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BELOW THE LINE

USC UPSTATE CHANCELLOR BENNIE L. HARRIS

SPEAKS WITH KELLI VALADE, PRESIDENT AND CEO OF DENNY'S, INC.



Kelli Valade (left) and Dr. Bennie Harris / Photo Provided

Welcome to Below the Line, a monthly question-and-answer column in which Chancellor Bennie L. Harris, Ph.D., of the University of South Carolina Upstate will interview a leader about change, technology, education, and leadership. This month, Dr. Harris spoke with Kelli Valade, president and chief executive officer of Denny's, Inc. She oversees both Denny's and Keke's Breakfast Café. This interview has been edited for content and clarity.

"She's passionate about creating a positive and inclusive culture identity where everyone feels valued and respected," Harris said. "She believes that diversity, equity, and inclusion are not only the right things to do, but also the smart things to do for businesses. She's committed to advancing these social responsibilities, and she also strives to deliver an exceptional guest experience, drive innovation and growth, and enhance shareholder value."

Harris: I understand your love of food and hospitality first came from cooking and eating Italian meatballs and other dishes with your grandmother in New York.

Valade: Indeed, it did. Every Sunday we were together, sitting around the table, having conversations—sometimes the same conversation and the same story, and the same gripes from my grandparents. But it was a special time. I have fond memories of that and learning to cook with my grandmother in the kitchen, and I do it to this day. I did it this weekend and made a lot of meatballs, and it's a way to bring people together. I've always thought restaurants were about more than just food. They're places where people can connect, even when the world is divided.

Harris: You first joined the restaurant business at the age of 16, when

you got a job as a hostess at a TJ's Big Boy in upstate New York. For some people, that experience might turn them off to a career in this field, given the stress and the hours and the pace. What was that job like for you, and why did it inspire you to keep moving forward and up in this industry?

Valade: I was hooked from almost the first day. The pace was amazing. I got to meet these customers every day. Again, I learned very early on, in that first job, that it was bigger than food. It was the people who came in and sat at the counter to be seen and connect.

My managers at that location and at that restaurant saw something in me and said very quickly, "We can move you up. You can be a server, you can be a trainer, because you've got a little bit of that hunger." They saw something in me beyond what I thought I was capable of.

Harris: Did you think about it being a career?

Valade: No, absolutely not. I just thought, well, I'm making really good money, and this is flexible. You know, my mom was a single mom. I could help out at home, and it helped me get to college and pay for college. So, I didn't, at that time, think of a career in the industry.

Harris: You ended up spending 22 years at Brinker International, at one point serving as brand president for Chili's Grill & Bar. What was it like to oversee more than 80,000 "ChiliHeads" and more than 1,600 restaurants?

Valade: It was amazing. It was some of the best years of my life. I cut my teeth there. I learned from amazing leaders. You know the value of relationships and influence and all sorts of things, but I absolutely

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worked my way up from HR roles to then operate back-end operations as COO and then the first female president. So, I was honored to do that.

Harris: After that, at Red Lobster, you focused a bit on how to make the brand more “relevant.” What does that word mean to you, in restaurant lingo, and what did that evolution involve?

Valade: I grew up on that brand. That’s a brand with a lot of staying power, and a brand that a lot of people know. But it was a brand that needed to be updated and feel fresh and feel like the next generation wanted to not only work there but come to eat there. So, there was a journey about what that meant for the customer, and shifting the marketing a little bit.

Harris: I’m interested to hear more about your experience at restaurant-insights company Black Box Intelligence, where you looked at ways to help the restaurant industry recover from the pandemic. So many eateries closed during Covid-19.

Valade: It was actually somewhat happenstance. I exited Brinker after 22 years and was offered a chief executive officer role at Black Box Intelligence, the foremost industry leader in providing data and insights from the guest perspective, the workforce, and the financials.

I went from running a company with hundreds of thousands of people and lots of lo-

cations at Chili’s, to running something very small where we’re more technology-driven.

Then the pandemic hit, and it became: Who has the data? Who has the insights? Are we going to survive this? So, I pivoted to doing podcasts and doing webinars and helping people understand what the guest was saying. I was in the middle of the mask debate, to mask or not to mask. And I was looking at the employees who were in the middle. I ended up trying to help people survive and thrive.

You have to lead while understanding your customer, your workforce, and the benchmarking data out there.

Harris: So, you joined Denny’s Corporation as CEO in June 2022. What did the company look like when you got there, and how has it changed since your arrival? I know, for example, that Denny’s is getting back to its 24/7 operations.

Valade: I joined at what looked like the tail-end of the pandemic. So, I needed to look at the Covid-pandemic hangover and how we could get back to doing really great things. What attracted me to Denny’s, and the big reason I joined, was really this idea of loving to feed people — body, mind, and soul. That gives you so much permission to do good, and not just in the restaurants, but in communities.

Denny’s was created long before me, in 1953. We went back to uncover the true

purpose of this organization. We did a bunch of research and went back to the original founder and said, “Why did you do this? Why 24/7?”

He said he loved to feed people, and that became the brand. The world has changed a bit, where the market has shifted or it’s just not as profitable to be open late-night. We’ve partnered with our operators and partnered with our franchisees to come to a great place and still be there when our guests need us.

Harris: Your tenure has featured a massive deal for Denny’s: the \$82.5-million acquisition of Keke’s Breakfast Café. That chain is small, while Denny’s is huge. How do these two work well together in the Denny’s portfolio? Why did that deal make sense?

Valade: It was inked and almost finalized when I joined. Keke’s Breakfast Cafe is not known here. It will soon be, but it’s not yet. They’re called A.M. eateries or daytime cafes, it’s a new segment of the industry. They’re usually open 7½ hours a day. Keke’s Breakfast Café was created in Florida and has this cult-like following there, so it’s a fantastic extension for the Denny’s Corporation.

The thinking was we’d have something else in our portfolio. We’d have a vehicle if there was saturation from Denny’s franchises in a market. They’re not the same customer, and it’s an adjacent strategy. So, it’s a growth vehicle and there’s not a lot of players in that

space that aren't local mom and pops. So, we have the chance to become really big and grow this thing really fast.

Harris: Let's switch course a little bit here. You've talked about the intersection of personal passion and work. Can you tell me a little bit about how that translates to your career, and your current position?

Valade: I think it's Aristotle, and I don't always get the quote right, but it's something about: where the needs of the world and your passion intersect, there lies your purpose.

I'm honored for the chance to do that every day. I'm honored to listen to people's stories in restaurants. I profoundly care about the plight of the restaurant worker and what we can do for them to make their lives better. I see the whole person. So, I think that's where the intersection is for me.

We're a little different. We're a little scrappy here in this restaurant business. And then I get to work in a place where we help grow restaurant sales and traffic and do good for our franchisees.

Harris: It's great that Denny's gives back, whether it be the 53-foot mobile relief-diner that hands out free meals, or the company's focus on mental health. We at USC Upstate really appreciated the opportunity to partner with Denny's for Denny's Together: Mental Health and Wellness to address the important issues surrounding mental health in the workplace and the community. I know I learned a great deal about how universities, corporations, and individuals can better manage and improve their mental health and wellness. Why is this an important topic for you, and for Denny's?

Valade: We've given \$2 billion over the last couple of decades to underserved communities and the community. The list of communities that we engage with and relationships we have — they're all over the country. We've authentically done something beautiful.

As far as mental health goes, there has never been a greater need. I was in human resources for a long time. I've been studying the idea of mental illness. I've been studying this idea that people are lonely. And so, whether it's a college campus or the workforce, we've got to do something. If the healthcare system can't, if the government can't figure it out, maybe businesses can.

It's in the fiber of who we are anyway — we're iconic and for everyone. We're open.

Harris: I felt it was pretty courageous when Denny's and USC Upstate partnered together, in this particular activity, to talk about this issue. We have a counseling center. We're amplifying and elevating our support for mental health. But seeing you

leading and being very open and inviting your employees to say that, "I'm not OK," and connecting them to help, is amazing.



I get asked about not coloring inside the lines. People ask, how do you do that? I've raised my hands for things that weren't necessarily in my lane at the time... I worked in a big company with a big portfolio, and I got a chance to leverage my skills and shadow different leaders. That was because I raised my hand.

Harris: Earlier you described Denny's as a little bit scrappy. You yourself have been described that way, as a leader. You've used words like "fair," "a little bit competitive," "caring," and "galvanizing," and that you don't necessarily color inside the lines. Tell me more about that, and how that leadership approach works for you and the people around you.

Valade: I get asked about not coloring inside the lines. People ask, how do you do that? I've raised my hands for things that weren't necessarily in my lane at the time. So, I would raise my hand and say, "I know a little bit about HR, and I know a little bit about ops. Can I be on that task force?" And I worked in a big company with a big portfolio, and I got a chance to leverage my skills and shadow different leaders. That was because I raised my hand.

I had to learn to navigate and work with people and work with different teams, even if they weren't direct reports. Being scrappy doesn't hurt either. You know, I'm working really hard.

I like to think I'm listening to feedback and adapting. I don't just filter it. I think about how I can be better for it.

I also used to play sports as a kid, and I like to win. So, I like to look at how we all can win together.

Harris: I'd next like to talk about Leading Below the Line. What I mean by that is that oftentimes we don't know what's going on beneath the surface — for leaders and for

their teams — and we have to dive in and find out exactly what's at play in order to make a project or a plan successful.

Valade: I feel so strongly about what you're talking about. You bring your whole self to work. You don't just bring your "work self."

I've thought about this a lot, pre- and post-pandemic. Post-pandemic there's a need for a great leader to understand what's beneath the surface. At Denny's we've actually created an amazing video called "Hidden Layers," and we're using it to talk about hidden layers in a conversation and what may be going on, as well as how to talk about serving guests.

We all got shaken up a bit in the last four years, and there were debates that ended up becoming debates inside the restaurant. So, for servers some days it could become a bit overwhelming. And my concern is always about: How do we take care of the people who serve the guests today, and get more guests coming in?

So, you have to translate this thinking to every leader inside the organization, but also with the guests. A guest can walk in angry and upset. Maybe it seems unreasonable. What could be going on that you don't see? What's the hidden layer? This kind of thinking can defuse the conflict.

I think that's really powerful.

Harris: OK, last question: Kelly, do you have a hero?

Valade: My hero is my dad. Like I said, I grew up in this Italian family making meatballs with my grandmother. That's my adopted grandmother. I was adopted at birth. The family that I was adopted into was a big Italian family and the best I knew was maybe I was Italian, maybe not. I was always really proud of that heritage and the whole thing that went along with that.

About 6½ years ago, my son was doing a family-tree project, and he helped me find both of my birth parents I had been searching for, on and off, for my whole life. So, I found my birth father, who used to own an Italian restaurant. We are now extremely close.

Harris: Oh, wow.

Valade: Now we spend our Sundays making meatballs.

It was just the validation and seeing someone that I looked like for the first time in my life, at 47. We have the same personality, sense of humor, sarcasm. So, it's fascinating. He's a guiding force in a lot of what I do and a champion of what I do.

Harris: What an amazing story. Kelly. Thank you.