

Pampered Chef founder says ethical practices key to entrepreneurial success

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ALFRED Doris Christopher has enjoyed the kind of business success most entrepreneurs can only dream of. From humble beginnings (Christopher began The Pampered Chef in the basement of her suburban Chicago home in 1980, with a mere \$3,000 in startup capital) the company has grown to achieve annual sales of \$725 million, with 950 employees at its Addison, IL, headquarters and a sales force made of 75,000 independent Kitchen Consultants. Throughout the company's rapid rise, Christopher has remained true to the ethical standards she set for herself when The Pampered Chef was founded. That, she said, has been the greatest key to her business success. Christopher spoke Monday afternoon to a large audience that packed Nevins Theater on the Alfred University campus, where she delivered the fourth annual Cutco Foundation lecture on Entrepreneurial Leadership. Her lecture was titled "Ethics and Leadership: A Foundation for Business." The annual lecture series, sponsored by the Cutco Foundation and Alfred University, is made possible by a gift from Erick and Marianne Laine and the Cutco Foundation. Erick Laine is chairman of Alcas Corp. of Olean, NY, chairman of Cutco Cutlery Corp. and an Alfred University trustee. Christopher started the Pampered Chef in her River Forest, IL, home after the youngest of her two daughters began kindergarten. She had spent several years at home raising her children and wanted to resume her career, but only if she could continue spending time with her family. Her husband, Jay, himself a successful businessman, suggested she start her own business. Christopher, whose educational and professional background was in home economics, ultimately settled on a direct sales venture, focusing on kitchen tools that she knew and trusted. The Pampered Chef's mission, she explained, was to provide working mothers with the means to make meal preparation easy and thus facilitate quality family time around the dinner table. She started out small, demonstrating the use of kitchen tools (vegetable peelers, can openers, etc. the inventory of which she purchased with the initial \$3,000 investment) to guests gathered in friends' homes. The money she made from sales was used to increase inventory. She hired her first Kitchen Consultant in 1981 and by the end of that year, The Pampered Chef had 12 Kitchen Consultants providing in-home demonstrations (Kitchen Shows) throughout the Chicago area. Businesses boomed in the 1990s and today more than 75,000 Kitchen Consultants work in all 50 states and in three other countries. The company began branding its own products in 1992 and has grown to become the largest branded kitchenware company and direct seller of housewares in the country. Last fall, The Pampered Chef was purchased by investment mogul Warren Buffett's Berkshire Hathaway Inc. Christopher, who remains as the company's chairman, stressed the importance of maintaining high standards of ethics. "Direct selling requires the highest level of integrity," she explained. "The Kitchen Shows are held in people's home. Personal trust is absolutely essential." Christopher said a high level of trust is best maintained through the Kitchen Shows, which provide direct personal contact between a knowledgeable seller (the Kitchen Consultant) and the customer. Over the years, she eschewed suggestions the business could become more profitable by relying less on direct sales through Kitchen Shows and selling products directly via the Internet or direct mail. "The Kitchen Show is the heart and soul of our business," she said. "It is true customer service and it is why The Pampered Chef has been a success." Many businesses fail, Christopher said, because they don't make adherence to ethical practices a high priority. "Business should be expected to follow standards of generally-accepted behavior," she said. "A business culture that promotes fairness can be a business's greatest asset." Christopher pointed to passion as a key ingredient to a prosperous and fulfilling business venture. "Passion is the most basic driver to achieving success. I love to cook, and mealtime to me is an important part of family life," she said. "The most successful of our consultants are those who believe in our mission of promoting family mealtime." Hard work, determination, commitment and focus are needed to make any business succeed, Christopher said. She noted that when The Pampered Chef was in its infancy, she had her doubts about the company's ability to succeed. Those fears subsided as the business grew. "It was a lot of hard work, and I couldn't have done it without the support of my family," she said. "This is when I learned to appreciate focus." Despite the trepidation that came with starting a business from scratch, and the sacrifices of time and energy that had to be made, Christopher describes the early years of The Pampered Chef "as some of the best years of our lives. The adrenaline was flowing and it hasn't stopped flowing for 22 years." The Christopher family has proven to be an entrepreneurial leader not only through its business practices, Laine commented, but also through a willingness to give back. Last year, Jay and Doris Christopher donated \$30.1 million to three universities. Laine noted the couple's \$1 million endowment to the Direct Selling Association, to be used to fund a program promoting sound ethics in business. Laine is pleased with how the lecture series has grown over the last four years, each of which has brought a

noted entrepreneur to the AU campus. Tami Longaberger, president of the Longaberger Company, delivered the first annual lecture, in 2000. She was followed by David Oreck, chairman of the Oreck Corp., in 2001, and Peter Cuneo, then-president and chief executive officer of Marvel Enterprises, Inc., last spring. "The challenge we face each year after successes like those is the classic, 'How do we top that?'" Laine said. "The marvel is, that somehow we've been able to do just that, and we've done it again this year."