



2019

RETAIL LEADER
OF THE YEAR



PEOPLE PERSON

How Chet Cadieux's heart and smarts
bring out the best in QuikTrip **P. 38**



QuikTrip's Chet Cadieux joins Deyenira Devine (left) and Kyle White during sandwich assembly in a store near headquarters.

Why the more than 24,000 employees of QuikTrip take their lead from CEO Chet Cadieux

BY SAMANTHA OLLER

BOSS

PHOTOGRAPH BY JEREMY CHARLES

In one month, Micah Tucker changed three tires, added air to a few, jump-started three cars and helped pump gas. Despite this list of above-and-beyond tasks, Tucker, a clerk at one of QuikTrip's busiest sites in Tulsa, Okla., off Highway 75, sums up the experience in three surprising words: "It felt good."

"I've never seen these customers before. They start sharing their story, and the conversations take their own turn," Tucker says. "Then you get a call from corporate that the customer called to say they really appreciate what you did. It makes you feel good, but at same time, you feel like it's what you should be doing."

Employees who find purpose in serving the customer: It's the holy grail of retail, especially convenience retail, which struggles with a sobering degree of turnover. But for QuikTrip, based in Tulsa, this attitude is the norm—not something isolated to an employee of the year.

"You sit down and read reports. Sure, there's changing someone's tire, but there are our employees giving CPR to somebody—literally saving their life," says Chairman and CEO Chester "Chet" Cadieux III. "Last time I checked, we generally deliver a baby a year in a store."

With more than 800 stores in 11 states, QuikTrip is proof that size is not an excuse for commoditizing customer service. And despite its growth in the past 61 years, QuikTrip and its QuikTrippers—company parlance for employees—continue to

beat expectations.

"Over the course of 10, 15, 20 years, what I've seen is [employees'] ability to adapt to a really dynamic environment, which is retail," says Chet, who succeeded his father and company co-founder, the late Chester Cadieux II, in 2002. "And every time I turn around and say, 'Golly, that's the best year we ever had; there's no way they can top that' ... I'll be damned if next year they don't do more."

What motivates QuikTrippers? Chet can point to the company's hiring savvy, best-in-class pay and benefits, its employee stock ownership plan and an award-winning, team-based culture that has earned QuikTrip an annual spot on Fortune's Best Companies to Work For list for the past 15 years.

What Chet doesn't mention—won't mention—as QuikTrippers' motivation is himself.

"It's such a big job that no one person does it," says Chet, who comes up empty when pressed to name his biggest accomplishment as CEO. "My dad did it. He was the founder, had his fingers in everything. But everything's that happened since he stepped down has been more about team ball."

Humility is a Cadieux family trait. Chester, CSP's 2007 Retail Leader of the Year, famously downplayed his own business acumen with the motto, "It's better to be lucky than smart" [CSP—Dec. '07, p. 40]. But those close to Chet point to his smarts—and heart—as a beacon for QuikTrip's employees and the key to its continuing growth.

"Chet always says he has great people at QuikTrip—and he does," says Steve Sheetz, former chairman of Sheetz Inc., Altoona, Pa., and a longtime QuikTrip board member. "But great people need a great leader because, individually, I don't think they really can move QuikTrip the way they can as a team. Chet brings them together as a team, with that vision."

Since Chet took the helm of the company in 2002, QuikTrip has:

- > Doubled its store count, opening its 800th store in 2019.
- > Topped \$11 billion in sales.
- > Entered the foodservice business, first through a commissary model and now with the made-to-order QT Kitchens.
- > Entered new markets, including Tucson, Ariz.; the Carolinas; Austin and San Antonio, Texas; and soon, Colorado.
- > Opened its first Generation 3 stores, which have 4,000-square-foot or bigger footprints for expanded QT Kitchens. Today, roughly half of its sites are Gen 3, with 30 currently under construction.

"Chet more than his father takes one value—never be satisfied—to the hilt," Sheetz says. "Just when you think they've hit the peak, it keeps going higher."

"He's driven to be better. And that drives the organization."

It's for this model of teamwork, heart and humility that CSP has recognized Chet—and the 24,000 employees of QuikTrip—as its 2019 Retail Leader of the Year.

CONTINUOUS IMPROVEMENT

Chet Cadieux's 30-year history with QuikTrip has meant great growth—and transformation—for the company.

1983 As a 16-year-old high school student, Chet begins working at QuikTrip as a part-time store employee.

1989 Chet graduates from Tulsa University with a bachelor's degree in management, and he begins working the graveyard shift at QuikTrip. Over the next few years, he rises to store manager.

1990s Chet holds several roles in QuikTrip's real estate group before becoming vice president of sales.

2002 Chester Cadieux, Chet's dad and QuikTrip co-founder, retires as CEO and remains chairman. Chet is named CEO.



2006 With Chester's full retirement, Chet is named chairman.

2008 QuikTrip celebrates its 50th anniversary and the opening of its 500th store.

2010 The first Gen3 QuikTrip store opens in Tulsa.

2011 QuikTrip enters the Carolinas.

2012 The 600th QuikTrip store opens in Oklahoma.



2014 QuikTrip debuts the QT Kitchens made-to-order foodservice program; the 700th store opens in Missouri.

2016 First QuikTrip store without fuel opens in downtown Atlanta.

2018 QuikTrip begins acquiring land to open its first sites in San Antonio and Austin, Texas.

2019 Chet celebrates his 30th year of full-time service with QuikTrip in August. QuikTrip announces plans to enter Denver.



ON THE SAME LEVEL

A visitor to QuikTrip's headquarters may have a problem picking out Chet from the crowd. During CSP's visit, we met in a nondescript conference room instead of his office, and he was clad in shorts and a polo shirt—upgrading to a collar because of the on-camera interview.

"When my dad was running the company, you were supposed to come into work in business casual every day," Chet says. "We had casual Fridays toward the end of his tenure; it was a big deal that you could wear jeans on Friday. When I became CEO, I said, 'It turns out we didn't lose money on Fridays so maybe if we let people dress casual the rest of week, let's see what happens.'"

The dress code reflects not only a younger generation of QuikTrip leadership but also the different context of Chet's relationship with employees. Chester was "like a father figure" to employees and was always outfitted in a blazer, khakis and loafers with a briefcase in tow.

"He was always the boss ... had always known the answer or could at least discern the answer from people in a room," Chet says. "The people I'm working with, they know I'm not the founder. ... In most cases, they were my peers."

More than 700 employees have been with QuikTrip 20 years or more; their smiling faces are etched on bronze plaques that line the headquarters' hallways. Chet is one of them, having celebrated his 30th year as a full-time employee in August. He has worked in so many positions—from a clerk on the graveyard shift to store manager to corporate positions in real estate and sales—that he has forged relationships at every level of the company.

"Shows like 'Undercover Boss,' that could never happen at QuikTrip, because everyone knows Chet, has had a conversation with Chet," says Rob Purnell, who started as a clerk with QuikTrip 16 years ago before being promoted to store manager, training manager, area supervisor, personnel coordinator and most recently personnel manager for the company's newest markets, San Antonio and Austin, Texas.

He shares a story from his early days at QuikTrip as an example of Chet's approachability. In 2008, Chester and Chet were fly-

FATHER AND SON



Beyond sharing a self-deprecating sense of humor, Chester and Chet Cadieux had the same heart for QuikTrip's employees.

In a 2007 interview with CSP, Chester, who was chairman at the time, explained why QuikTrip would never be sold, despite the industry's continuing consolidation.

"I told Chet when he came on board when he got out of college: You have to understand that we're not going to sell out," Chester said. "We're in business for our employees; it would screw our employees to sell out to somebody who'd cut wages and do the sort of thing people do when they buy other people's companies."

"Everyone trusted Chester," says Mike Stanford, QuikTrip board member and company veteran. And today, everyone trusts Chet. "He's obviously taken in everything his father taught him and he's taken it to heart. If he's done anything, he's built on and strengthened our culture through the [past] 17 years."

"My dad always used to say, 'Always do everything wrong the first time.'"

ing into Tulsa to celebrate QuikTrip's 50th anniversary, and Purnell was assigned to pick up their extra luggage from the airport.

"They were modest with the amount of luggage they had, so really I came there for no reason," Purnell says. He got back into his vehicle, while Chester, Chet and Purnell's division manager took off in another.

"They got probably 50 yards and they stopped," Purnell says. "Chet got out of the vehicle and jumped in mine. He said, 'I saw you were driving by yourself and didn't want you to be alone.'"

"I thought two things at the time: First, I better not get in a car accident because I'd feel really bad," Purnell says. "The second thing I thought is: How cool is this?"

The experience sealed the deal for Purnell: He had found a career at QuikTrip.

"It really helps you as you continue to grow with the company to realize you can't be any bigger than any employee. You're on the same level," he says.

MOVING UP THE RANKS

More than a decade later, Purnell is now tasked with introducing the QuikTrip way to San Antonio and Austin, where the chain in 2018 began opening the first of up to 100 sites. For each new market, QuikTrip brings a core of employees to train and work alongside new recruits as a type of culture transplant.

"My biggest job responsibility with the new market has been blending personalities with the different divisions," Purnell says, "as well as introducing the brand to a new customer who has no idea what QuikTrip offers."

This customer service focus is also part of the reason QuikTrip has won the CSP In-touch Insight Mystery Shop four times in the past 15 years, including this year [CSP—Aug. '19, p. 20].

"Anyone can build a convenience store, put in a gas island. ... But if you're going to be better than anyone else, you've got to distinguish yourself," says Mike Stanford, a longtime board member who has been with QuikTrip since 1967, when he joined as a part-time clerk in Stillwater, Okla. "And we distinguished ourselves at the point-of-sale, right where the customer is. We felt that was

PHOTOGRAPHS (TOP LEFT, RIGHT) COURTESY OF QUIKTRIP; (BOTTOM LEFT) BY BRIAN SIERRANDT

THE GOLDEN RULES

A young Chet (wearing baseball cap) learned key lessons in honesty from his mother, pictured to the right of his father, Chester.

While Chet Cadieux may have learned humility and business smarts from his father, Chester Cadieux, his mother taught him two rules that guide his daily interactions with QuikTrip employees.

RULE NO. 1: BE HONEST

"You need to always be honest, because it's so much better and it causes people to trust you," Chet says. "And one of the greatest gifts you can have is for someone to trust you, because that's something only they can give."

RULE NO. 2: BE RESPECTFUL

It's "the golden rule type of thing—do

unto others as you'd have them do unto you," Chet says. "She was ... very intolerant of people acting better than someone else. I love that about her. That's a gift she gave me that I try to live by, and sometimes I fail. Like if I'm talking down to somebody, then shame on me, and I catch myself and immediately think my mom would be so angry. I better clean up my act."



the only thing we could do that anyone else couldn't match."

The trick is building trust and accountability among employees, regardless of their rank.

Bruce Froman began with QuikTrip as a night assistant and today is a store manager in Tulsa. "For training, we constantly tell clerks and assistant managers that these are interactions that have to take place, saying, 'Hello, thank you, come back and see us,' making that eye contact," Froman says. "If I'm checking someone out and not doing my part, someone else is going to let me know."

But another key motivator is the promise of moving up the ranks. "There's unlimited opportunity at QuikTrip, and we back all of that up in that we promote from within," Stanford says. "It's reinforced daily."

Amanda Wynn started at QuikTrip as a full-time clerk in Tulsa in 2006. Six years ago, she was promoted to store manager, earning her the position's coveted black badge.

"I'll be honest: At one point, I didn't want to be a store manager, until I had a super-

visor who invested some time into me," Wynn says. "I said, 'I don't think I have what it takes.' He challenged me. I did it and achieved it."

Another Tulsa store manager, Devin Thompson, rose to his rank after joining QuikTrip in 2012 as a clerk. Mentorship is a powerful motivator for him. "Getting to see the day-to-day impact on employees is what's kept me here," he says.

Thompson's dream job at QuikTrip is personnel manager. "You're the employee advocate—something I feel passionately about even now," he says. And he is certain he has a track for achieving it, having seen others rise up through the ranks before him.

"He's driven to be better. And that drives the organization."

"It's a cool thing when you know that all the ones making all the big things happen were the ones making the little things happen," Thompson says.

BETTING ON PEOPLE

QuikTrip has a tradition of investing in people that goes back to the company's founding in 1958. Chester and his school friend Burt Holmes opened that first QuikTrip thanks to an investment by Chester's father, Chester "Cad" Cadieux I.

Chet never met his grandfather, who died long before he was born. "But he sounded like a hell of a guy, if for no other reason than he loaned my dad \$5,000 in 1957 to start the company in 1958," he says. "It's more than \$100,000 in today's dollars, and it was money he'd made. He wasn't born with money."

Chester Cadieux II kept that spirit alive as head of QuikTrip for more than four decades. One of the biggest bets he made was on Chet—in particular, his spearheading of

QuikTrip's first foodservice program.

"Chester didn't believe we should get into food. And one of the reasons was we couldn't be the best at it," Stanford says. "But he allowed it. ... Chet's done a remarkable job leading that whole transition into food. So now we're a real player in that arena."

Today, QT Kitchens serves up an ambitious menu of fresh, made-to-order pizzas, subs, breakfast sandwiches, tacos, flatbreads and specialty beverages, all customizable via touchscreen. It is the center point of every Gen 3 store.

Chet's goal has always been for QuikTrip to get as good at selling food as it is at selling fuel. He reckons it took the company about 30 years to master gasoline. "I was hopeful we could get that good at food in 20 years. We're about 10 years in but seriously working at it," Chet says. He's happy with QuikTrip's progress on share of stomach compared to quick-service restaurants. But this success is built on many stumbles.

"My dad always used to say, 'Always do everything wrong the first time.' We've done everything wrong the first, second, third, fourth and fifth time in the case of food," he says.

As an example, Chet cites his initial plan for a commissary-based program. The chain opened its first QT Commissary in 2005 in Tulsa.

"We invested a crap-ton of money in that strategy, and that was wrong," he says. "By the time you have packaging around finished goods, we didn't get as much cube as we thought we would in the trucks. Spoilage was different than what we thought it would be. Our ability to react quickly to an inventory change or need wasn't what we needed it to be.

"The assumptions were wrong," he admits. "It was good math, just bad assumptions that created that math, and they were wrong. I was wrong."

QuikTrip employees are encouraged to take risks, "if they're smart risks," Chet says. "You want gamblers who are competent gamblers." But it is also conservative in its approach to new businesses.

For example, the company offers a loyalty program, QT Rewards, in only one market: Wichita, Kan. After adding E15 to 50 Dallas-Fort Worth sites in 2017, it has not



"You need to walk in their shoes and understand what they do and how they do it, and what they face every day," Mike Stanford says of QuikTrip's working-through-the-ranks approach.



Chet stands in front of one of more than 700 bronze plaques celebrating employees who have been with QuikTrip 20 years or more.



Employees are the QuikTrip brand ambassadors—so much so that billboards in San Antonio and Austin, Texas, feature pictures of the QuikTrippers who staff area stores.

expanded beyond there. And so far, it has not tested disruptive offers such as electric vehicle charging stations.

This deliberate approach reflects Chet's analytical mindset, says Mike Thornbrugh, who joined QuikTrip 25 years ago and today is manager of public and government affairs. Having worked alongside Chester and Chet, he can say that both have the same heart for QuikTrip's employees. But whereas Chester was more of a creative, left-brain thinker, Chet approaches problems with the math side of his brain.

"Is this the right thing to do? And is it in the best interest of QuikTrip? That overrides anything we do," Thornbrugh says. "We can have great logic, and it can fit equations, and it'll likely be very successful, but is it the right thing to do for QuikTrip? If it's not, we're not going to do it."

THE NEXT 20 YEARS

This analytical approach will benefit Chet in the years ahead as QuikTrip and the industry face the great rethink of the nearly 100-year-old c-store model.

"Chester used to say, 'I'm always thinking five years out,'" Stanford says. "I think Chet has to think 20 years out." He points to the rapid development of technology and the long-term anticipated decline

in gasoline demand.

Meanwhile, the rise of online retail and on-demand delivery act as continual pressure points on the value of the box. But Chet is characteristically circumspect about the convenience industry—and QuikTrip's—chances.

"I'm not ready to write off bricks-and-mortar retail yet," Chet says. "That isn't to say everyone's going to be a winner. We're just going to work really hard at it to make sure we're one of the ones that are left."

He concedes that retailers will likely need to have an omnichannel approach, and he points to the fact that some online retailers—namely, Amazon—are investing in their own physical locations. He prefers to trust in QuikTrip's customers and its employees.

"Look after what the customer wants you to look after and provide services the customers want you to provide, and in that, there's a place for bricks-and-mortar retail," Chet says. "At the end of the day, QuikTrip's built on having great stores in great locations and staffing them with great people, and we intend to capitalize on that."

Chet's greater focus is on nurturing that next generation of QuikTrip leadership, which is currently steadily working its way upward.

"That's on my mind a lot, and not for a lack of talent," he says, "but because it'll be really interesting to see what they'll do."

CHARITABLE PURPOSE

QuikTrip donates 5% of its net profits to charity each year.

There are many laudable causes, but for QuikTrip, one offers the greatest return: at-risk youth.

"If we can make a difference in their lives, someday they will be an adult, and the world will be a better place," Chet Cadieux says. The company's top charities include:

Folds of Honor

Founded by Lt. Col. Dan Rooney in 2007, this organization provides scholarships to families of service members who have been killed or wounded. "The scholarships are designed so that the family doesn't fall into a cycle of poverty," Chet says. QuikTrip also sponsors the Folds of Honor QuikTrip 500, a Monster Energy NASCAR Cup Series stock car race. Approximately 5,000 scholarships have been awarded with QuikTrip's support.

United Way

Each of QuikTrip's markets runs its own campaign to support this charity. Employees donate money, which QuikTrip matches, or their time at fundraising events.

Safe Place

QuikTrip first partnered with this program in 1991. If a child is in crisis, whether homeless, hungry or in an abusive situation, he or she can visit a QuikTrip and ask for help. Employees are trained to provide food, a beverage and a safe place to wait while a partner agency dispatches a volunteer to take the child to the appropriate help. In 2018, QuikTrip helped nearly 600 youth in its stores across the country.

CSP