

Wholefoods Market

I. Wholefoods Market is a large organization that started in the 1980s that has turned into a Fortune 500 company. Currently there are over five hundred and fifty stores located in the United States and the UK. For my Internship, I am working at the Wholefoods Bakery located in Bee Caves, 12601 Hill Country Blvd, which opened in 2008 at the Hill Country Galleria.

II. Wholefoods as a whole thrives to become the leading natural foods supermarket retailer. In order to achieve this goal, Wholefoods has opened stores in large Metropolitan areas and has continued to expand to further their efforts to create growth and reliability. When it comes to the Bee Cave location, our main goal is to become SOP/OTS certified. What this means is we will no longer hold large amounts of product in our back of house, and create a more efficient way of merchandizing and ordering product. The outcome of this goal will lower the cost of spoilage, inventory and product on hand. This goal was implemented at the beginning of this year on the 19th of January. In order to track the progression of this goal, every month two inventory counts will take place; one for the entire store for a product on hand count, and the second will be a repeat for teams with perishable items. For the Bakery Department, it will be my duty to achieve these tasks and continue to manage our budget and team member needs.

III. The majority of the functions created through Wholefoods are created for a reason. However during the Regional Vision Meeting, where we were given the task of becoming SOP/OTS certified, some unintended and unrecognized functions were brought up for their excellence. Over the years it was discovered that the high expectation of good quality food has created a higher amount of spoilage and product replacement. This eventually led to Wholefoods being one of the biggest waste companies. Team Members became very upset with the amounts

Justin Chavez
SOC 4690 – Spring 2018
Organization Analysis

of food that was being thrown out, so they decided to create ways to minimize waste. As the years continued to go by we actually become one of the leading distributors for donations to a wide variety of recipients. Main donations are sent to Zoos, the homeless and Food Banks. Even at Bee Caves, myself and two other team members petitioned to have donations due to the amount of product that was being trashed. After about three to four months of conversations, we were told to create a method of donating which led to us cutting our losses by 70%.

Another unrecognized function of Wholefoods is the margins given to local vendors to increase local items. Wholefoods only takes about 20% of the cost for local items to help distributors maintain their product as well as increase the potential for growth. During the Vision Meeting, we actually learned that this discovery has pushed Wholefoods into wanted more locally provided items. We were asked to inform local vendors we discover if they would like to sell their product at Wholefoods. This push was also brought on by Amazon, which is the biggest change Wholefoods has. Amazon wants to help Wholefoods reach their goal by initiating the SOP/OTS program. Hidden objectives for this push would be the upbringing of team members to train for higher positions. By the end of the year, the downtown headquarters will hold multiple classes on how to become an excellent team leader, store team leader, and supervisor.

IV. The store I am at is part of the Southwest Region of Wholefoods. This includes all stores in Texas, Oklahoma, Louisiana, and Arizona. There are a total of twelve regions that span throughout the Whole United States and Parts of Canada. The Southwest Region, along with five other regions, have been comping negative with our region being the lowest. Comping is the percent difference between the cost of product and the cost of purchases. If our cost is higher than the rate of customer purchase then we comp negative. If we are selling more than the cost of our product then we comp positive. The Southwest Region is comping negative at about 15%.

Justin Chavez
SOC 4690 – Spring 2018
Organization Analysis

This sounds small but it's an extremely large cost for Wholefoods when you add the other five regions that are losing money. This loss is what caused Amazon to purchase Wholefoods! David Isinghood, the Regional VP said this purchase is "the second chance at being the best." David believes that we can rebuild, reimagine and recover from this purchase through internal growth and development. In order to achieve this goal, as mentioned before, Amazon has initiated the SOP/OTS program.

VI. Wholefoods provides services to everyone that walks into the store. Wholefoods also provides services to other companies. For example, the bakery at Bee Caves provides the Grove with all bread purchases and desserts. Every week we devote a whole bake to the Grove for their customers as well as pastries they serve on their menus. Every store has these small connections, but will vary based on location and department. Wholefoods also serves vendors locally and nationally. Every store will hold products that are provided from local vendors as well as nationwide products. So a set amount of products will always be found at every store, but a majority of products found at one store will not be found at another if not distributed by the vendor. An example of this would be Better Bites Bakery, which is a locally owned bakery that provides every store in Austin with their delicious treats. If I were in El Paso, or somewhere out of state I would not be able to find this product. Another example would be Easy Tiger Bakery, who only distribute to the main Austin stores.

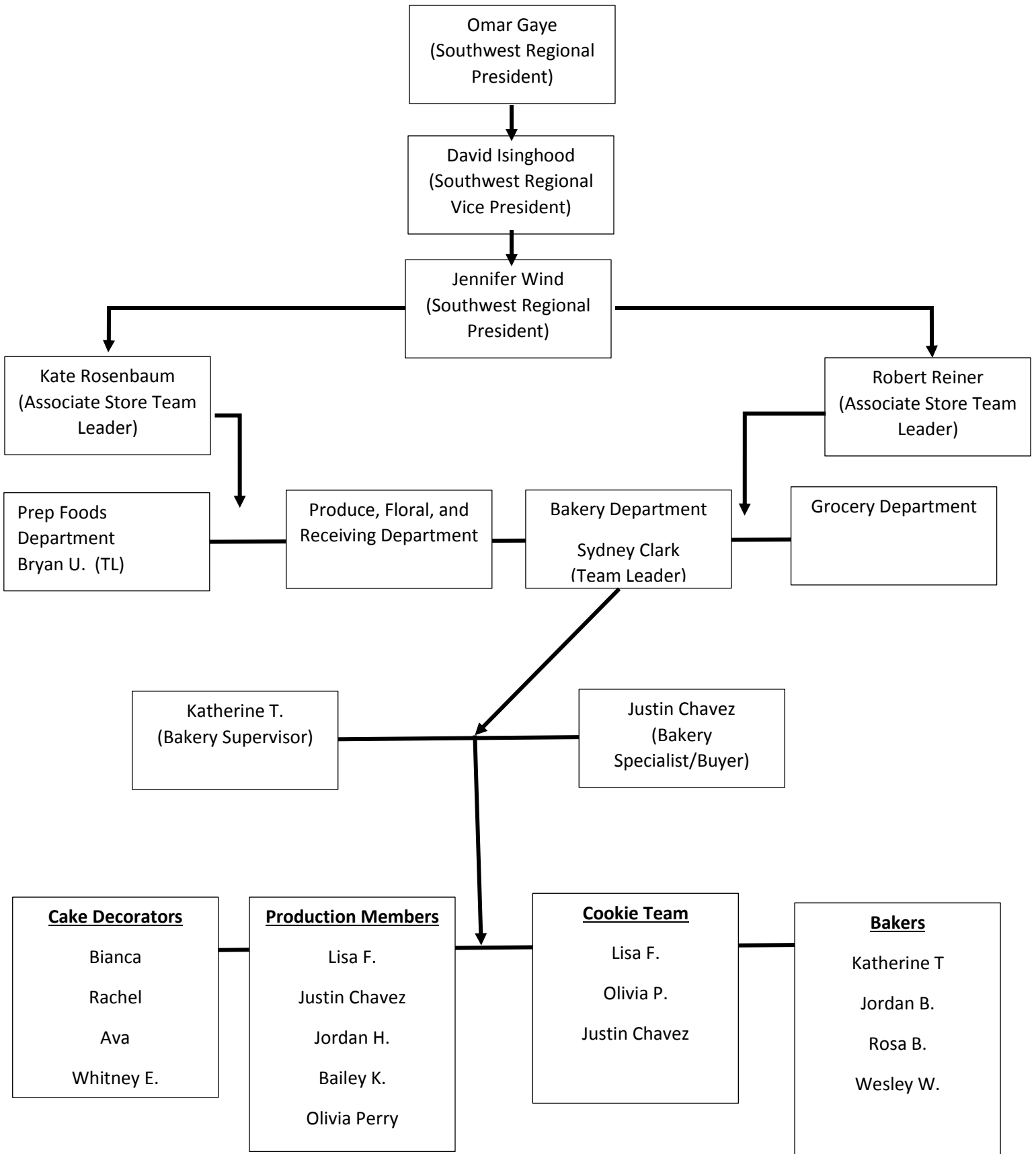
VII. Being a grocery store, since 1980, the customers are what keeps the company alive. Every Customer is treated like a shareholder of the company because they contribute by purchases our products. The Shareholders are also how Wholefoods is funded. They provided potential for growth and development. One way of increasing the number of shareholders that Wholefoods initiated is the Team Member Stock Purchase Plan in 1992. This allows all team

Justin Chavez
SOC1 4690 – Spring 2018
Organization Analysis

members to purchase shares with a percentage of their paychecks. This allowed for exponential growth and gave employees a moral boost, because they can contribute to a company that is partly theirs.

VIII. Before the Amazon purchase, it was really tough to gauge where the company was going to be in the next five or ten years. We as a whole were struggling and for the first time in 2015, the company began to lose money. Even though the company was going through hard times, they never stopped trying to be the best company for the customers and the team members. John Mackey even stopped getting payments and distributed his profit to his team members. This allowed the starting wages at Whole Foods to increase to about twelve an hour. I am very grateful to be a part of this family, and I look forward to moving up within the company. When I became a sophomore I made the decision to work for Whole Foods because I knew I wanted to be a part of this company. I look forward to developing the skills and knowledge to move up in the company to achieve my goal and to help achieve the goal of becoming the best natural foods supermarket retailer.

Southwest Region Bee Cave Store Organization Chart



Justin Chavez
SOCI 4690 – Spring 2018
Organization Analysis

This organization chart is the break down for the Bee Cave Bakery Department only. Due to the extreme number of employees (6,000+) within the Southwest Region, I simplified the Chart to my direct contacts and leaders. From regional we have the Southwest Region President Omar Gaye and the Vice President David Isinghood. These two individuals oversee all production plans to all forty-four stores in our region. Jennifer Wind oversees all production plans within store for the Austin Region. Her position holds multiple Partners that oversee other stores in the Houston Region, Dallas Region, Etc. Under Jennifer are the Two Associate Store Team Leader Kate and Robert who maintain production plans and ensure all teams are functioning properly. Each department holds a Team Leader and Team Members, but focusing on the Bakery we have Sydney Clark, the Bakery Team Leader. She focuses on creating schedules, overseeing bakery production, and providing knowledge on all bakery product. Katherine T. and Myself are the Supervisor and Specialist/Buyer. Katherine's focus is to push all merchandise onto the floor with the help of all the team members. My focus is to ensure the team members have the product to place on the floor by purchasing it and organizing the back of house. The Team Members hold multiple duties that stem into different titles; Cake Decorators, Production Members, Cookie Team, and Bakers. Each have an onset of duties that allow them to focus on specific parts of the bakery!