

THE COMBUSTION CHRONICLES

**EPISODE SIXTY-FIVE
LEADING WITH SERVICE
AND HOSPITALITY**

**HOST: SHAWN NASON
GUEST: MICHAEL SCHULTZ**

FEBRUARY 9, 2022

Shawn: Welcome to the sixth season of *The Combustion Chronicles* podcast, where bold leaders combine with big ideas to make life better for all of us. I'm your host, Shawn Nason, CEO and founder of MOFI. As an experience evangelist, I believe the only way to build a sustainable and thriving business is by putting people first.

This season is all about human-obsessed, maverick-minded influencers who are changing the business landscape by standing up for what's right, prioritizing relationships over transactions, and taking a few risks along the way.

Mavericks think differently. And, human-obsessed mavericks take all of that mavericky stuff up a notch. Filled with empathy, these special mavericks put their heads and hearts into action to think bigger and more boldly about changing the world each and every day.

Ready to blow up the status quo and ignite a people-first experience revolution? Yeah, me too. Let's do this.

[00:52]

Shawn: On this episode, we have Michael Schultz. Michael has over a quarter-century of experience in the hospitality industry. In 2016, he founded Infuse Hospitality, which creates and operates food and beverage amenities, everything from mobile carts to full-service restaurants for office buildings, retail centers, and housing developments. Operating more than 29 million square feet across North America, Infuse Hospitality is a one-stop solution for the best in specialty food and beverage experiences. Michael is also the founder of Fairgrounds Craft Coffee & Tea, a first-of-a-kind cafe offering a variety of craft coffee roasters, specialty teas, and fresh chef-made food all under one roof. Within nine locations across the nation, Fairgrounds is redefining the coffeehouse experience. Welcome to *The Combustion Chronicles*, Michael.

Michael: Thank you. It's a pleasure to be here.

Shawn: Michael, wow. Like, all those things in your introduction, so many things to excite our listeners with. I've met plenty of corporate executives who got to the top of the mountain and discovered that they didn't like that view. I'm actually one of those as well. I know you had that experience when your first child was on the way. Could you talk about that aha moment that led you to leave the C-suite and strike out on your own?

Michael: Yeah, my pleasure. It really was as if somebody swapped out my eyes. And all of a sudden, I started becoming obsessed with what was the legacy that I'm

going to leave this child, now, these four children? But what are people going to say to them when I'm gone? And the idea of someone coming up saying, "Your dad did a great job taking the stock from this to that," wasn't the legacy that I was looking to leave. And so, the ability to impact people's lives in a very personal way through growing organizations and providing them opportunity for them and their families became my obsession. And the objective is that when I'm gone, someone comes up to one of my children and says, "Let me tell you a story about how your daddy helped me." And so, that was really the driving force.

Shawn: Wow. I love that you're talking about legacy. I have two children of my own. And, you know, at MOFI, that's my goal is that they can have a legacy of that dad did well. Dad did good for the world. And so, I love that. So, speaking a little bit about MOFI and jumping into a couple of things here, Michael, at MOFI, we claim to be a human-obsessed, maverick-minded design firm ready to rethink your entire Experience Ecosystem™. So, I want to talk a little bit about some maverick mindsets because we were introduced to each other through a very close personal friend for both of us, who I believe is a maverick. It seems like the older the industry gets, the more it's due for a maverick to come in and shake it up. And you jumped into the food and beverage industry. And that has been around for a long time and definitely needed some shaking. So, you founded Infuse Hospitality because you realized that old-school institutional food and beverage options weren't working for today's consumers. Why is that the case? And how were you, as an industry insider, able to look at that problem with some fresh eyes?

Michael: Thank you. You know, it wasn't working for consumers and it wasn't working for the clients. And so, what we noticed, you know, what I noticed in taking a look at what was kind of antiquated was, you know, offerings and solutions that haven't changed really throughout the decades. And so, going into this segment, not as an institutional foodservice group, but as a restaurateur, entrepreneur, and a guest. And so, being able to see it through not only that lens, but the lens of our clients, whether they own hotels or buildings or lifestyle centers or whatever the case may be, you know, we sit down and we say, "Okay, what's the problem? What are we trying to solve for? And, you know, who are we trying to get here?" And then we come up with a perfect solution. And so, having an offering and having an experience through excellence in service and hospitality that's no different than the restaurant or cafe or an experience you would walk to down the street and post pictures on Instagram and fill out reviews on Yelp is the mentality that we have going into it, which is, I think, super different than what really has become the expectation with institutional foodservice throughout many decades.

[05:20]

Shawn: And what I love about that, Michael, is, you know, we even talk about this within MOFI, that you solve for the right problem. And what I'm hearing you say, is something that we preach across and that I preach across every client, every partner, every social platform, is that you co-design with the client, the consumer, everyone in the room, which is a basic Disney principle that I learned when I was at Disney, to solve for the right problem. And that's what I hear you doing is you actually just stopped and said, "Let's solve for the right things and quit doing it the old way." Do you agree with that?

Michael: That's correct. It's really a holistic experience and we're just a part of it. And so, we try to understand when it comes down to it, are you trying to lease space? Are you trying to get people to go to school at this university? What are you trying to solve for? And how do we work collectively to create a holistic experience through what they see and smell from the time they walk in until the time that they leave? And what's the psychological imprint that may send them? So, 100%. It's really kind of a different way of looking at it other than we need coffee and chicken nuggets.

Shawn: So, the other maverick thing that I would say that you've done, that I really love, is to bring a bunch of different coffee roasters together under one roof at Fairgrounds. What gave you that idea? And how did you convince roasters to buy into this type of maverick vision?

Michael: We had other holdings in the coffee space and we would break for meetings. And two people would go to a La Colombe and one would go to Verve and one would go to Blue Bottle and one would go to Starbucks, and everybody would kind of go their own way. And God forbid somebody wanted to eat, they'd go a whole other way. And then we'd go to dinner, and we'd sit down at dinner and there'd be 100 different beers on tap. And I said, "Why is there no consumer choice in coffee?" It was so bizarre to me that, it's kind of like the tied houses of the olden days when you go in for a beer and you could only get that beer that they had. And so, I saw that and many other problems with coffee. I found specialty coffee to be aloof and unapproachable. And so, people in the craft coffee space would talk about growing it and sharing it.

Meanwhile I'd walk in and I didn't have the right twisty mustache or a beard and I was too old and they looked at me and said, "You know, what the heck do you want?" And so, I didn't feel that it was hospitality-driven. I felt that specialty coffee

was very masculine and I didn't understand also the tea part of it, where tea had been the most important beverage for thousands of years and still is. And in this country, it plays second fiddle. And the final missing piece is that I never woke up in the morning and say, "I can't wait to go to this coffee place. It may or may not have a green logo and shove this food that's been frozen with additives and preservatives into my children's face." You know, if you go through Europe, or you go through the Middle East, you go through other parts of the country, you wake up and you go, "Okay, do you want to go to a restaurant or a cafe?" What's the difference? The difference is one's a 3-hour experience and one's a 25-minute experience. And so, Fairgrounds was created to solve for total lack of consumer choice in the world of coffee, and then all of those other areas that I really felt that the coffee space was missing.

Shawn: I've had a conversation with one of my partners, whose name is Michael as well, around how the service industry through this pandemic has been completely transformed, right, and going through this whole redesign process. But when you talk about going to other countries and visiting other countries, it is a very different experience, right? So, let's dig a little bit deeper into that. When we talk about that the experiences matter, you actually are arguing the traditional coffee shops actually offer a bad customer experience. So, can you dig a little bit more into?

Michael: Yeah, and I think especially with your time spent at Disney, you know, having an understanding that the experience, especially in this industry, may be a million different things, you know, you hit the nail on the head that the guest doesn't even notice. But, it has a psychological impact because it was done right. And so, in the world of coffee, you know, at Fairgrounds we lead with service and hospitality. It's about making it approachable and making people feel comfortable whether that's the lighting, the design, the color scheme, the smells. It's a totally curated experience that leads with service and hospitality. And so, while a lot of the food industry is working towards automating and speed and driving ticket average, you know, back to our original conversation about that legacy, my legacy was creating jobs and impacting human beings. It wasn't creating opportunity for computers.

And there's still an art and a love and a humanistic need of being with others. And we've been gathering and talking about different things in the world for thousands and thousands of years. And so, while others in our industry are headed in the direction away from service and personalized service and moving towards automation, I'm kind of going along with what I think the lesson is that we're supposed to learn from COVID, which is that our most valuable resource is time.

We don't know how much of it we have. And once we spend it, it's gone. And so, creating those moments where human beings can come together in an environment and maybe everything else disappears for a moment, that's what we're striving to do at Fairgrounds. Whether it feels like you're on vacation or it feels like you're getting away or that you can breathe for a moment, you know, we're trying to do more than obviously being legal drug dealers selling caffeine.

[11:05]

Shawn: You are so going back to humanizing your experience ecosystem, which we talk about being human-obsessed. If you lead with that, and I love that you said lead with service and hospitality over all the other things, that's very much a Disney philosophy and other many great brands, that if you just do that right, you know, the revenue will come, the business will come. One of the things that I really strongly believe is that people should come first, as we're talking about here, in every aspect of life and business. You have four kids that are obviously really important to you. But I love what you said on *Entrepreneur's, How Success Happens* podcast a couple of years ago. And this rang really true when I heard this and read this. You said, "My children are not any more important than anyone else's." I think that's something that we as leaders and our listeners really need to hear. So, can you tell me how that attitude informs your employee experience, within Fairgrounds and all the other brands you work with?

Michael: I look at things differently. And, you know, you talked about being an executive. It's lonely at the top. And if it's not scary at the top, then there's a problem. When I go to sleep at night, it's scary. I know that what I do and what I say are impacting other people and their families and their well-being. And that's why I jump out of bed running, you know, at 4:00 in the morning to do my work. And so, I think a lot of organizations when they hire somebody, it's, you know, like this club that as an employee, you should be honored that you're being let in. And in my organization, it's quite the opposite. When somebody joins my organization, I feel a responsibility to them. And so, whether that responsibility is training and education or support or having good systems and processes or being available, it's just kind of the reverse in our organizations. And so, my companies could run without me, if I decided to leave. There would be some changes and differences. What would I do without all of my team members? And so, realistically, who are the most important people in the company?

I'm providing vision, you know, so that we don't, you know, like the ship, you're a couple of degrees off and a couple of hundred days later, you're on the wrong

continent. But, truly, all of the success and all of the great things that have happened so quickly are owed to the people who have believed in me and believed in my vision and are willing to come and work hard towards that every single day. And so, you know, that's when I say my children are not more important than theirs, that's the reality of it. And, you know, when I said before when it was like somebody switched out my eyes, I went from seeing employees as a commodity or an employee number or...and it's easy to do, right? When there's thousands of them, it's an easier way to look at it that way because it's less stressful. But the reality is that if you've got thousands of employees, how many children?

Shawn: That's right.

Michael: How many parents? How many cousins, uncles, brothers, sisters are impacted by them? And so, it's humbling and it's scary and you know that you're responsible to all of them. And so, in reality, you know, everybody is important, everybody is somebody's child, everybody's somebody's parent. And just because my job or my title or as an entrepreneur because I took on more risk, it doesn't make my children more important than anybody else's.

Shawn: It should be a bit scary, that you have all these lives in your hand. And it's not just your employees, but it is their families. And to hear you talk about that, I really hope our listeners understand as leaders, if you just switch that mindset, how beautiful it can be. And although scary, can be very liberating, too, as well. So, I want to dive a little bit into some, like, business case value proposition discussion. So, let's go back to your maverick mindset a minute. And if I'm a small business owner or maybe a leader in a large business, how can I look at my industry with some fresh perspective, like you did in starting your companies?

[15:12]

Michael: I think the easiest way to do it is to go into it with big eyes and big ears like our guests have. And so, in the example of a restaurant, you know, the manager has the ability to step outside for a minute and breathe and walk in and walk in from the perspective of the guest. And so, I think oftentimes, we get so wrapped up in the details that it becomes kind of blinding. And so, whether that's through meditation or breathing exercises or different techniques in how you kind of get to that even state to be able to make decisions from, especially when you're starting a business, there's just a bazillion different things to do. And every single part of it is important. And so, having a set goal and set way in which you do things and you

analyze things and really using data. It's easy to go down the rabbit hole and really get lost with the vision.

And so, whether it's your first company or it's your hundredth company, it starts with that vision document. So for me, it's taking out my crayons and my paper and literally writing out what I envision this to be and the core pieces to it and kind of the key ideas and core competencies of the business and the most important aspects and laying out a timeline. And so whether your business blows up and now it's a \$500 million a year, you know, organization, you can always go back to that vision document and say, "Okay, you know, have things changed? Haven't they changed? Do I want to amend it? You know, have I lost my way?" And always having a place to be able to go back to and say, "Wait a minute. Did we kind of lose track here?" It's the proverbial ability to have those breadcrumbs to find your way back to see if where you are now is where you meant to be.

Shawn: I loved your big eyes and big ears statement there because to you and I that seems so simple. But why do so many leaders still struggle with that? It's always been my question. And that can be some discussion we have one day, Michael, over coffee in one of the Fairgrounds locations. So, I know I just got off the plane last night. I know you travel a ton as well. Can you tell me one thing you would do right now to blow up the travel industry like you've blown up the restaurant industry?

Michael: Oh, man, if any of the listeners are listening, give me a chance to help here because it needs some serious help. I travel a ton and I love traveling. I love the airplanes, I love airports. I love lounges. I love walking 10 miles a day in a new place to feel the energy. I love all of it. But the experience is bizarre. It's totally bizarre. It's so stressful and it really doesn't have to be. And so, from the time you enter the airport, it is set up to be stressful. And we wonder why people are punching flight attendants in the noses and people are freaking out. From the design of the airport, to the lounges, to the experience in boarding, it is just set up to be anxiety-ridden.

And so, I would start with creating a Zen spa-like experience when you go to an airport that is meant to kind of relax everybody, put them into a state where they're at ease, which is the total opposite, the total opposite. From the time that you drive up, no matter what your status is and no matter what class you're flying, unless you're getting on your own airplane, it is just not a great experience. And so, if somebody out there needs me to help with creating experiences at their lounges or designing airports or working with the airlines, I can help make some major

changes here and maybe help some of these fights that are breaking out because it's a bizarre experience. Whether they're traveling for business or they're traveling for leisure, it really should be a pleasurable experience. And you see the pictures of the people in the '40s and the '50s putting on beautiful clothes and what a privilege it was to be able to go to the airport and go on an airplane.

And service and hospitality is gone. Every so often, you know, the executives of the airlines, you can tell when you board the plane, and all of a sudden they're like, "Oh, Mr. Schultz, you know, thank you for flying with us every day," that somebody sent an email saying, "Maybe we should be nice. You know, the stock is dropping and people aren't traveling." But, I think that especially in this country, we need to totally redo the experience and make it pleasurable. And I think that that can be done fairly easily with some basics in service and hospitality.

[19:57]

Shawn: I love it. And we would love to partner with you at MOFI to go transform all this. It's such a stressful time. All right, I have one last question before we jump into the end here, Michael, around a trend and specifically a trend to watch within the food and beverage industry because we know that there's a lot of inflation and wage pressure happening right now. How do you think things will begin to shake out long term when it comes to this wage pressure? And what will the impact really be on us as consumers going to visit restaurants?

Michael: I think it's really the perfect storm, right? We're not out of COVID. Wages are going up, as they should be. Commodity pricing is crazy. You know, occupancy costs have been rising for decades and you're talking about an industry that has a margin of a couple of points. It's, you know, people think about, you know, the restaurant industry and I love when I read reviews from guests going, "Oh, their prices are too high." Well, based on what? That restaurant they are commenting on maybe losing \$300,000 a month and based on nothing, you know, you're you may be sitting in a \$700 chair on Park Avenue. And they may be paying \$50,000 a month in rent for their tiny little space. And people comment "Well, they charge too much." I would love to see the data behind that. The reality is that there's going to be price increases just like there's price increases at the...I went to the gas station today. It's \$5 a gallon for gas and you're going to see the same thing. You want to sit in a beautiful space and you want to have somebody serve you, you have to pay for it.

And we've been trained over the last couple of decades by the dollar menu that you don't have to pay for it. And you can have this experience and this and that and the

other. And so, driving through or looking at coffee chains that are eliminating dining spaces and eliminating people, it depends. Do you want to be able to support the workers who are feeding their families? And, you may have to pay a little bit more. And so, I don't see with the way things are going that there's any other direction other than the consumer's paying more money and there's really no way around it. And, you know, organizations that haven't taken price increases will be taking price increases because the math just doesn't work. With or without a global pandemic, the math just doesn't work. And so, we need to pay people a living wage and they need to have insurance and be able to go to the doctor. And they need to be able to have a normal schedule and live a normal life and they need to be compensated just like anybody else in any other field. And if people want those services, they're going to have to pay for them.

Shawn: I think that also comes back to much of your experience and even my experience traveling globally. It's just a different way and a different mindset, and that we are going to have to approach here in the United States. So, Michael, we could keep talking about all kinds of trends and business things. But it has come to that point in the podcast where we do these things called the Combustion Questions. And they are three randomly selected questions that you have no idea what I'm getting ready to ask you about. But I ask that you have some fun with this and just say the first thing that comes to your mind. So, are you ready for your Combustion Questions, Michael?

Michael: I'm a little nervous, but I'm ready.

Shawn: All right. Combustion Question number one. If you had a warning label, what would it say?

Michael: Contents that come out of this mouth may be only appropriate for an audience over a certain age. There is times where my language is more real and should be curbed slightly.

Shawn: Well, you did great on here. And I think it may be the first episode, too, Michael, where I haven't dropped any language. So, this could be a first for you and I turning over a new leaf, right?

Michael: But it depends on the next two questions.

Shawn: That's right.

Michael: But I'm trying to cross the finish line.

Shawn: That's right. Combustion Question number two. Do you prefer to drive or fly?

Michael: Boy, I love everything that moves, airplanes, boats, cars. Anything that moves amazes me. But I love flying. It's very therapeutic to me.

Michael: Once everyone's done yelling at me.

Shawn: That's right. That's right. And after we create that new experience that we're going to create, that Zen-like experience, it'll be amazing. All right, your last question, question number three. What do you think about house slippers?

Michael: I'm a fan. I don't love people walking in with God knows what on their feet in my house and they feel like there's no germs in them. So, big fan of house flippers.

Shawn: Awesome. Well, again, Michael, thank you so much. Can you tell our audience how they find you and learn more about you as well?

Michael: Yeah, check me out on LinkedIn or you can check us out at www.infusehospitality.com.

Shawn: Thank you again, Michael, and we'll be talking soon.

Michael: My pleasure. Thank you.

Shawn: Thanks so much for listening to this episode of *The Combustion Chronicles*. If you've enjoyed this episode, please take a few minutes to subscribe, rate, and review.

Remember that I'm always looking to meet more big-thinking mavericks, so let's keep the conversation going by connecting on LinkedIn.

If you want to discover more about human-obsessed, maverick-minded Experience Ecosystems, go to MOFI.co where you'll discover ideas and resources to help you ignite your own experience revolution.

And be sure to check out my book, *Kiss Your Dragons: Radical Relationships, Bold Heartsets, and Changing the World*, available on Amazon. Then head over to ShawnNason.com to engage resources, a discussion guide, and information about everything from self-paced learning to personal coaching. As always, stay safe, be well, and keep blowing sh*t up!