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University of California
Berkeley, California

Sherrie Cornett
THE DREYER'S GRAND ICE CREAM ORAL HISTORY PROJECT

Interviews conducted by
Victor Geraci
in 2011

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It is recommended that this oral history be cited as follows:

Sherrie Cornett, "Dreyer's Ice Cream Oral History" conducted by Victor Geraci 2010, Regional Oral History Office, The Bancroft Library, University of California, Berkeley, 2013.

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Interview #1: January 5, 2011

[Begin Audio File 1]

Geraci: I am Vic Geraci, food and wine historian from the University of California Berkeley's Regional Oral History Office. Today's date is Wednesday, January 5, 2011, and seated with me is Sherrie Cornett. Since 1988, Ms. Cornett has served as the Senior Manager of Learning and Development and Northwest Division Administration and Benefits Manager for Dreyer's Grand Ice Cream, Incorporated. Thank you very much for doing this interview.

01-00:00:37

Cornett: You're welcome.

Geraci: I like to start with all of our interviews, let's begin at the beginning. Let's talk a little bit about your life growing up and your parents and take it from there, then we'll dive into the whole Dreyer's story.

01-00:00:53

Cornett: Sounds good. Well, I was born and raised in Phoenix, Arizona, so I'm a native Arizonan. You don't find too many of those anymore.

Geraci: You don't!

01-00:01:01

Cornett: A lot of transplants there from cold places.

Geraci: The snow birds come in.

01-00:01:06

Cornett: Snow birds come in. But I was born and raised, as I said, in Phoenix. I have a brother and a sister, and we lived a fairly typical life. I was a child born in the mid-fifties, in a very idyllic time and place, and have a lot of wonderful fond memories of childhood events and playing and friends and being in the yard, and camping and all those wonderful things that families used to do together before, I think, this age of technology, where all the kids want to do is either be texting on their phones.

Geraci: And it separated us. It kind of broke the family up, in many ways.

01-00:01:44

Cornett: I absolutely believe that. As I said, I come from a time and place where that was a really important aspect of family life. My mother had three brothers—there were four of them altogether—and they all had kids and we all lived very close, so I grew up with a lot of cousins and so we had a lot of family and a lot of social time.

Geraci: What'd your mom and dad do?

01-00:02:10

Cornett:

Well, my mom was a stay-at-home mom until I was about thirteen or fourteen years old. My father was in an industrial accident and was out of work for quite some time and that forced her to go into the workplace to earn some additional money, which changed the family dynamic tremendously. I'm the oldest child. I was certainly at an age where I could cook and help out around the house, so I took on a lot of the responsibilities to help Mom out at that time. So it definitely changed things in our family. From that point on, my father was never really able to work full time or to really, I think, be the provider that he had been up until that point. So it definitely changed the family dynamic. I saw my mother step into a world that I hadn't seen prior, to being the breadwinner, the stronger of the two, certainly. Well, I think she was always the strongest, as women often are. She proved that, certainly, by stepping up and getting into the workplace.

Geraci:

Did that provide a role model for you, then, as far as career and pushing yourself beyond?

01-00:03:19

Cornett:

I would have to say yes. She jumped in fearlessly. Worked in the medical profession for a lot of years, working in doctors' offices, *long* before there were things such as physicians' assistants and things like that. She would do everything from the reception work to the office management. He taught her how to give shots to kids, allergy shots and things like that. She did a lot of things and got very, very knowledgeable. Her mother was a nurse, so I think she had grown up around that, as well. My grandmother was a nurse. So she spent a lot of time in the medical industry. A very interesting thing happened when she was probably about my age that I am now. The neighborhood that we were living in was one I had grown up in since about fourth grade, but was declining, as neighborhoods often do—people move out, things change, dynamics change—and started to experience a lot of crime in the neighborhood. My mother is the kind of person who is not afraid. She gets mad and she gets angry. The last straw for her— I'll never forget this—We had an arsonist that was plaguing the neighborhood and an elderly couple got trapped in their home and were barely rescued. That just *inflamed* her, *incensed* her, and she decided, working with the police department, to form a block watch in the neighborhood. She had one of the most successful programs ever. Her very first meeting, 400 people were there.

Geraci:

Oh, my goodness.

01-00:04:50

Cornett:

She went on to become the president of Block Watch of Phoenix. So in addition to working, she took on this role of, I think, citizen avenger and became really well known and very well respected in the Phoenix area.

Geraci:

But she had a strong tie to community service.

01-00:05:04

Cornett:

Very strong tie. She's seventy-eight years old now. She retired, moved away from Phoenix, and it wasn't long before she got involved in the community again and she's now on the town council. So she's, this time around, going at it as an elected official and just doing tremendous work in her community. So I'd have to say that that was a pretty strong role model, to see that there truly are no limits. There was a woman who really only had a high school education, but a very solid belief system, a very strong sense of family and community and to God and the church, and I saw that play out and continue to see it play out in her life.

Geraci:

You said you had four brothers?

01-00:05:48

Cornett:

No, my mother had three brothers.

Geraci:

Oh, I'm sorry.

01-00:05:51

Cornett:

Yes. Yeah, I'm the oldest. I have a sister eleven months behind me and a brother who is six years younger than I am. In fact, I've recently moved back to Arizona, after many years of being away, and we're all there, back in the Phoenix area.

Geraci:

Must be nice to have the family back together, then.

01-00:06:11

Cornett:

It is. I think it's been especially nice for me. I left home at eighteen and went away to school. My mother always called me her independent child. I think I was the one who had the wanderlust in the family and my life choices led me from Phoenix into other places in Arizona, and then on to Alaska. I lived in Alaska for some time; lived in the Seattle, Washington area; here in the Bay Area, before moving back to Arizona to be back with family. So it's been nice. I've missed a lot. I was away a lot of years. I missed a lot of my nieces' and nephews' growing up and it's been fun to be back and enjoy them, especially since some of them are adults now, starting families of their own, so it's been nice to reconnect in that way.

Geraci:

There's a special relationship in your extended family as the kids get older. There's a generational relationship that's really important.

01-00:07:11

Cornett:

Yeah.

Geraci:

What about school?

01-00:07:13

Cornett:

Well, I went to Northern Arizona University. My aspirations at the time were to be an actress. I've been a singer—My mom says I sang before I talked. She

was a singer, as well. That's always been kind of my passion and what I did for fun. I quickly learned, not a good thing to try to do for life; that it was a lot more work to try to think about it as a career than it is to just do it for fun. So after a couple of years, I decided that just wasn't cutting it. I didn't know what I wanted to do. I floundered for a while and continued to just take general studies and started working full time. As often happens, work overcomes school opportunities, and I never finished. I never actually finished my degree because I couldn't decide what I wanted to do. I tried journalism. What else did I try? I tried a couple of things—I tried psychology—nothing seemed the right fit and I ended up giving up on school and just getting out into the business world.

So I tell people mine is the school of hard knocks and life. My career choices led me to a path that ultimately led to my current role—which at one point, I remember, in one of my early jobs after I left school, my mom said, “Well, honey, what *do* you want to do?” And I said, “Well, I had this chance to do some training on the job with our customers recently and I really enjoyed that. I think I'd like to be a corporate trainer.” But I never did anything to pursue that until I started at Dreyer's. I had been one of those types of people who changed jobs about every three years. You'd get there, the excitement would start to wear off and you'd be looking around; you feel like you've really mastered what there is and you're going, well, what's next? But I hadn't really felt like I had found a place that I want to stay and invest in.

Geraci: Sounds like you need a challenge.

01-00:09:15

Cornett: Yes. Yes, I did, for a lot of years. So I admit it; I job hopped for a while. But I always stayed at least three years.

Geraci: Where did you start after college?

01-00:09:25

Cornett: Again, my mother had the connection to the medical profession, so I started out working—My very first job was at a pathology lab, of all things. A kind of bizarre place to work. Started out as a driver for the company. I was responsible for going around to the doctors' offices to collect the specimens and bring them back to the laboratory for the testing. So I started out doing that. Then I moved into the office, started out as a receptionist and eventually became what was then referred to as a secretary, secretary to the lab manager. Really, it was a *fascinating* business. I learned and saw some pretty bizarre things. But that led me to a job with a medical supplier. So I got involved in customer service with a medical supply house and moved into a sales position, but I didn't really enjoy that very much. So again, I was really floundering, trying to figure out what it was I wanted to do.

Geraci: But it seems that you were always looking down the road, to the future.

01-00:10:25

Cornett:

Yes. What can I do next? Okay, this is good, this is fun; I've enjoyed it, but ah, I've already kind of mastered it. What's next? That was definitely what I was doing. It was while I was in that sales position at that medical supply company, had the opportunity to train customers on a new inventory system that the company had implemented, that it was like, *wow*, that was really exciting and I really enjoyed it. I was very good at it. Nothing happened for a lot of years with that, but when I got into the training world, that resonated with me. I remember *all those years ago*, I had that one little opportunity and it really sparked a flame; and when I had the chance to go after it full time, boy, I grabbed it with both hands.

Geraci:

Could it have been a little bit of the actress in you and the singer, the performer?

01-00:11:10

Cornett:

Oh, absolutely. No question! Are you kidding? [Geraci laughs] The chance to be up in front of people and have kind of command, if you will, of the classroom. More than just entertaining, of course, but I do think there's an element of that that fills that need for me to kind of be the center of attention for a while. But it's tempered, of course, with some age and some experience and some maturity, to say that that's what I get out of it, but what am I putting into it for them? The focus is really about them. But how I go about that, I absolutely call on my acting background for that.

Geraci:

I think in many ways, good teachers are actors.

01-00:11:56

Cornett:

I would agree. I think that for me, the key is, what am I going to hook them in with? How am I going to hold their attention? And hopefully, they'll be more willing to listen, to pay attention, to be engaged and involved, and walk away with something that maybe they didn't have when they walked in. Yeah, absolutely. That's a big part?

Geraci:

Were there any teachers, when you were in school, that gave you that satisfaction?

01-00:12:20

Cornett:

I'd have to say two of them. In high school, in particular, I had both my English teacher and my drama teacher that, to this day, we still correspond, exchange Christmas cards, and we still try to stay in touch. They were remarkable teachers, did things that were kind of off the beaten path, reached out to their students in a way that was different than anything that I had ever experienced. One of the fun things—Kathy Gardener, my literature-English teacher in high school—I had her for two years in a row—we did a section in our literature class, Bible as literature, which I know they probably don't do as much anymore, with all the complications around that, but we did. You know how we did that? We studied the musical, the rock musical that had just come

out at the time—and I'm dating myself, but—*Jesus Christ Superstar*. I love that show! What a wonderful way to engage her students. Very off-the-wall at that time. So we studied the Bible through the story of *Jesus Christ Superstar* and kind of talked about its connection and its accuracy, in terms of those events in the musical that were in the Bible. That's how we studied our Bible as literature section. So she hooked me, certainly, with that and it's still one of my favorite shows, to this day.

Geraci: So it sounds like that it's the strong personality. It's the ability to, as you're putting it, hook people, to bring them in and to communicate.

01-00:13:51

Cornett: Yeah. And you've got to hook them, got to get them from the beginning, got to get them from the get-go.

Geraci: Yeah. And if you don't?

01-00:14:00

Cornett: You're playing catch up the whole rest of the time. [they laugh]

Geraci: And that's never a good thing.

01-00:14:03

Cornett: No.

Geraci: *Never* a good thing. So as far as education, then, you just had the general experience, nothing out of the ordinary?

01-00:14:11

Cornett: Yeah.

Geraci: Was this public school? When you're at high school.

01-00:14:16

Cornett: Oh, yes, yes. Absolutely, yeah. Public high school. University for a couple of years. Then just went to some community colleges. Again, I was trying to keep my hand in, to try to figure out what I wanted to do. Then it just kind of fell by the wayside. I got involved in work and being on my own, having a car now, an apartment, things to pay for. Life sort of propels you down that path, if you let it, and I let it. So it'd been one of those things; for many, many years, I always thought, I need to get back to school, I need to finish. I need to figure out what it is I need to do. But it never happened. So I don't have what I would call a formal education. I've taken a lot of additional courses and gotten certifications and things of that nature over the years, but never finished up and got my formal education, never got a degree.

Geraci: You got an education, just—

01-00:15:07

Cornett: Well, I got an education.

Geraci:

Yeah. Just wasn't in the—

01-00:15:10

Cornett: In the traditional way.

Geraci:

Yeah, in the traditional manner.

01-00:15:11

Cornett: Yeah, absolutely.

Geraci:

It's somewhat funny, in that Jo DeJean has the same type of background. Never the formal education. Always in her mind, she talked about, I'd like to go back and do it. And I guess the question I had asked her, I'll throw out to you. Would Dreyer's, at this point, hire someone that's not a college graduate?

01-00:15:36

Cornett: No. They wouldn't. In fact, it's my dirty little secret. I don't know how many people even know that. Because back twenty-two years ago, when I was hired at Dreyer's, it wasn't even asked; it was assumed. So that's my dirty little secret. Won't be anymore. [they laugh]

Geraci:

Too late now.

01-00:15:54

Cornett: It's too late now; they got me. [they laugh]

Geraci:

Let's talk a little bit more about job experiences prior to coming into Dreyer's. So you had done the medical-type thing, and then from there?

01-00:16:07

Cornett: Did the medical-type thing, got married. And with my husband, who was working on his graduate degrees at the time, ended up back in kind of the university world, while he was working on his masters at Northern Arizona University. Went to work for a book publisher while he was finishing up. We relocated to Tucson, where he went for his PhD at the University of Arizona. And I worked at the university at that time, in the optical sciences center. So in a *highly* technical— Optical in the sense of telescope optics. Reconnaissance and a lot of government contracts and things of that nature.

Geraci:

Not medical optics.

01-00:16:46

Cornett: Not medical optics, right. Not for eyeglasses or anything like that. So it was *fascinating*, but I didn't understand most of what I was around, of course. I had to have a government clearance to even work there. It was pretty amazing.

Remarkable people. It was a really good time. My husband got his degrees in forestry and it had been his dream in life to live and work in Alaska, which is how I got to Alaska. When he finished school, we moved to Alaska and I went to work for the university up there, for the—I always remember this. I have to say the acronym first, AEIDC. Arctic Environmental Information Data Center. So I stayed in kind of university environment for jobs for a while. They were a funded center and they were running out of funding, and programs and projects were ending and so the work ended. I went to work—which kind of started me on my path—I went to work for Carrs Quality Centers, which is the largest retail grocer in the state of Alaska. Went to work for the VP of grocery there, and that was my entree into the grocery business.

Geraci: What were you doing in that position?

01-00:18:04

Cornett:

It was an administrative assistant position at the time and so obviously, a lot of work for him. Doing some work for the company, in the sense that—and if I need to explain anything, please let me know—but helping them with schematics, helping build the schematics for what products go where on the shelves and on all the different aisles and things like that. So I worked with one of his directors to create those things. I managed price lists, managed a lot of different things in that capacity. I think one of the more interesting things, though, he was very involved in the community there and very involved in politics in the area. It being a privately- held company, I kind of went along for the ride and helped in all these other areas. So I got involved in the local arts scene, got involved in political activities in the area. Anything that he was interested in and needed support with, I got to do, as well.

Geraci: And talk about an education!

01-00:19:05

Cornett:

Wow. Truly. It really was. So I didn't have just my job there at the office, but got to do and had exposure to this wonderful range of experiences there in the community. He was a big fish in a small pond, so working for him actually created entree to a lot of different things. We were on practically a direct line to the mayor's office and on a first-name basis with his assistant, and calls going back and forth and meetings set up. They were building a wonderful, beautiful, big performing arts center at the time that he was spearheading the fund raising, so I helped with that. So I just got to do a remarkable number of things. It was *very* interesting. First time I was ever at a job for more than three years, because it was just interesting and there was always something new coming along. It fed into a lot of my passions. In fact, I got back into acting while I was there.

Geraci: Oh, I see, with the performing arts center.

01-00:20:08

Cornett:

Oh, yeah. So I was working full time, doing all this other work for him in his community activities, started taking classes again, became a repertory member of one of the musical performing arts groups up there, so I was pretty busy and really having the time of my life.

Geraci:

I think what's fascinating is that you seem to be a person who's very open to new, different experiences.

01-00:20:45

Cornett:

Oh, yeah.

Geraci:

In fact, you thrive on that?

01-00:20:47

Cornett:

I do.

Geraci:

In just watching your facial expressions and smile, you thrive on these.

01-00:20:53

Cornett:

Yeah, I really do. I truly do. I am game to try anything once. If I don't like it, I don't ever have to do it again, but how do I know unless I try it? I think that's kind of been at the heart of my wanderlust. I love to travel. Even when I'm not traveling for work, I would just as soon if I have time off travel and go somewhere because I want to see new things, experience things, visit new cultures, and try new food.

Geraci:

Now, were you traveling while you were young, also?

01-00:21:26

Cornett:

No. Never traveled when we were young. No, our biggest thing was to drive a couple hours up into the mountains and camp. That's what we did.

Geraci:

But that's very 1950s.

01-00:21:37

Cornett:

That's very 1950s, yeah. My very first trip I ever took—I'll never forget it—my first big trip, I would say, I was a junior in high school. I was a Girl Scout. I was a member of the local Girl Scout council and I got the chance to go to the national convention and represent our council, and I got to go to Dallas—it was my first time ever on an airplane—and I got to go to the national Girl Scout meeting and speak before the council on behalf of our council. That was a big deal. That was a really big deal.

Geraci:

How old were you?

01-00:22:11

Cornett:

I would've been sixteen or seventeen, right about that.

Geraci: Which makes another reason you fit in Dreyer's really well, being in scouting. The whole experience between Gary and Rick [T. Gary Rogers and William F. "Rick" Cronk].

01-00:22:23

Cornett: Oh, yeah. Yeah. I was a scout all the way through school. I was one of—the few, if there were other Girl Scouts in high school, they were closet Girl Scouts. I didn't know them at my school. I probably wore my uniform every Thursday and took a lot of ridicule, but I didn't care. I was a scout all through school. So that was another great connection.

Geraci: Yeah. So we have you working for this one person, then and doing all these other side things. You stayed there, you said, almost five years?

01-00:22:55

Cornett: I was there for five years. Unfortunately, my marriage broke up while we were in Alaska and after a couple of years kind of being up there on my own, we had that one winter too many—remember, I'm a desert rat—horrible snow, car got stuck a couple times. It was too much and I decided, ah—I had visited Seattle a couple of times on trips and on vacation. I thought, I want to move to Seattle. So I just decided to move to Seattle. I reached out to all of my business contacts—and I'd met a lot of people in that job—and one of them, who became my boss at Dreyer's, I knew from my connection of working for that grocery company up in Alaska. He was one of the principals who called on my boss and I'd known him for five years.

Geraci: Who's this?

01-00:23:44

Cornett: Dave Mutzel. He goes way back with Gary and Rick, into their early restaurant days. I don't know if he was brought in or he asked to be let in or just exactly how that happened, but basically, Dave pioneered Dreyer's in the Northwest for them. He started out in both the Seattle and Portland area and at the time I was there, grew the business. Well, and into Alaska, of course. But also then grew it into eastern Washington, into parts of Montana, Salt Lake. So he really took the business a lot of different directions. But he had been calling, as a principal for Dreyer's, on my boss up in Alaska. So when I moved to Seattle, he was one of the ones that I reached out to, among others, and that was the one that came through.

Geraci: So what exactly were you doing for him then?

01-00:24:35

Cornett: Well, he created a position for me with the company. As I said, I was very fortunate; I knew him for five years before I went to work for him. It was a remarkable experience to walk in the door already a fully trusted employee. He basically handed me the keys to the company and all the P&L reports and everything. It was a remarkable experience. I started out doing special project

work for him. I remember my second day on the job—It was product recall, of all things, on a test product in Seattle that we were the pilot market for. So my second day on the job, I'm out there in the grocery stores, pulling product off the shelves, checking code numbers and all those kinds of things, so really getting a first-hand experience. But I did a lot of special project work, I did schematic work for the ice cream part of the business; that was something I carried forward from my grocery experience.

Geraci: Now, when you say schematic work, what does that involve?

01-00:25:34

Cornett: Well, it's now evolved into quite a big area for the company, in terms of category management, in terms of optimizing where product goes on the shelf. How do you maximize and leverage sales based on data and flow-through of product? Obviously, you want your product positioned better than your competition's. So we worked very closely with the grocers to factor in their needs and wants and try to influence what was best for our product. But that was the work. It was deciding what products went where. That's all become completely automated now. There are computer programs that do all that. But the early days, it was all done by hand.

Geraci: In direct delivery system, this is very crucial?

01-00:26:16

Cornett: It's absolutely crucial. Absolutely. And because of our relationship with the grocer and our hands in the case all the time, it was easy and natural for us to be what we would call category captains. We were more familiar with the ice cream cases than anybody else in the business because we were the only direct-store delivery company at the time. Breyer's isn't national in the sense that— Or wasn't at the time. I can't speak to their system today, but they certainly weren't at the time. They didn't have the capability that we had, they didn't have the hands in the case, we call it, with the frequency that we did.

Geraci: Now, what year are we talking about?

01-00:26:57

Cornett: That was 1988. So '88, '89, '90 were the years that I was really heavily involved in that aspect of the business. Right around that time, Dreyer's was getting into the automation of the category management, with— The program is actually called spaceman, interestingly enough.

Geraci: Interestingly. Where does that come from?

01-00:27:19

Cornett: I don't know.

Geraci: As in space on the shelf ?

01-00:27:21

Cornett:

Yeah. The company's name was Apollo, so there was Apollo and there was spaceman. I don't know what it's called today; I only lasted in that world for about two years. But I was one of the first in the Dreyer's world to go and get the training—with some other folks that are still with the company today; I still see them every once in a while—to try to get us up and running on that. I was not very good at it; I will be the first to admit. Spending that much time on the computer was not my favorite thing to do, and when I got the opportunity to do something else up there, I jumped at it. [they laugh] I couldn't see myself doing that for very long. In fact, I was looking for work.

Geraci:

Well, you seem to be a people-type person and the computer does not offer the feedback.

01-00:28:09

Cornett:

Yeah. No, it really doesn't. It was a lot of late nights trying to master it and get things just right before presentations. It was fascinating. I'm always interested in those things, but I don't want to be the one to have to do it. I'll look at it and go, ooh, isn't that wonderful? Look what it does. But I don't want to be the one that has to do that. So I didn't last very long at that. This is an interesting story. I was looking; I had already made up my mind, okay; I'd hit that point. It had been about five years. Okay, I don't see anything else for me here at Dreyer's, so I better start looking. I was actually out interviewing on my own, only when really good things came along, and I got this exciting opportunity to interview for—it would be the public television station in Seattle, working directly for the CEO. I thought, [whispers] ooh, wouldn't that be cool? Entertainment that would be awesome. I was one of three finalists. I interviewed with the board of directors and it was down to the final three. About a week later, my boss calls me in his office and shuts the door and he says, "Sherrie, when were you going to tell me you were looking for work?" I about fell out of my chair. I was mortified. I wasn't going to leave unless I had something really spectacular.

Geraci:

Right, in hand.

01-00:29:30

Cornett:

Yeah. I'm just like, oh, my word. Come to find out his sister was on the board of directors and of course, she saw Dreyer's on my résumé. I didn't make the connection, because she was married, so the name didn't match. That was one of my most uncomfortable experiences ever. But I learned a very valuable lesson. Because he made the point of saying, "Why didn't you tell me that you needed something else, that you were looking for something else?" I said, "Well, I don't know. I didn't see any opportunities."

Geraci:

Well, traditionally, we don't tell our employer that.

01-00:30:03

Cornett:

Right. Exactly. I don't want him to think I'm unhappy, it's just it was probably time to move on. What he said to me then was, "If you want something else, I have other things. Let's talk about it. Would you be interested in this? Would you be interested in that? Or how about this?" One of them was training. And I went, oh. I kind of perked up at that and I said, "Well, let's talk a little bit more about that." It was Grooves training. Gary and Rick had been doing it at Dreyer's for a couple of years. They had started and they'd been working with an external consultant and had developed a training program. Dave wanted to bring it to the Northwest. He said, "They're really feeling good about this. They really like it. I like it. I need somebody to take that on. Would that be something you're interested in?" I said, "Are you *kidding*?" So I did.

Geraci:

Now, when you say there was an external company that had been doing this, do you remember who that was?

01-00:31:05

Cornett:

Yeah. It was a company that helped them develop the training program. DDI, Development Dimensions International was the company that they used to help them create the training program. I don't believe DDI had any role in helping Gary and Rick kind of codify the Grooves themselves. I think what DDI did was partner with probably a group internally at the time, to develop a training program for that.

Geraci:

So this was just the absolute aspect of the physical training.

01-00:31:31

Cornett:

Yes, that's correct.

Geraci:

Developing the plans, training the people to deliver—

01-00:31:35

Cornett:

Yeah, exactly. So I went to their train-the-trainer program, got certified, and started delivering not only Grooves training, but a lot of other— the DDI curricula, as well, around communication skills; got very involved in their curricula, working in teams; and I became a really good trainer and started doing training not just in the Seattle area, but for the entire Northwest. And that really took off, to the point where I couldn't do the other work anymore. I was killing myself and it was like, okay, something's got to give here. Well, let's get rid of the category management and hire somebody else for that.

Geraci:

Somebody who really enjoys doing it.

01-00:32:16

Cornett:

Who really enjoys doing it and will be a lot better at it than I am, and let me focus on the training. And that's what happened. So that's how I first got introduced to the Grooves, was through taking a chance.

Geraci: Now, when you came in, at what stage were the Grooves— I guess we should talk a little bit about specifically the Grooves. At what stage did you come in on the Grooves? Because it has evolved over its lifetime.

01-00:32:45

Cornett: Absolutely. I started training the Grooves in 1995, up in the Seattle area. So the training program had been in place for about three years. I believe it launched—and we can check the timeline on this—in 1992. At first, it was just training managers and how to lead in that kind of environment, before it went to a train-everybody kind of program. So it started out first as a—

Geraci: I'll go ahead and give you the timeline.

01-00:33:19

Cornett: Sure.

Geraci: That way, you can refresh your mind as we talk about it.

01-00:33:22

Cornett: Thank you.

Geraci: What I've given you here is a copy taken from the in-house publication ScoopNet.

01-00:33:31

Cornett: Yes, which is our intranet.

Geraci: Yeah, intranet. And this is the history of Grooves and this is a document that *you've* prepared.

01-00:33:40

Cornett: Yes. Well, at some point, things were— I didn't want the history and when things had happened to get lost to memory. So I started creating kind of this timeline of capturing critical events. I can see—it's been a while since I looked at it—it probably needs updating again, before I lose *my* memory about when things happen. But I wanted to make sure we were capturing when important things happened in the life of the Grooves. So I created this history and this timeline so that we would always have that.

Geraci: So you're coming in then, you said, really in that '92 to '95—

01-00:34:21

Cornett: Yeah. Let's see. Yeah, it looks here, as I've captured it here, 1993, the first Grooves training program for front-line employees is rolled out. Up until that time, they'd only been training the managers. So they'd been at it for about two years, when Dave Mutzel said, "Hey, I want to bring it to the Dreyer's here in the Northwest." So I got my certification in '95 and started doing the training in the Northwest, doing Grooves training, as well.

Geraci: Okay. Now, as you came in, what did Grooves mean to you at that time? What was Grooves in this early nineties, late eighties as Gary and Rick are putting this together?

01-00:35:03

Cornett: Well, I think for me, it was almost like written evidence of how we already were. Which is, I think, one of the remarkable things about the life story of the Grooves themselves, if you think about their genesis and how it was a belief system that Gary and Rick brought with them when they bought Dreyer's and when they formed the company, and the people that they brought with them. This was just kind of their philosophy and how they had conducted themselves prior. This isn't something that was necessarily new to Dreyer's. In the sense that it was articulated and written down and communicated throughout the company, yes, that was unique to Dreyer's. I think a lot of the ideas, they already had, they brought with them from their experiences in the restaurant business.

Geraci: Well, I would just say the restaurant experience itself, it seems, had a heavy impact on their style.

01-00:36:02

Cornett: Yes. From what I understand—of course, I wasn't with them in those days, but from everyone I've ever spoken to that ever— If you look at just the sheer number of people they brought to Dreyer's from their restaurant days how many of them were with the company for *so* many years—incredible longevity there—Gary and Rick were onto something; there was no question about that. And a lot of those—Dave Mutzel being one of them, which is why I know a little bit about the history, because I learned it from Dave initially—they had something very, very special in that business and that really resonated. Now, by their own admission, the restaurant business was a dismal failure, but not the way they worked together. That was a huge success and they brought it with them to Dreyer's. When it came time to really think seriously about expanding the business and getting beyond just the four walls that were in place at the time, with the factory and the offices at that time, it became really clear that if they wanted what they had to continue and to be successful and to thrive in other locations, they had to put more thought into it. They had to put some oomph behind it. They had to articulate it and get it in writing, in such a way that it would resonate with people and that we had a way to talk about it, all in the same way.

Geraci: It gave a common ground then, to some basic ideas. What were these basic ideas? What is it? The Grooves is a very phenomenal, different system for a larger corporation.

01-00:37:55

Cornett: Well, you've got to remember it wasn't a large corporation at the time.

Geraci: Exactly. But what's amazing is, from a small business to a regional to a national to a global corporation, and has maintained itself. As I walked in this building today, the Grooves are on the steps that I walked up.

01-00:38:12

Cornett: Yes, they are. They are embedded in who we are and the reason they've been so successful is because they were there from the beginning, and that is not fair to the Dreyer's that was in place before Gary and Rick bought the company. So when I say from the beginning, I'm talking about the beginning of Gary and Rick's era with the business, when they bought it in '77. It came with them and the people they brought with them. They just had that way of working together. They probably didn't even talk about it a whole lot, if you follow my drift. You'd have to ask Gary and Rick about that. I don't know—

Geraci: And there's a very big difference in their personalities, between Gary and Rick.

01-00:38:58

Cornett: Oh, *huge*. Which made them such tremendous partners. They rounded each other out and they complemented each other very, very well. So it truly was there from the beginning. I'm not sure how many people were here at the time when they bought the company. I've heard numbers ranging from thirty-five to fifty. But if you think about it and you bring your own folks in, that's a pretty small group, a really easy way to all kind of fall into a way of working together.

Geraci: And you can know everyone.

01-00:39:42

Cornett: Yeah. Right. You can know everyone and you know their families, their kids; and that was an important part of it. It was like having a family business. Well, it was, really. It *was* a family business. You could know everyone, know their kids, and know what was going on. And there was such a high degree of trust. I think of many things that I've learned from Gary over the years, that was one of the big ones, was this idea of trust. If you hire the right people, trust them to do the right thing. So there was such an incredible degree of trust that allowed such freedom.

Geraci: Well, it's an educational psychology. Anybody who's taught knows that positive reinforcement and trusting the person to do the right thing, even though it sometimes doesn't work.

Geraci: Yes. It's kind of like the mother's guilt trip.

01-00:40:40

Cornett: Yeah, exactly. Which I grew up with. Oh, my gosh! That's *so* who I am.

Geraci: I don't want to disappoint them.

01-00:40:45

Cornett:

Yeah. That's exactly right. And it was a very different way of running a business. Very different from anything I had ever experienced. Which probably, looking back, it's easy for me to say. That had a big part of why I didn't stay at other jobs. Until I got to Dreyer's, I never worked for a company that I respected, that I could look up to the leaders and say, I respect you, I like the way you do business, I like the way you operate and the way you treat people. I was too young. I didn't know it then; but looking back, I can see it now. Until I came to Dreyer's.

Geraci:

The fact that it seemed, within both Gary and Rick, just inherent in their personalities. Not only trust their employees, but how they set a very high bar for them.

01-00:41:34

Cornett:

They expect the best.

Geraci:

You've got a job to do; so do it. I don't have to be here to hold your hand every second of the day.

01-00:41:41

Cornett:

Absolutely. And it was more than just, you have a job to do. The expectation was that you will come to work, and every day, make a difference. Even if it's in some small way. That's a really high standard. That goes beyond just showing up to do your work every day. That sets the bar really high. [chuckles] And we don't always live up to it every day, but it was there. There was an expectation. It's, what did you do today that made a difference?

Geraci:

For some people, that could be a very oppressive thing, having to live up to.

01-00:42:23

Cornett:

It's not for everybody. This environment isn't for everybody. Not everyone thrives. The whole flipside of trust is, we're not going to tell you how to do everything. You get to figure it out. A lot of people need more structure than that. They need someone to tell them what it is they need to do.

Geraci:

So a person who needs an absolute structure—a policy, a procedures manual—is not going to thrive in this atmosphere.

01-00:42:49

Cornett:

No. No, and they didn't. Oftentimes, they would self-select themselves out. We heard that over the years. Oh, it's too loose here. There's not enough structure. You people, no policies? What, are you crazy? No, that's just the way we do business. So this isn't for you. And that's why the interview process becomes so important. I think that's one of the things we tried to do, especially through all those years that we were growing so quickly and expanding rapidly. It became really important to hire people that would be a good fit. If we wanted to see this culture continue, you had to hire people that

this would work for. I would say that probably 95 percent of the time, we did that. We didn't always hit the mark.

Geraci: Yeah. As part of that process, it would seem that you would need to know the people you're hiring. You can't just run the regular interview process and see the paper and see the interview situation itself, which is not always a true or a real situation—

01-00:43:52

Cornett: Oh, it really isn't. Everybody's on their best behavior. It's like a first date, right?

Geraci: Right. Right, exactly.

01-00:43:56

Cornett: You're not going to see the real person.

Geraci: Yeah, you don't see the real person. So that's, I guess, what I'm fascinated with is, how do you go about doing that?

01-00:44:04

Cornett: Well, multiple interviews. Nobody gets hired with just one interview. Multiple interviews. And we use behavioral-based interviewing. We want to find out not what people *would* do, but what *have* they done. You find out how people have operated in the past. You ask the kinds of questions—and they're very structured—but you ask the kinds of questions that will tell you how people have operated in the past, where they've thrived. You ask about successes, as well as failures. You need to know what was the situation when someone didn't thrive. That gives you some insight.

Geraci: Who developed these types of questions?

01-00:44:40

Cornett: DDI. Targeted selection is one of their core strengths. We use their interview process, behavioral-based interviewing. You've probably heard this, but the best predictor of future performance is past performance. So you want to find out everything you can about past performance. So you've got to stay away from the theoretical world, the, what would you do if? Anybody can give a textbook answer; doesn't tell you what they really have done.

Geraci: And that doesn't really show your flexibility or adaptability to a new situation.

01-00:45:14

Cornett: Right. Right. So we would do a lot of that sort of involvement, give them the chance to interview with a number of different people and calibrate. But the other thing that does for the candidate is it gives them a good insight into the company, into the people they'd be working with, into what it was like here. The Grooves were always a part of that process. We talked about the Grooves, and especially nowadays, all this stuff is out on websites and stuff. People

research the company, right? They come in and are asking us questions about the Grooves when they're interviewing. The Grooves have always been something that has both attracted people to the company, as well as has been a wonderful retention for those that it's a good fit with. When it isn't, again, those people often have either self-selected out or at the end of the day, they weren't a good fit so they weren't able to perform and we separated.

Geraci: Now, one thing that fascinates me is I can see this working in the middle to higher echelons within the hierarchy of an organization. But you've mentioned—was it by '95?—you were taking this to the entire company?

01-00:46:25

Cornett: Every single employee.

Geraci: Every single employee. In some places, I realize you were, for the most part, non-union. But there are union employees involved. How does that interaction take place?

01-00:46:39

Cornett: Dreyer's has been very fortunate in their history; very few unions. We had one factory, we had a sales group here, a direct store delivery group here in the Bay Area, and a warehouse group in St. Louis. Those are the ones that I can think of. But for the most part, non-union. Our approach was, it doesn't matter whether you're union or not, this is a way of being, a way of interacting that should preclude union boundaries. And for the most part, it really worked really well. We didn't really run up against any hurdles. We trained those folks just like we would train anybody else. We held them to the standards of Grooves behavior. We surveyed them every year, just as we did everybody else. I can honestly say that for the most part, I think people really liked having them. Even though they had the union, I think they really appreciated having the Grooves as a part of the culture, as well.

Geraci: It's fascinating to me because in that era that all this is going on, unions had been really strong—although with the Ronald Reagan era, unions begin to diminish in their importance and power. But still, that's not an easy group to work with.

01-00:48:05

Cornett: No, it isn't. I'll tell you what. I think that the Grooves and the strength in our commitment to that kind of culture is what allowed us to decertify some of the unions in the business. It's how you operate every day and how management works with people in the company that set the stage for them to say, we don't need a union; we've got this great company. They truly live this stuff. They try. Nobody's perfect, right? The Grooves are aspirational. It's a standard we hold ourselves to. We try. By God, we try really hard. And people are held accountable to that. Especially when Gary and Rick were still with the company, if people didn't operate that way, they didn't last that long. All you had to do is be here for any length of time and you could see that. You would

always give people a chance. But if at the end of the day, this wasn't the way they wanted to operate, then this wasn't the place for them.

Geraci: So which means most of the people in management positions here are Grooves people.

01-00:49:19

Cornett: Well, I want to be careful and say were. [laughs] I think that's less true today than it was when Gary and Rick were with the company.

Geraci: That would be an absolute, because the timeline I really have for the project ends with their selling of the corporation. Nestlé's, that's a new era—

01-00:49:39

Cornett: It's a new era, absolutely. So I'm *absolutely* with you then, yes. No, that was critical. And like anything else, it wasn't always perfect.

Geraci: But if a worker can see that at *all* levels within the corporation, there is a consistency.

01-00:49:59

Cornett: Absolutely. A consistency, a common language, a way of referencing. We measured ourselves, we took their feedback, we put action plans in place. Why *wouldn't* they believe it?

Geraci: Right. And inconsistency is the thing, I think, that probably causes the most fear. We fear that which we don't understand or we can't comprehend.

01-00:50:20

Cornett: Or that we can't count on.

Geraci: Exactly. The Grooves is here today, it will be here tomorrow.

01-00:50:27

Cornett: Right. The Grooves was never a flavor-of-the-month kind of program. I think the very way that it started up, it was just always there. And it just got stronger and stronger and stronger, and as we continued to grow and we continued to attract people who wanted to be in that kind of environment, it reached a point where people were pounding their chests about the Grooves. The Grooves were almost more important to them than anything else in the business. Gary made a comment in— We re-shot a video; it was in 2003. Gary re-shot a video with us, and in there, he makes the comment, "We couldn't stop the Grooves today if we tried." Because it was so entrenched and it was so important to everyone who worked here. We lived it, we breathed it every day. We knew what it looked like and we knew when it was absent. Even if he had said, you know what? I've changed my mind. I don't think this is such a good idea—It would take years to stamp it out, because it was so embedded and so entrenched.

- Geraci: Changing work culture is nigh impossible.
- 01-00:51:51
Cornett: Yeah. It is.
- Geraci: And the work culture was there. So it had become organic. It grows and it grows.
- 01-00:51:58
Cornett: It was absolutely organic. Absolutely organic. [audio file may stop & restart]
- Geraci: We'll get into the Grooves in a moment but for right now what kind of reception do people have when they're first introduced? I think it's within six months, every new employee has to go through a Grooves training.
- 01-00:52:23
Cornett: Yes. Yeah, within their first six months, we want everybody— And in the factories, they go through it in their first week. It's a part of their on-boarding and orientation. Here at headquarters and in the sales offices, it was within the first six months as we didn't always have the numbers of people to make up a class there, in those places. So that was absolute. Everybody. Even if we hired a new executive, by golly, their butt was in a seat within their first six months, as well. I know that firsthand, because I had the opportunity to train a few of them over the years. So actually, people responded incredibly well to that, as opposed to, oh, boy, here's a mandatory class that I have to go to. I think you have to step back to the idea that a lot of people came to Dreyer's *because* of the Grooves. You could talk to people and they will tell you, "I came to Dreyer's *because* of the Grooves; this is the kind of place I wanted to work. Even if only *half* of what they said was true, it's still better than anyplace I ever worked." I've heard that so many times over the years. And I just smile because I know that's going to be their experience. It is going to be at least half true, if not more. So because they're already attracted to the Grooves, they love the idea that we train everybody and that we get everybody on the same page. They say, that's what tells me that it's really important to you and that you are going to try to live up to it, because you train everybody.
- Geraci: That it is real, that they're walking the talk.
- 01-00:54:02
Cornett: We're walking the talk. That's one of the ways we do it is that we train everybody and we expect people to— Especially once they're trained, it's like, okay, no excuses, right? Before that, you had maybe a hall pass if you didn't totally understand them. But once you're trained, no hall passes.
- Geraci: Now, for employees, as you've mentioned, some self-selected themselves out. What about those that don't self-select out? How do you deal with those?

01-00:54:34

Cornett:

Well, keeping the Respect for the Individual Groove in mind, you've got to have a conversation and reiterate that we do have an expectation. You can't get by here just on what the work is that you accomplish. The how you do it is equally important. It carries weight. And if everyplace else you've ever worked, the focus was only on the what, you're in for a rude awakening when you come here because how carries equal weight. We're not a company that leaves bodies in anybody's wake. We don't turn and burn. That's not what we're about. The longevity here, at all levels of this organization, will tell you that. So somebody that comes in that is more focused on the *what* than the *how* gets that rude awakening. They go through the training. Expectations are set by their manager. It's a part of our performance appraisal process; not just the *what* you did, but *how* you did it. The Grooves are part of that.

Geraci:

That's a key factor.

01-00:55:36

Cornett:

That's a key factor. So it's a part of your bonus incentive, too; there are elements of the Grooves around that. How you go about your work is important here.

Geraci:

Now, in the evaluation process, I understand that your immediate supervisor or— You have your levels. But without an HR [human resources department], How do you organize all this?

01-00:56:02

Cornett:

Those were some tough years, all the years without an HR group.

Geraci:

Because the norm is to have an HR group to manage all of this.

01-00:56:11

Cornett:

Right. Right. For many, many years, Gary just didn't feel that it was necessary. He expected his managers and his leaders to have that responsibility. He did not want that pushed off onto an HR group. We had people here performing HR functions, particularly benefits and comp and things like that, but not in some of the other direct-personnel-related ways, unless something escalated to the point that you kind of had to. Those situations would be dealt with, but not in the day-to-day running of the business. So it really was the managers' responsibility. If you think about it, most managers aren't hired for their HR expertise, right? They're hired for their technical expertise and hopefully, for their ability to lead and manage other people. So this put a lot of responsibility on the leaders of this company, on the managers in this company. And that's why it was so critical to have managers and leaders who were bought into this philosophy, who knew how to operate in this philosophy and understood what it meant, because they're influencing and impacting the culture. Not everybody's perfect. People make mistakes. I think the other thing, beyond their own performance evaluation, which of course was done by their manager, the other thing we did was our

annual Grooves survey. It's kind of like everybody's report card. The bigger we got, the more discrete we could get with the units of measure. So it became pretty clear where we had opportunities and challenges, because it was anonymous feedback. People were pretty frank and fairly brutal with us. We knew where things weren't working.

Geraci: And both Gary and Rick assumed the responsibility to make sure that they got back to employees who had put anything within this survey.

01-00:58:10

Cornett: Yes. Absolutely. In fact, for a number of years, in your written comments, if you put your name in there and Gary wanted to follow up, he would call people. He thought if you put your name in there, then you don't mind— or you're actually hoping that he would follow up with you. And I know for a fact that he did. There were many, many years that I know—well, probably every year that Gary was involved so closely with the Grooves survey—he read every single word. And in the end, I've got to tell you— [chuckles] Because I put all those survey results together, I can tell you just how much was there because I had to do the same thing. I think that was one of the things that I really found very remarkable about he and Rick both, is that they took this *very* seriously. It was that important to them. They read those results, studied the numbers, read the comments. And as a leadership team here at the company, all the executive committee, all the executives, they were expected to do the same thing for their functional area. They would put together action plans and they would talk about it. I know there were times where I was sent out to help. I would run things like little town halls to try to unearth things and talk to the employees about what we could do to make improvements, and kind of be that liaison between the employees and the local management team. So I know for a fact we took action on things. There are a lot of things that are in place in this company today because of feedback from that survey. So I know that that gave employees not only permission, but hope, that if it's this important and I share this, someone will hear about it and something will happen.

Geraci: Well, there's also a philosophy of no system is perfect.

01-01:00:02

Cornett: Absolutely. Yeah.

Geraci: There's no such thing as perfection; there's always the striving for perfection.

01-01:00:09

Cornett: Yeah, striving for perfection. That's what it was. And that's what the survey was all about. Tell us what we're doing well, tell us where we need to make improvements. Because we can't fix what we don't know about. We took the feedback from the employees very, very seriously.

Geraci: We're just finishing up on the first tape, so this is a perfect spot to stop.

01-01:00:33

Cornett: All right.

[End Audio File 1]

[Begin Audio File 2]

Geraci: Vic Geraci. This is January 5, 2011. Tape two, interview number one with Sherrie Cornett. When we left off, we were just talking about some of the problems and issues in instituting such a system as the Grooves. Let's talk a little bit more specifically about the Grooves. And more importantly, let's go through the Grooves.

02-00:00:40

Cornett: Okay.

Geraci: What are the Grooves? Because in every one of my interviews, people are referencing back to the Grooves. We do this, we do that. I think we need it down on tape, as part of the project, what *are* these Grooves? Some people, I would think, would see the Grooves as being very soft, this warm hug, the Kumbaya moment.

02-00:01:06

Cornett: Yeah. On the surface, especially with the name Grooves, right, It kind of lends itself to that.

Geraci: Yeah. What is the story? How did it get the name the Grooves?

02-00:01:13

Cornett: Oh. Well, my understanding—and Gary's probably the only one that really knows, but— I *think* I heard him tell me this; it's been so many years. My understanding is that the label for the Grooves came from *In Search of Excellence*. In *In Search of Excellence*, they talk— When things are really clicking and when things are working right, you're in a groove, right? And you're all moving in kind of the same direction. I believe that's where he got the idea of, hey, this is the way we want everybody moving and working in this direction.

Geraci: So it's not pop culture groovy?

02-00:01:52

Cornett: Right. Right. Although over the years the idea of the Grooves was that we're all working in the same way and we're in a groove, in terms of the way we're working. I'm pretty sure that's the reference point for that. I know you can certainly check that out with Gary. But that's the story I've always told. [Geraci laughs] That's the way I understood it.

Geraci: And as the person who trains everyone— [they laugh]

02-00:02:21

Cornett:

So that's a way of working together and identifying how we want to work together and giving us a way to hold each other accountable. So that takes it beyond being something that's just soft. So as we were talking about on the break, the Grooves weren't just something that happened. It wasn't just happenstance or a fun idea that they thought of back in the seventies, it was a business strategy. It was put in place to help us all operate and work in the same way, as we continue to grow. My understanding—again, from Gary's words early on—was when we first expanded down out of the Bay Area into the City of Commerce area and had a factory down there and started with a sales force down there, it became very clear, when he would go and visit, that there was not the same sort of feeling going on down there that we had up here. The big ah-ha was it's because they don't know how we operate up here.

Geraci:

They didn't have a contact, a direct—

02-00:03:36

Cornett:

They didn't have a contact or a *context*. It was all new people. I think that's when light bulbs probably really started to go off. It's like oh, my gosh. If we want the same kind of thing that we have up here in the Bay Area, this Oakland-based company, to exist as we continue to grow, we have got to articulate this. We've got to get more solid on this, we've got to codify it, we've got to help people understand what it's all about. I believe that that really was the driver behind their writing the first Grooves booklet and really identifying and articulating what the Grooves were.

Geraci:

So it's part of the business plan.

02-00:04:14

Cornett:

Absolutely part of the business plan. Because that's the kind of business they wanted to have. And that's the way they wanted to operate. If that's the way you want to operate, you've got to have a plan for that. Not just what we want to do, but the how we want to do it. It was important to them.

Geraci:

Now, as the person that has to actually go out and teach a little bit about the history of it, when are Gary and Rick are first starting to put the Grooves together?

02-00:04:42

Cornett:

Well, in terms of actually pulling it all together, I know that right about the time I was joining the company, back in 1988, there had been a period of time where we had really been growing pretty rapidly, actually. The mid-eighties through the mid-nineties was a time of *very* rapid growth for the company, in terms of expansion. Once they took the company public, that was certainly their plan. My understanding is that they had a retreat with the executives of the company to really talk about what's important. Let's label this stuff. This way we have of working together, let's label it. Let's identify it, let's articulate it. What's important? What's most important? My understanding is

they started out with a huge list and kept whittling away, whittling away, saying, what's most important? And in the beginning, there were only seven Grooves. Those were the seven things that they thought were *the* most important. And that's what originally got written about, that's what went into booklet form, that's what went into new-hire packets—long before there was even any training. But at least a way of identifying who we are, what we stand for, and how we want to operate. Getting that out to all the folks in the organization, through the form of a letter, in the form of our mission statement, and actually having a Grooves section in the original employee handbook that talked about and identified what those Grooves were. That's how it all started.

Geraci: Now, but at that point, this is only the mid- to upper-level management. It doesn't include all employees?

02-00:06:32

Cornett: Well, because it's in the employee handbook, it does include all employees. But there's not even training for managers, at this point.

Geraci: Oh, so there's just no training at all.

02-00:06:40

Cornett: There's no training happening at all.

Geraci: It's just, these are the rules; read them.

02-00:06:43

Cornett: This is who we are, this is what we stand for, and this is how we're going to operate. And this is what we want you to contribute to. The expectation was that if you join this company, this is the way you would operate; that these were the things that were important to us, and if you chose to join this organization, you were joining because you believed those same things. So again, going back to this idea of we expect everybody to show up and make a difference every day. There were very strong expectations communicated through the Grooves. Not just the work that you were hired to do, but there were expectations about how you were going to go about doing that and how you were going to contribute to the success of this business.

Geraci: Could we go through the Grooves?

02-00:07:32

Cornett: Sure. Yeah, you bet. One of the big things—and I think one of people's favorite Grooves—is the Groove of Ownership. This idea of, oh, my gosh, I'm not just going to be a number that shows up to work today. I matter. What I do makes a difference, so I want to have ownership of that. This whole idea around respect for the individual and the concept of trust is trust people to do the right thing. Let them have ownership of their work. So we expect people to own some aspects of— We wanted people to become the very best at

something in their job. We expect that people would also continue to learn and improve. There was a high focus on continuous improvement and continuous learning. This was a company that was *exploding* during this time. Think about it. We were taking our wagons east, young men. [Geraci laughs] And really, the whole concept of an entrepreneurial spirit was so vital to the growth of this company, to really allow people to do things their way. Still deliver results, still be accountable for the results and the performance, but to do it in their way, the way that made sense for them.

Geraci: And for Gary as an entrepreneur since he thinks as an entrepreneur.

02-00:08:53

Cornett: He absolutely does.

Geraci: He is academically trained as an entrepreneur.

02-00:08:56

Cornett: Yes, he is. And that, especially, I think, in the— definitely in the eighties and up to about the mid- to late nineties, that was critical to this company, to have that sort of entrepreneur passion and spirit. That's what turned this company into a national company— going from a regional— literally, just a local—was the power of that entrepreneur spirit and having a leader who led in that way and had a philosophy that truly trusted and allowed people to do it in the way they saw fit and to do it to the best of their ability. It really encouraged people to perform to their own capacity.

Geraci: There's also the immediacy of a good entrepreneur knows that they have to be flexible and adaptable.

02-00:09:56

Cornett: Well, that's where the Ready, Fire, Aim Groove, again, was so vital to our early years. That's the one that I think has taken— It's been our most misunderstood Groove and it's the one that's taken the most flak. I think it was probably one of the most powerful ones we had during all those years of rapid expansion and growth. This idea of don't let yourself get caught up in analysis, paralysis. Don't think like a lot of the big companies and worry about who's looking over your shoulder and running things up the chain of command and having to have things at 110 percent and seventeen signature. That's not what we were about. We were about, I hired you because you were the best at what you do. I'm going to trust you to do that job. You know what we expect of you, and go get them. I'll support you. The whole concept of Ready, Fire, Aim was this concept of failing forward. I know Gary was very big on that. Heard him tell a lot of stories, a lot of analogies. Like skiing. You can't learn to ski unless you're willing to fall down, right? Because you'll always be holding back. You just dust yourself off, figure out what you did wrong and go back out.

Geraci: Gary and Rick, in their first business failed forward.

02-00:11:09

Cornett:

Absolutely, they failed forward. Big time. So that was very important in the Dreyer's growth strategy at that time. The whole idea of— especially when you're in that kind of a growth— it was all about expanding into new markets, it was around top-line growth, it was going into places Dreyer's was a non-entity. Nobody even heard of Dreyer's before, unless they had been out west. This idea of just get in there, we'll figure it out once we're in there. So this idea of ready, fire, get in there, and then aim along the way, and you'll get to 100 percent. But you've got to know— There is an element of ready; it's not just— See, this is where a lot of people misunderstood this Groove. It's not taking short cuts, it's not shooting from the hip. You go in with a plan, with a strategy; but you go in at maybe 85 percent. Right? You don't wait for 100 percent. You go in when you've got enough that says, I can take an intelligent risk here, and learn along the way.

Geraci:

Or when the timing's right for it. Okay. I just find it's fascinating, because it *is* entrepreneurial.

02-00:12:11

Cornett:

Oh, yeah!

Geraci:

In the business model, traditionally, we allow the people at the top to be entrepreneurial; we do not allow employees to be entrepreneurial.

02-00:12:22

Cornett:

Yeah. That was a very different way of being here, this idea of entrepreneurialism, right down to the factory workers. We wanted people on the floor making ice cream to have the power and the authority to say stop; shut that machine off. If they saw something wasn't working or something wasn't right, not to wait for a manager or somebody to come along and tell them. We wanted them to own their work and to own the product that they were making and have that sense of pride and go, look, that's not right; shut that puppy off. And stop, because this isn't right. There are not a lot of companies that are willing to do that.

Geraci:

Or as you said, won't require seventeen signatures to get there.

02-00:13:09

Cornett:

Right. Right. And we knew if we made mistakes in this company, we had the support behind us. I can think of some really key people in this organization that took a lot of risks over the years and had some monumental hits and some dreadful failures. Not one of those people were ever let go because of that dreadful failure.

Geraci:

Do you have any specific examples of that?

02-00:13:37

Cornett:

Oh, I can— People could maybe laugh about it. Jill Shoemaker. She was in our marketing group. I met Jill pretty early on, when I joined the company. I

don't know if she was the brand manager or what we called them back then, but that product I told you about that my second day on the job I was out there doing product recall. That was hers. Fruitola. I would never forget this. Never made it. Never got fully commercialized. That was one of her products. In the end, we Ready, Fire, Aimed it, we got it out there, we tweaked along the way. At the end of the day, it was one you decide to cut your losses and come back in and you never go back out there. There was a lot of money put into that, a huge effort. It was test marketed in two markets. And in the end of the day, it didn't make it. And Jill continued on with this company, went on to become a VP, and was very, very successful here at Dreyer's. A lot of other companies, she may have lost her job over the Fruitola project, that was just a monumental disaster. But we learned so much from that that informed other decisions about future products.

Geraci: I think the timing of the last two decades, whether it be politics or business, we are so afraid, as a culture, to allow failure.

02-00:15:05

Cornett: Yeah. It seems like there's so much at stake. Who, if they felt that their job is on the line every time they have to take a risk— How many times are you going to really step out on that ledge?

Geraci: Right.

02-00:15:20

Cornett: You've got families to support. In these economic times, nobody can afford to be out of work. It almost forces us to play it safe. Can't afford to take risks. You can't afford to monkey with your livelihood. And here's a company that's flying in the face of that, with the way they operate. Now, mind you, that Groove was all about taking intelligent risk. We didn't have a lot of tolerance for really dumb mistakes.

Geraci: Well, if you're going to take a risk, you have to be able, eventually, down the line, to prove to people you have your ducks lined up in the pond.

02-00:15:50

Cornett: Right. Right. There is that element of ready. Yeah, Ready, Fire, Aim. But I attribute a lot of this company's success to that Groove. I think that Groove has been one of the most misunderstood and most maligned, but also, over the years, in later years, one of the ones that became abused and misused, as well. But that's a whole 'nother story. That's a very powerful one. The other thing I think that was important, in terms of expectations— Good, open, honest communication was a really key thing here. We have the Groove Face-to-Face Communication. It was about a lot of things, but one of the things was around creating an expectation of, it isn't okay to just sit back and see something and not say something; that we expected people to come forward with suggestions or ideas, concerns, issues, provide feedback. But to do it in a way that was respectful, right? Because you and I can disagree on something and still have

a respectful conversation about that. So the Grooves all worked in connection with one another. In fact, we bookended them. We started with Respect for the Individual, as a foundation for everything else that followed, and we bookended it at the other end with Face-to-Face Communication. They all work together. But those two were so critical to this business. A lot of companies say, hey, we have an open-door policy and you can talk to anybody about anything. Dreyer's is the only place in *my* career, of any places I've ever worked, that that was really true and that I really felt like I could do that and that I would have the support of my boss.

Geraci: That you didn't have to go up a chain of command.

02-00:17:50

Cornett:

There were a lot of times that I would go—especially around things having to do with the Grooves— Once I relocated and started working out of the corporate office, I never hesitated to just go and tap on Gary's door or check in with Jo and say, "Hey, has Gary got a few minutes?" I would go directly to him. I didn't need to go through my boss and his boss. If I had a question or concern or wanted to clarify something, I'd just go right to Gary. And he would do the same with me. Especially around Grooves survey time, he'd be prowling the halls going, "How are we doing? We got those results yet?" "Working on those." Took a lot to compile all that. I don't think we ever operated like a true chain of command. We want to be respectful, right? It was important for me to keep my boss in the loop, but I didn't need his permission to go and talk to Gary directly about something.

Geraci: As they're putting all this together, in the beginning, were they borrowing from the *In Search of Excellence* book. Did they have a session or a training on *In Search of Excellence*?

02-00:19:02

Cornett:

That predates me a little bit, so I'm not sure. I'm not sure about that. I know that when Gary was putting all the Grooves together, when they were originally putting them together, they borrowed from some other sources, as well. The concept of respect for the individual and allowing people to do the job their way, he actually got from Nordstrom. I remember him telling me, he goes, "When you worked—" This is back then; I don't know if it's true today. But apparently, when you went to work at Nordstrom back then, they had one policy. You got a little business card, I think, that told you what the policy was. It was, use your own best judgment at all times. You think about Nordstrom and how well known they are for their customer service. They hire people, obviously, who not only have good customer service skills, but can exercise good independent judgment. That was their policy: use your own best judgment at all times. He was *so* impressed by that. That was, I think, foundational for Respect for the Individual. And the concept of hire smart, he borrowed, too. Boy, I'd have to really do some research on that. Red somebody. Guy's nickname, probably, Red. I don't remember now where it

came from, but that was not an original thought for Gary. Hire Smart came directly from somebody else, some other business book that he was familiar with at the time, or a business philosophy. It's this idea of hiring the top 20 percent and holding people accountable to that. Of course, that's crucial to our success, is that we hired the right people.

Geraci: We've talked about this, this process. But having access to that top 20 percent, every company would like the same thing.

02-00:20:51

Cornett: Oh, absolutely. You're in direct competition for that cream of the crop.

Geraci: Yeah. So there has to be appropriate wages paid, then.

02-00:21:01

Cornett: Yeah, absolutely. I think that Dreyer's has always been more than fair and generous, not only in their wages, but in the total comp package, with both a pension and a 401(k) plan. I'll tell you what, though. The Grooves culture was— You can't put a dollar figure on that, but it factored in, factors in for a lot of people, that I would willingly work here for a little less money and have this kind of environment rather than be in a dog-eat-dog kind of culture. So you couldn't put a dollar figure on the culture, but it was worth a lot.

Geraci: Both Gary and Rick's first experience at McKinsey & Company is more the dog-eat-dog scenario.

02-00:21:51

Cornett: Oh, yeah.

Geraci: It's strange how they, in going out on their own— Neither of them thrived in that culture.

02-00:22:00

Cornett: No. Well, I think that a lot of early lessons are learned [that way], right? It's true in parenting. We often learn what not to do. Right? I think that was very true. Gary's Army experience, I think, is at the heart of—maybe he shared this—why he was so adamant for so many years about not having an HR department. Again, I hope I've got my facts straight. He worked in personnel for a while and saw the bureaucracy and everything that was involved in a military personnel department and was, by God, when I have my own company someday, I'll have no stinking HR department.

Geraci: And he didn't.

02-00:22:38

Cornett: He didn't. It was a point of pride for a lot of years. There were those of us who were in the background kind of doing some HR work, but we didn't publicize it.

Geraci: Were you asking Gary, please, could we have some HR especially as the company's growing in the eighties and nineties and is becoming a national business, you're falling under more federal regulation than you are when you were just a little local-regional company.

02-00:23:02

Cornett: Absolutely.

Geraci: Did that change the dynamics of how you work with employees.

02-00:23:06

Cornett: It does. It does and it did. And in fact, when I joined the Oakland group—so when I relocated and became a corporate employee for Dreyer's in 1998 ten years working in the field, in the Seattle division, and probably for the last three of those years, doing training full-time in the Seattle division. Oh, gosh, there's so many thoughts going through my head, so many stories, so many different avenues I could go down.

Geraci: Well, please tell them. [laughs]

02-00:23:50

Cornett: I'm trying to not lose my train of thought, where I was going with that. We were talking about HR. So I want to make that connection first, then I'll go back. At the time that I joined the corporate office, that was, I think, a very early recognition that we were starting to need to look a little bit more in that direction. We still weren't calling it HR. I joined a newly formed small department of two called the leader development, which is traditionally was training and development, that's an HR function.

Geraci: Right, that's an HR function.

02-00:24:40

Cornett: They had never had anyone at a corporate perspective looking at that before. Again, we still had the comp and benefits folks here. A couple of years after that, we merged those two groups, leader development and kind of the benefits and comps group, to form a group that in any other company, would be called HR. We didn't want to be a traditional human resources department, and so we named ourselves and we called ourselves people support. I love that title. I think it resonates with who we were and what our mission was and what we were here to do. We had a Groove that said Management is People. And our managers were responsible for hiring, training, developing, motivating, coaching, disciplining if necessary, and firing if necessary. You don't want to rely on an HR department to do all those things for you. That's the work of the manager. So we didn't want to start going down those paths of being a traditional HR partner; but it was the early days of recognizing that those people need help. They're not HR managers.

Geraci: Especially as they're falling under federal guidelines and rules.

02-00:25:54

Cornett: Yes.

Geraci: And the guidelines at the federal level are changing drastically at that point.

02-00:25:58

Cornett: Absolutely. Well, the bigger we get, the bigger the target that's on your back, as well.

Geraci: Right.

02-00:26:04

Cornett: And so the exposure became greater and it just became very clear that we did need a group who would at least start to play, if nothing else, an advisory role, and to be a partner in that sense.

Geraci: That a manager could call.

02-00:26:16

Cornett: Absolutely. What do I do? Yeah. Because we had always had outside counsel who— We didn't even have an internal legal department, through many of those years, and we just utilized outside counsel to help us in those situations. But it became clear that the larger we got, that there would be a lot of things we could head off with, like you said, the right advice and counsel internally, and just make sure that people had a resource to go to. That's what People Support was. It was a resource for managers to help them with employee issues and concerns. But our focus wasn't just on that; our focus was also to help support them around training and development. We tried to bring some rigor and structure to the interviewing process, to the employee evaluation process, the performance evaluation process, salary review and things of that nature; a lot more discipline and rigor and consistency in our practices— which, as you get bigger, become really, really important to any organization.

Geraci: Right.

02-00:27:26

Cornett: It was greatly lacking here, given our entrepreneurial history.

Geraci: And given the fact that now you're doing business in so many different states, who have different labor laws, and then the umbrella of the federal labor law. It could be quite confusing.

02-00:27:43

Cornett: And it was. Dreyer's historically operated very decentralized. So you can image what was going on out there. Looking back now, it's like, whoa! We were probably pretty lucky, in some regards. But I'll tell you what. The other thing—again, I think this is where the Grooves really helped us—is if you operate and you work with people in this way that the Grooves outline for you, you won't fall into some of the traps.

Geraci: Well, there's a transparency, there's a consistency. People understand the expectations.

02-00:28:23

Cornett: Yeah. And there's an honesty and trust factor in both directions—employee to management, management to employee—that we just didn't experience a lot of the same kind of problems that other companies were experiencing. So I think the Grooves really helped support us in that way, as well. We just didn't have, to the same degree, the same kind of issues and concerns that a lot of other companies did. Again, people have such a strong passion, commitment and loyalty. I'd have to honestly say that Gary and Rick were the first people at the head of a company that I ever went to work for that I truly both respected and admired. You can admire people but not— Maybe that's not a good combination of words. But I truly respected and admired both of them, which fed a great deal of loyalty and helped drive the passion. They wouldn't like this, but it was kind of parental, I don't want to disappoint them.

Geraci: I've heard references to Gary and Rick being the mom and dad, Gary being Dad and Rick being Mom. And it was. It was that parental thing of you don't want to disappoint, because these are two people that are treating you well and giving you the opportunity.

02-00:29:52

Cornett: Oh, absolutely! They were so respectful and so involved. They genuinely, every day, operated— They lived their beliefs. They walked the talk. And in every company I had ever been in prior to that— and they didn't even have their beliefs articulated. You couldn't even point to a poster on the wall. But the ones that did have the poster on the wall, but that's as far as it went.

Geraci: But they all had their mission statement up on the wall. No one had ever read it, but it was there.

02-00:30:24

Cornett: Or could reiterate it or restate it. That's not true here.

Geraci: Well, basically, let's talk about the Grooves specifically now.

02-00:30:36

Cornett: Okay.

Geraci: I guess kind of start at the beginning.

02-00:30:40

Cornett: What do you want to know about them?

Geraci: We could start at the beginning and let's line them out. I've got them listed out here, if you would like to give yourself a little prompt.

02-00:30:46

Cornett: Okay. Sure.

Geraci:

Here we go. Because I think it's important to really get into more specifics.

02-00:31:01

Cornett: I'll share with you a fun story. We came up with an acronym to help us remember the Grooves, because there are ten of them, Mr. Hufthorp. I'm going to write that out right now.

Geraci:

That is great.

02-00:31:15

Cornett: So you write Mr. Hufthorp and then you can recite them: Management is People; Respect for the Individual; Hoopla; Upside-Down Organization, Face-to-Face Communication; Train, Train, Train. That was Hoopla, so that would be— Or no, that was Hire Smart, so this one's Hoopla. That one's Ownership; Ready, Fire, Aim; and People Involvement.

Geraci:

That's great. Okay, so you've got your own prompt. I don't need to give you a prompt.

02-00:31:42

Cornett: No.

Geraci:

So we've talked a little bit about the first one, Respect for the Individual, but let's go— What's really nice is on your ScoopNet, you have—it's very good educational psychology—you have these all charted out as what it is and what it isn't, and then its key points. Respect for the Individual, I think everyone seeks respect.

02-00:32:08

Cornett: Oh, it's fundamental. For over twelve years, as part of the training program, one of the things I talked to people about— What the Grooves help us do is that— In any kind of interaction, everybody brings two kinds of needs. There's the practical need. There's a reason we've got to have a conversation in the first place, right? There's a business need driving our interaction. But we're also both bringing personal needs into that interaction. When I ask people to list out what those personal needs are, *the same* list comes out. I don't care how old people are, I don't care what their background is, what the color of their skin is, where they worked before. I don't care about any of those things. For twelve years, doing this on a regular basis, in front of *hundreds* of people, the same things always come out. People want to be trusted, they want to feel respected, they want to be listened to, they want to be understood, they want to feel supported. Those things *always* make the list.

Geraci:

It's the human need.

02-00:33:17

Cornett: Right. Absolutely. We all need those things. And if they're not there, it drives all kinds of aberrant behavior.

Geraci: I like that, aberrant behavior.

02-00:33:29

Cornett: Yeah. And when those things are in place, you get what we have with the Grooves.

Geraci: Okay, so do we need to say anymore about respect for the individual?

02-00:33:44

Cornett: No, other than it's absolutely foundational. If that one's not in place, nothing else works.

Geraci: The thing I find somewhat interesting about the Grooves as we go through them now, they're all people-centric. It is a business plan, but it's a business plan of how I'm going to get my employees and the people working in this, how I'm going to push this whole juggernaut forward with that human energy.

02-00:34:14

Cornett: Right. We all operate off the same page.

Geraci: Right. The second one being Management is People.

02-00:34:21

Cornett: Tricky one. Management is People, again, we talked about as the one that we had to have in place because we didn't have an HR department. We had expectations around what our managers were responsible for. They were also responsible for supporting the Grooves culture. That's a part of that. Now, the employees' responsibility in this Groove— Because we said the employees have a responsibility in every Groove. So if you were my manager, my responsibility to this Groove would be that I work with you to help— That I would bring issues and concerns to you, that I would work with you to help chart my path to success here, to help create my learning plan. I have a responsibility to operate in the way of the Grooves, as well because this one is about creating the environment that allows the other Grooves to thrive, and that managers have that responsibility. So that's what this Groove is all about.

Geraci: Just the whole fact that it is people and not being micromanaged. How many employees complain constantly about being micromanaged? There again, it's back to this respect and this trust. Here's your task; accomplish it.

02-00:35:42

Cornett: If we're going to say to people, you own it, it's yours, do it the way you see fit; and then I come around every time and say, well, but no, do it this way, do it this way— Yeah. It doesn't work.

Geraci: How do you get managers to do it? Because the natural instinct is to go, oh, no, no, no; if you do it this way, it'll be easier.

02-00:36:01

Cornett: Yeah. Well, and we could go down a whole 'nother path. Myers-Briggs types come into that, people are— There's so much that comes in there. But again, it's helping the managers understand that this is foundational to the philosophy here. If you want people to bring their best every day, you've got to allow them the flexibility to do the work to the best of their ability. Your job is to be clear with the expectations, make sure they know what the boundaries are. Just like a good parent, right? What the expectations are, what are the boundaries you expect them to operate in? What's the end result you're looking for? And then let them do it the way that works best for them. They'll be more successful that way. And sometimes we have to have those hard conversations.

Geraci: But that gets you back down to, isn't this the way that human beings respond the best and want to be treated?

02-00:36:49

Cornett: Yes. Absolutely.

Geraci: And it doesn't matter whether it's in business, whether it's in education, in parenting. It kind of transcends all these levels.

02-00:37:00

Cornett: And this is why, at every level of the company, people have so embraced this and they hold on with their fists clenched, because this is how they want to be treated.

Geraci: And the third one, we actually talked quite a bit about, the whole idea of hiring smart.

02-00:37:22

Cornett: Yeah, this Groove is a hidden gem. Because on the surface, I think everybody gets what Hire Smart means. But there's actually three components to this Groove. So yes, there's that element of making sure you're bringing in the cream of the crop and hiring the top 20 percent, yeah. But there's two more elements to that. There's a second element that says we expect everybody to maintain that standard. You've got to stay a top 20 percenter throughout your career here. You've got to continue to learn and grow and adapt and develop and continue to educate yourself. That's why the Learn, Learn, Learn or Train, Train, Train Groove was so important. Because otherwise, it's going to pass you by and you won't be a top 20 percenter forever. And the third element is this idea of eliminating mediocrity. And that's the tougher part of this one. When people are no longer performing or we don't want to be complacent and just accept mediocre performance, then we want to offer people the opportunity to course-correct. So coaching is very important. We don't just

immediately pull the trigger and fire somebody. We want to coach, develop, offer more training, if that's what's needed, give people the opportunity to correct. But if, at the end of the day, they can't or won't, then we might make the tough decision to let them go. That's what eliminating mediocrity was all about: not settling and not being complacent.

Geraci: There again, the mediocrity being the key word. And that's why I could see that many people would self-select out, because it does not allow you to ever settle into a rut. It does not allow you to become complacent. Which I can see, then, is the personalities, which I was talking with you about earlier in the interview. You need people that want challenges, people that are willing to accept changes.

02-00:39:17

Cornett: Exactly. Exactly.

Geraci: And if that's not part of your personality, this is a deadly system.

02-00:39:23

Cornett: It is a deadly system, that's a great way to put it. Yeah, it would be.

Geraci: Okay, next one. Ownership.

02-00:39:31

Cornett: Ownership. We talked a little bit about that, but again, that's the Groove, beyond Respect for the Individual, that people just love, is the Groove of Ownership. And Gary always said, "I expect everyone here to own some aspect of their job, to truly be *the* very best at it." So he wanted people to take a great sense of pride in their work, be willing to sign their name to what they did, and to really feel— That's where I think you get the sense that what I do matters, because I really own this. And if I can become the best at it and then help others become the best at it too, that's where I really make a difference in what I do.

Geraci: There again, in tying these all together, mediocrity will never fit into this.

02-00:40:19

Cornett: No.

Geraci: And those people not willing to accept these tenets are going to be very troubled by the fact that this isn't just a job.

02-00:40:27

Cornett: Right. We expect a lot more of people here.

Geraci: Yeah. I don't walk in at eight and leave at five.

02-00:40:32

Cornett:

That's right. Very few people do that. Yeah. *Way* more than what you might experience at another company.

Geraci:

A funny story that Jo told me about. When she goes into a grocery store now, she finds herself rearranging the Dreyer's cartons in the freezer.

02-00:40:54

Cornett:

Oh, yeah. Merchandising the shelves.

Geraci:

Yeah, merchandising the shelves. That's not part of her job description— She's just grocery shopping.

02-00:41:03

Cornett:

Yeah. Oh, I was in my local market over Labor Day weekend. I happened to be in there on a Saturday night. Oh! And the case was just a mess. Oh, I couldn't walk past it, I had to stop, put my cart off to the side. And I didn't have gloves or anything. [Geraci laughs] My hands were *freezing*! My fingertips were just *burning*! It was like, oh, this place is a disaster. I didn't know when the next day somebody might be there. I'm facing the shelves and pulling and spinning the product, to get everything in the right place, getting the competitive product out of there. We just do that. That's that pride in your product and pride in what you do.

Geraci:

Yeah, pride being the key issue under this ownership thing. If you have ownership, there's a sense of pride. If you've had to work, if you've had to struggle, it becomes part of you.

02-00:41:53

Cornett:

Yeah. Pride drives passion. It's one of the drivers. That's one of the common things you find here is people are very passionate here. A lot of passion for what they do.

Geraci:

I think one of the things that would come under this ownership that I would wonder about is taking ownership has to be a continual process. Always seeking out new things to take ownership of?

02-00:42:21

Cornett:

Absolutely. Absolutely. Well, and the business grows and changes too, right? So you could *completely* own your job today and then you get thrown some curve ball, whether it's new technology, a new product, new process, a new system, and all of a sudden, I don't own this anymore. I've got to learn and grow and develop.

Geraci:

Which feeds, then, into the next one, which would be Learn, Learn, Learn.

02-00:42:44

Cornett:

Yeah.

Geraci: Now, originally, this wasn't Learn, Learn, Learn, was it?

02-00:42:47

Cornett: Right. Originally, it was Train, Train, Train. It was one of the Grooves that was added to the original seven and we changed that one in 2003. I think it was a good change. I was a proponent and one of the advocates for making the change. Train, Train, Train feels like something that's done to me; Learn, Learn, Learn implies that I have a responsibility and we had always positioned the Groove, even though it was called Train, Train, Train, it was always the employee's responsibility— You're responsible for your own learning and growth and development. Don't sit back and wait for someone to tap you on the shoulder and say, I want you to learn this or, it's time for you to take this class. We wanted you to drive your own growth and development here. So for me, it was a natural change.

Geraci: Were managers having employees do development plans?

02-00:43:44

Cornett: Inconsistently. I think that's, again, one of the changes the People Support group tried to bring about was some consistency in practice around having growth and development conversations with your people. But again, we really expressed to our employees, don't wait for that to happen.

Geraci: See, that's the mediocrity. If you have to be *telling* the employee, they're not engaged.

02-00:44:04

Cornett: I want them to be the driver. I want the employee without the coach or the manager to help make it happen, but the employee should be driving that conversation.

Geraci: Gary made a statement—and I think I've seen it in writing two or three other places—that all of these work together because it's management's job to be a resource to the employee who is producing this product.

02-00:44:29

Cornett: Yep.

Geraci: That's that up-side down groove?

02-00:44:30

Cornett: It is. It's the Upside-Down Organization. We put a lot of responsibility on employees here. And those that don't want that won't be happy here.

Geraci: Which is the very next of the tenets anyway, the Upside-Down Organization.

02-00:44:45

Cornett: Yeah, the Upside-Down Organization, again, is this idea that we don't want to be a top-down driven organization; that wherever possible, we want decisions

to be made as close to the front line as possible. Gary always felt, hey, the people who are closest to the job know it the best. Aren't they in the best position to make choices and decisions? Now, that varies, of course, right?, depending upon what the situation is, but we really try to provide a high level of autonomy at every level in the organization and to give people the authority and the power and the freedom to make decisions to the best of their ability, when they were the ones that were closest to the situation. And that's at the heart of Upside-Down Organization. I'll tell you what, that has a lot to do with why folks at the front line in our organization, whether it's our ice cream maker or a merchandiser or someone who's collecting cash in accounts receivable, can have such a sense of ownership, right?, is that they also have those times when the decision's on them. They have to weigh the consequences and wrestle with that and figure out what the right thing to do is, based on their experience and their knowledge and the work that they do everyday. Then our responsibility, conversely, the company and their managers, is to support them in that decision-making process.

Geraci: I think this becomes a prime tenet for you, in that as the company is growing, it's harder and harder and harder to have an upside-down organization.

02-00:46:26

Cornett: Yeah.

Geraci: Because there's more need for the hierarchy, the bureaucracy, just the glue that holds all this together.

02-00:46:33

Cornett: Yeah. Over time, that has *absolutely* changed. I mentioned earlier that we were a very decentralized organization, and the larger we got, there were things that made sense to centralize, right? Economies of scale. Whether it's through purchasing— Any host of things, and there was a huge outcry, thinking we were taking away the Upside-Down Organization. So whenever you have to make changes like that— It's been interesting to me, when we've had to make big changes, that the Grooves are what people look to to say, how does that fit with how we said we were going to do business? So the communication strategy becomes so critical to help people see that's not a violation of Upside-Down Organization. The level of visibility and the line of sight for business strategies and things has changed, so the level of decision-making has to change, as well. But that's where the communication comes in.

Geraci: This is all built on the premise that everyone accepts change.

02-00:47:33

Cornett: Yeah. Well, therein lies the big problem. As humans, we don't take change very well.

Geraci: Change, yeah, is maybe one of the hardest things to get *any* human being to do.

02-00:47:43

Cornett: Yeah. Yeah.

Geraci:

We fear change.

02-00:47:46

Cornett: Absolutely.

Geraci:

Because we don't know what the next step will bring.

02-00:47:49

Cornett: You know what? In my time at Dreyer's, that's one of the things I feel I've gotten better at is dealing with change, because I am not one who deals easily with change and I think that my experience at Dreyer's has allowed me to be more comfortable with that.

Geraci:

That in itself is a huge.

02-00:48:06

Cornett: Yeah, it's huge. It's enormous. Because it's had an impact on my personal life, as well.

Geraci:

But that's the reason I'm saying it's huge, because usually for an employee, this is more than just their business; this is a human tenet of, I fear change.

02-00:48:19

Cornett: Yeah. Of any kind.

Geraci:

Of any kind. Whether it be a child in school, any job, government, whatever, we fear that change, without really understanding or knowing that it will bring anything worse. But it's changing.

02-00:48:35

Cornett: Right. It's that fear of the unknown.

Geraci:

Yeah. And then People Involvement, the next one.

02-00:48:43

Cornett: Yeah. People Involvement, again, I think this is one of the key Grooves to engagement. Because the Grooves are also a wonderful way, a methodology for getting true employee engagement here. People Involvement was one of the drivers for that because that Groove— A couple of things. We had an expectation that people *would* become involved in the business, beyond just what they were hired to do. So in other words, if you were hired to be a training manager here at the company, that's great; we want you to do that job to the best of your ability. But we expect more. We want you to get involved in the business in a broader way. So you might serve on a taskforce or some type of committee, or volunteer, get involved in what we do, like product tastings—any host of things, both internal and external to the company. Also

this is the Groove that says how important it is for us internally— It's how we collaborate, as well. So it's not only how I reach out and get myself involved in the business, but how do I make sure that when we're working, that we're collaborating with the right people and we're involving the right people?

Geraci: So this requires building within your people, a sense of group collaboration, learning how to work with others. There's the comfort zone of the individual, and I can take ownership and I can do these things; but now all of a sudden, I have to bring this to the right group.

02-00:50:13

Cornett: Right. I can't do those things to the exclusion of the group and others, because none of us can work in a vacuum. We succeed together, and the work we do has impact on others.

Geraci: The lone wolf would not work well in this system.

02-00:50:31

Cornett: Right. *Does* not work well in this system. So the People Involvement Groove is the one that helps us with that one. So finding ways to make sure we're getting ourselves involved and making sure that *we're* involving others. Right time, right place, right people.

Geraci: I like that, the right time, the right place.

02-00:50:49

Cornett: Yeah. You can't involve everyone in everything.

Geraci: Yeah. Nor would you want to.

02-00:50:54

Cornett: No, it's unrealistic.

Geraci: Yeah. We talked a lot about Ready, Aim, Fire. Or Ready, Fire, Aim, excuse me.

02-00:50:59

Cornett: Ready, Fire, Aim, yeah. That's the entrepreneurial Groove. But also the idea of continuous improvement is wrapped up very much in that one.

Geraci: How do you tie this one, for people who are just working at the production side, people in the warehouses, the factories?

02-00:51:33

Cornett: Yeah. Yeah, because I can't just come in today and go, oh, I think instead of strawberry, we're going to make lemon cream or something.

Geraci: Right.

02-00:51:41

Cornett:

So maybe a little bit less, in terms of the applicability of that. But the other thing is, it isn't just on the big stuff; it could be on the little stuff. I'm trying to think of an example that would be appropriate for the factory floor. There're always systems and processes, right, that they still have to follow. If you see something that you do, that could be done better, we could be more efficient in this way, we want people to do that. We don't want them to go just, ah—

Geraci:

But it's Ready, Fire, Aim at the level of which I am within the organization.

02-00:52:17

Cornett:

Right.

Geraci:

How can I improve the processes that I have ownership of?

02-00:52:21

Cornett:

Ownership of, and knowledge and experience with.

Geraci:

And expertise with.

02-00:52:24

Cornett:

Yeah, yeah. So I don't go jump off a cliff over here with something I don't know anything about, but within my world, what could I do. If I'm in finance and I'm responsible for putting out a report and I— Gosh, this just isn't working right, this isn't set up right. This person needs it, but that person doesn't. The Ready, Fire, Aim Groove says, fix it! You see the problem, fix it. Try it in a small way first, if you feel you need to, but fix it. It's this whole idea of continually improving things.

Geraci:

It's also the idea that there's not a giant bureaucracy that does not allow change.

02-00:53:00

Cornett:

Right. You don't need seventeen levels of permission to make a change.

Geraci:

Next is the Groove directly out of educational psychology, Hoopla.

02-00:53:10

Cornett:

Hoopla. Oh! Who doesn't want hoopla?

Geraci:

Both Gary and Rick have wonderful stories of Hoopla. They love Hoopla.

02-00:53:19

Cornett:

Yeah. Hoopla is probably people's second favorite Groove, Ownership being the first. Hoopla is the other one. When I said that list of things that are personal needs, to be recognized and acknowledge is the other two things that come up on the list there. They either say recognized or they say acknowledge. People want to feel that what they do matters, that it adds value. We have high expectations here, so it just makes sense to acknowledge when

people deliver. It's the concept of positive reinforcement, right? Reinforce the things you want people to keep doing. Well, hello. That's what Hoopla is. [Geraci laughs] When people really go above and beyond and they deliver exceptional results, we want to keep seeing that, so we want to reinforce that.

Geraci: What I like about it, though, is that it's not necessarily Hoopla, in that we're not going to have the company picnic or get together and there's a presentation. Hoopla is more spontaneous.

02-00:54:18

Cornett: Yeah. We've always said that what makes it so powerful is the spontaneity. You make it personal to the person, you make it fun, that it's unpredictable, and that it's a wide range of things. You want to kind of match it to the level of accomplishment, right? But it could be anything from the simple pat on the back, the attaboys, all the way up to and including something more formal. But some of the best Hoopla that I've been involved with has been where we just quickly— We're aware of something and we quickly pull a few people together and we do— We call it ambush Hoopla. We just descend on the person and in that moment, acknowledge them in front of a group of folks.

Geraci: Well, Jo and Rae have great stories of last minute things they're out doing for Rick and Gary to meet the needs of the Hoopla Groove.

02-00:55:14

Cornett: Exactly. I've been on the receiving end and I've participated on the giving end many times over the years at all levels. It's so meaningful to people. I think even— Because there are personality types that really don't need that, maybe, that same level of recognition, and certainly don't need it maybe very often; but I've never seen anybody turn it down. I think for any of us, it feels good to know that somebody else noticed and they went— See, here's the other thing that makes Hoopla wonderful is because you're also going to be specific. You're not just going to go up to somebody and say, good job. You're going to tell them exactly what you observed, what you saw them do, what the results were, what the impact was. When you get to why it made a difference, that's where you see people just, wow, because now I've fulfilled that expectation of coming here and making a difference.

Geraci: But it's not generic.

02-00:56:24

Cornett: Right.

Geraci: It's personal.

02-00:56:26

Cornett: You took the time to make it personal.

Geraci: Right, it's personal, and that makes it much more satisfying.

02-00:56:33

Cornett: Absolutely. Absolutely. It's the "good jobs" and the offhand canned remarks that people do not care for.

Geraci: Sometimes attaboys really don't accomplish that much.

02-00:56:44

Cornett: No. No. Yeah.

Geraci: Because they're handed out so frequently that they've lost their impact or their meaning.

02-00:56:51

Cornett: They've lost their impact. They've lost their meaning. Nothing resonates more, for most people, than genuine, sincere acknowledgment and recognition. That goes right to our core of our need to feel valued.

Geraci: Yeah. And lastly Face-to-Face Communication.

02-00:57:14

Cornett: Yeah. Boy, talk about one that's become difficult to do. You think about either owning a restaurant or buying a business that was all within four walls; really easy to have face-to-face communication. But you start growing and expanding a business and all of a sudden you're not in the same four walls anymore. In fact, you're not even in the same time zone. This one becomes a real challenge. So this one had to flex and adapt over time to really become about live dialog. I can have a live conversation over the phone.

Geraci: That's important. As opposed to the email, the text or the very impersonal communication.

02-00:57:53

Cornett: Yeah. So this is one, I think, that technology has made it very challenging for us to try to continue to honor and to live by; but it's so important to what we do. It's such an important factor of human relationships, business relationships and good communication. I think communication is the root of all business evil. And I've always felt that way. It's that lack of, right? So I fight against technology on this one. And when I'm in the classroom, this is where I get up on a pulpit myself and talk about, there is a time and a place for every type of communication methodology that we have, whether it's email, texting, instant messaging. We have Office Communicator now, we've got all these things available to us. There is also a time and a place for live conversation and live dialog. It's important. We need to know which one it is. So we talk about how important it is to not lose that social connection to how we interact with one another. So that's what this one is about. It's about continuing to have live, two-way dialog, whether that's on the phone or in a conference call—let's utilize technology, right? And when we're sitting in different facilities and time zones.

Geraci: There's a much different story that goes on and is told when I can look in your eyes—

02-00:59:20

Cornett: Absolutely!

Geraci: —and I can see your demeanor.

02-00:59:22

Cornett: Yeah. And I can hear your tone of voice.

Geraci: I can see your face. I hear your tone of voice. Emails can cause arguments. You may just be simply asking a question, and when it's a face-to-face, it's a dialog.

02-00:59:37

Cornett: Right.

Geraci: But in electronic communication, it can come off as an order.

02-00:59:41

Cornett: An order or questioning my work, questioning my decision. Who knows? It could be taken any number of different ways. So I fight really hard for this particular Groove, because I think we're in danger of losing it, with technology. If somebody sitting in the office next to me shoots me an email, it's not unheard of for me to stand up and go around the corner and go, what was *that* all about? I'm right here. Come talk to me.

Geraci: Yeah. Well, we just finished with tape, so one short break and we're almost done.

[End Audio File 2]

[Begin Audio File 3]

Geraci: Today's date, January 5, 2011. Vic Geraci. This is tape number three of interview number one with Sherrie Cornett. We left off, we just kind of did a blow-by-blow description of the Grooves. I like the way it expanded almost to Ten Commandments.

03-00:00:38

Cornett: Yes. It was often referred to that way.

Geraci: Let's expand a little bit and talk about training, because your job is in training.

03-00:00:59

Cornett: Yes. So one of the things that I think also contributed to the health and welfare of the Grooves and how rich and robust they are in the organization is due to the network of people in the organization who are so connected and believe so

passionately in them, and really work every day to ensure what I call their health and welfare. We accomplish that through a couple of ways. There are those we identify in the organization as kind of Grooves champions. You know these folks; they're the ones who are very passionate, always talk about the Grooves and are your natural advocates. So you find ways to harness those folks into committees and they serve in a local capacity to really reinforce the Grooves culture. They plan events, they do bulletin boards in the factories, they do newsletters and things of that nature. So you've got Grooves champions all throughout the company, who are your day-to-day advocates.

Geraci: How do you identify your Grooves champions?

03-00:02:03

Cornett: Oh, they're self-identified.

Geraci: Oh. [laughs]

03-00:02:05

Cornett: Yeah. We don't literally call them Grooves champions; that's what I affectionately refer to them as. They're often self-identified and they want to be involved in some way. So we often, from corporate, we'll recommend forming a Grooves taskforce, say; we'll talk about ways they can reinforce the culture locally. Then they, in their true ownership way, they take the bull by the horn and figure out what the right thing to do is for their facility.

Geraci: If management is really tied into the Grooves, they know who these people are automatically, anyway.

03-00:02:41

Cornett: And they tap into them. And sometimes it's managers. Because that's one of the wonderful things about this is it's across all levels of the organization. As is our group of trainers. Could we stop the tape for just a second?

Geraci: Sure. [audiofile stops & restarts] Back on tape.

03-00:03:01

Cornett: So we have this *wonderful* network of people out there that I affectionately refer to as my Grooves champions. I say my; you can tell I have quite a bit of ownership [Geraci laughs] over the Grooves. But also, one of the ways—well, the only way, truly, that we could have a Grooves training program is if we had Grooves trainers out in the organization. So one of my responsibilities has been to train trainers in the organization. So we identify those, first, who certainly have a belief in the Grooves, have a tremendous passion for it, aren't afraid of getting up in front of others and really want to take this role on—in addition to the work that they do. So this is on top of. Becoming a Grooves trainer is a wonderful example of People Involvement. It's getting involved in the business, beyond just what your day-to-day job is. And we have probably close to 120 Grooves trainers out there in the organization. And that flexes; as

people move into new roles or maybe leave the organization, you need more. But it's also one of those things that people aspire to. People *want* to be Grooves trainers in the organization. So they sometimes have to wait for their turn. But we put them through a three-day certification program. We teach them in depth, not only the Grooves, but we also train them on facilitation skills, have them deliver the material and get coaching and feedback. So it's a very intense experience. And then they will be responsible for delivering the Grooves training in their facility. With just one or two corporate trainers, you could not possibly be everywhere at once.

Geraci: Yeah, because how many sites, locations do you have at this point?

03-00:04:45

Cornett:

Oh, my gosh! Over sixty, I'm sure. But when you take all the sales locations and all the distribution centers, as well as the factories, yeah, there's just too much opportunity there. So that's one of the big things that I think has really helped perpetuate the strength and the commitment to the Grooves, is that not only do you have your champions out there, but you've got your trainers, who are very committed to helping us create this common language in the organization, have that common understanding of what they mean. Because their strength lies in that we all understand them pretty much the same way, in terms of what we agree to and how we're going to operate and how we're going to conduct ourselves, as we go about this business of making and selling ice cream. So you've got to have folks out there that can perpetuate that through the training.

Geraci: Well, just the fact of having a common language puts everybody on the same page, to begin with.

03-00:05:44

Cornett:

Yeah. Yeah.

Geraci: So we're not speaking over or below or around each other; we're speaking to each other.

03-00:05:52

Cornett:

I've been very fortunate in my role. Of course, late in Gary's career with Dreyer's, we began the partnership with Nestlé. As the Nestlé board members were coming onboard, Gary and I did a small training session, about an hour long, with the board members, to help them kind of understand the Grooves and understand why Gary was so passionate about them, why it was important to us.

Geraci: So this is back in what, 2001 to 2003?

03-00:06:22

Cornett:

2003, 2004-ish timeframe, yeah, when the deal was first finalized and they were becoming more and more a part of our business, joining the board; Gary

interacting, certainly, a lot more with them. They were *very* intrigued by the Grooves. I think one of the biggest complements to the Grooves and to this culture that was built is that when people from outside our business would come in, people would literally say, it's palpable here. You can feel it. You can see it. People talk it, live it, breathe it. No matter where you are in the business, too. They say, not unexpected here at the corporate level, but what about when I get out to the factory?

Geraci: Right.

03-00:07:08

Cornett: But when the folks on the factory floors can talk to the Grooves as knowledgably as anybody here at corporate, you know you're onto something. And I think that was one of the things that makes Dreyer's unique from a lot of companies who have a philosophy that they would say is similar to the Grooves, is that it's throughout this organization; and there isn't anywhere you could go— In fact, you could go into places that it would frighten you, how well they know the Grooves [Geraci laughs] and how much they would talk to you about them. It's that important to them. A little bit—

Geraci: Obsessive.

03-00:07:40

Cornett: A little zealot-like in their approach. But you know what? That's all right. But even the folks that came into the organization from Nestlé recognize something very special here. Gary made it a real point to tell them how important it was to who we are and that it was a driver for our success. And Nestlé is a company that has grown through acquisition. They've acquired a lot of businesses over their many, many years, their very rich history. So they've been faced with that dilemma before. We weren't certainly the first company that had a culture. I think one of the things that I admired about how they handled it at the time was there was no Nestlé culture to impose on us. They had guidelines and management and leadership principles that are *very* aligned with who we are. As long as nothing was in direct conflict, each organization that they've acquired has been pretty much allowed to operate culturally, in the way they did before. They did that with Nestlé-Purina, when they bought the Purina Ralston Company, different waters companies and other things. I think that was one of the biggest fears that people had was, what's going to happen to the Grooves. And I'm really pleased to sit here today and to tell you that the Grooves are still recognized as a real strength for this company. Our current CEO, who is a long-time Nestlé guy, has fully embraced them. Wants to leave his mark on them, as well. We've made some changes. But he absolutely sees the inherent strength, and in fact, has gone so far as to say he thinks other parts of the organization should have— We should all be so lucky, to have something like this. He *loves* Hoopla, by the way; he says it's his favorite Groove, [Geraci laughs] and has really jumped, with both feet, in. And there's another part of the organization that is

looking—I don't know how they're going to do it yet, because as you and I have already talked about— Especially organizations that already have well embedded cultures, you don't come in and change them. Certainly, not overnight. But there is a move right now in place to bring the Grooves to all of the Nestlé factories. It'll be interesting because some of them— many of them are union.

Geraci: I think many of the questions, as we've gone through this interview, is that in looking at this as a model, it has worked here; and if it works so well, why can't it be replicated?

03-00:10:27

Cornett: Yeah. Yeah. Well, therein lies the difference. To take what we have into another large organization that didn't grow up with it, you'll never replicate it. You can't. It can't be done.

Geraci: Could that also be from the fact that it came from the two top leaders?

03-00:10:47

Cornett: Absolutely. They were the driving force. There's no question.

Geraci: Right. And unless you had the top management in this corporation, who had totally bought a similar system or helped design— They need their input into it, they need ownership.

03-00:11:04

Cornett: Yeah. Unless you have that leader at the very top who says, this is how it will be and I will hold everyone throughout the entire chain of command responsible to this; and those who want to stay onboard with this, great; those who don't, get out; and then go through a period of great turmoil and turnover, and eventually bring in the people, I think it would take quite a bit to get something like that off the ground.

Geraci: In a transition of work culture, basically, it never is really accomplished until you have replaced the majority of the older-work-culture employees.

03-00:11:42

Cornett: Exactly. That's exactly right. And it is just that; it's a transition. You might get there. It would take a lot of commitment, a lot of dedication, and a willingness to have that kind of turnover, in order to accomplish that. I think that you might stand a better chance of, could you take a similar culture and add to it? Respect and honor what's already there, but add to it.

Geraci: Well, as you said, Gary and Rick both freely borrowed from others.

03-00:12:14

Cornett: Oh, yeah.

Geraci: So what parts of the Grooves could other corporations borrow from you that might be highly effective?

03-00:12:25

Cornett: Right. In an existing organization, though, think about the commitment that would take at the leadership level, to do that. Because you've *got* to walk the talk. And I will tell you, that's what Gary and Rick did every day, is they walked the talk; they surrounded themselves with people who believed as they did. Sometimes someone would join that didn't always get there; they'd do their best to bring them along. I saw leaders who didn't work out leave the organization. I don't want to say it was just the Grooves, but I think the Grooves were a big factor, because ultimately, if you can't fit and work and be successful in that organization—if you're constantly bumping your head up against something like this, why would you stay?

Geraci: Yeah, there is no motivation to stay.

03-00:13:14

Cornett: Yeah, there's no motivation to stay. So certainly, Gary and Rick's commitment to the Grooves, it was visible every day, every interaction. Which is one of the reasons that I respect both of them so much, and became, I guess, a bit of a zealot myself around the Grooves. But I really believe that this is the way to do business.

Geraci: Even though you're a zealot, are there parts of the Grooves that you would possibly consider, maybe we need to not get rid of them, but change them, evolve them, push them a little bit further?

03-00:13:55

Cornett: Gary and I were just starting an inkling of that kind of conversation. Hey, is it time to put a group together and dust these off and really take a good, hard look at them? I think that had he continued to stay with the organization, we would have done that, because we had talked about it. We weren't as blatant with the teamwork idea and that was an area worth exploring. We had People Involvement, but could we maybe be a little more explicit? That one had been coming up in Grooves surveys, comments and feedback.

Geraci: In the 1960s through the 1980s, the Japanese model of the cooperative teamwork industrial model was really starting to have an impact in America.

03-00:14:46

Cornett: Yeah, yeah. Absolutely. Gary's earlier response, when people would bring up the idea, what about a teamwork Groove is, hey, it's implicit. And I think again, that goes to Gary's wonderful entrepreneurial and intuitive sense. It was absolutely there. For others, I think it would have been nice to see that a little more concretely. So I think that would've been one we would've explored, the concept of more explicitly exploring a teamwork sort of Groove. But I think we were there. I think we were at the point where he was ready to

really take a hard look at that and really be open. Because you think about the business in 2006; 2005, 2006 was very different from the business five years, or before 1980-something.

Geraci: Yeah. From the point that they went to the IPO to the late nineties, it was 30-some percent average growth. This was a *huge* expansion.

03-00:15:55

Cornett: Right. And we were already starting to see a shift in our business model, as well, that I think was going to be a driver, because we were having some pinch points. All of those years, our focus had been on top-line growth. We were working to bust into markets and gain market share and become a presence where we hadn't been before, so our focus was absolutely on top-line growth. Once you're already there, you're in all the markets, then it shifts to, how do we do it now more profitably?

Geraci: Or also create new markets or go down into some of the lower echelons that you had not been involved with before—a diversified product line.

03-00:16:37

Cornett: Right, diversified product line. Going into venues and areas, channels of trade that you hadn't been into before. So we were looking at all of those kinds of things. Dreyer's model growing up was the retail grocery market, right? In the time that I've been with the company, you saw it really starting to take a stronger push into, certainly, the food service, some of the large-venue sorts of business, the C-store business, convenience markets and things, or the drug trade. Or maybe it was a glimmer in *their* eye, but it wasn't noticeable to the rest of us. We were tackling the retail grocery market. So all of a sudden, it was a whole new way of doing business.

Geraci: But see, the retail grocery market as a market, as an industry, has drastically changed in the last decade.

03-00:17:27

Cornett: Yes. Yes, it has. Very much so. The role that our customer plays in our business is completely different today than it was back in the eighties and early nineties.

Geraci: But there again, it's that ability to accept change.

03-00:17:42

Cornett: Mm-hm. So we had all this complex change going on on the business side, but we hadn't really looked hard at this. And there are those who would say—and I absolutely agree—your values are your values, right? If you've landed on the right ones, your values don't *need* to change. But when you link them so closely to what it is you're trying to accomplish, I think it's worth a look to say, are they still the right ones? Are we missing anything? If this is going to be our direction now.

Geraci: Well, values are a sense of a guideline; would you accept that?

03-00:18:20

Cornett: Mm-hm.

Geraci: The playing field has changed.

03-00:18:24

Cornett: Absolutely.

Geraci: So using that same guide, we just have to learn how to adapt to a new playing field.

03-00:18:31

Cornett: Mm-hm.

Geraci: It's not that the values have changed, it's that everything around them has changed—

03-00:18:35

Cornett: Everything around us has changed. And that may have been where we would've ended up is just, how do we tweak and adapt what we already have, in our new business environment? Yeah. That's just at the point we were just starting to explore. So I think it's an interesting question. I think we would have seen some changes. I think we would have adapted some things, or clarified in a different way, to help us be successful in our new business climate.

Geraci: I think what I like about the Grooves is their simplicity. It's ten items. It's not like personnel handbooks that have thousands of pages.

03-00:19:15

Cornett: Lots of policies.

Geraci: A million policies, and you never know where you stand on anything.

03-00:19:21

Cornett: You know what? The other thing that makes them so powerful is in their simplicity, they really resonate with people. Over the years, I've had so many people tell me, and I've heard them tell others that the Grooves aren't just for work; this is good stuff in your personal life. I've had people tell me, I use the Grooves in my personal life. I've had people tell me that, learning more about the Grooves has made me reassess who I am as a mother or a father or a spouse, and has changed my relationships with those people who are important to me in my life. You talk about powerful! That's pretty darned amazing. I think you tapped into it when you said they're so simple. They are. And they're so basic; they're human. That's what makes them applicable in all aspects of our lives.

Geraci: Well, I think in this day and this age, in particular, given the present market and the way Americans feel about their businesses and their economy, we do not see business as having values.

03-00:20:26

Cornett: Mm-hm. Especially big business.

Geraci: Yeah. You can not say big business and assume that anyone will see values there.

03-00:20:34

Cornett: Right. Yeah. Hopefully, nobody that knows Dreyer's very well would say that. They would say that they do have values.

Geraci: It's very value-driven, out of two men who have traditional family values, religious values, values taught to them as youths, through scouting. You have the similarities there. Leadership styles are different.

03-00:21:09

Cornett: Very much so.

Geraci: But there's this core value system. I think I've heard you say that the Grooves really reflects Rick and Gary's core value system.

03-00:22:20

Cornett: Absolutely. There's no question about that. When you use this to attract people who share that value system you get a really strong and powerful organization. The sheer numbers of people in this organization who really believe that this is the right way to operate vastly outweighs those who may join the organization and go, eh, that's nice, and often are won over. Or the very few who join in spite of the Grooves and go, ah, I know that's a bunch of hooey; I'm sure I can get past it. They don't last. There's such power in the strength of just how deeply people believe in these, because we've attracted people who share those values.

Geraci: I think another point is that you've emphasized that these are human core values, as a species, human beings.

03-00:22:21

Cornett: Yes.

Geraci: And they supersede gender, ethnicity, nationality, religion, which tend to be stumbling blocks for a lot of other corporate structures.

03-00:22:34

Cornett: Yeah. Absolutely. Look at Respect for the Individual. How could anyone argue against Respect for the Individual?

Geraci: No.

03-00:22:45

Cornett: You can't. [they laugh]

Geraci: You *could*, but—

03-00:22:49

Cornett: Yeah. You wouldn't win.

Geraci: Yeah, I was going to say there wouldn't be much to win. It sounds like you've had a good time working here.

03-00:22:59

Cornett: I have. What a ride. I think back to that point five years in. I didn't get that job at that television station, and I'm so thankful.

Geraci: That's a good feeling, to reflect back and say, I made the right career choices. It's something that many people don't get, the ability to look back and say that.

03-00:23:20

Cornett: One of the nice things about Dreyer's—and this is a story I have shared, especially with a lot of folks who joined the organization—is I've had three very distinct and different kinds of jobs within Dreyer's. I wasn't pigeonholed and put on one track. Through my own interests and desires and the opportunity to learn and grow and do things, I've had the opportunity to try a few things and to really find what worked best for me and where I could really have the opportunity to shine and bring my best self to work every day. Not any company I had ever worked for before, did I feel that that was in place. I think that's one of the remarkable things about Dreyer's and why I'm thankful [chuckles] I didn't get that job at that television station.

Geraci: There again, how many people have the opportunity to work at a job where the business or the company they work with— We always refer back to the old Japanese model—which has changed as they've become more Western—of, if I worked for a corporation, I worked for them for life and my children worked for them. There was an ownership, there was a sense of, this is me, this is who I am.

03-00:24:40

Cornett: Yeah. We see a lot of that at Dreyer's.

Geraci: Multigenerational?

03-00:24:45

Cornett: Yes.

Geraci: That's interesting.

03-00:24:48

Cornett:

Yeah. So I think people who come to work here and really value these same things, and have a good job that affords them their livelihood and they feel respected and valued and that what they do matters, talk about that. They want others that they know and love to share in that.

Geraci:

Well, obviously, it's their value system, also, so they're going to naturally pass that to their children.

03-00:25:20

Cornett:

Mm-hm. So we see quite a bit of that. I think particularly more so in the sales part of the organization than in other parts of the organization, the direct-store delivery system, you see a lot of that.

Geraci:

But many of them almost act as independent distributors that are just tied with Dreyer's, don't they? They have their own trucks, they have their own— Or do you own everything?

03-00:25:44

Cornett:

No, we own our own. We utilized a lot of independent distributors in the early days, but most of our business today is company-owned, company-owned routes. We have a few markets where we have company-owned routes, we may utilize independent distributors for the really rural areas that just don't economically make sense for us to go to. And they go there with a host of brands that make the route economics work for them. But the majority of our business is company-owned.

Geraci:

This part of what Nestlé wanted.

03-00:26:21

Cornett:

Absolutely, to have access to that fleet.

Geraci:

Yeah. The DSD was it a deal maker for Nestlé?

03-00:26:30

Cornett:

Well, it's interesting because that's not been Nestlé's business model. It's not their area of strength. They only have one other aspect of the business that they're DSD. I think it was certainly intriguing to them and has since opened up other doors. They've just recently acquired the Kraft pizza business, which is a direct-store delivery system. So the combined assets in the fleets and what it's doing for our route economics is just tremendous, and is really— I think it's going to blow the doors off of how we go to market, with a broader portfolio now. Not just ice cream, but now we've got ice cream and pizza on our trucks, To make the economics work.

Geraci:

To make that truck profitable in both directions.

03-00:27:17

Cornett: Yeah. Right. We had to have a lot of interesting partnerships over the years. There was a point in time— And not a lot of people know this; I know it because I was in Seattle at the time. But in select markets, we had Breyer's on our trucks.

Geraci: Didn't know that.

03-00:27:25

Cornett: Yeah.

Geraci: Interesting.

03-00:27:48

Cornett: This was pre-Nestlé buying the company. This was back in the nineties, in select markets, where Unilever did not have a direct-store delivery system. And we negotiated; we handled it on a drayage basis. So again, it was great for our route economics. They retained the sales responsibility, account selling. But there was a period of time where we had true competitive brands, not partner brands. Like Ben & Jerry's predates Häagen-Dazs being on the trucks. But Ben & Jerry's was a partner brand, Healthy Choice was a partner brand. And it helped with our route economics and our drops per stop. But there is a point in time when our trucks were maxed out because we had all of the Popsicle novelty products, as well as the Breyers packaged ice cream. I was in a market that happened to have that; that's why I know about it. That would never happen today.

Geraci: That's interesting. No, I was going to say, the competitiveness between the two global corporate owners.

03-00:29:05

Cornett: Well, we wouldn't want to do that today. But I think what it shows is, talk about entrepreneurial and risk taking, to venture into those kind of uncharted waters; for Gary and Rick to take that on, it really says a lot about who they were.

Geraci: Well, as both of them admit, they were two men who had great business ideas and great training in business and knew *nothing* about ice cream.

03-00:29:36

Cornett: Right.

Geraci: It was a very big learning curve.

03-00:29:40

Cornett: I'm sure it was.

Geraci: It was a *huge* learning curve.

- 03-00:29:43
Cornett: Well, I remember when I heard the story for the first time of how they even got to buy the business. Talk about serendipity.
- Geraci: Right.
- 03-00:29:51
Cornett: It was just like, oh, be in the right place—And making an outlandish offer, and then having to come up with the money to make it happen. [laughs]
- Geraci: Yeah. And how Gary achieves getting the offer together, even selling the company his car.
- 03-00:30:05
Cornett: Exactly.
- Geraci: So he can raise his share of the money.
- 03-00:30:07
Cornett: Isn't that great? It's a great story.
- Geraci: Yeah, wonderful stories. Well, is there anything else that you would like to add or talk about?
- 03-00:30:13
Cornett: Nothing comes to mind specifically right now.
- Geraci: Well, good.
- 03-00:30:18
Cornett: I've enjoyed having the chance to visit.
- Geraci: Thank you very much. This was super. Great.

[End of interview]