A. Frank Smith, Jr. Lecture Series

Monday, November 29, 4:00 P.M.

Alma Thomas Theater

**John P. Mackey**

Co-Founder and Co-Chief Executive Officer

Whole Foods Market, Inc.

*Conscious Business & Conscious Capitalism:*

*New Paradigms for the 21st Century*

John Mackey has devoted most of his adult life to selling natural foods and building a better business model. A leading practitioner of empowerment management, the co-CEO of Whole Foods Market, Inc. helped build a $9 billion Fortune 500 company that is now one of the top 20 supermarket companies in America.

In 1978, at the age of 25, John borrowed $10,000 from his father and raised an additional $35,000 of equity investments to co-found Safer Way Natural Foods with Renee Lawson. Two years later, in 1980, he and Renee teamed up with two other young entrepreneurs to create Whole Foods Market, a 10,000 square foot store on Lamar Boulevard in Austin. As one of the very first supermarket-style natural foods stores in the country, the store thrived from its opening day.

The store was followed by four others in Texas, then an expansion into Louisiana in 1988, Northern California in 1989, and North Carolina in 1991. Whole Foods Market did an Initial Public Offering of stock in 1992 which raised $28 million, and embarked on an aggressive campaign of expansion and acquisition through the 1990s. Through this process, while Whole Foods Market expanded its reach, the entire natural products industry–from farmers and suppliers, to distributors and wholesalers, to other retailers—expanded as well. By the end of 2008, the organic foods industry in the US was more than $24 billion in size, a development John sees as beneficial for all concerned. Whole Foods Market now has 298 stores in the US, Canada, and the UK.

John and the Whole Foods Market leadership team are firm believers in decentralization and remain willing to experiment with new business ideas. Recent examples include offering $10 million in low-interest loans to local farmers and food producers to help them expand their enterprises, launching the Whole Planet Foundation to help end poverty in developing nations with micro credit, creating a platform in the marketplace to improve welfare for food animals, creating transparency in seafood sustainability, and promoting Healthy Eating education for Team Members and customers.

The Whole Foods Market workplace is based on the ideals of respect for the individual and self-empowerment. The company honors a strict pay cap (currently 19x the average wage for Team Members) for all of its executives, which reflects Whole Foods Market’s commitment to “internal equity” between all Team Members. John cut his salary to $1 annually in 2006 and forgoes stock options and bonuses. He continues to work for Whole Foods Market for the pleasure he realizes from leading such a great company, and to better answer the call to service that he feels in his heart.

John’s most recent professional focus is re-invigorating Whole Foods Market’s emphasis on healthy eating and lifestyle choices. According to John, “many of our country’s most serious health conditions, including obesity, diabetes, and heart disease can be lessened or eliminated by following some simple principles of healthy eating that include primarily plant-based, unprocessed whole foods and avoidance of all fats but those found naturally in plants.” An active promoter of a new business paradigm that he terms “Conscious Capitalism”, John is also co‑founder of Conscious Capitalism, a non-profit organization with the tagline *Liberating the Entrepreneurial Spirit for Good*.

Contact: Corlee Bosch, 512.863.1510, [boschc@southwestern.edu](mailto:boschc@southwestern.edu)

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**Resources:**

“At Whole Foods, team management goes all the way to the top”

<http://www.statesman.com/business/area-employers/at-whole-foods-team-management-goes-all-the-937525.html>

“Rethinking the Social Responsibility of Business”

<http://reason.com/archives/2005/10/01/rethinking-the-social-responsi>

“Creating a Community of Purpose *Whole Foods Market*”

<http://books.google.com/books?id=WxUkuJj0CK4C&pg=PA69&dq=creating+a+community+of+purpose&hl=en&ei=aliiTPrDLMG78gbopYjDBA&sa=X&oi=book_result&ct=result&resnum=2&ved=0CDEQ6AEwAQ#v=onepage&q=creating%20a%20community%20of%20purpose&f=false>