

Saratoga Library English Conversation Club
The Heart of a Business
June 25, 2026

Vocabulary Preview: Read these words and match them to their meanings.

1. annual revenue (an-yoo-uhl rev-uhn-yoo)	a. (noun) a deal between a company and investor(s) to open a copy of a business in a different location under the company's name; for instance, MacDonald's sells franchises to investors. (verb) to let someone pay to open a copy of a successful business
2. brand control (brand kuhn-trohl)	b. a gathering or meeting of a company that is held at a place that is not the normal office location, often a vacation place
3. capital (kap-ih-tl)	c. the ability to last a long time
4. debt (det)	d. a plan or series of moves to reach a specific goal or result.
5. to decline (dih-klyn)	e. a sudden burst of activity, energy, or a feeling
6. durability (dyoor-uh-bil-i-tee)	f. the total amount of money a business earns from normal operations over a 12-month period
7. franchise (fran-chy-z)	g. the rate at which employees leave a company and need to be replaced
8. offsite retreat (awf-syt ri-treet)	h. the ongoing process of protecting and shaping a company's reputation and image
9. spurt (spurt)	i. something that is owed and must be repaid
10. strategy (strat-i-jee)	j. (1) to refuse in a polite way; (2) to go down, to fade away
11. tenure (ten-yer)	k. money and assets used by a company to pay expenses and fund future growth
12. turnover (turn-oh-ver)	l. the length of time a person holds a position

Answers: 1-f; 2 -h, 3-k; 4-i; 5-j; 6-c; 7-a; 8-b; 9 - e; 10- d; 11 - l; 12 - g

Dialog Practice with Vocabulary Words

Kelly: I love your grandmother's small café. The food is so good. I wish I could **franchise** it.
Jaime: So many people have asked her the same thing, but her business **strategy** is to keep things simple, stay out of **debt**, and grow slowly to maintain **durability**.
Andi: That sounds like a formula for strong **brand control** and success.
Kelly: And her staff is so loyal. There is very little **turnover**. I think the average **tenure** for her employees is 25 years.
Jaime: That's right! Her customers and **annual revenue** keep growing so she always has enough **capital** to fund improvements and give her staff periodic raises.
Andi: I hear she also takes the whole staff on a nice **offsite retreat** every year.

Warm-up Task

Go around the group and discuss these questions:

1. What are some famous franchises in the U.S.?
2. Are there franchises in your home country?
3. If you could own a franchise, what would you choose?
4. If you had a successful business such as a gym or eatery, would you want to franchise it?

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In The People Business

By Elizabeth Nguyen – Contributing Writer, Silicon Valley Business Journal
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Pizza My Heart was started in a little coastal town called Capitola which is south of San Jose and Saratoga and west of Santa Cruz, California. It is a pizza eatery and has spent more than four decades growing steadily across the San Francisco Bay Area. It emphasizes good locations, a good company culture and **brand control** over rapid expansion.

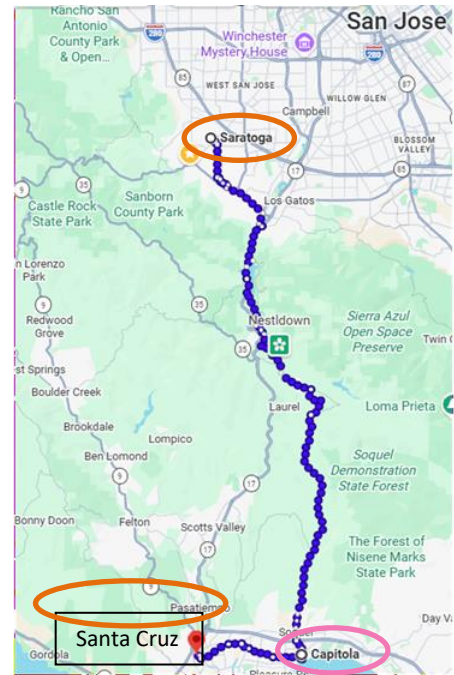
“We’re not in the **pizza** business, we’re in the people business,” President **Chuck Hammers** said. “If you want your business to succeed, you need to focus on the people who are there.” That way of thinking has shaped nearly every aspect of the company’s business **strategy**.

The company refuses to **franchise**. Instead it tries to open one or two stores a year. The approach has helped Pizza My Heart reach about \$50 million in **annual revenue** with roughly 500 employees while maintaining steady growth across existing stores.

Growth on its terms

Hammers said the company is regularly asked about **franchises**, but always **declines** them. “I get a call or email a week of someone saying, ‘I really want to buy a **franchise**,’” he said. “We make it really clear that they can’t.”

Instead, he said the company’s business model is controlled growth and family ownership. Hammers said **franchising** can shift priorities from selling pizza to selling **franchises**, encouraging growth over site quality.



Pizza My Heart instead requires three things before opening a store: a prime location, a trained internal manager and enough **capital** to open without **debt**. “If all three aren’t in place, we don’t do it,” Hammers said.

The company has operated without **debt** for its 40+year history, a strategy Hammers said has helped it weather Bay Area economic cycles. Pizza My Heart operates about 30 locations and could approach 40 within five years, depending on market conditions, Hammers said.

He contrasts his approach with fast-casual pizza chains that expanded too quickly and then had to cut back. They tried to grow fast but had no **durability**.

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Instead, Pizza My Heart has expanded in “fits and **spurts**,” often taking advantage of downturns in the economy and when prime real estate becomes available. In one case, Hammers spent nearly a decade pursuing a particular location in San Jose.

After initially losing the location to a competitor, the company ultimately took over the space after the competitor had to close. “I wanted that location so badly,” he said. “And then we took it over.”

Culture as the engine

The company’s culture is a central part of its model. Hammers refers to employees as “Pizza My Family.” All managers are promoted from within, starting as entry-level employees such as cooks, cashiers or drivers.

The average manager has been with the company about 20 years, while average employee **tenure** is nearly five years. This is above industry norms.

That continuity has created a deep bench of leadership, though it has also introduced a new challenge – limited upward mobility due to low **turnover**. “We have supervisors that really should be general managers, but we don’t have enough stores for them,” Hammers said.

The company reinforces its culture through a mix of operational discipline and unconventional team-building efforts. One example is an annual **offsite retreat where** dozens of managers gather at a destination that is kept as a surprise.

“We give them a packing list and say, show up at the airport,” Hammers said. “They don’t know where they’re going.” Attendance typically exceeds 95%, a figure he said reflects the strength of internal engagement.

While inflation has driven up labor and food costs, Pizza My Heart has refused to change product quality, even as competitors have made portions smaller or changed the ingredients. “We weren’t going to sacrifice quality,” Hammers said. “We were just going to charge what we need to charge.”



Pizza My Heart Capitola Location.

Competing as a Bay Area brand

While national chains rely on scale and marketing budgets, Pizza My Heart has leaned into its regional identity. Hammers describes the company as serving the “upper-scale pizza” segment in the Bay Area, competing on quality while maintaining price parity with larger chains.

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Community engagement plays a significant role in that **strategy**. The company partners with schools, hosts fundraisers, and integrates itself into neighborhoods as it expands throughout the Bay Area. “We are the Bay Area pizza place,” Hammers said.

As Pizza My Heart enters its fifth decade, Hammers said the company will continue its measured approach to growth while gradually transitioning leadership responsibilities to its internal team. “I want the brand to outlive me,” he said.

For other business leaders, he sees a clear takeaway from the company’s trajectory. “You take care of your people, and your people will take care of you,” Hammers said.

Discussion Questions:

1. What do you think of Chuck Hammers business strategy and philosophy? Do you think if a business takes care of its staff, the staff will help the boss?
2. If you have been to the Bay Area, have you ever been to a Pizza My Heart?
3. What qualities make a successful business?
4. Do you like pizza? What is your favorite pizza? Where do you buy it?
5. Do you think it is difficult to run a business without debt?
6. Have you ever been on an offsite retreat with your company? If so, where did you go?
7. Do you think offsite retreats are effective in creating a staff-bonding?
8. Do you think inflation is high right now?
9. Have you noticed an increase in grocery prices?
10. Can you make pizza?

A Brief History of Pizza in the United States

- **The First Pizzeria (1905):** Neapolitan immigrant Gennaro Lombardi opened Lombardi's in Manhattan, widely recognized as the first licensed pizzeria in the United States.
- **World War II GIs (1940s):** Returning American soldiers who fought in Italy had developed a taste for the dish and sought it out upon returning home, rapidly spreading its popularity beyond Italian neighborhoods.
- **Post-War Boom (1950s):** Economic prosperity, increased disposable income, and the rise of mass-produced ingredients, frozen pizzas, and large chains transformed pizza into an American mainstream convenience food.



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