

A Mouse in the Salad Full Transcript

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Stephen J. DUBNER: *So I'm on Broadway, walking down Broadway in the low 90s, and I'm about to get to the restaurant where I used to go all the time. Well, once a week, once every couple of weeks, and have these long backgammon games with my friend James Altucher and it's called Le Pain Quotidien and it's a kind of a chain. But a classy chain with this big wooden communal table and I used to go, like I said, quite often with my friend James and play backgammon and eat healthy, delicious, expensive food. And um, then something happened that one day that led to my not coming back here once. And today's the day that I'm going to revisit the scene of the crime.*

Chris NEARY: *How do you feel? Are you nervous?*

DUBNER: *No, I'm not really nervous. I mean, am I nervous about something bad happening again? No. Because the thing that happened was bad enough that it has to be very unlikely, because if it happened more frequently there's no way the place would still be in business. So, I know that it's a very rare event. And logic tells me it's a very rare event.*

DUBNER: Le Pain Quotidien is a civilized place. That's really the best word for it: civilized. It serves good pastries and strong coffee, nice salads and tartins — open-faced sandwiches on organic brown bread, things like that. The clientele has a learned feel — a lot of Mac Books, a lot of enlightened conversation, classical music playing in the background. The one I used to go

to is on the Upper West Side of Manhattan, Broadway and 91st Street.

DUBNER: *Yeah, so I'm looking, let's see, I'm looking at brunch. There's a vegetable quiche, there's a roasted turkey and avocado tartin, a sharing platter.*

DUBNER: I brought one of our producers with me — Chris Neary. The plan was to eat first and then talk to the manager about the bad thing that happened.

DUBNER: *So Chris, what are you thinking of eating here? I'm going to give you one word of advice since you haven't eaten here before, this is just a personal preference. I'm staying away from salads. I'll explain later.*

DUBNER: Well, actually, let's explain right now.

ANNOUNCER: From WNYC and APM, American Public Media: this is Freakonomics Radio. The podcast that explores the hidden side of everything. Here's your host, Stephen Dubner.

DUBNER: Here's the guy I used to go to Le Pain Quotidien with all the time, James Altucher:

James ALTUCHER: *And it was very comfortable because of the big tables. We had a lot of space. We could spread out. So we would meet there at eleven forty-five, which was always crucial because you beat the lunch crowd by about fifteen minutes without sacrificing on your appetite or anything.*

DUBNER: James is a neat guy, a smart guy. He's done a lot of things — he's been an investor, a financial writer, a dot-com whiz, a nationally ranked chess master. James and I play backgammon, usually over lunch — these long-running, 101-point matches that might take a couple years to complete if we play every two or three weeks. For a long time we played at City Diner, on Broadway and 90th, but the waitress James liked quit. So we moved uptown a block, to Le Pain Quotidien. For the most part, we were really happy there. Until last summer. We were in the middle of a game, when the incident happened.

James ALTUCHER: *I noticed this woman was crying next to us.*

DUBNER: *Right behind you, she was sitting right behind you.*

ALTUCHER: *Yeah, right behind me. And she was sort of crying and half screaming. You know, I don't know if you could imagine that because it doesn't normally happen. Like, little kids don't cry like that. Like, you know, you don't usually see adults like kind of crying and screaming at the same time.*

DUBNER: *And what was your first thought?*

ALTUCHER: *Curiosity. So I wanted to know what was going on. Like, one, the woman who she was with was walking around. The manager was coming over, and this one woman was kind of like paralyzed, crying, screaming.*

DUBNER: *What did you think might have happened to her? Because I remember my thought.*

ALTUCHER: *Well what was your initial thought?*

DUBNER: *My thought was that these were two old friends. These were two ladies who were maybe, I don't know, in their sixties or so, it seemed like.*

ALTUCHER: *Maybe someone had died?*

DUBNER: *I thought that they were old friends, and one of them, her husband had recently died—this was just the scenario that my mind conjured in a millisecond—and that they were having a discussion about it, and the emotion just welled up, and she kind of lost it, which seemed like a perfectly natural thing to happen.*

ALTUCHER: *I didn't feel like that because that, that sort of crying is sadness, and I didn't quite feel, I felt more of a terror thing happening. And so that's why I stood up and basically walked over to the table.*

DUBNER: *And what happened then?*

ALTUCHER: *Well, she's crying, and the manager's over there. And there was a dead mouse in her salad.*

DUBNER: *Say it again.*

ALTUCHER: *So, Le Pain Quotidien, I walked over there, there was a dead mouse in her salad, kind of curled up, almost something like a little fetus baby. But it was a fully grown mouse.*

DUBNER: Yep: a mouse carcass in the salad. I had James take a picture of it with my cell phone. It was pretty disgusting. We weren't done eating, and we were in the middle of a backgammon game, but we decided to leave. I think you can understand why.

ALTUCHER: *You actually wanted to do an experiment, I seem to remember.*

DUBNER: All right, for the record, I remember things a little bit differently than James.

ALTUCHER: *You said, let's start walking out the door without paying, and the manager is obviously going to follow us, and you were going to say, let's see what the, how the manager prices our meal.*

DUBNER: I'm pretty sure I didn't suggest we try to dine and dash. As I remember, we went up front and asked to see the manager.

ALTUCHER: *So the manager followed us out the door, and you said, Look, we're really not feeling well, we had to leave, we'll pay whatever you want. You offered the manager the opportunity to price the meal, it was very Freakonomics-ish of you. And the manager. And you said to me in advance what you thought the manager should do, and in fact he did do that, which is he said, 'Look, the meal's on us, don't worry about it, I hope you and your friends come back here.' So, he did the absolute right thing.*

DUBNER: The manager looked pretty shaken up himself by the mouse, and really, he couldn't have handled things much better. Look, bad things happen in life. It's what you do next that matters, right? But the way James tells the story isn't exactly how I remember it. Here's how I remember it: I said to the manager, we're leaving now because the mouse grossed us out. We've eaten some of our food, and if you want us to pay, we'll pay. But I don't think we should pay. Now, how's that different from the way James tells it?

ALTUCHER: *You offered the manager the opportunity to price the meal.*

DUBNER: Well, yes and no. I offered him the chance to set the price, but only after I suggested what the price should be: zero. I was engaging in a little anchoring, as behavioral economists call it. That simply means trying to influence the outcome of a decision by establishing a numerical anchor — whether or not that number actually makes sense. We'll get back to the mouse in the salad in a few minutes — but first, a little detour into the world of anchoring.

Richard THALER: *The original experiment was they asked people a question, I think it was, What percentage of African countries are represented in the United Nations?*

DUBNER: That's Richard Thaler, who teaches at the University of Chicago. Many people —myself included — would call him the godfather of behavioral economics. When I think of anchoring, I think of Dick Thaler.

THALER: *And they had a wheel of fortune that they spun with numbers between zero and a hundred, and it would stop at some number, say thirty-five, and then they would ask people, do you think the right answer is above or below thirty-five, and then what do you think the answer is? And people's answers were influenced by the number that came up on that wheel of fortune, even though they saw that the number was generated at random. So, if you asked people, do you think the percentage of countries in Africa represented in the U.N. has anything to do with the number that came up on the wheel of fortune, they'd say, No, of course not, what are you, crazy? But nevertheless, if they start at thirty-five, they're going to come up with a lower number than if they start at eighty-five. It's pretty much inevitable.*

DUBNER: So the starting point influences the final answer, even if the starting point is meaningless. That's how anchoring works. Think about it: If I tell you my boss is a brilliant person, just mind-blowingly brilliant, and then you meet him, and your impression is that he's a massive idiot, you're probably less likely to actually conclude he's an idiot because I've anchored you on the idea

that he's brilliant. At Le Pain Quotidien, when I talked to the manager on the way out, I set the anchor of the price of our lunch at zero. If he wanted to charge us for our mousy meal, he would have had to dislodge the anchor. I asked Richard Thaler how he thought I handled it.

THALER: *Well, I think it is the case that in many situations you want the other side to make the first offer.*

DUBNER: *You do? I would think that's exactly wrong. Why is that?*

THALER: *Well, because sometimes they're going to offer a deal better than you would have asked for.*

DUBNER: Rats! Now I'm wondering what the Pain Quotidien would have given me if I'd let them set the anchor, like Thaler suggests. Maybe a lifetime of free dining? On the other hand, I'm not sure if I wanted a lifetime of free dining at a place that puts mice in their salads. So James and I took our backgammon game elsewhere. And I didn't set foot in a Pain Quotidien for months.

Coming up: if you're running a business, what do you do after the very bad thing has already happened? And: we'll go back to the scene of the mouse with the Pain Quotidien's CEO.

Vincent HERBERT: *This whole incident started to question our basic philosophy of food.*

[UNDERWRITING]

ANNOUNCER: Mouse in salad? From WNYC and APM, American Public Media: This is Freakonomics Radio. Here's your host, Stephen Dubner.

DUBNER: So I went back to James — my backgammon partner-slash-investor friend — to get his take on the mouse in the salad. He had an interesting view.

ALTUCHER: *And look, every chain that goes from regional to national goes through this, not necessarily these types of health issues. But you know, Starbucks, McDonald's, they all had their growth issues, and this one is having its growth issue in this particular way.*

DUBNER: *But, you know, is this a growth issue? Or is this one mouse in a salad? I mean it's just a mouse in the salad. I mean, it's...*

ALTUCHER: *No, this is a growth issue, because too many things went wrong. So, each one thing has a low probability, so a mouse gets into an open salad bag that happens to be lying around. That's inappropriate. The mouse dies there. So, I don't know, was it there overnight? The guy takes his hand in and puts it in a bowl and didn't see the mouse. The waitress or waiter brings the mouse over and didn't notice it. So, four or five things went wrong. Maybe the salad was delivered with the mouse in it to the store to begin with. So, we don't know where it went wrong. This is a typical thing that could happen, not this exact thing, but this aspect of things breaking down, multiple things breaking down happens when you're doing that regional to national surge of a business.*

DUBNER: Le Pain Quotidien is a growing company — it started in Brussels in 1990 and now has more than 150 locations in 16 countries. And it's planning to grow some more, adding about 50 locations in the U.S., England, and France over the next few years. But I wondered: is that growth responsible for the mouse in the salad? I wondered a lot of other things too, like: What did the 91st Street location do after the mouse incident, to prevent a replay? How did they make amends to the customer who got served the mouse? And most of all, when you're running a business and something bad — something really bad — happens, how do you regain the trust of your customers? These were some of the questions I wanted to ask Le Pain Quotidien, and that's why I finally went back that day. I found the manager on duty — a nice-enough guy — and asked if we could talk. I pulled out a picture of the mouse in the salad. Suddenly he wasn't quite as nice. He remembered the incident, to be sure. But he said he wouldn't talk, couldn't talk about it. He gave me a card from Le Pain Quotidien's New York headquarters, suggested I talk to corporate communications. So I did. A very

nice woman told me the appropriate party would get back to me soon. But it didn't happen. I kept calling. I was told that a lawyer, and then a P.R. person, would answer my questions about the mouse in the salad. But neither one did. I thought this was strange — if something like this happened at your company, wouldn't you at least want to return some reporter's call and explain yourself, maybe offer an apology, as pro forma as it might be? Since Le Pain Quotidien wasn't talking to me, I called someone else, someone with his own disaster experience.

Andrew GOWERS: I'm Andrew Gowers. I'm a consultant on communications.

DUBNER: After a long and storied career in journalism, Gowers went into corporate communications — first at Lehman Brothers, not long before it collapsed, and then at BP, where he worked during the Deepwater Horizon spill. His job was to represent his company to the public. It puts one little mouse in the salad into perspective, doesn't it? I asked Gowers what a company, large or small, needs to do when disaster strikes.

GOWERS: *I do think there's a serious premium on doing your best to be as transparent and clear about what's going on as possible. I say that in an appropriately cautious way because I said before, in crises it's very often not possible to know everything that's going on, but if there's any suggestion that you are behind the curve in terms of withholding information, or worse still disguising or gilding information, then you are on a heading to a very difficult place.*

DUBNER: Le Pain Quotidien wasn't being very transparent, were they? I gave them another call. They still wouldn't talk. It was frustrating — and, I'll be honest, puzzling. And then finally, after many weeks and many requests, my cell phone rang. It was the company's CEO. He agreed to meet me back at the scene of the mouse ...

HERBERT: *So, my name is Vincent Herbert. I'm from Belgium. I'm forty-six. I have three kids, a fantastic wife, living in New York for twenty years. And I'm currently very busy and living a great*

journey with Le Pain Quotidien as I am overseeing the strategy, and I am overseeing Le Pain Quotidien worldwide.

DUBNER: So Vincent Herbert and I sat at one end of the very long communal table. And I asked what he did about the mouse in the salad.

HERBERT: *There is a crisis happening, and if you look at it, and if you do introspection, in fact it tells you, 'Vincent, go and dig into the business,' which I did. I went to see, you know, I asked all the questions. Why did it happen? What about the quality assurance? What about the vendor? What about all the processes? What did we do about the customer? You know, how do we respond to the media if the media comes to us? And by asking those questions, I'm coming to realize that there are a couple of things that I could do better. And I think that is the opportunity of owning things that are happening to you.*

DUBNER: *Talk to me about the fact that you, the president, wanted to come here and talk to me about this incident. Whereas the other people who work in your firm took exactly the opposite tack, and what that says about the way firms handle bad news these days.*

HERBERT: *Well, I think...Well, for us it's a very new occurrence to have the media coming to us. We're pretty shy to the media, and therefore what I realized through that incident, another good opportunity, good lesson, is that we need to get better at understanding how to partner with the media so that we are open and transparent in the right context. The first reaction, indeed, of my team was scared and paralyzed, you know, like don't know what to do, it's only going to be negative, it's a huge liability, the less we say the better it is, kind of avoiding. And as a person, and as a leader of this organization, I very much disagree with that. I think, I think this is an opportunity again to tell the people what we stand for.*

DUBNER: O.K., so Herbert is pulling his company down the road toward transparency. The first thing I wanted to know is: What happened? How'd the mouse get in that poor lady's salad?

HERBERT: *Yeah, so we went through all the processes, asked many questions to all the people, and we determined with the vendor that it came from the field. So, it came from the lettuce from the field, and it was very, very interesting, and a very important moment when in fact this whole incident started to question our basic philosophy of food, which is our philosophy of Le Pain Quotidien is organic food. You know, we believe in organic farming. And with an incident like this, it's amazing how an incident like this couldn't make people think about well, do we keep going organic? Because this is a business, and something like this, if it's taken out of proportion, out of context, and we jump all over this, it could destroy this business, it could destroy this small, growing company. People, it was amazing how in my team, even in my team we knew, and some people say, well we're just going to change, we'll knock organic. You know, we're just going to use...*

DUBNER: *So some people are saying because the mouse came in from the field, and because it's an organic, presumably if we go non-organic salad, we would not have a mouse. So there are people putting the pressure on to do that. What did you say to that?*

HERBERT: *Well, there was no pressure. There was again, a rational, deductive suggestion to say well if we don't want this to happen again, we just change our philosophy and we go from organic to conventional. We use pesticides, and we use all those crazy things, and yes, they're not going to be any baby field mice in lettuce, and it's not going to happen again. There was nobody on the team that suggested that we had to change the philosophy. That was very reconfirming to me to say my team are still die-hard believers in the core philosophy of Le Pain Quotidien. And for me there was no question.*

DUBNER: *So the mouse in the salad became an internal referendum on whether Le Pain Quotidien should carry on its organic mission. And the answer was a big, fat yes. Now, is it true that being organic is what led to the mouse? That is, if Le*

Pain Quotidien used conventional greens, would the mouse have necessarily been eliminated before it got to the salad bowl? Apparently not. We talked to some agricultural academics who told us that typical pesticides don't actually discourage things like rodents. In other words, you can't just flip a chemical switch and make sure no mouse ever ends up in your salad.

DUBNER: The woman who got served the rodent at Le Pain Quotidien – the woman whom I had imagined was distraught over some kind of private loss, rather than a public mouse – she didn't want to be interviewed, and didn't want me to use her name on the air. But we did exchange a few e-mails. You want to know the most amazing thing? She still eats at Le Pain Quotidien – that same Pain Quotidien – all the time. She respects and admires their organic mission; she forgave them for the mouse entirely. I asked Vincent Herbert how that happened. He said Le Pain Quotidien kept her trust...

HERBERT: *by being brutally honest. And I think that honesty, the transparency, the empathy, with that incident was very important. I think the customer understood, one, that this is something that is very unusual. And we're talking about an incident that happened a year ago in one store, and this and that. And she understood that we felt for this, we were sorry, we were going to do everything we can, but we were honest. We were just human beings talking to another human being, and saying this happened. You know, we're not going to run away from it, it happened and we're sorry. But this is life. And I think, I mean, this is a great person. She understood that this is life. There are no guarantees. The only thing that are given to us is to do our best efforts.*

DUBNER: *What did you...Beside all that, beside communicating with her in a very human, humane way, did you let her eat here for free for a year, for a lifetime, was there any kind of arrangement like that?*

HERBERT: *Not that I know. I think, I think monetary stimuli and*

those kinds of things, I don't think that would make any difference. At the end of the day, you know, it's like motivating people to work in a company. It's not the money that you pay, it's more the culture, the honesty, the transparency, the way you treat people, the way you talk to them. I think that's more important. I think that's where the team did a good job, is they weren't all hiding, they were just like, hey this doesn't reflect, this is not what we represent, we're trying to do our best, we have a setback, and we really going to try to do better.

DUBNER: *I mean, let's be honest, you're talking to me, this is a story that will work its way into the public bloodstream, someday somebody might write Harvard Business Review case study of 'This is the way Vincent Herbert took a bad incident at a restaurant and turned it into a positive.' Is that...*

HERBERT: *Yeah, it is, and I think what everybody, what I know, and I spoke with a couple of friends and my wife, and she is definitely my big mentor – by the way she's an animal psychologist, so she's understands those instincts, and she definitely understands me very well – and we were thinking a little bit about the fear factor. And, you know, when things like this happen, you know, the first instinct is kind of like fear, scared, you know, I got to go hiding, you know, this is bad. And I think that the fear factor can push you to do something extraordinary. And I'm nervous about this because I don't quite know well enough what your intentions are with this. But, again, I got to trust that being brutally honest within an environment of a setback, that it's not going to be taken out of context, that we're going to get stronger out of this. This is an opportunity to tell the people that we have integrity, that we have resilience. We have tenacity. I think, you know, I think we will keep going organic. We are not going to jeopardize, we are not going to compromise our vision to provide organic food to our people. And it's about taking certain risks and managing them.*

DUBNER: *How can you help but respect Vincent Herbert? Yes, it took a while for his company to answer the call, but here he is*

now, front and center, taking ownership of the mouse in the salad. I mean, good for him! Bad things happen in life. It might be your fault, it might not be. But at some point, someone's got to put up his hand and say, I'm. Taking. Responsibility. For better or worse. For the incident itself — and for the aftermath. By the way, when I went back to Le Pain Quotidien, I stuck to the quiche. Just didn't have the stomach for a salad.