

## Panera Bread and the Illusion of Fresh

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When you think of Panera Bread, you probably have images of fresh coffee, great baked goods, really tasty salads... and you probably have the assumption that they're made on premises.

Well, somewhat. Recently there was a viral story from a disgruntled Panera employee who photographed a package of frozen Panera mac and cheese, just prior to an artisanal defrosting in the microwave.

There was much consternation, the employee was sacked, and Panera admitted that while they did serve frozen food, that it was all to the customer's benefit, since they could maintain better quality control in a central kitchen. Not exactly the image of a chef making your meal in a restaurant renowned for its fresh food, is it?

It's probably more of a temporary embarrassment for Panera, since their macaroni and cheese has many devotees, and by next week (especially as temperatures drop and seasonal warm food becomes more popular) all will be forgotten.

Then there's another alternative.

A friend swears by the five-cheese macaroni and cheese from Miss Keeta, an amateur chef in West Philadelphia. She works in a local business (unrelated to food), where she takes orders from her customers. A day or two later she delivers an aluminum tray filled with what my friend says is the best he's ever had. It's made fresh in Miss Keeta's kitchen and delivered fresh.

Why am I telling you this? It's not to make your mouth water. It's because there are also two ways to view investments: those made directly by your investment manager, picking equities based on his/her own views on where there are best opportunities for value... and then there are those coming from large institutions which have their own experts selecting investments for specific funds.

If your advisor is only recommending investment funds, is he/she merely "defrosting" investments? Or is he/she taking an active role? You may be satisfied with investments in large funds — the vast majority of investors use them for retirement planning.

At GDS, I take a different approach: I select specific equities based on my own research, and I invest my own money as I recommend to others. It's for long-term value.

I'll leave the microwave for heating up water.