

Chez Panisse:

BUILDING AN OPEN INNOVATION ECOSYSTEM

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The case study provides a history of Chez Panisse and Alice Waters. Throughout Chez Panisse's history, Waters and her team had built a local and now global ecosystem using an "open innovation" strategy with stakeholders such as suppliers, alumni chef and staff, food writers, and others. The Chez Panisse ecosystem case study uses an open innovation framework to analyze how Chez Panisse grew. The case study allows students to learn how a small firm thrived and became a business success based on building a successful business ecosystem that shares knowledge, encourages individuals' growth, and embeds trust among participants. (Keywords: Growth strategy, Entrepreneurship, Innovation)

"How we eat can change the world."
—Alice Waters, Founder and Owner of Chez Panisse

In 1971, at the age of 27, Alice Waters founded Chez Panisse restaurant in a Craftsman-style house on Shattuck Avenue in Berkeley, California, along with film producer Paul Aratow. She had no restaurant experience at the time, but she wanted to re-create what she had experienced in a recent visit to France—a charming space where friends could meet and eat simple and fresh food made with local ingredients.

Over the next four decades, Chez Panisse would become known as an innovator in the restaurant field and credited with leading the California Cuisine movement that has had far-reaching influence around the world, and Waters would become a household name amongst foodies and non-foodies alike, buttressed by her 14 cookbooks. Waters would also be known for being at the forefront of trying to reform America's food system amidst the fast food and packaged food revolution. "Little family restaurants that might have had a few good simple things were being plowed under to build McDonald's," Waters said.¹ Chez Panisse was

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named the Best Restaurant in America by Gourmet magazine in 2001, as one of the top 50 restaurants in the world by Restaurant magazine from 2002 to 2008, and given a Michelin star, the hallmark of fine dining.

Throughout Chez Panisse's history, Waters and her team had built a local and now global ecosystem using an "open innovation" strategy with stakeholders such as suppliers, alumni chef and staff, food writers, and others. Professor Henry Chesbrough at the University of California at Berkeley's Haas School of Business coined the term and concept of open innovation as "a paradigm that assumes that firms can and should use external

ideas as well as internal ideas, and internal and external paths to market, as they look to advance their technology," in his book *Open Innovation*.²

Along these lines, Chez Panisse became a launching pad for numerous prominent chefs, suppliers, and food writers, along with the well-known Edible School Yard Project (ESY) that helped fund edible schoolyards (gardens) across the country, using food to nurture, educate, and empower youth. All of these members flowed in and out of Chez Panisse and became part of the restaurant's greater ecosystem, a factor that enabled and spurred numerous collaborations and innovations over the years.

As Waters looked back at Chez Panisse's 43-year-old history, she was very proud of all she and her team and extended ecosystem had accomplished. Going forward, she wondered how to continue the success of the restaurant and the wide-reaching global ecosystem she had built and hoped to continue to grow, as well as how to continue to spread her philosophy that the "best-tasting food is organically and locally grown and harvested in ways that are ecologically sound by people who are taking care of the land for future generations."³

The Basics: The Downstairs Restaurant and Upstairs Café

By 2014, the Restaurant, located downstairs, was open for dinner Monday through Saturday by reservation only, and had a fixed dinner menu consisting of three to four courses. The menu changed nightly and was designed to be appropriate to the season and "composed to feature the finest sustainably-sourced, organic, and seasonal ingredients, including meat, fish, and poultry."⁴

Prices for the restaurant were \$65 on Monday, \$85 Tuesday through Thursday, and \$100 on Friday and Saturday (not including beverage, a 17 percent service charge, or tax) (Exhibits 1 and 2). Monday menus were typically simpler and more rustic or regional than on other evenings. Friday and Saturday night menus were more elaborate, according to the restaurant's website. The restaurant had two formal seatings—one between six and six thirty and the second between eight forty-five and nine fifteen.

EXHIBIT 1. Chez Panisse Restaurant Downstairs Menu Sample

Monday, January 13 \$65

Grilled fennel and blood orange salad with chicories and black olives

Cuscus alla trapanese: fish and shellfish stew with saffron and pounded almonds, steamed couscous, and harissa sauce

Frozen cassata siciliana

Tuesday, January 14

Chez Panisse Restaurant is closed for a private event

Wednesday, January 15 \$85

Fritto misto di mare with shrimps, bay scallops, and Meyer lemons

Wild mushroom and Jerusalem artichoke soup with green garlic butter

Becker Lane Farm pork loin grilled with fennel seeds; with savoy cabbage, spinach, and Delicata squash al agrodolce

Toasted almond and candied orange ice cream pasticcini

Thursday January 16 \$85

Local Dungeness crab and Cara Cara orange salad with turmeric, scallions, and mint

Duck and sweet-tooth mushroom soup with hand-cut noodles and ginger

Salmon Creek Ranch duck breast grilled with Indian spices; with buttercup squash sformato and Castelfranco radicchio

Pink Lady apple galette with quince and honey ice cream

Friday, January 17 \$100

An apéritif

Artichoke salade composée with black truffle vinaigrette

Local Dungeness crab and cod in sorrel sauce à la Maison Troisgros

Grilled Paine Farm squab with green garlic and almonds, spinach, and pan-fried buttercup squash cakes

Meyer lemon meringue tart with pistachio nougatine

Saturday, January 18 \$100

An aperitivo

Fritto misto of Cannard Farm vegetables with sweet paprika and sage

Local rockfish in brodetto di vongole with wild fennel crostino

Grilled Stemple Creek Ranch beef loin with black truffle butter, celery root gratin, and garden cresses

Bittersweet chocolate fondant with tangerine ice cream

Source: <http://www.chezpanisse.com/menus/restaurant-menu/>.

Chez Panisse also had an upstairs Café that was opened in 1980 that offered an alternative to the set menu served in the Restaurant downstairs. The Café served moderately priced à la carte menu items for both lunch and dinner and had an open

EXHIBIT 2. Chez Panisse Café Upstairs Menu Sample

CHEZ PANISSE CAFÉ DINNER MENU

TUESDAY, JANUARY 14TH, 2014

SIX ST. SIMONE OYSTERS ON THE HALF SHELL WITH MIGNONNETTE SAUCE, \$16.5

MARINATED BEETS AND RED CABBAGE WITH CRÈME FRAÎCHE, BLACK PEPPER, AND CHERVIL, \$9

PORK AND PISTACHIO TERRINE WITH PICKLED CARROTS, WILD ROCKET, AND MUSTARD, \$10

CANNARD FARM ROCKET WITH PECORINO AND HAZELNUTS, \$10

WARM CHICORIES SALAD WITH WILD MUSHROOM TOAST, \$11
GARDEN LETTUCES, \$8

BAKED ANDANTE DAIRY GOAT CHEESE AND GARDEN LETTUCES, \$10.5

PIZZETTA WITH TOMATO SAUCE, ANCHOVY, AND EGG, \$16

CANNELLINI BEAN AND GREENS SOUP WITH GRILLED BREAD AND CHILE OIL, \$9

Source: <http://www.chezpanisse.com/menus/cafe-menu/>.

kitchen along one side of the room with a charcoal grill and a wood-burning oven. The menu was inspired by the market and changed every day.⁵

The Beginning (1971 to 1984)

During the 1960s, Waters transferred from the University of California, Santa Barbara to Berkeley during her sophomore year. At Berkeley, she engaged in the Free Speech Movement and worked as a cook for fellow campaigners of the upstart congressional campaign of Robert Scheer, an anti-Vietnam War journalist, who then narrowly lost to the incumbent. Waters, along with other students protested the university's prohibition on political organizing on campus, showing a young Waters that collective groups could have real change on the world.

In 1965, she spent some time in the south of France and was highly influenced by the simplicity and localism of *nouvelle cuisine*, an uprising culinary movement against *haute cuisine* or high-level cuisine found in high-end establishments. Nouvelle cuisine had many characteristics such as fresher ingredients, lighter dishes, shorter cook times to preserve the integrity of the ingredients, and inventive combinations of ingredients, to name a few. While in France, she noticed that “the poorest people always ate well, always had a salad and a beautiful soup with beans and cabbage and lovely things.”⁶

However, when Waters returned to Berkeley, she didn't find this simplicity in restaurants or grocery stores. "I wanted civilized meals," she said. "The cultural experience, that aesthetic, that paying attention to every little detail—I wanted to live my life like that." Since her family had never dined at restaurants due to financial reasons, she vividly remembered her first restaurant meal in France—a brothy root-vegetable soup with plenty of parsley and garlic.⁷

When Waters returned to America in 1965, she began cooking for her friends. "I cooked all the dishes in Elizabeth David's⁸ cookbooks, which are written like essays, with few measurements. So I started to figure it out on my own and gained a lot of confidence that way. I made chocolate mousse every day, trying to perfect it."⁹

After graduating from Berkeley in 1967, she worked as a waitress and then became a Montessori schoolteacher: "I loved the Montessori philosophy, which is all about educating the senses and learning by doing. While I was teaching, I kept learning about food by eating."¹⁰ She also kept asking her friends for recipes and continued shopping for food and cooking. "For example, someone gave me a recipe for borscht, which I didn't know how to make. I practiced until I got very good at it. I spent a lot of time looking things up in the Larousse Gastronomique¹¹," she said.¹²

After quitting her Montessori job because she didn't feel she was very good at it, Waters opened Chez Panisse to serve the type of food that she wanted to eat in the environment she wanted to eat it in. She borrowed money from her father who mortgaged his house to help her and named the restaurant after Honoré Panisse, a character in a trilogy of Marcel Pagnol films called *Marius, Fanny, and Cesar*.

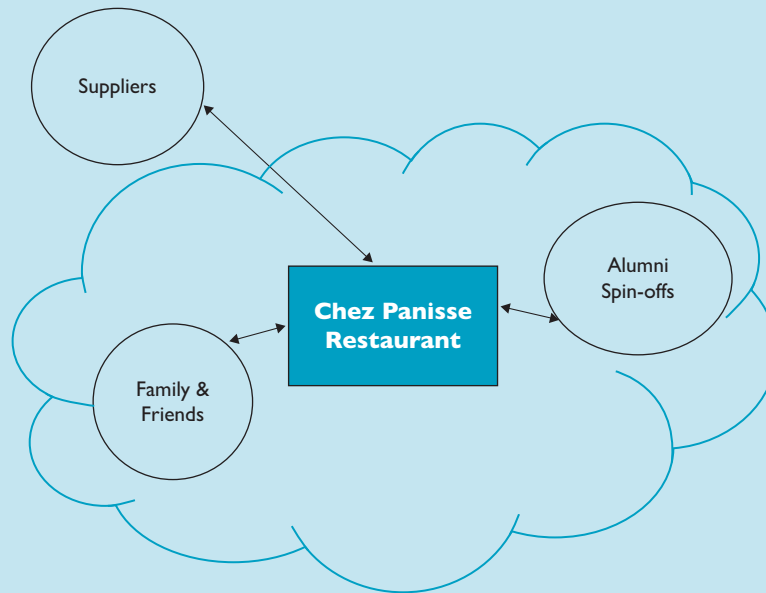
Waters focused on going back to basics, calling her efforts, "a hands-on understanding of where food comes from, how it is produced, and the traditions and rituals of eating it."¹³ Waters could not picture herself cooking at the restaurant, although she was a fine cook, and did so when necessary. She preferred to be in the dining room with the people and to determine the menus. At the beginning, "She alone would dictate how every dish was to be prepared, down to the finest touch of technique: how brown a particular sauté should be, how many shallots to sweeten a sauce, how finely chopped. She knew exactly how she wanted everything to taste, to look, to smell, to feel."¹⁴ As the restaurant grew, that would change, to some extent.

According to the restaurant's website: "From the beginning, Alice and her partners tried to do things the way they would like them done at a dinner party at home, with generosity and attention to detail."¹⁵ Waters also said: "I wanted there to be an exciting, politically diverse group of people at the table, solving the problems of the world."¹⁶ At the time, she hadn't planned on doing anything "revolutionary," but just wanted to find the things that tasted best, a philosophy that led her to sustainable farmers.

Early Mission, Vision, and Strategy

From the beginning, Chez Panisse focused on high-quality seasonal food, food innovation, along with a focus on the customer and workers (Exhibit 3). Waters' early and steadfast vision of fresh and seasonal ingredients was very different from the norm—at the time, many chefs, even at the high-end restaurants, still used frozen meat and produce. She wanted the dinner menu to be fixed: "I wanted it to be

EXHIBIT 3. Chez Panisse Ecosystem at the Birth Stage



Source: Sohyeong Kim, *Open Innovation Ecosystem: Chez Panisse Case Study*, Thesis (Ph.D.), University of California at Berkeley, 2013, p. 39.

like going to somebody's house. Nobody gives you a choice about what to eat at a dinner party," she said. She added: "But frankly, it was also a little bit of laziness. And ignorance. I really didn't know how other restaurants turned out all those dishes for so many people all at once."¹⁷

A staff meeting document on February 21, 1982 listed the major goals of the restaurant: 1) Produce the finest quality food which is in season; 2) Serve in a warm and friendly atmosphere oriented toward the customers; 3) Develop and present innovations in food, wine, and restaurant service; 4) Provide meals of the highest possible quality at a price reasonable for customers; and 5) Endeavor to operate the Restaurant and Café with people who are interested and excited about working without constant supervision.¹⁸

Waters' beliefs led her to buy ingredients from farmers and suppliers who took care of the land: "We need to buy real food from those who are taking care of the land. We need to support them and to feed ourselves in a wholesome, delicious way. I think that's going to be the basis for rebuilding an economy that takes care of the land for the next generation of people, who will be making their own decisions."

It was during these early years that the restaurant began its "hunter-gatherer culture," which no other American restaurant had done before. Alice recalled: "Not only did we prowl the supermarkets, the stores and stalls of Chinatown, and such specialty shops as Berkeley then possessed, but we also literally foraged. We gathered

watercress from streams, picked nasturtiums and fennel from roadsides, and gathered blackberries from the Santa Fe tracks in Berkeley. We took herbs from the gardens of friends.”¹⁹

At the time, the kitchen staff meetings each afternoon were filled with real-time menu planning based on what ingredients were available: “If salmon was scheduled for Friday night and the salmon that had come in that morning was, in Alice’s opinion, anything less than pristine—well, did anyone have a suggestion? A cook might volunteer that she’d seen some excellent halibut at the Japanese market. . . . Others would start chiming in. Maybe vinaigrette instead of butter. . . . Maybe shallots instead of garlic?”²⁰ The menu would grow through this type of shared creativity and Waters’ firm decisions in the end.

Waters’ strategy was to “never be grand, but it would never compromise on quality.”²¹ The late Judy Rodgers, an alumna chef of Chez Panisse (1973 to 1975) and owner chef of the popular and successful Zuni Café (opened in 1979) in San Francisco, said of Waters’ early days: “She was uniquely well positioned by being the first-mover, the first one there to start something. She’s very charismatic. . . . It was a very big Berkeley-collective-like spirit. And then you also have her whole revolutionary thing about being very driven by social justice and general issues.”²²

Early Challenges

Chez Panisse’s vision of fresh and organic ingredients led to early challenges such as being dependent on farmers and suppliers for fresh ingredients. In the early days, there was almost no infrastructure or network of suppliers that provided high-quality and organic produce in the San Francisco Bay Area. There were no farmers’ markets, according to Rodgers of Zuni Café, who said that some friends of Chez Panisse would bring fruits and vegetables from their own gardens. The restaurant also bought fresh ingredients from The Oakland Produce Market but these were not organic products. A few small stores in Chinatown and Japantown in San Francisco provided some meats and vegetables.

A focus on fresh high-quality ingredients also led to financial issues in the early years. Waters admitted: “I didn’t pay any attention to money. For years, I took no salary and lived with friends. For me, it’s never been about the money.”²³ In these early days, she sometimes couldn’t pay her workers: “I had nightmares all the time,” said Waters. “It was a train out of control, a wreck about to happen.”²⁴

R.W. Apple, Jr., the late *New York Times* associate editor, stated that Waters was not much of a businesswoman. He argued that her obsession for the highest-quality ingredients and the over-generosity to customers for their complete dining experience made it impossible for her to run the business well.²⁵ For example, in the restaurant’s first year, \$30,000 of wine was unaccounted for because of Waters’ generosity with customers and staff. In another example, “If she wanted a certain ingredient, truffles, say, she declined to notice the price. Shaver in hand, she would stroll through the dining room snowing truffles left and right, no charge, ‘just to see the delight on their faces.’”²⁶

Rodgers provided context: “When you’re cooking with fresh ingredients, and changing seasonally, everything is always variable. And if you are not doing the same

dish every night, you never get the efficiencies of doing the same thing over and over. There's just so much risk as a business owner." Ingredient costs of each meal at a typical restaurant were eight percent, but at Chez Panisse, that figure could be double, according to Michael Pollan, the famous food writer of many books on food such as *In Defense of Food: An Eater's Manifesto* in 2008, as well as journalism professor at Berkeley.

The restaurant, especially in these early days, was also known for a lack of management and structure where no system of tracking personnel hours or cost of ingredients existed. McNamee, author of *Alice Waters and Chez Panisse* said: "One of the most remarkable mysteries in the history of Chez Panisse is how this careless, sometimes intentional ignorance of fiscal discipline persisted through the years, as the restaurant's excellence and reputation rose and rose."²⁷

During these years, Waters relied on her internal network of family and friends to grow the restaurant staff. In fact, for the first two years, most of the restaurant workers were family and friends, most without cooking experience. Her father, Pat Waters, a retired financial businessperson helped his daughter with the accounting. Waters' sister and brother-in-law also helped the restaurant until they started their own restaurant, Café Fanny in 1984. Steven Sullivan, founder of the Acme Bread Company, said: "Alice always hired people that had some kind of connection because she felt that if you have a strong connection with someone like a nephew or a friend, at least they are going to do the best they can do."

As the restaurant grew, along with the early financial challenges, Waters began to change the practices of Chez Panisse in terms of structure and processes. The restaurant hired a general manager in the early 1970s who served as the CEO/CFO. It also hired Jeremiah Tower as the head chef in 1973 so that Waters could focus on her role as leader. The two would go on to have a great and tumultuous partnership and collaboration. "Jeremiah and Alice, in a tempestuous four years, had created unique combinations of ambition and simplicity, of worldliness and hominess, and of old and new. Those qualities had become, and today remain, the foundations of the Chez Panisse style."²⁸

But that didn't mean Waters changed very much and such structure helped: "If she wanted truffles, she bought truffles. New china? Hire another friend? Give away bottles of Champagne?...Chez Panisse, from day one, was Alice's, to be operated, populated, decorated, redecorated, reconceived, fussed over, fiddled with, and loved as Alice saw fit. Nobody else had her zeal, her imagination, her inexhaustible energy, her innate authority."²⁹

The restaurant also opened its upstairs Café in 1980 with a simpler and less-expensive menu compared to the more-expensive fixed menu downstairs. The Café served a broader range of clientele and brought in more revenue and cut costs by using the expensive leftover ingredients from downstairs.

Open Kitchen Concept

Waters' open kitchen concept was one example of Chez Panisse's early open innovation that encouraged ideas to bloom and co-evolve in terms of menu, food design, and customer interaction. The idea behind an open kitchen was that

the people who eat and those who cook needed to be connected, which was a new concept in the 1970s.

The open kitchen concept even allowed customers to walk into the kitchen and ask questions about their food. Jennifer Sherman, general manager of Chez Panisse and former chef of the restaurant said: "To be an open kitchen, you can see the diner right there. You can see them really enjoying themselves and you can see the community that you are now a part of."³⁰

Curt Clingman, owner and executive chef of Jojo Restaurant (now closed) said: "It seems like Chez Panisse had the first open kitchen in America, but [home] kitchens were a long time 'open' . . . but in restaurants, it was somewhat of an innovation."³¹ Clingman also added that Chez Panisse's open kitchen allowed people to listen to other chef's ideas and to share what they had made with each other.

Local Expansion: Open Innovation Ecosystem (1985 to 1996)

During Chez Panisse's next phase of development, Waters' determination to consistently pursue quality-driven innovation, in terms of fresh ingredients in the restaurant's food, led Chez Panisse to develop and build relationships with local suppliers and farmers, thus beginning the restaurant's local ecosystem.

During this period, Chez Panisse and Waters were effective in communicating a shared vision with suppliers and farmers, and in educating partners to co-evolve with her and the restaurant, leading to numerous co-innovations such as ingredient-based menus and co-branding opportunities within menus.

Building Relationships with Suppliers and Farmers

By 1984, although Chez Panisse worked with a number of farmers and suppliers to get fresh seasonal ingredients, the restaurant was still having supply challenges, dependent on farmers' choices of crops and harvesting schedules. Pat Waters interviewed over 100 farms within 100 miles of the restaurant and with the consultative support from the University of California, Davis's Department of Agriculture, found one particular farmer, Bob Cannard of Green String Farm in Petaluma, California, who not only was a good fit, but was also willing to work with Chez Panisse.

"Finding Bob Cannard was a thrill," said Waters. "I have always had an excitement about meeting people who were growing beautiful fruits and vegetables, all different varieties, and picking them at the right moment and bringing them to us. I can't think of anything that really excites me more."³²

At the time, the majority of farmers provided produce to commercial restaurants and focused on size, price, and continuity, versus taste or quality. Thus the task for Chez Panisse was a difficult one of communicating to farmers Chez Panisse's philosophy and what the restaurant needed and desired.

Also around this time, the greater environment and culture of food was changing. For example, Sibella Klaus, a line cook for the restaurant was working hard to build relationships between local farmers and chefs and was trying to

open a farmers market in San Francisco that still exists today at the San Francisco Ferry Building.

After graduation, with the support of Chez Panisse, Klaus started a non-profit called CUESA (Center for Urban Education about Sustainable Agriculture) and later SAGE (Sustainable Agriculture Education) to provide education and activism to promote farmers' markets and organic micro-farming.

Waters' focus on fresh ingredients and relationships with suppliers also translated into innovations related to menu presentation. Prior to Chez Panisse, most leading American restaurants listed their menus based on food themes such as fish or by cooking methods like "broiled." Chez Panisse was one of the first restaurants to introduce ingredient-based menus—listing the sources/names such as their collaborative farmers, ranches, and wineries—so that customers would know where their food came from (Exhibit 4).

For example, John Finger, the founder of Hog Island Oyster Company, who was a 30-year collaborator of Chez Panisse said: "We wanted something distinctive that people would remember and we asked people when they served them [our oysters] to put them on the menu as 'Hog Island' and Chez Panisse gladly did that. And again, 30 years ago, that was not a common thing. . . . People can have our oysters at Chez Panisse and the next day, be able to come out to the farm that grew them."³³

Such co-innovation benefited suppliers because they not only had a dedicated customer in Chez Panisse, but also could increase their revenues by co-branding with Chez Panisse on their menus. This porous open innovation process led to the co-creation of values as well as products and services.

During the menu and food design process, Chez Panisse and its staff also worked with suppliers in terms of food quality and ingredients. Dhondup Karpo, a 23-year veteran truck driver at Chez Panisse that sourced all the ingredients from the restaurants' suppliers and partners, served as a gatekeeper between the restaurant and suppliers. While Waters served as the center of the ecosystem in terms of philosophy, Karpo had the practical role of connecting people inside and out.

Suppliers often sent to Chez Panisse whatever fresh ingredients they happened to have. For example, farmer, Bob Cannard said: "We don't even talk to them [Chez Panisse], we'll just send them some peppers. And they'll like the peppers, or they won't like them and won't order them again."³⁴ Cannard sent the best products he had twice weekly to the restaurant via Karpo, the driver, and then the restaurant would try to incorporate those ingredients that week. This was quite different from more traditional high-profile haute cuisine chefs who used a more sequential top-down process of menu design first.

Jérôme Waag, the head chef at Chez Panisse, said: "We're really driven by the food itself. . . . We write the menu every day so we see what's there and then we decide what to make. We don't really decide ahead of time." This "ingredient-based menu" encouraged customers to enjoy a "reflective eating" experience. He added: "If the ingredients are good, there's not much that you need to do with them. If you have good asparagus, then it's good enough! It's there for a couple of months and then you eat it all the time and then when it's gone, it's gone."³⁵

EXHIBIT 4. Chez Panisse Ingredient-Based Menu with Supplier Names



Source: Sohyeong Kim, *Open Innovation Ecosystem: Chez Panisse Case Study*, Thesis (Ph.D.), University of California at Berkeley, 2013, p. 42.

Rodgers noted that the history of Chez Panisse was an evolutionary process: “Twenty years ago, Chez Panisse went to the farmer and told them what’s good, but that’s changed over time. This is after years of errors and mistakes and experiments . . . the process of getting there wasn’t linear.”

Rodgers was also quick to add: “Talking to farmers about what they have available isn’t really innovative, though. This has been going on in Europe for centuries. Our country is still relatively new and we don’t have the history of other countries in Europe or Asia where they could develop very strong culinary traditions. . . . What Chez Panisse started, they did not start alone. A few other restaurants were doing the same thing at the same time, which is adopting a very old-fashioned model, which is making your decisions on what to cook as people relied upon 200 years ago—just do something sensible which is in rhythm with the planet. You’re not fighting the planet, out to make a name for yourself, or to make the most original dish—you’re just doing what’s good. The idiom that Chez Panisse stands for is ‘making what’s old new.’”

By 2014, Chez Panisse had built up a supply network of more than 85 farms and ranchers, most within 100 miles of the restaurant. Chez Panisse’s focus on local and fresh ingredients had transformed the family farming industry, helping local farmers to grow nationally.

Of those early years, Waters worked with farmer after farmer, artisan after artisan: “We were starting to reach outside our own little circle, telling them, ‘You can do this too.’”³⁶ Waters found the hippies raising goats up in the hills of Marin and Sonoma who were making chèvre, for example.

Sherman, Chez Panisse General Manager said: “Many of the farmers in Northern California got their start by bringing their produce here to the back door and now they have big stands at the farmer’s market and sell their produce in a lot of different places. And our policy has always been to work with really good farmers and take whatever they have for us . . . if you have apricot trees, we have apricot tart on the menu every day. We can them, make jam with them, syrup, ice cream soufflés, cakes, which is good because we’re using a product that’s perfect, nearby, fresh, delicious, and in the moment. . . . We support and encourage farmers to plant other things too—Alice will bring seeds back from her travels and she’ll give them to Bob Cannard, a farmer in Sonoma, to plant.”

Chez Panisse Open Culture Based on Trust

As part of Waters’ mission, she also focused on operating a restaurant where people enjoyed to work and one that had a unique culture. According to David Prior, Chez Panisse’s former spokesperson: “For us, Chez Panisse has never felt like a ‘workplace,’ and (for better and sometimes worse) the boundaries of the personal and the professional have always been, let’s say, flexible. It is somewhere that has always made room for individuals; if you were skilled at salads, had a particular way with customers, or even a deft hand with calligraphy, then other weaknesses were often overlooked. Alice Waters has a management style that can only be described as ‘very Berkeley’, but that approach has meant the staff feels immense loyalty to the restaurant and to one another.”³⁷

The culture was very collaborative, according to Patricia Curtan, the former cook and currently the menu designer at Chez Panisse: “Many restaurants operate in a top-down way and people have to work their way up. It wasn’t like that at Chez Panisse. Alice would say to new people early on, ‘If you can do this better

than I can do it, you can do it however you want, but if you can't, then do it the way I'll show you.' There was this open encouragement that leads to innovation in a big way. It's about, 'Surprise me and do something fantastic.'" Curtan added: "The philosophy at Chez Panisse was based on trust and collaboration, rather than making sure you were better than everyone else. That creates a great work environment."³⁸

Curtan provided an example of her and Chez Panisse's philosophy: "Let's say you have a little store and you're selling cheese. Someone down the street opens a cheese store; you're taking my business. Then someone down the street opens a meat store. Instead of being in competition, people will come to this area because there's such a great selection of cheeses and meats, you are getting more business because there are more of you."

Rodgers said of her time working at Chez Panisse: "As a line cook, you're not making that much money. The reward for the cook comes from the feeling like you're doing something, you're not just opening a can. You matter. You make decisions. That's something Alice and Chez Panisse have been more liberal on than most restaurants. At Zuni Café, I run a very tight ship . . . I put a ton of energy into making it likely that my cooks don't have a ton of decisions to make. Alice was a Montessori teacher so she is more liberal in terms of just thinking that if you give someone ingredients, they'll be able to make something good out of it just by having an atmosphere of quality and nurturing."

Another example of the unique culture was that Chez Panisse had a co-chef system where the main/head chefs at the downstairs Restaurant worked six months on and six months off (sometimes just four months off, depending on the chef and preferences), but were still paid for the whole year. During their time off, the chefs traveled and taught in culinary schools (such as in France) for inspiration.

Curtan said: "Some of the very best chefs say you have to get away for a while and go do something. And [at Chez Panisse], they have. They learn a bunch and get inspired and come back full of ideas. It's like taking a sabbatical."

The "sabbatical" program for head chefs at Chez Panisse led to another culinary innovation, the alumni guest chef system. When one head chef was gone on sabbatical, the other head chef took charge, but sometimes alumni chefs were asked to return and help. This led to collaboration, co-creation, and enriched the repertoire of new ideas coming into Chez Panisse.

Moreover, sometimes, alumni chefs who specialized in ethnic cuisine were invited back to lead special theme nights such as a Kosher-style Jewish deli night or the Dalai Lama Dinner. Sherman, general manager, said: "We do a lot of cooking exchanges with other alums from different restaurants...and we have quite a lot of flow between the restaurants in terms of staff, and we have the Edible Schoolyard cook right next to us."

In the upstairs Café, chefs worked three days per week but were paid for five days. On their free days, they spent time with family, designed new dishes, or went to the farmers' markets for new inspiration.³⁹ Waters' employee model was driven by her own realization that taking a break helped her think of her

own bigger ideas. For example, in 1979, she took a few months off to travel to France and came back with the idea to open the upstairs Café.

Another cultural aspect of Chez Panisse was that it paid its staff well. Sherman said: “Our staff is very well paid for the industry. We have incredible benefits. . . . The point is to provide a livelihood for all of these people who are affiliated with the restaurant—cooks, waiters, artists, gardeners, all different kinds of people.” Waters felt that the 17 percent automatic service charge to patrons and other things like medical insurance, time off, and retirement savings was also another form of sustainability for the restaurant’s people.

Each night, the Chez Panisse cooks also made a little extra food so that they could sit down and eat the same food they had served their customers that night at 8 pm between the first and second seatings at the downstairs Restaurant. In fact, Waters served her staff three meals a day, right from the inception of the restaurant.

Sherman said: “This place has a pretty strong but unconventional business model. At first glance, you might think giving people a long vacation wouldn’t work, but it really does because it’s about taking care of the people that work for you. Even though it’s more expensive in the short-term, people stay longer so you’re not constantly retraining people, which is very expensive. You also have continuity which leads to regular customers, which leads to a very solid business.”

Building Relationships with Other Stakeholders

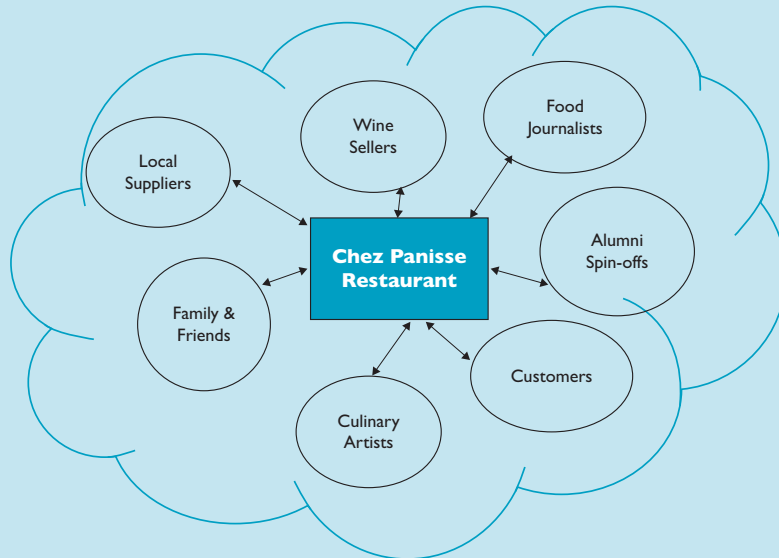
During this phase of development, Waters and Chez Panisse began to expand the ecosystem and innovation beyond the bounds of the food and the food chain to culinary artists such as dinnerware and menu designers, external artists, loyal customers, and food journalists (Exhibit 5).

For example, culinary artists played a critical role in improving menus on a daily basis. Curtan said that the menu “is a souvenir of that meal. . . . You only have your memory of that experience. So this piece of paper is an artifact of that experience (Exhibit 6). At this time, the restaurant also began to move beyond ingredient-based menus to introduce customized menus for customers’ special days such as birthdays.

Chez Panisse also began to collaborate with external artists such as Designers of Dinnerware and Heath Ceramics to make dinnerware to reflect the Chez Panisse ambiance and culture. Heath Ceramics in Sausalito, for example, used local materials to make their ceramics products. The company was founded by mid-century designer Edith Heath and has been producing simple, beautiful, artisanal pottery at its Sausalito, California plant since 1949. The Chez Panisse collection, a collaboration between Waters and designer Christina Kim, featured earth-tone cups, bowls, and plates that were used in the restaurant.

As the restaurant grew, its network of loyal customers also began to grow. One customer, Gilbert Chambers, a retired philosophy professor from the University of Wisconsin, has eaten at the restaurant nearly every single day for over 32 years: “It’s a bit of an exaggeration to say I eat here every day, but I eat here very often. It’s unusual for me to miss a day here, for lunch.”⁴⁰

EXHIBIT 5. Chez Panisse Ecosystem in Local Expansion Stage



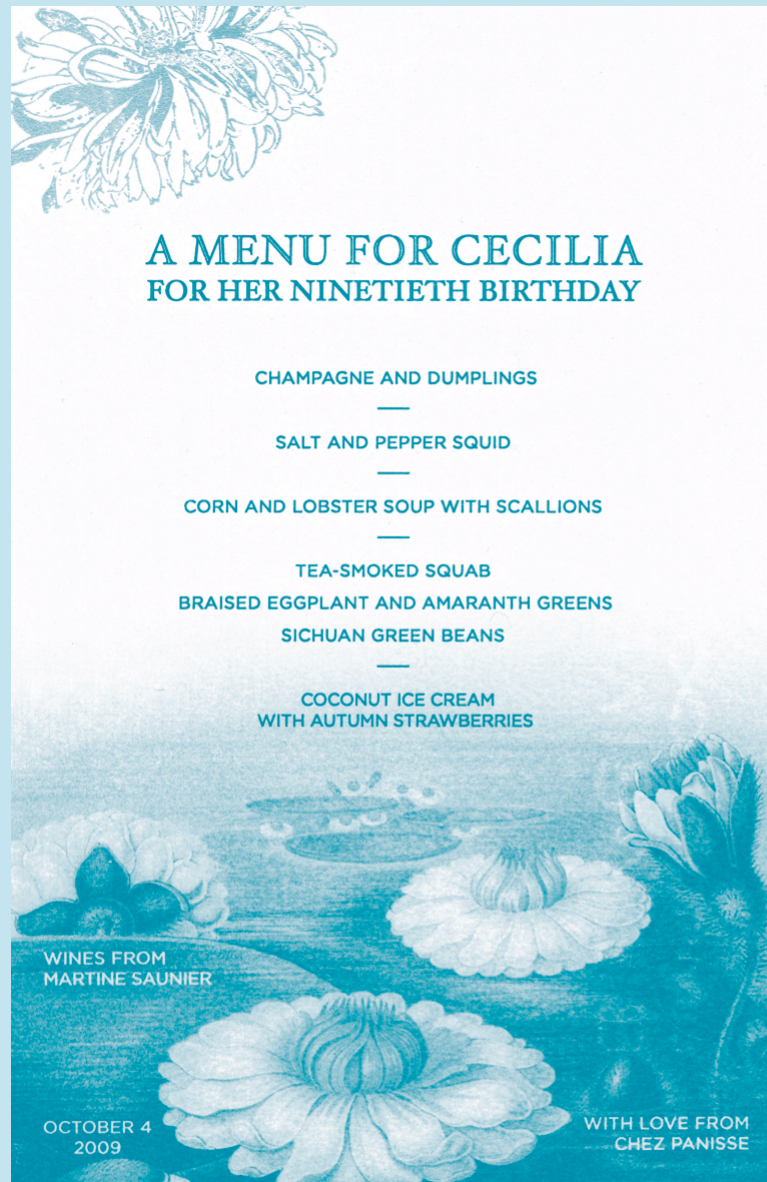
Source: Sohyeong Kim, *Open Innovation Ecosystem: Chez Panisse Case Study*, Thesis (Ph.D.), University of California at Berkeley, 2013, p. 44.

Chambers cited not only the quality of the food as his reason for liking Chez Panisse, but also the political ambience of the restaurant. He also liked the constantly changing menu: “They change the menu every day—for instance, if you come here, the lunch menu will be different from the dinner menu on the same day. The Café serves 12 meals a week—lunch and dinner Monday through Saturday. All 12 will be different.” Chambers also said that the restaurant listened to its customers very carefully and he would tell the servers if he felt that certain food items appeared too often for his liking.

Customer feedback after a dish was served, was sometimes obtained from loyal customers like Chambers, and indirectly from the wait staff. Sherman said: “The philosophy here is that we have a lot of very long-time employees, which is unusual in the restaurant business. What that means is that those regular customers who come in and develop relationships with the waiter, host, or cook, have a deeper and more meaningful relationship with our staff.”

For example, Chambers noticed and complained about the fact that Chez Panisse had stopped serving sandwiches: “A few years back, it was very common to get at least one sandwich per week on the menu. And sandwiches are such a humble thing that the cooks took that on as a challenge so they would make a glorious sandwich. . . . But sandwiches disappeared and I complained bitterly so they brought them back and now they’ll have them maybe once every two months.”

EXHIBIT 6. Customized Menu



Source: Sohyeong Kim, *Open Innovation Ecosystem: Chez Panisse Case Study*, Thesis (Ph.D.), University of California at Berkeley, 2013, p. 45.

Other customers who were passionate about food sent Chez Panisse post-cards from their travels with new ideas or they would bring blackberry jam, for example, that they made at their summer house in Maine. “We don’t actually exchange recipes, but we definitely have an exchange of ideas,” said Sherman.

A waiter at Chez Panisse said: “We constantly communicate with the cooks in many ways, we sometimes give suggestions to the chefs based on our experiences with customers, like ‘People love that by the way’ or ‘This was delicious, but too salty.’ Because our menu is changing every day, we have menu meetings and we all taste the food. That’s something not all restaurants do. Even the bussers can talk about the food if someone asks them.”

During this phase of development, Chez Panisse also developed relationships with food writers and journalists. Rodgers said: “Prior to the eighties, there was no food writing, or food media. But later, the new food writing industry did drive the industry and define things. It tells you, the reader, what to think is good, what to think is new, and what is important.” At this time, “foodies” began to emerge, along with food journalism and California Cuisine, forming a symbiotic relationship.

Michael Pollan, food journalist as well as a co-star in and consultant of the documentary *Food, Inc.* in 2008, collaborated with Waters in many ways. Waters discussed the importance of having her food tied to the writings of Pollan: “It’s so important, because he has a way of integrating ideas with his beautiful language, and he’s very ambitious and profound in his words. I can’t think of anybody who can carry the message more effectively. It’s just a beautiful political extension [of Chez Panisse].”⁴¹

Of the 77 Chez Panisse alumni chefs, six chefs became professional full-time writers after leaving the restaurant. An additional 10 chefs published their own cookbooks and actively appeared in the food section of *The New York Times* while they remained chefs. The introduction of food journalism greatly contributed to Chez Panisse’s prominence and continued expansion.⁴²

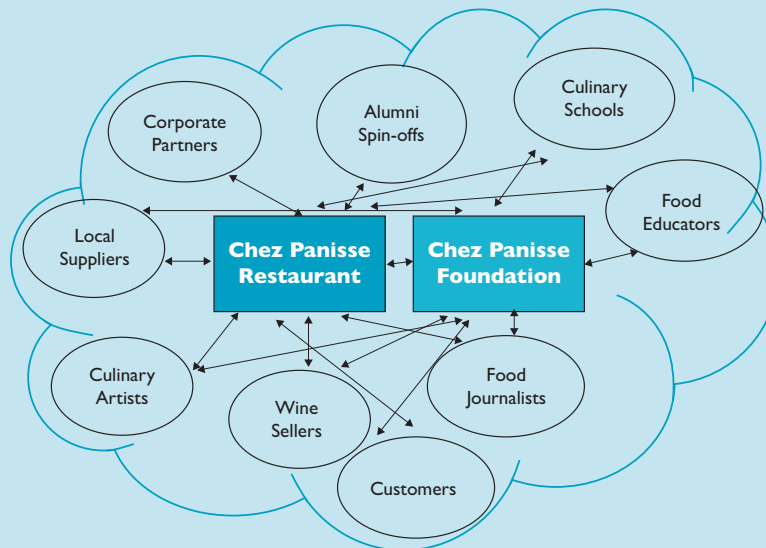
Global Expansion through Social Innovation and Education (1996 to Present)

Beginning in 1996, Chez Panisse began to expand its ecosystem beyond Northern California. During this stage, Chez Panisse and Waters had their eyes set on a global expansion. Sherman, general manager, said that the business model had become a “think globally, act locally” one. This stage was also characterized by a major emphasis on education that extended and built upon Waters’ social and business values (Exhibit 7).

Community Learning and Collaboration

Throughout Chez Panisse’s history, the restaurant grew and educated its own talent, particularly in the global expansion phase, avoiding the more conventional and traditional “star chef” model used in haute cuisine. Chez Panisse embraced a tradition of informal learning via apprenticeship, one that encouraged peer teaching where learning was embedded in the innovation process. Waters, the employees, and alumni of Chez Panisse believed very strongly in the “learning by doing” model (or the apprenticeship model), as opposed to formal academic schooling (Waters herself did not have formal cooking training).

Exhibit 7. Chez Panisse Ecosystem



Source: Sohyeong Kim, *Open Innovation Ecosystem: Chez Panisse Case Study*, Thesis (Ph.D.), University of California at Berkeley, p. 15.

Waag, head chef at Chez Panisse said: “It’s a very interesting mix of openness as a person . . . a lot of the cooking was done by people who didn’t necessarily go to culinary school so they are really open to things. They don’t have a lot of skills, but they have a lot of enthusiasm and a lot of curiosity.”⁴³

The community learning culture led to open innovation in the menu and food design process. Curtan added: “There wasn’t someone who possessed all the knowledge. . . . We were teaching ourselves as we went along. The only way to achieve was for everyone to contribute. Certain people had certain skills and experience. It wasn’t as if everyone had uniforms or someone in charge who really knew. The only way it was going to happen was through collaboration. . . . Working there was my education.”

After a chef thought of a possible menu item, the team sometimes discussed the item, and often began improvising in the kitchen. Christopher Lee, former chef at Chez Panisse said: “You sit around a table and say, ‘let’s do this again, which is fish soup with cod, lobsters, and potatoes.’”⁴⁴ During the testing stage, Chez Panisse used various people from its ecosystem—such as internal employees, waiters, alumni, customers, and suppliers—for feedback too.

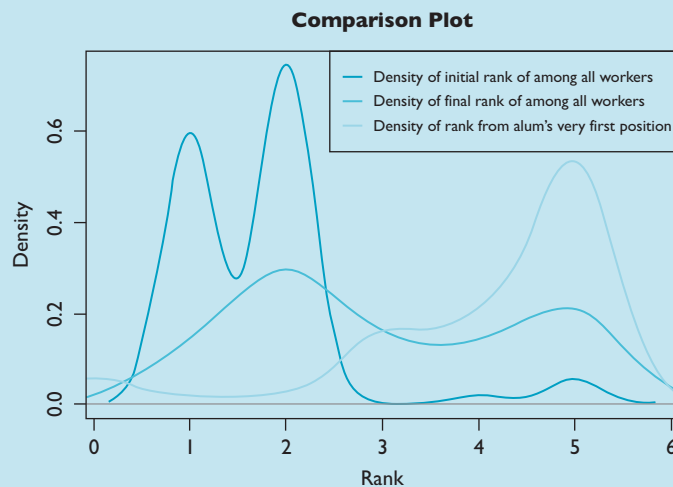
Although Chez Panisse had an increasing number of academically trained staff in more recent years, the community of practice and collaboration was still the preferred practice. Lee said that Chez Panisse was more like a school and people who had worked there in the past were referred to as “Chez Panisse Alum,” a term not typically used in other restaurants (former chef or former restaurateur were more common in the industry).⁴⁵

Research also showed that when people first came to work at Chez Panisse, the majority came with very little knowledge or culinary value to the restaurant. But after a while working at Chez Panisse, staff enlarged their knowledge and culinary experience and were able to leverage this training with higher ranking jobs after they left (Exhibit 8).⁴⁶

Chef Alumni Ecosystem: Spin-Offs and Spin-Ins

Throughout Chez Panisse's history, alumni spin-offs and even spin-ins have been an important part of its ever-growing and changing ecosystem, particularly during the global expansion period. Over the years, Chez Panisse has served as the launching pad for numerous prominent chefs and many chefs have returned to the restaurant in some sort of capacity (Exhibit 9).

EXHIBIT 8. Density Graph of Alumni Value Ranks



Source: Sohyeong Kim, *Open Innovation Ecosystem: Chez Panisse Case Study*, Thesis (Ph.D.), University of California at Berkeley, 2013, p. 53.

EXHIBIT 9. Chez Panisse Ecosystem and Legacy

Beyond its broad influence on American cuisine, many former Chez Panisse staff members have become prominent chefs or founded notable food-related businesses.

- Acme Bread Company, a pioneer of the artisan bread movement and the restaurant's bread supplier, whose founder was the restaurant's first in-house baker from 1979 to 1983.

continued on next page

- Dianne Dexter, founder of Artisan baker Metropolitan Bread Company, was Pastry Chef at Chez Pannisse.
- Head chef Jeremiah Tower, whose first professional cooking job was at Chez Pannisse, later opened the landmark Stars and is along with Waters and Wolfgang Puck credited with inventing California Cuisine.
- Mark Miller, chef after Jeremiah Tower, left for Berkeley's Santa Fe Bar and Grill, then later opened the Coyote Cafe in Santa Fe, New Mexico as the first of a string of Southwestern-themed restaurants throughout the United States, including a Coyote Cafe in Las Vegas, Nevada and Red Sage in Washington, D.C.
- Paul Bertolli, Chef from 1982 to 1992, was executive chef of Oliveto in Oakland, California from 1993 until 2005 before forming Fra' Mani, a maker of Salumi for wholesale and retail sales.
- Chez Pannisse alumni Richard Mazzera, Dennis Lapuyade, and Stephen Singer, in 1998 founded César, a popular tapas restaurant next door.
- Judy Rodgers and Gilbert Pilgram, the two chef-owners of Zuni Cafe in San Francisco, California, are both alumni of Chez Pannisse.
- Deborah Madison, who worked with Judy Rodgers at lunchtime, later opened Greens Restaurant and became a cookbook star.
- Lindsey Remolif Shere, pastry chef from the restaurant's founding until her retirement in 1997, along with daughter Thérèse, and friend Kathleen Stewart (also of Chez Pannisse), opened Downtown Bakery and Creamery in Healdsburg, California in 1987.
- Peggy Smith ran the cafe at Chez Pannisse from 1980 to 1997, before leaving to form Cowgirl Creamery, maker of cheeses including Red Hawk, as well as a cheese retailer in the Bay Area and Washington, D.C.
- Jonathan Waxman, after getting his start at Chez Pannisse, opened Michael's in Santa Monica, California, Jams, Buds, Hulot's, Washington Park, and Barbuto in New York City (where he partnered with and mentored future Food Network star Bobby Flay), Jams in London, England, and Table 29 in Napa, California.
- Mary Canales, former pastry chef, owns and operates Ici, a gourmet ice creamery in Berkeley, CA.
- Suzanne Goin is owner of AOC, Lucques and The Hungry Cat in Los Angeles.
- David Lebovitz, author of several cookbooks and a popular food blog, worked in pastry at Chez Pannisse.

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- Dan Barber, owner of the Blue Hill restaurants in New York, worked at Chez Pannis.
- Thor Erickson, Chef/Instructor at Cascade Culinary Institute in Bend, Oregon, worked at Chez Pannis.
- Victoria Wise went on to found Pig-by-the-Tail, a charcuterie which helped further define the Gourmet Ghetto region which Chez Pannis is located in.

Other alumni who went on to become chef-owners of well-known restaurants include Charlie Hallowell, chef-owner of local pizza restaurant Pizzaiolo, Michael Tusk of Quince, Mary Jo Thoresen of Jojo, Gayle Pirie of Foreign Cinema, Christopher Lee of Eccolo, Rayneil De Guzman of Ramen Shop, Dominica Rice-Cisneros of Cosecha, Joyce Goldstein of Square One, Amaryll Schwertner of Boulettes Larder, Alison Barakat of Bakesale Betty's, and Russell Moore and Allison Hopelain of Camino in Oakland, all in the San Francisco Bay Area, and Mark Peel of Campanile Restaurant in Los Angeles, California. In addition, April Bloomfield, the head chef of The Spotted Pig in New York City, cooked for a time at Chez Pannis."

Source: http://en.wikipedia.org/wiki/Chez_Pannis.

Although staff turnover happened throughout Chez Pannis's history, knowledge spillover⁴⁷ based on employee turnover started greatly during Chez Pannis's global expansion stage of development, beginning in 1986. The loss of employees was not simply the loss of internal knowledge or training investment; many cases showed that departed staff stayed in the greater Chez Pannis ecosystem, even expanding the territory of the ecosystem by changing their roles from an employee to a supplier or a collaborative partner. This phenomenon illustrated that knowledge spillover was not a cost of doing R&D, but actually produced an open innovation ecosystem.

McNamee said: "As a rule, Chez Pannis welcomes their [alumni chefs] return, even when their departures may have been awkward or worse. They return, of course, with new experience and often valuable ideas. In this way Chez Pannis fertilizes the wider world of restaurants and is fertilized in its turn."⁴⁸

On the alumni ecosystem, Waters said: "We do a lot of cooking exchanges with other cooks from different restaurants. We have a lot of cooks here that have left and opened their own places. And we have quite a lot of flow in between the restaurants for staff and we have the edible schoolyard . . . we'll have guest chefs cooking here too."

Curtan said about the unique work environment that contributed to a greater ecosystem of workers: "If you are a cook, it's very hard to work anywhere else after working at Chez Pannis because of the respectful and trusting environment, the quality of ingredients, and the variety/menu changes and not doing the same thing all the time. It spoils you. You basically have a few choices if you leave the restaurant—change careers, start your own, or go away and come back with

new experience. All kinds of people go work in Europe or some other place and bring those experiences into the mix.”

Based on research, the average apprenticeship time before leaving for a startup in the case of Chez Panisse chefs was 6.21 years for employees who left when they were interns or stagiaires (helpers), 9.57 years for prep cooks, 7.29 years for line cooks, bread makers, and pastry cooks, 6.43 years for sous chefs or pastry chefs, and 13.87 years for head chefs for the downstairs Restaurant and upstairs Café (Exhibit 10).⁴⁹

This data, along with interviews showed that Chez Panisse’s ecosystem grew as chefs left to do various things such as open their own restaurants and other endeavors such as work as authors, instructors, culinary instructors, etc. Many also left due to the notoriously grueling lifestyle of the restaurant business where 100-hour weeks were not uncommon. Based on data gathered, most Chez Panisse spinoffs occurred within the first five years of working at Chez Panisse.

One example of a symbiotic spin-off was Acme Bread Company, founded by Steven Sullivan who started as a busboy at Chez Panisse at the age of 18. Acme Bread has been the bread supplier of Chez Panisse since 1983.

EXHIBIT 10. The Average Employment Time Before the First Start-up at Each Value Rank (Years)

Final Rank at Chez	Average Employment Time before the first start-up (Year)
1	6.21
2	9.57
3	7.29
4	6.43
5	13.87

The Average Employment Time and the Number of Start-ups

Employment Time (Year)	# of Start-ups
0-5	62
6-10	2
11-15	5
16-20	0
21-25	0
26-30	1
31-35	0
36-41	0

Source: Sohyeong Kim, *Open Innovation Ecosystem: Chez Panisse Case Study, Thesis (Ph.D.), University of California at Berkeley*, p. 54.

Sullivan said: “I really wanted to be contributing [to Chez Panisse] in a meaningful way since the restaurant was a great project and you want to offer something useful. . . . But then, it is almost like the bread grew up.”⁵⁰ What he meant was that opening up Acme Bread Company was the natural progression of a family member growing up and needing to move out of the house. Sullivan was referring to the fact that he ran out of room in the kitchen at Chez Panisse, making four types of bread with limited ovens that needed to be used for other food as well.

Rodgers of Zuni Café said: “I basically made a break when they were going to do the Café. It was just going to be too big and complicated and I didn’t want to do that. So that’s why I left.” According to McNamee: “when [chef Mark Miller] left Chez Panisse, he would follow a pattern that became typical of its alumni: opening their own restaurants, sometimes in multiples, all of them taking something from the Chez Panisse spirit, but none of them entering fully into it.”⁵¹

But it wasn’t always easy for Waters to see Chez Panisse as a fluid organization, according to Mary Canales, the owner of Ici Ice Cream: “Alice once told me years ago that she had a hard time with people leaving, and when they left, she’d be really upset . . . it was hard. Later, she realized and started saying that ‘it’s kind of like a school’ and that she would train people and send them out into the world. . . . It became greater than the restaurant; it was the philosophy. She somehow changed her thinking and it made her feel better, that we’re here to send this message out, and so I think she had an easier time when people left.”⁵² Like her staff, Waters constantly referred to her former staff as “Chez Alum” and celebrated leaving as if the employees were graduating from a school.

Waters also kept tabs on her alumni, becoming somewhat of a social venture capitalist in some cases. Sullivan said: “When I left, Alice did not have money to invest, but Chez Panisse kind of invested by paying fixed and very exorbitant weekly amounts for bread for the first six months of my business.” Chez Panisse paid Sullivan \$5,000 per month even if the bread was \$2,000, “so they served as a buffer and loyal customer so that I could have constant money coming in,” said Sullivan. Waters was even willing to co-sign for the loan since banks trusted Chez Panisse.

Spin-ins were also a part of Chez Panisse’s fluid ecosystem. Several alumni chefs that had left the restaurant at some point, returned to Chez Panisse—some had failed at their start-ups, while others had returned for other reasons. Chez Panisse’s system of alumni guest chefs returning to cook also brought new ideas and innovation back into Chez Panisse.

One example was current pastry chef, Mary Jo Thoresen who opened up restaurant JoJo in 1999 and closed up shop in 2008, returning to work at Chez Panisse. Her husband and co-owner of JoJo, Curt Clingman said that it was a positive thing that Chez Panisse honored external experience and accepted people back into the restaurant when they returned.⁵³

This type of fluid in and out movement and change at Chez Panisse had the impact of growing and expanding the restaurant’s global ecosystem. For example, Jonathan Waxman, an alumnus from the 1970s went on to launch nine start-ups in multiple cities. His restaurant, Barbuto was popular in New York City’s West Village and Rosa Mexicana thrived in Dubai, Puerto Rico, and Panama. Other Chez Panisse

alumni and stakeholders resided in North America, Europe, the Middle East, and Asia, with the majority (around 80 percent) in the Bay Area.

The Chez Panisse Foundation and Collaborations with Food Educators

During this global expansion phase, Waters began to focus her efforts outward on education and children. As she and her restaurant gained fame, she began to realize that “supporting good causes wasn’t enough. Chez Panisse, in its very identity, stood *against* things, too—most notably, industrial agriculture and the ever-declining quality of what Americans put in their mouths.”⁵⁴

Waters once wrote: “Those of us who work with food, suffer from an image of being involved in an elite, frivolous pastime that has little relation to anything important or meaningful. But in fact, we are in a position to cause people to make important connections between what they are eating and a host of crucial environmental, social, and health issues.”⁵⁵

On her way to Chez Panisse, Waters had always walked by the Martin Luther King Jr. Middle School, noticing the neglected land nearby. After some investigation, she learned that the land was actually neglected school land. In 1994, she proceeded to meet with the principal to discuss transforming the yard into a garden project for students, teachers, and the Berkeley community. The idea became a pilot project of after-school gardening and cooking.

In place of the asphalt, Waters wrote, would grow a “comprehensive solution to both the neglect and the underutilization of the physical plant and its surroundings . . . experience-based learning that illustrates the pleasure of meaningful work, personal responsibility, the need for nutritious, sustainably raised, and sensually stimulating food, and the important socializing effect of the ritual at the table.”⁵⁶

In 1996, out of the school garden project, Waters started the nonprofit, the Chez Panisse Foundation, focused on teaching children about healthy ingredients and food. Waters said: “Once kids are educated, they eat in different ways. . . . They make choices about food based on biodiversity. They become sophisticated tasters. I think we can have a generation of kids that grow up with a different set of values.”⁵⁷

The Foundation’s Edible Schoolyard Program helped students grow, harvest, and prepare food using ingredients from the garden with the aim of promoting the environmental and social well-being of the school community. The project gained wide support from volunteers of bakers, farmers, chefs, artists, and curriculum developers. Waters’ friends provided \$15,000 of start-up funds and restaurant patrons offered their time to garden, clean, and provide donations. The Berkeley Horticultural Nursery donated plants to teach children how to plant and cultivate them.

In 2011, Waters changed the name of the Chez Panisse Foundation to the Edible Schoolyard Project (ESY) to better reflect the organization’s mission. The ESY Project supported educational programming that used food to nurture, educate, and empower youth. The mission of the ESY Project was “to build and share an edible education curriculum, from kindergarten through high school. Their vision is for gardens and kitchens to become interactive classrooms for academic subjects, and for every student to have a free, nutritious, organic lunch.”⁵⁸

The Edible Schoolyard Project became well-known around the world with numerous prominent visitors such as First Lady Michelle Obama. The National School Garden Network was launched in 2013 to transfer and share the knowledge gained through the ESY Project at a regional, school district, and a national level. Michelle Obama planted the White House Vegetable Garden in 2009, inspired by Waters' initiatives. By 2014, the ESY Project had five affiliate Edible Schoolyards running in three states where the farming and cooking that students did was integrated into the curriculum, as well as over 3,000 affiliated network sites around the world that were doing some variation of the ESY Project.

Waters and her team also developed the School Lunch Initiative with the goal of having school children develop a new relationship with food by making a healthy, fresh, sustainable meal a part of their school day. The program brought wholesome school lunches to 10,000 students in the Berkeley Unified School District. The Foundation, along with the District eliminated all processed food from the menu and introduced organic fruits and vegetables into the menu, while sticking to the District's budget.

As the ESY Project grew, so did the importance of food educators related to the project. The current and former chefs of the restaurant participated in education at all levels. Marsha Guerrero, an alumna chef, served as the director of the ESY Project from 2000 to 2010, leading curriculum development, and curriculum expansion to other schools around the country. She said that there was also a large online community of teachers that were participating in the project through online mechanisms. Through the ESY education community website, more than 250 curriculums were open-sourced and freely shared.

As time went on, the Foundation's efforts grew and expanded beyond Berkeley by working with Yale University's dining halls to serve local, fresh, and organic food (Fanny, Waters' daughter was a freshman at Yale in 2001). In 2002, Yale hired Sean Lippert, a former Chez Panisse cook, to develop its menus. Waters had convinced the Yale administrators to favor her Yale Sustainable Food Project to preserve Connecticut's centuries-old farming and fishing cultures.

Beyond K-12 education, Berkeley had a course called: "Edible Education: Telling Stories about Food and Agriculture", a 2-unit class offered to undergraduate and graduate students taught by Michael Pollan. Waters helped to organize the initial class and provided partial funding to allow the public to attend the lectures.

Other Relationships: Culinary Schools, Corporate Partners, and Media

In the global expansion phase of development, Chez Panisse began forging relationships with formal culinary educational institutions such as the American Academy in Rome, Italy (established in 1894). In 2006, Chez Panisse sent four cooks for four months to learn new European cooking trends and to teach Californian Cuisine and this became an annual tradition. The Culinary Institute of America near Napa Valley also sent their interns to Chez Panisse regularly each year.

During the early years of Chez Panisse, such relationships with culinary institutions were less common since Chez Panisse chefs were mostly trained through apprenticeship and informal learning that occurred with the Chez Panisse ecosystem.

Other collaborators and partners included a small number of corporate partners (as well as celebrities) who donated funds to the ESY Project. In addition, alumni chefs such as Maggie Pond, former chef of Cesar Tapas Bar (a spin-off restaurant of Chez Panisse), helped the Google Cafeteria to serve meals with organic, seasonal, and local produce in 1998.

Waters and the team at Chez Panisse often listened to ideas in the media by food journalists or others and took action to innovate with their own menu or products. Pollan said: “Alice Waters is listening to journalistic conversations about food.” For example, Waters eliminated the use of imported Italian sparkling waters after learning about the waste related to manufacturing the bottles and other resource issues related to bottled water, unheard of in 1981.

Despite the fact that bottled water was a high-margin product and thus money-maker for Chez Panisse, Waters took the lead in the campaign and decided to make house-made soda using a carbonator instead. In doing so, Waters discovered that the commercial soda water was too overpowering for her nuanced recipes and was able to make their in-house version work better with the menu. This action also influenced schools in the community. For example, the Berkeley Unified School District replaced commercially bottled water with large containers of tap water and cups in 2007.

She also refused to serve unsustainable beef in the restaurant after learning from Pollan about feedlots and sick cows, instead choosing to find grass-fed beef, even if it was difficult and unpopular. “When she couldn’t find grass-fed meat on the market, she bought her own . . . cow and butchered it,” said a former Chez Panisse spokesperson. “And she used everything.”⁵⁹

The Future: What’s Next?

As Waters looked back at the restaurant and the first local, now global ecosystem she helped to develop and grow, she was proud of her accomplishments and of those around her throughout the history of Chez Panisse. Waters wasn’t just an entrepreneur—Rodgers called her a “cultural entrepreneur.” “She has this successful business, which is a branding thing in the best possible way, that becomes a marketing platform with fabulous media synergy around her . . . that allows her to undertake and achieve these cultural roles around sustainability, slow food, kids, and schools, which is brilliant.”

As Waters looked towards the future, she wondered how she could continue to lead Chez Panisse successfully with an ever-growing global ecosystem of suppliers, alumni, and other constituents. She also wondered how the ecosystem might change and grow into the future to continue to make sustainable social change.

Notes

1. T. McNamee, *Alice Waters and Chez Panisse* (New York, NY: Penguin, 2007), p. 88.
2. Henry Chesbrough, *Open Innovation* (Oxford: Oxford University Press, 2008).
3. <www.chezpanisse.com/about/chez-panisse/>.

4. Ibid.
5. Ibid.
6. Interview with Alice Waters on October 15, 2011. All other quotes are from this interview unless otherwise noted.
7. Joseph V. Tirella, "Alice Waters: My Startup Story," *Fortune*, August 28, 2009.
8. David was a British cook and writer who strongly influenced the revitalization of the art of home cooking.
9. Tirella, op. cit.
10. Interview with Alice Waters, op. cit.
11. An encyclopedia of gastronomy, mostly about French cuisine.
12. Tirella, op. cit.
13. Kevin Starr, *Coast of Dreams* (New York, NY: Random House, 2011).
14. McNamee, op. cit., p. 43.
15. <www.chezpanisse.com/about/chez-panisse/>.
16. <www.sfgate.com/restaurants/article/Alice-Waters-Chez-Panisse-turning-40-2316277.php>.
17. McNamee, op. cit., pp. 45 and 49.
18. Chez Panisse.
19. McNamee, op. cit., p. 59.
20. Ibid., p. 62.
21. Ibid., p. 64.
22. Interview with Judy Rodgers, April 15, 2010. All other quotes are from this interview unless otherwise noted.
23. *CNN* Report Interview, 2009.
24. McNamee, op. cit., p. 51.
25. Ibid.
26. Ibid., p. 49.
27. Ibid.
28. McNamee op. cit., p. 133.
29. Ibid., p. 55.
30. Interview with Jennifer Sherman. All other quotes are from this interview unless otherwise noted.
31. Interview with Curt Clingman. All other quotes are from this interview unless otherwise noted.
32. McNamee, op. cit., p. 225.
33. Interview with John Finger. All other quotes are from this interview unless otherwise noted.
34. Interview with Ross Cannard, December 1, 2009.
35. Interview with Jerome Waag. All other quotes are from this interview unless otherwise noted.
36. McNamee, op. cit., p. 90.
37. Interview with David Prior. All other quotes are from this interview unless otherwise noted.
38. Interview with Patricia Curtan, October 27, 2011. All other quotes are from this interview unless otherwise noted.
39. Alice Waters, "Relentless Idealism for Tough Times: A Conversation with Renowned Restaurateur Alice Waters," *Harvard Business Review*, 87/6 (June 2009): 36-39.
40. Interview with Gilbert Chambers, February 21, 2012. All other quotes are from this interview unless otherwise noted.
41. Thessaly La Force, "The Exchange," *The New Yorker*, November 21, 2008, <www.newyorker.com/online/blogs/books/2008/11/the-exchange-al.html>.
42. This analysis was conducted by Sohyeong Kim.
43. Interview with Jérôme Waag, May 9, 2011. All other quotes are from this interview unless otherwise noted.
44. Interview with Christopher Lee, November 28, 2011. All other quotes are from this interview unless otherwise noted.
45. Interview with Christopher Lee, op. cit.
46. Plotting the value rank of culinary knowledge and level of responsibility in the Chez Panisse ecosystem to come up with a density graph of value rank, normalized to one. The probability density function was calculated by taking the ratio of employees at each rank, smoothed over all ranks to obtain a continuous curve.
47. Non-rival knowledge market externality that has a spillover effect of stimulating technological improvements in a neighbor through one's own innovation.
48. McNamee, op. cit., p. 204.

49. Analysis done by Sohyeong Kim.
50. Interview with Steven Sullivan, March 1, 2012. All other quotes are from this interview unless otherwise noted.
51. McNamee, op. cit., p. 135.
52. Interview with Mary Canales, April 20, 2011. All other quotes are from this interview unless otherwise noted.
53. Interview with Curt Clingman, June 23, 2011. All other quotes are from this interview unless otherwise noted.
54. McNamee, op. cit., p. 227.
55. Ibid., p. 227.
56. Ibid., p. 267.
57. A. Danigelis, "Alice Waters," *Fast Company Magazine*, March 2006, Issue 103.
58. <www.chezpanisse.com/about/foundation-and-mission/>.
59. Robin Wilkey, "Why Alice Matters: The Book of Chez Panisse," *Huffington Post*, August 26, 2011.