business and we focused on it a lot. And so ultimately when John opted to leave his CEO role, we had a discussion about what would we like to do differently, if anything. And what we decided was that it was an opportunity for him to be self-directed and for me to continue to lead companies. And as I rolled into my next role, which was actually being the CEO of a publicly traded company, my life got even more challenging. And so I was blessed with having John remain as my ambassador, travel with me to visit all of my locations and really support all of the other things that weren't getting done in our life, and also, then for him to be self-directed.

As the Dean mentioned, he's been writing a book on customer service, and so it allowed him to pursue his writing and all of the other things that he does to be very, very busy. And that was a decision that we made. And so we went from being a two C-level couple to being a one, and it's been interesting. I have enjoyed tremendously the opportunity for him to travel with me and to be involved in a lot of the things that I've done, and we wouldn't have been able to do that without it. And I have to say that he's been my right hand, and I wouldn't have been able to do what I've done and give all that I've given to the companies that I've lead if I didn't have him as my ambassador and my right hand. So I've been very blessed.

**Dean Linda Livingstone:** Wonderful, well I have a husband that is very supportive of what I do as well, so I appreciate and understand your story. So John, thank you for being such a supportive and wonderful husband as well as the other wonderful things you've done as successfully.

**John Miksa:** I appreciate that, so for those of you that remember Woody Hayes, the great coach at Ohio State for some 25 years, he was there every year on only one year contracts. And I have that in common with Woody.

**Sheri Miksa:** <laughs>

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**John Miksa:** My only one-year contract.

**Sheri Miksa:** <laughs> Thank you John, that was good.

**Dean Linda Livingstone:** We should have him up here doing standup comedy or something for this evening.

**Sheri Miksa:** Yeah, right. As you can see, life is good. Life is definitely good.

**Dean Linda Livingstone:** Well before we wrap up our evening I do want to make one other special introduction. As many of you know, Farmer's Insurance Group sponsors our Dean's Executive Leadership Series and has for several years now. And they've been a tremendous support, provide financial support, they always present these events and so we are honored tonight to have Faye McClure with us and Faye is...

**Faye McClure:** Back here.

**Dean Linda Livingstone:** Back here and Faye is a Vice President with Farmer's Insurance Group. She's an alumna of Seaver College at Pepperdine. She's on our Board of Visitors in the Business School, so Faye, thank you so much for your tremendous support and for being with us. Thank you. Well, Sheri, it has been a real treat to have you with us. We appreciate you taking the time to be here and share about your experiences and I've learned a lot from it, and I know our audience has as well, so. We wish you the best with the next stage of your life and your career. And you can hear more of Sheri on the pod cast that we did earlier today. And that will be up shortly on iTunes, and then we've also recorded her talk and this discussion tonight, so you can also go to the YouTube University site that Pepperdine has and actually see the video again if you would like to or direct other people to that. So thank you so much.

**Sheri Miksa:** Absolutely, it was my pleasure, thank you.

#### End ####