Pledge to Action

Case Study



Innovating for Impact: Toast's Changemaker Product Suite



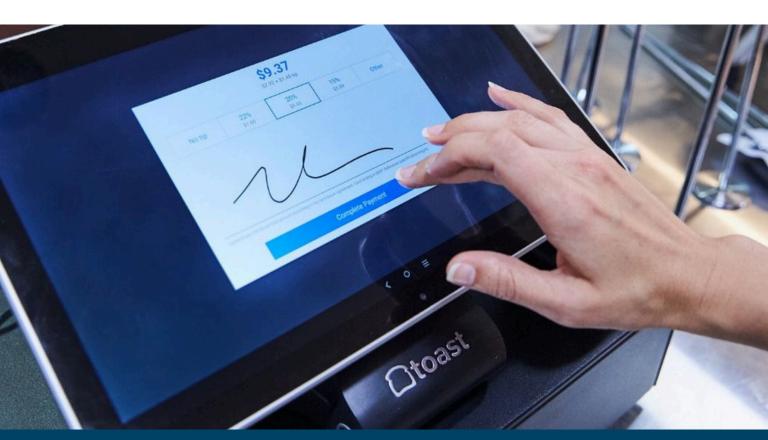
Toast.org's Ani Boyo shares how they leverage products to help restaurants and guests be changemakers in their communities.

Company: Toast Industry: Software

Pledge 1% Member Since: 2021 Pledge 1% Builder Since: 2022

<u>Toast</u> is a cloud-based restaurant management software company based in Boston, Massachusetts. Their system is used by approximately 112,000 restaurant locations mainly in the U.S. (as of March 31, 2024) to improve operations, increase sales, and create a better guest experience.

Toast created its social impact arm, Toast.org, in 2019, with the purpose of enriching the food experience for all and creating a healthier, more sustainable, and equitable world. In 2021, Toast enrolled in the Pledge 1% movement and later became a Pledge 1% Builder, joining the collaborative network of more than 50 companies leading the Pledge 1% corporate social impact movement as partners, advisors, and financial supporters.





Products for a Cause

Toast.org started with an emphasis on making philanthropic grants and activating people for impact. In other words, what Toast calls their two P's: philanthropy and people. But soon they realized their business was uniquely positioned to leverage a third P: product. Nested within Toast's research and development (R&D) department, they call this their R&D pledge. This side of their social impact work is about building products to help Toast's customers and their ecosystems (restaurants and their guests) be changemakers in their local community.

When it came to determining the issue areas for their product work, "We did some soul searching around how we as Toast could help in different societal issues or problems where we could actually make a difference," says Ani Boyo, Associate Director of Product at Toast.org.

They decided the best fits were food insecurity, sustainability and food waste in restaurants, and empowering restaurants to be local community hubs. The result is what they today refer to as the Changemaker Product Suite, available to Toast customers at no extra cost, which includes:

- Fundraising Allows restaurants to fundraise for local or national causes of their choosing.
- Food Waste Reduction Helps restaurants manage their food waste and potentially divert excess.
- Packaging Preferences Helps restaurants reduce their packaging and plastic waste.

"We understood that when we were building this [Toast.org R&D] team and the functionalities, a lot of



our benefits would be to Toast restaurants—but our goal is really to help the entire food restaurant industry as a whole," Boyo says.

Toast.org partners with organizations that are experienced in these fields, like the nonprofit ReFED, which works across the food system to help reduce food loss and waste. As part of their partnership, Toast.org has supported ReFED through a \$1 million investment toward their Catalytic Grant Fund, an initiative designed to accelerate the development and implementation of scalable food waste solutions by providing funding and post-grant support. The aim is to unlock additional capital

and/or impact that might not otherwise have been possible. By working together, Toast and ReFED have been able to explore opportunities to make systems-level impact on the problem of food waste for the restaurant industry.



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Engaging Employees

With a team of four full-time employees working on the Changemaker Product Suite, Boyo's department is busy. But they're not alone. As part of their R&D pledge, Toast set up a rotational program that allows other employees from the R&D team to join Boyo's team for three months. In the first year and a half since launch, they've already had several people rotate in to help enhance the Changemaker products.

"I think that's one of my favorite portions of my role," Boyo says. "We get to give people the ability to join, work on some impact stuff, and reinvigorate their excitement about Toast. You can see their joy and how they come out of the rotation as a more well-rounded R&D professional, engineer, designer, or product expert."

It's created an incredible momentum, he adds, because people feel that they're making an impact. They get to see the output of their work through functionalities and features that customers are really using. 2023 Results \$1.7M+ raised by restaurants through Toast Fundraising, supporting ~1,500 unique 501(c)(3) causes

3M+ guests contributed to a restaurant's Toast Fundraising campaign

1,700+ restaurants adopted the food waste reduction tracker

21,000+ uses of reusable takeout packaging through Toast's DeliverZero integration

And for those who aren't able to participate in the full three-month rotational program, the team also offers two-week impact sprints where other product teams can collaborate with the Toast.org product team on social impact features.

Changing the Narrative

For anyone who doubts that social impact can affect the bottom line and keep customers happy, the results of Toast's Changemaker Product Suite should change that.

"We want to show people that there is a world where social impact can help positively impact our customers' bottom line," Boyo says. For example, "we have thousands of restaurants using [our product] today to help reduce their excess food. We can actually see data that shows that their food waste is reducing, which means costs are reducing. It's the same thing with packaging; each of those utensils that we get, that we don't want, is a cost to the restaurant."

Boyo hopes Toast's model can be an example for other companies. You just need to find the right way to participate in your customers' or merchants' experience and services, he says.



And in addition to helping customers boost their bottom line, offering social impact products helps boost Toast's success through differentiation in a crowded point-of-sale market.

"When [potential customers] see a company investing in helping their community, helping their bottom

line, helping with social impact, they are often excited about working with Toast," he says. "It just makes sense to find multiple ways to be a differentiator amongst your peers. And if it happens that the byproduct of that is helping the entire food ecosystem, it's a win-win."

Lessons Learned

For companies that want to emulate Toast's model, Boyo has some advice. First, reflecting on the success of their rotational program, he recommends actively facilitating these kinds of opportunities and empowering people to do impact work with you.



"Give them a prompt and a task, and just step back and support and guide them in that," he says. "Trust that these folks want to help, can help, and are driven to help. Create the safe space and system for people to use their skill sets to do impact work like this."

Second, bring others along by gaining internal and external buy-in. Internally, Boyo notes that getting support for this work required a lot of storytelling—he conducted research on issues affecting restaurant operators and the restaurant industry, then synthesized the learnings into a clear "what" and "why"—though now the results speak for themselves. "That should be a consideration for anyone: Who are going to be your executive sponsors? And how do you use their influence and purview to create resources and opportunities to do this work?"

Externally, the Changemaker Product Suite makes sense for customers because it often addresses their wants, needs, pain points, and ambitions. Boyo earns buy-in because he's still in service to Toast's customers first and foremost. "Our principle is anything we build should be in service of helping the restaurant first," he says. "It just so happens that what we're building also has a positive societal impact."



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Looking Ahead

While Boyo's customer-first mindset ensures successful buy-in of the Changemaker Product Suite, he doesn't plan to stop there; he's extremely passionate about making societal impact with his work. "We have a responsibility to leave the space better than we found it when Toast was created a decade ago," he says.

His hope is to continue sharing the Toast.org R&D pledge model through the Pledge 1% community.

"We don't want this to be a unique outlier scenario," he says. "I want us to push ourselves, I want us to strive to find these interfaces between social impact and your product and your business. I hope that a year or two from now, it's much more common. There's no reason why more companies can't be doing this."

