# Baldrige - Business

# Performance Assessment Results

# for

# Landmark Dining - Case Study

March, 2006

# Table of Contents

## *Preparing to read your Feedback Report . . .*

*Your Feedback Report contains Your Program Examiners' observations that are based on their understanding of your organization. They have provided comments on your organization's strengths and opportunities for improvement relative to the Award Criteria. The feedback is nonprescriptive. It will tell you where the Examiners think you have strengths to celebrate and where they think improvement opportunities exist. The feedback will not say specifically how you should address these opportunities. The specifics will depend on what you decide is most important to your organization.*

*Applicant organizations read and use feedback comments (both strengths and opportunities for improvement) in different ways. We've gathered some tips and practices from prior Applicants for you to consider.*

- Take a deep breath and prepare to benefit from the Your Program feedback process. You applied to get the feedback. Read it, take time to digest it, and read it again.

- Celebrate your strengths. You've worked hard and should congratulate yourselves.

- Use your strength comments to understand what the Examiners observed you do well and build upon them. Continue to evaluate and improve the things you do well.

- You know your organization better than the Examiners know it. There might be relevant information that was not communicated to them or that they did not fully understand. Therefore, not all of the comments may be equally accurate.

- Although we strive for "perfection," we do not achieve it in every comment. If Examiners have misread your Application Report or misunderstood your organization on a particular point, don't discount the whole Feedback Report. Consider the other comments and focus on the most important ones.

- Prioritize your opportunities for improvement. You can't do everything all at once. Think about what's most important for your organization at this time and decide which things to work on first.

- You may decide to address all, some, or none of the opportunities for improvement in a particular Item. It depends on how important you think that Item or comment is to your organization.

- Use the feedback as input to your strategic planning process. Focus on the strengths and opportunities for improvement that have an impact on your strategic goals and objectives.

# KEY THEMES

Applicant Landmark Dining - Case Study scored in band 4 in the consensus review. For an explanation of the scoring bands, please refer to Figure 1, " Scoring Band Descriptors."

An organization in band 4 typically demonstrates effective, systematic approaches responsive to the overall requirements of the Items, but deployment may vary in some areas or work units. Key processes benefit from fact-based evaluation and improvement, and approaches are being aligned with organizational needs. Results address key customer/stakeholder, market, and process requirements, and they demonstrate some areas of strength and/or good performance against relevant comparisons. There are no patterns of adverse trends or poor performance in areas of importance to the organization's key requirements.

*a. What are the most important strengths or outstanding practices (of potential value to other organizations) identified?*

- The Voice of Experience in integrated and analyzed trough a SWOTT analysis with results used to make strategic decisions. The Voice of the Customer provides real time inputs for process management, evaluating processes, and improving service delivery (6.1a). The Voice of the Survey allows for a correlation to responses form customers and are used to determine target customer segments and improve processes, products, and services. The Voice of the Process provide segment specific and customer specific information.

- Landmark is a small business with stock ownership held by two families. The applicant utilizes an external Advisory Board, made up of community business leaders, to oversee accountability for the actions of management and to ensure fiscal accountability. It addresses the protection of stakeholder and stockholder interests in its governance system in a variety of ways. Examples include an external Advisory Board that is involved in leadership meetings and strategic planning activities, the use of external independent auditors, implementation of compliance elements of the Sarbanes-Oxley Act, and monthly FoH manager reviews at each other's restaurants.

- The organization uses the Voices System to listen and learn from key customer requirements and expectations. The system provides a 360-degree analysis of customer needs. Knowledge comes from industry and market sources, customers, employees, and service delivery process data as shown in Figure 3.1-1.

- The organization compares key measures of indicators in 2.2 a(4) with past performance as shown in category 7. The organization's key performance projections for both short and longer term planning time horizons are shown in the Strategy Matrix in Figure 2.2-4 include information pertaining to competitor projections, key benchmarks, and goals. Performance projections are also used to plan short and long term horizons.

- The organization is a small business with stock ownership held by two families. The applicant utilizes an external Advisory Board, made up of community business leaders, to oversee accountability for the actions of management and to ensure fiscal accountability. It addresses

the protection of stakeholder and stockholder interests in its governance system in a variety of ways.  Examples include an external Advisory Board that is involved in leadership meetings and strategic planning activities, the use of external independent auditors, implementation of compliance elements of the Sarbanes-Oxley Act, and monthly FoH manager reviews at each other's restaurants.

*b.*  *What are the most significant opportunities, concerns or vulnerabilities identified?*

- It is not clear what changes resulted in the identification of the graying of America. Although various strategic challenges were identifies- dietary trends, convenience, and socialization, it is not clear how the listening and learning methods changed organizational direction.

- In the competitive success factors described in P.2.a, the organization describes emloyee satisfaction as a KSF.  The organization current goal does not meet competitors projection of 80% by 2010. The longer term gap is addressed through an action plan that seeks to enhance customer loyalty, family culture, and teamwork. Short term seeks to improve employee satisfaction.  It is not clear how these activities generate key measures or indicators that will address the gap. This also appears true for improving the customer retention rate- the longer term action plan in to monitor; and disabled employees- supporting more.

- Although the Voices system provdes measureable devices to determine what customers expect and delight them, it is not clear how the data is used for product and service planning in addition to designing value creation processes leading to increased customer loyalty and retention or to desgin jobs and provide training.  Therefore, listening and learning strategies may not impact the organizations key requirements of all customers, regardless of segment and ultimately the strategic planning process.:

  #1—Reliability: the ability to deliver the promised service dependably and accurately.
  #2—Responsiveness: willingness to help customers and to provide prompt service.
  #3—Assurance: knowledgeable, courteous personnel and the ability to convey trust and confidence
  #4—Empathy: caring and individualized attention
  #5—Tangibles: attractive facilities, cleanliness, high-quality equipment, and effective communications materials
  #6—Exceptional food at a good value: flavorful meals, broad menu options, attractive presentation, and hearty portions at competitive prices
  #7—A memorable dining experience: a combination of appealing atmosphere, attentive service, and outstanding food

- Although, the organization's KEY PERFORMANCE MEASURES or INDICATORS used for the control and improvement of  VALUE CREATION PROCESSES are shown in Figure 6.1-1. It is not clear how day-to-day operation of these PROCESSES is ensured meeting KEY PROCESS requirements through inline and hard copy process documentation, training, on-the-job reinforcement for employees, visual management and job aids, walk throughs for restaurant and catering events, and twice daily lineups (a best practice adoption).

- It is not clear how the Voices System shown in figure 3.1-1 use customer, supplier, and partner input to manage all key processes as appropriate. For example, the sophitication of the

american palate listed in the strategic challenges does not appear to input into the improvement of value creation process. In addition, the Dinner Delivery Service:delivery of pre-ordered dinners, or home meal replacements (HMRs), to a network of partners—daycare and gym facilities in the area that distribute the meals as a service to their customers, does not appear to contribute to the Voices System.

- Although employees reflect the diversity of the communities surrounding the restaurants and there are different categories and types of employees as identified in P.1, it is not clear how they are involved in the strategic planning process. This also includes contract employees who are provided an orientation training session covering the history, Vision, Mission, and Values of the company.

- It is not clear to whom the senior leaders assign ownership and allocate resources for action plans. It is also not clear how the person responsible makes a presentation to the leadership team and board that ensures the strategic planning process considers key factors. This may result in the organization not meeting strategic challenges presented in the profile integrated with key factors.

- Although the strategy matrix relates strategic objectives to key success factors to ensure alignment to key challenges and opportunities. It is not clear how strategic objectives balance key stakeholder needs. For example, the needs of the "greying in America" group and the challenges expected in the organizational profile do not appear to be addresses in challenges and opportunities. This might affect the success of the organization to strenghten overall performance.

- Although key strategic objectives are presented in the Strategy Matrix in 2.2-3 and 2.2-4, it is not clear how the most important 2005 goals contricbute to the achievement of the organizations stated operational, business, and human resource strategic challenges. This includes: continued expansion of products and services; an increase in the number of competitors with a projected growth rate of 5.2%; the availability of skilled and motivated employees to match the expected growth of the organization; consumers with increased disposable income and a need for convenience and socialization; sophistication of the American palate, reflected in a desire for more frequent restaurant dining and more frequent menu changes;changing customer age demographics affecting preferences and buying behaviors; hightened interest in food safety, nutrition (e.g., low-carb and low-fat diets), and health issues, such as obesity; intensified government impact through regulatory mandates, thereby increasing costs; Challenges to sustainability of the enterprises.

- Although customers of the organization's 10 competitors as described in P2.a.1 are identified by market reseach, it is not clear how customers, customer groups, and market segments are included in the determination orpursued for future products and services. This may interfere with the organization's mission to become the ultimate restaurant experience.

- Although employees in all divisions are organized into empowered process teams, team leaders are not considered part of management. Yet, Team leaders ensure the team schedule is developed, train employees, monitor and coordinate improvement of team processes and provide input for performance appraisals. This may inhibit organiztional sustainability and alignment with organizational objectives. High performance work requires proper work design systems.

- Although the organization uses the Service Recovery Process to manage complaints, it is not clear how the complaints are aggregated and analyzed for use in improvement throughout the organization and by partners. In addition, Pareto charts, root cause, fishbones, scatter diagrams, and correlation analysis do not appear to be integrated into the strategic planning process. This may reduce the organizations ability to use complaints for organizational and partner improvements.

- Although support processes are designed using the same process shown in Figure 6.1-2, it is not clear how efficiency and effectiveness factors are incorporated into the design of these processes or how they are implemented to ensure that they meet design requirements. This is needed to plan for the continuity of operations with the aim of improving overall operation performance.

- Although training is typically delivered in one of five methods, on the job, on line, in meetings, in a classroom or seminar, or through research, it is not clear how input from employyees and supervisors is used to determine delivery approaches.

- Although organizational knowedlge is shared at staff meetings for staff awareness and vendors/suppliers are encopuraged to share knowledge, it does not appear that the organization has a systematic management process to translate knowledge into the implementation of best practices throughout the organization.

- It is not clear how sorting comment based customer comments and creating a pareto chart keeps the approach to determining satisfaction current with business needs and directions. In addition, effective deployment of information throughout the organization is not evident.

- Although there are a variety of methods to determine customer staisfaction, it is not clear how determination methods differ among customer groups. For example, the greying of america group mentioned in the profile does not appear to have a clear measure capturing actionable information. It will be difficult to exceed customer expectations, secure future business and gain positive referrals.

- Although strategic objectives drive educational and training reflected in longer and short term goals, it is not clear how the approach balances obejctives with employee needs for development, ongoing learning, and career progression. This may inhibit meeting the ongoing needs of employees and a high performance workplace.

- Although the organization uses the Communciation Process ass shown in Figure 5.1-1, the Foodtrak Knowledge Management System, and meeting structures for communnication, it is not clea how these methods promote sharing across the organization to foster high performance, to result in individual and organizational learning, to enable adaption to change, and to contribute to organizational sustainability.

- Although key short and longer term action plans are in included in the Strategy Matrix shown in figure 2.2-3, it is not clear how they affect how the organization will operate. It is also not clear what the key changes are for customer and markets. This may make achieving excellence in service and customer focus difficult to attain.

*c. Considering the applicant's key business/organizational factors, what are the most significant strengths, opportunities, vulnerabilities, and/or gaps (related to data, comparisons, linkages) found in its response to Results Items?*

## Category 1 Leadership

## Item 1.1 - Senior Leadership

Your score in this Criteria Item is in the 50-65 percentage range. (Please refer to Figure 2, "Scoring Guidelines.")

*Strengths*

- Senior leaders' personal actions reflect a commitment to organizational Values through communication, reinforcement, and role modeling of Values and expectations. Examples include providing discounted health care options to all part-time employees to support the organization's Value of Family Culture with Teamwork, spending 10% to 20% of their time working with employees in the restaurants or catering service each week, and leading a half-day employee orientation to discuss the organization's Values and expectations.

- The Senior Leadership Team, including the Advisory Board, reviews the organization's Vision, Mission, and Values during the Strategic Planning Process (Figure 2.1-1) and incorporates them into the Strategy Matrix (Figure 2.2-3). The Strategy Matrix aligns the competitive success factors, Values, strategic objectives, short- and longer-term plans, and related measures to gauge success, and it provides the organization with a means to link its day-to-day operations with its Values and performance expectations. The Strategy Matrix is reviewed with all employees, and their Individual Review and Development Plans (IRDPs) are linked to it; portions of the matrix are shared with suppliers; and the Vision, Mission, and Values are printed on menus for customers to see.

- Senior leaders use the Communication Process, annual ethics training for all employees, and annual signing of the ethics statement by all employees to promote an environment that fosters and requires legal and ethical behavior. The organization further requires legal and ethical behavior by making compliance to its ethics policy a condition of employment for employees and a condition of contractual relationships with suppliers. Organizational learning is demonstrated by the applicant's recent refinement of its Values to include Ethics, Honesty, and Integrity.

- Sustainability is addressed through a three-tiered approach: (1) a Vision and direction to provide a focus for employee decisions, (2) a process orientation, and (3) accountability for performance through the measurement system and review structure. Employees are encouraged to suggest innovative approaches and to identify improvement opportunities. Each senior leader further fosters sustainability through involvement in succession planning, which includes identifying talented employees, developing IRDPs, coaching and mentoring high-potential employees, and discussing future leadership issues during monthly executive reviews.

- Senior leaders use multiple methods to communicate with, motivate, and empower employees. These methods include a formal Communication Process (Figure 5.1-1) to determine key factors for communicating important information; daily line-up, weekly staff, and monthly all-employee and team leader meetings; feedback from and to senior leaders when they work in

the restaurants; and public reward and recognition of employees. A team leader approach helps empower teams, which develop their own daily and weekly work schedules responsive to company and employee needs.

- Senior leaders create an environment that focuses on both accomplishing strategic objectives and on improving performance by integrating the organization's Vision, Mission, and Values with its strategic planning and deployment process, action plans, goals, and key measures on the Balanced Scorecard (Scorecard). An environment of improvement and innovation is supported through formal and systematic assessment processes that include aligned and linked organization, department, and individual performance reviews; the applicant's DINERS Improvement Process; and annual Baldrige self-assessments. During reviews and meetings, employees' ideas and feedback are solicited, discussed, and recognized by senior leaders.

*Opportunities for Improvement*

- Although the applicant's suppliers and partners are asked to report ethics violations, a systematic process is not evident for monitoring and assessing the organization's effectiveness in deploying ethical requirements to its suppliers. Given that 90% of all supplier costs are for products and services from an external purchasing consortium and related transactions may not be transparent to the applicant, the company may have difficulty ensuring these transactions are consistent with its Value of Ethics, Honesty, and Integrity.

- It is unclear how the Advisory Board members, as members of the Senior Leadership Team, are personally involved in succession planning and the development of future organizational leaders. This may be of particular importance since the Advisory Board includes external members of the local business community with key competencies that the applicant identifies as not being present elsewhere in the organization's leadership.

- Although the applicant utilizes a Communication Process (Figure 5.1-1) that includes daily line-up meetings, other meetings, and communication logs, it is not clear how the applicant ensures that all employee groups, including part-time, on-call, catering, and HMR employees, are able to participate in the various communication methods.

## Item 1.2 - Governance and Social Responsibilities

Your score in this Criteria Item is in the 70-85 percentage range. (Please refer to Figure 2, "Scoring Guidelines.")

*Strengths*

- Landmark is a small business with stock ownership held by two families. The applicant utilizes an external Advisory Board, made up of community business leaders, to oversee accountability for the actions of management and to ensure fiscal accountability. It addresses the protection of stakeholder and stockholder interests in its governance system in a variety of ways. Examples include an external Advisory Board that is involved in leadership meetings and strategic planning activities, the use of external independent auditors, implementation of compliance elements of the Sarbanes-Oxley Act, and monthly FoH manager reviews at each

other's restaurants.

- To evaluate the performance of senior leaders a 360-degree feedback process is used. This process covers all managers and executives, and includes feedback from subordinates, peers and supervisors up through the Advisory Board. Actions are taken based upon this feedback to improve senior leader functioning. Results are discussed openly at a special meeting prior to strategic planning session.

- The organization promotes ethical behavior in its interactions through its focus on ethical behavior as a Value and a condition of employment. In addition employees receive annual ethics training. Formal annual surveys, informal surveys, and walk-around questions are also used to measure ethical behavior and provide feedback.

- The applicant uses the strategic planning process as a means to analyze and address adverse impacts, including potential and emerging issues, of their products and services. From this analysis they have established key processes, measures, and goals for addressing these impacts (Figure P.1-3).

- The organization anticipates public concerns with current and future products, services, and operations through senior leader memberships in local restaurant associations, the National Restaurant Association, local Chamber of Commerce, and Health and Human Services advisory boards in Galveston and Houston.

- Support of key communities is an integral part of the organizations vision, mission and values system. Key communities are those in which the organizations located, Houston and Galveston. The organization has selected five areas of focus through the strategic planning process, and reinforces support of these areas through time off for employees.

## *Opportunities for Improvement*

- Although the applicant has key processes, measures, and goals for addressing the adverse impacts in place for its restaurants operations, there does not appear to be similar processes, measures, and goals in place for the take-out dining, dinner delivery, and event catering businesses.

- Although the applicant has an ethics training program in place, it is unclear what the key processes and measures are for enabling and monitoring ethical behavior in its governance structure.

## Category 2 Strategic Planning

## Item 2.1 - Strategy Development

Your score in this Criteria Item is in the 50-65 percentage range. (Please refer to Figure 2, "Scoring Guidelines.")

*Strengths*

- The Strategy Matrix as shown in Figure 2.2-3 and 2.2-4 outlines short and longer term planning horizons and the organization's strategic direction. These time horizons are set after each data owner reviews results of analyses in relation to internal and external environments and a SWOTT analysis is performed. This is step two and three in the strategic planning process.

- The key steps in the annual strategic planning process are described in figure 2.1-1. Key participants include the Board of Directors and the Senior Leadership Team. Including input from multiple sources and including additional participants- suppliers, partners, Advisory Board members, and community members help identify blind spots.

- Key factors addressed in the annual strategic planning sessions are shown in Figure 2.1-2. The board of directors and leadership team collect and analyze data throughout the year. Analysis of data collected from foodtrak increased the occupancy rate four percentage points above the national average.

- Key strategic goals and the timeline for accomplishing them are shown in Figures 2.2-3 and 2.2-4. The most important goals are maintaining growth in new service results, increasing customer satisfaction, and increasing occupancy rate.

*Opportunities for Improvement*

- Although employees reflect the diversity of the communities surrounding the restaurants and there are different categories and types of employees as identified in P.1, it is not clear how they are involved in the strategic planning process. This also includes contract employees who are provided an orientation training session covering the history, Vision, Mission, and Values of the company.

- Although input is included from multiple sources and from additional participants- suppliers, partners, Advisory Board members, and community members in the strategic planning process, it is not clear how that information is used to set short and longer term horizons.This may inhibit the identification of potential blind spots.

- It is not clear to whom the senior leaders assign ownership and allocate resources for action plans. It is also not clear how the person responsible makes a presentation to the leadership team and board that ensures the strategic planning process considers key factors. This may result in the organization not meeting strategic challenges presented in the profile integrated with key factors.

- Although the strategy matrix relates strategic objectives to key success factors to ensure alignment to key challenges and opportunities.  It is not clear how strategic objectives balance key stakeholder needs. For example, the needs of the "greying in America" group and the challenges expected in the organizational profile do not appear to be addresses in challenges and opportunities. This might affect the success of the organization to strenghten overall performance.

- Although key strategic objectives are presented in the Strategy Matrix in 2.2-3 and 2.2-4, it is not clear how the most important 2005 goals contricbute to the achievement of the organizations stated operational, business, and human resource strategic challenges. This includes: continued expansion of products and services; an increase in the number of competitors with a projected growth rate of 5.2%; the availability of skilled and motivated employees to match the expected growth of the organization; consumers with increased disposable income and a need for convenience and socialization; sophistication of the American palate, reflected in a desire for more frequent restaurant dining and more frequent menu changes;changing customer age demographics affecting preferences and buying behaviors; hightened interest in food safety, nutrition (e.g., low-carb and low-fat diets), and health issues, such as obesity; intensified government impact through regulatory mandates, thereby increasing costs; Challenges to sustainability of the enterprises.

## Item 2.2 - Strategy Deployment

Your score in this Criteria Item is in the 30-45 percentage range. (Please refer to Figure 2, "Scoring Guidelines.")

*Strengths*

- The organization uses the DINERS Improvement Process shown in 6.1a(6) to systematize processes and ensure that key changes are sustained. For example, funding a reserve account was able to keep employees at full wages during an economic slowdown.

- The organization compares key measures of indicators in 2.2 a(4) with past performance as shown in category 7. The organization's key performance projections for both short and longer term planning time horizons are shown in the Strategy Matrix in Figure 2.2-4 include information pertaining to competitor projections, key benchmarks, and goals. Perfromance projections are also used to plan short and long term horizons.

- The organization's key performance projections for both short and longer term planning time horizons are shown in the Straegy Matrix in Figure 2.2-4.  The matrix also contains information pertaining to competitor projections, key benchmarks, and goals.

*Opportunities for Improvement*

- It is not clear how modified action plans are rapidly establsihed, deployed, and executed.  It is also not clear how key partners and suppliers are involved if circumstances require a shift in plans.

- Although key short and longer term action plans are in included in the Strategy Matrix shown in figure 2.2-3, it is not clear how they affect how the organization will operate. It is also not clear what the key changes are for customer and markets. This may make achieving excellence in service and customer focus difficult to attain.

- In the competitive success factors described in P.2.a, the organization describes emloyee satisfaction as a KSF.  The organization current goal does not meet competitors projection of 80% by 2010. The longer term gap is addressed through an action plan that seeks to enhance customer loyalty, family culture, and teamwork. Short term seeks to improve employee satisfaction.  It is not clear how these activities generate key measures or indicators that will address the gap. This also appears trur for imrpvoing the customer retention rate- the longer term action plan in to monitor; and disabled employees- supporting more.

## Category 3 Customer and Market Focus

## Item 3.1 - Customer and Market Knowledge

Your score in this Criteria Item is in the 50-65 percentage range. (Please refer to Figure 2, "Scoring Guidelines.")

*Strengths*

- Customers identify customers by organization (local families, businesses, tourists); by family status (with children, couples, singles); and by service (dine in, take out, catered, delivered) as shown in Figure P.1-4. Customers are identiified for future producst and services based on market research of the respective segments.

- The Voice of Experience in tegrated and analyzed trough a SWOTT analysis with results used to make strategic decisions. The Voice of the Customer provides real time inputs for process management, evaluating processes, and improving service delivery (6.1a). The Voice of the Survey allows for a correlation to responses form customers and are used to determine target customer sergments and improve processes, products, and services. The Voice of the Process provide segment specific and customer specific information.

- The organization uses the Voices System to listen and learn from hey customer requirements and expectations. The system provides a 360-degree analysis of customer needs. Knowledge comes from industry and market sources, customers, employees, and service delivery process data as shown in Figure 3.1-1.

- Listening and learning approaches are kept current with the DINERS Approach through strategic planning with a DINERS team. Cycles of improvement included continuous satisfaction survey identified by benchmarking.

*Opportunities for Improvement*

- Although customers of the organization's 10 competitors as described in P2.a.1 are identified by market reseach, it is not clear how customers, customer groups, and market segments are included in the determination orpursued for future products and services. This may interfere with the organization's mission to become the ultimate restaurant experience.

- Although the Voices system provdes measureable devices to determine what customers expect and delight them, it is not clear how the data is used for product and service planning in addition to designing value creation processes leading to increased customer loyalty and retention or to desgin jobs and provide training. Therefore, listening and learning strategies may not impact the organizations key requirements of all customers, regardless of segment and ultimately the strategic planning process.:

  #1—Reliability: the ability to deliver the promised service dependably and accurately.
  #2—Responsiveness: willingness to help customers and to provide prompt service.
  #3—Assurance: knowledgeable, courteous personnel and the ability to convey trust and

confidence

#4—Empathy: caring and individualized attention

#5—Tangibles: attractive facilities, cleanliness, high-quality equipment, and effective communications materials

#6—Exceptional food at a good value: flavorful meals, broad menu options, attractive presentation, and hearty portions at competitive prices

#7—A memorable dining experience: a combination of appealing atmosphere, attentive service, and outstanding food

- It is not clear what changes resulted in the identification of the graying of America. Although various strategic challenges were identifies- dietary trends, convenience, and socialization, it is not clear how the listening and learning methods changed organizational direction.

## Item 3.2 - Customer Relationships and Satisfaction

Your score in this Criteria Item is in the 30-45 percentage range. (Please refer to Figure 2, "Scoring Guidelines.")

*Strengths*

- Based on an analysis in 1999, the DINERS team implemented a frequent diner program called "Our Family". This includes incentives to increase loyalty and repeat business, on-line reservation system, past satisfaction ratings, and family profiles.

- The Voices system provides a variety of access mechanisms that enable CUSTOMERS to seek information, conduct business, and make complaints. This includes personal contact, phone, Internet, fax, email, surveys. Families can update information via the web.

- Complaints are managed through the Service Recovery Process as shown in figure 3.2-2. The process is designed to resolve customer complaints in real time. The process is used at all stages of the customer experience by each division. Review points are built in and formal complaints are followed up by the shift manager.

- Approaches to building relationships and providing customer access current with business needs and directions are accomplished through the annual reviews of the voices system, the Family Program, contact methods and standards, the Service Recovery Process, and the DINERS Improvement Process. Results of these reviews are evaluated during the strategic planning process and action plans are created to meet strategic goals.

- DINERS teams use the correlation of importance and satisfactioin as well as complaint factor analysis trends to tailor new process designs to customer needs, manage process performance in real time, and redesign, improve processes during evaluation cycles.

- A variety of methods are used to determine customer satisfaction and dissatisfaction before, during,and after the dining experience as shown in Figure 3.1-1. this includes internal satisfaction surveys, verbal inquiries and conversations.

- Customer satisfaction relative to competitors is obtained through customer satisfaction surveys. Also, the Secret Diners Association provides a summary sevice report for participants. In addition, the internal survey asks customers to specify best other restaurant eaten at during the last year wchich allows analysis of competitive strengths and weakenesses. Finally, satisfaction information is gathered from local publications.

- Surveys are recalibrated annually to keep approaches current with business needs and directions. For vendor surveys, instrument reliability statistics are run ti improve questions, format, and data collection. Direction for improvement is given annually from senior leaders as a result of strategic planning.

## *Opportunities for Improvement*

- Although the organization uses the Service Recovery Process to manage complaints, it is not clear how the complaints are aggregated and analyzed for use in improvement throughout the organization and by partners. In addition, Pareto charts, root cause, fishbones, scatter diagrams, and correlation analysis do not appear to be integrated into the strategic planning process. This may reduce the organizations ability to use complaints for organizational and partner improvements.

- Although there are a variety of methods to determine customer staisfaction, it is not clear how determination methods differ among customer groups. For example, the greying of america group mentioned in the profile does not appear to have a clear measure capturing actionable information. It will be difficult to exceed customer expectations, secure future business and gain positive referrals.

- Although the voices system is used to obtain feedback opporuntities throughout the course of the dining experience and shift managers follow up with customers to verify resolutions of formal complaints, it is not clear how actionable feedback is received. No mention was made of transaction quality.

- It is not clear how information is used and obtained relative to competitor or industry benchmarks for customer satisfaction. This reduces the amount of actionable information obtained from customers.

- It is not clear how sorting comment based customer comments and creating a pareto chart keeps the approach to determining satisfaction current with business needs and directions. In addition, effective deployment of information throughout the organization is not evident.

## *Category 4 Measurement, Analysis, and Knowledge Management*

## Item 4.1 - Measurement, Analysis, and Review of Organizational Performance

Your score in this Criteria Item is in the 30-45 percentage range. (Please refer to Figure 2, "Scoring Guidelines.")

*Strengths*

- The scorecard includes operating data and action plan progress which is reviewed by senior leaders on a daily basis, at weekly staff meetings, and monthly executive reviews.  Changes cascade to the staff through the Foodtrak system.

- Data for tracking overall organizational performance are selected and aligned trhough the Strategic Planning Process in item 2.1 which culminates in the Strategy Matrix.  Senior leaders track monthly updates of performance on the Scorecard which updates automatically from real-time data in the foodtrak system.

- Figure 4.1-2 shows the reviews used to evaluate organizational performance on a daily, weekly, monthly, and yearly basis. Various analyses are performed on the data reviewed to provide information for making decisions.  This includes correlation analysis, Pareto charts, scatter plots, fishbones for root cause, correlation analysis, frequency distribution charts, and SWOTT analysis described in 2.1a.

*Opportunities for Improvement*

- While new or revised organizational and operational measures are selected that can be easily recorded in real time, it is not clear if that criteria supports organizational decision making and innovation. This may inhibit regular evaluation of the effectiveness of processes and approaches occuring through the monitoring of measures (described in Category 4) as discussed in P.2c.

- While the organization promotes information sharing and uses sources such as the NRA standard reports, local industry surveys, informal consortiums, and Secret Diners studies, it is not clear how data is selected to support operational and strategic decision making and innovation.

- Although, all key measures are reviewed during strategic planning by reevaluating their linkage to the Strategy Matrix and Scorecard and employees suggest improvements through the Foodtrak Knowledge Management system, it is not clear how the organization ensures that the performance management system is sensitive to rapid and unexpected organizational and external changes.

- Although the reviews in Figure 4.1-2 allow senior leaders to assess organizational success by providing a thorough evaluation of goal achievement, progress on strategic objectives and action plans, and comparisons to competitive or benchmark performance, it is not clear how the reviews assess the organizations ability to rapidly respond to chaning organizational needs

and challenges in the operating environment.

## Item 4.2 - Information and Knowledge Management

Your score in this Criteria Item is in the 50-65 percentage range. (Please refer to Figure 2, "Scoring Guidelines.")

*Strengths*

- Technical services monitors sytem performance including user feedback in the Knowledge Management Module. Network security, backup systems, and the operation of mirrored databases ensure security.

- Data and information availability mechanisms, including  software and hardware systems, are kept current with business needs and directions and with technological changes in your operating environment through constant user feedback in the Foodtrak system which is monitored by the technical staff.  In addiiton, an annual improvement day is help with vendors and others.  For example, a DINERS team addressed a vendor issue concerning real time information to users and improved integration of 2 functions.

- Organizational knowedge is managed using the Foodtrak Knowledge Management System to collect and organize ideas, suggestions, and best practices which are reviewed weekly and during staff meetings.  Bets practices are discussed at team meetings and staff meetings.

- Accuracy of data is validated through data entry processes and double checks.  Selection options are used as a forced entry of input to cut down on erros.  Backups ensure integrity and reliability.  Security and passwor systems are in place.

*Opportunities for Improvement*

- Although a vendor monitors system performance, it is not clear how user friendliness is ensured tp improve organizational effiency, effectiveness, and innovation.

- In the event of an emergency, continued availability of data is ensured through battery backed power supplies, daily on and off site backups, and 12-24 hour emergency response.

- Although organizational knowedlge is shared at staff meetings for staff awareness and vendors/suppliers are encopuraged to share knowledge, it does not appear that the organization has a systematic management process to translate knowledge into the implementation of best practices throughout the organization.

## Category 5 Human Resource Focus

## Item 5.1 - Work Systems

Your score in this Criteria Item is in the 50-65 percentage range. (Please refer to Figure 2, "Scoring Guidelines.")

*Strengths*

- To ensure agility and keep current with changes, teams work cross locations.  Team leaders meet monthly to assess performance against measures, review customer feedback, idenitfy improvement opportunities, and share best practices.

- Cooperation, initiative, empowerment, and innovation are promoted through process reward systems.  Servers work the room abd use a point system.

- To promote cooperation and empowerment, employees in all divisions are organized into empowered process teams. Team leaders ensure the team schedule is developed, train employees, monitor and coordinate improvement of team processes and provide input for performance appraisals.

- Effective communication and skill sharing are accomplished through the Communciation Process ass shown in Figure 5.1-1, the Foodtrak Knowledge Management System, and meeting structures. Among methods for communication include training and education, regular meetings, bulletin board postings, web site postings, and email.

- Organizational level action plans are cascaded to departments and to individual employees action plans and goals. The IRDP includes an appraisal of current performance against individual and/or department action plans and goals and a development plan for each employee.  In addition to IRDP, manger participate in a 360 degree feedback process conducted by an external consultant yearly.

- Characteristics and skills needed by potential employees are documented in formal job descriptions and identified through the job review process in figure 5.1-2.  Each established job position has a set of defined skills and characteristics based on process requirements initially developped based on industry norms and refined based on the organization's needs.

*Opportunities for Improvement*

- Although teams work cross locations, it is not clear how this contributes to achieving action plans.  For example, it is not evident that cross training encourages all employees to contribute effectively and to the best of their ability to achieve the success factors of operational excellence.

- Although employees in all divisions are organized into empowered process teams, team leaders are not considered part of management.  Yet, Team leaders ensure the team schedule is developed, train employees, monitor and coordinate improvement of team processes and

provide input for performance appraisals. This may inhibit organiztional sustainability and alignment with organizational objectives.  High performance work requires proper work design systems.

- Although the organization uses the Communciation Process ass shown in Figure 5.1-1, the Foodtrak Knowledge Management System, and meeting structures for communnication, it is not clea how these methods promote sharing across the organization to foster high performance, to result in individual and organizational learning, to enable adaption to change, and to contribute to organizational sustainability.

## Item 5.2 - Employee Learning and Motivation

Your score in this Criteria Item is in the 50-65 percentage range. (Please refer to Figure 2, "Scoring Guidelines.")

*Strengths*

- New employees receive an employee Handbook outlining expectations, policies, and general work requirements.  They also attend an orientation program by senior leaders that covers basic safety, diversity, ethics, customer contact standards, mission, vision, values, and objectives. Refressher training is conducted during line-ups, on-line modules, and all employee meetings as needed.  All employees are required to pass food handling and safety courses.

*Opportunities for Improvement*

- Although strategic objectives drive educational and training reflected in longer and short term goals, it is not clear how the approach balances obejctives with employee needs for development, ongoing learning, and career progression. This may inhibit meeting the ongoing needs of employees and a high performance workplace.

- Although the key tool to gather input on training needs is the IDRP and the Foodtrak Knowledge Management System, it is not clear how input from employees, supervisors, and managers is sought and used.  In addition, it is not evident how education training and development are incorporated in knowledge assets for education and training. This would ensure a focus on customer requirements and ensure an environment of trust, knowledge sharing, and mutual respect.

- Although training is typically delivered in one of five methods, on the job, on line, in meetings, in a classroom or seminar, or through research, it is not clear how input from employyees and supervisors is used to determine delivery approaches.

- The identification of mechanisms to motivate employees to develop and use their full potential does not appear to be systematic.  Team managers and leaders are to identify what motivates employees. Likewise systematically addressing factors that decrease motivation is not presented.

# Item 5.3 - Employee Well-Being and Satisfaction

Your score in this Criteria Item is in the 50-65 percentage range. (Please refer to Figure 2, "Scoring Guidelines.")

*Strengths*

- The organization contracts to provide services related to improving health, safety, security, and ergonomics in the owrkplace. The BE Director reviews and monitors.  Employees provide suggestions during discussioins at line ups. Perfromance is measured by team leaders. Solutions are developped at DINERS teams as shown in figure 5.3-1.

- The BE Director maintains a Disaster Preparedness Plan that is updated annuaklly and described in 6.2b(2).  The plan is reviewed annually and available in hard copy and electronically. Monthly drills are held.  Processes are discussed with new employees.

- The Employee Satisfaction Survey is the primary tools for determining employee well being, satisfaction, and motivation.  This is conducted twice a year and can be accessed at work or at home. Segmented data is available on site.

- The organization uses a cafeteria plan to tailor benefits.  After 6 months, employees can choose additional benefits.

- The organization correlated the relationshop between employee satisfaction and elements in the Voices System.  This correlation points to improvement areas in employee satisfaction.  In 2003, segmented satisfaction results showed a decline for hosts.  Changes were made to their duties.

- The Employee Satsifaction Survey is the key tool for determining employee satisfaction.  In addition, employee turnover is closely monitored as outlined in Figure 5.3-1.

*Opportunities for Improvement*

- Segmentation of data by employee group is not presented in the application. In addition, it is not clear what significant improvements have occurred in workplace health, safety, security, and ergonomics or how employees take part in improvement efforts.

- Although the organization uses an employee survey to assess well being, satisfaction and motivation, it is not clear how these factors were determined.

- Although the organization uses surveys to determine employee well being, satisfaction, and motivation, it is not clear how informal methods gather useable information. In addition, it is not clear how the information is used to systemtaically improve well being, satisfaction, and motivation.

- It is not clear how assessment findings are systemtaically related to key business results to idenify priorities for improving the work environment and employee support climate.

## Category 6 Process Management

## Item 6.1 - Value Creation Processes

Your score in this Criteria Item is in the 50-65 percentage range. (Please refer to Figure 2, "Scoring Guidelines.")

*Strengths*

- Value creation processes have been identified as those that add value to the dining experience from the customers perspective by using the concepts of Lean systems and qulaity tools such as value stream mapping. Mapping ensure alignment to contribute to profitability and business success. Processes creat value by design, execution, routine evaluation, and improvement and are monitored frequently.

- The organization determines its key value creation processes by using information collected through the Voices system to evaluate how each process' outputs affect customers as shown in Figure 6.1-1.

- Key value creation process requirements are determined through the voices system which incorporates input from customers, employees, owners, and other stakeholders. A requirement was incorporated into the hsoting process that was adressed by this system. Requirements for these processes are shown in Figure 6.1-1.

- The use of Foodtrak to document and manage processes provides rapid response to changing needs. Regular review of performance measures provides visibility into the need for agility in these processes.

- Organizational knowledge is incorporated into the design of processes through cross functional teams facilitated by a process team leader, monthly team leader meetings to share project status and results of processes, and a formal search of the Knowledge Management system for relevant information.

- Processes are designed to meet all key requirements by DINERS teams and team leaders using a nine step approach as shown in Figure 6.1-2. Technology changes are incorporated into step 4. The organization was one of the first to adopt several innovations that are now becoming industry standards.

- In-process MEASURES used in managing these PROCESSES through an ongoing review of process metrics on a daily, weekly, and monthly basis to ensure that processes are executed as planned. The Menu Design and Re-engineering Process provides an example of how key value processes are managed with data. Daily Foodtrak reports on the Scorecard and posted for review of all employees.

*Opportunities for Improvement*

- It is not clear how the organization incorporates cycle time, productivity, cost control and other

efficiency and effectiveness factors into the design of these processes. It is also not clear how these processes are implemented to ensure that they meet design requirements. These are needed to improve marketplace and operational performance.

- It is not clear how the Voices System shown in figure 3.1-1 use customer, supplier, and partner input to manage all key processes as appropriate. For example, the sophitication of the american palate listed in the strategic challenges does not appear to input into the improvement of value creation process. In addition, the Dinner Delivery Service:delivery of pre-ordered dinners, or home meal replacements (HMRs), to a network of partners—daycare and gym facilities in the area that distribute the meals as a service to their customers, does not appear to contribute to the Voices System.

- Although, the organization's KEY PERFORMANCE MEASURES or INDICATORS used for the control and improvement of VALUE CREATION PROCESSES are shown in Figure 6.1-1. It is not clear how day-to-day operation of these PROCESSES is ensured meeting KEY PROCESS requirements through inline and hard copy process documentation, training, on-the-job reinforcement for employees, visual management and job aids, walk throughs for restaurant and catering events, and twice daily lineups (a best practice adoption).

## Item 6.2 - Support Processes and Operational Planning

Your score in this Criteria Item is in the 50-65 percentage range. (Please refer to Figure 2, "Scoring Guidelines.")

*Strengths*

- The organization determines key support processes through step 4 in the d Design Process as shown in Figure 6.1-2 or through identification during strategic planning. The core support process competencies that are not outsourced are huuman resource managemnt, supplier management, disaster preparedness, advertising and marketing.

- Requirement of key support processes are determined by process owners and suppliers as shown in figure 6.2-1. Requirements are determined similarly to value creation processes with input from the Voices system, including Voice of the Process. Customer feedback is translated back into support process requirements.

- Financial resources to support the organizations operations and plans are determined and allocated through the annual Budget Process that follows strategic planning. Each department submits budget requests ti support its needs to continue operations as is. Departments present a cost benefit analysis to accomplish action plans outlined during strategic planning. The leadership team reviews all requests prioritizes and allocates,

*Opportunities for Improvement*

- Although the organization determines key support processes through step 4 in the d Design Process as shown in Figure 6.1-2 or through identification during strategic planning, it is not clear what key processes support value creation processes. This may inhibit the aim of

improving overall operational performance.

- Although support processes are designed using the same process shown in Figure 6.1-2, it is not clear how efficiency and effectiveness factors are incorporated into the design of these processes or how they are implemented to ensure that they meet design requirements. This is needed to plan for the continuity of operations with the aim of improving overall operation performance.

## Category 7 Business Results

## Item 7.1 - Product and Service Outcomes

Your score in this Criteria Item is in the 50-65 percentage range. (Please refer to Figure 2, "Scoring Guidelines.")

*Strengths*

- The organization identified wait time for seating in figure 7.1-1, standards of acceptable food in Figure 7.1-2, order accuracy in figure 7.1-3, send backs in 7.1-6; server pick up time in 7.1-7; and table cleanliness in 7.1-8 as key measures. All measures, except for cooking time, demonstrate improvement over time and meet or exceed best competitor's levels.

*Opportunities for Improvement*

- Although trends and measures are positive, it is not clear if the data from key customer groups including individual and family patrons, businesses, tourists, and communities according to the P1b2 are used. This would include key requirements of all customers, regardless of segment:

  #1—Reliability: the ability to deliver the promised service dependably and accurately.
  #2—Responsiveness: willingness to help customers and to provide prompt service.
  #3—Assurance: knowledgeable, courteous personnel and the ability to convey trust and confidence
  #4—Empathy: caring and individualized attention
  #5—Tangibles: attractive facilities, cleanliness, high-quality equipment, and effective communications materials
  #6—Exceptional food at a good value: flavorful meals, broad menu options, attractive presentation, and hearty portions at competitive prices
  #7—A memorable dining experience: a combination of appealing atmosphere, attentive service, and outstanding food

## Item 7.2 - Customer-Focused Results

Your score in this Criteria Item is in the 50-65 percentage range. (Please refer to Figure 2, "Scoring Guidelines.")

*Strengths*

- Overall customer satisfaction as shown in Figure 7.2-1 show satisfaction and extremely satisfied trend. The organization has a consisten increse with qulaity although slightly higher for business customers. Figure 7.2-3 shows sisgnificant increases in positive comments for many areas and the Secret Diners data integrated with Voices and customer surveys shows satisfaction.

*Opportunities for Improvement*

- Each distinct customer group has additional, specific requirements. Figure P.l-4 shows customer groups and these additional requirements. The current levels and trend in key measures or indicators of customer satisfaction and dissatisfaction are not shpwn. For example, the greying of america is a growing customer group with unique needs.  An examiniation of their focused performance results with the aim of demonstrating how well the organization has been satisfying those customers is needed.

- In an aggregate of complaints and comp'ed meals trends have stabilized during 2003 and 2004. This may be related to loyalty, repeat business, and longer term customer relationships as measures of future success in the marketplace and organizational sustainability.

- Data related to positive relferrals and other aspects of building relationships with customers is not presented. Since each distinct customer group has additional, specific requirements as shown in  Figure P.l-4 , it is not clear how segmentation of customers pertaining to perceived value impacts future success in the marketplace and organizational sustainability.

- Figure 7.2-6 shows customer retention with improvement over time. However, only Family Members surpasses the industry standard.  Catering is well below the retention goal, percentage retained, and industry retention.

## Item 7.3 - Financial and Market Results

Your score in this Criteria Item is in the 70-85 percentage range. (Please refer to Figure 2, "Scoring Guidelines.")

*Strengths*

- Figure 7.3-4 shows a summary of 2004 profit and loss with rates higher than the industry standard.

- The Current Ration shown in Figure 7.3-3 shows mainatining an average ration and ability to meet current liabilities and assets.

- Results for the organization's Return on Owner Equity as shown in Figure 7.3-2 demonstrates improvement over time and surpassed the small restaurant group.

- Landmark maintains the third highest occupancy rate as shown in Figure 7.3-7.  Reconfigured seating from a data analysis showed improvement.  It is approaching the 90% of the benchmarked restaurant that was the catalyst for this improvement.

- Performance improved over 4 years and is closing the gap to goal over the nearest competitor in market share by division as shown in figure 7.3-6.

*Opportunities for Improvement*

- Althought he organization reports sustained or improved performance in gross profit per seat, return on owners equity, and current ration, information is not available on sales from new products or srvices.  This may make it difficult for senior learders to understand marketplace challenges and opportunities.  In addition, profit and loss data is not segmented by Harrisburg, Lightkeeper, and Catering.

- Although performance improved over 4 years and is closing the gap to goal over the nearest competitor in market share by division as shown in figure 7.3-6, Lightkeeper is well below the nearest competitor..

## Item 7.4 - Human Resource Results

Your score in this Criteria Item is in the 50-65 percentage range. (Please refer to Figure 2, "Scoring Guidelines.")

*Strengths*

- The organization shows progress on figure 7.4-2 in cycle time for hiring. The reflects the DINERS Team process improvement of rapid screening and communication.

- The organization made progress in employee retention as shown in Figure 7.4-1. This improvement effort was generated from strategic palnnning in 2000.

- Figure 7.4-4 shows an increase in employee performance ratings after the past serveral years. In addition, the is a slight increase in the percentage of IRDP's that are on target in Figure 7.4-5. Finally, 100% of all succession plans are in place as shown in Figure 7.4-6.

- Figure 7.4-11 shows results for work environemnt measures discussed in 5.3-1.  The benchmark has been met or exceeded with no OSHA and indoor air qulaity violations in the last seven years,

*Opportunities for Improvement*

- Although the organization reports positions filled from within, hiring cycel time, and employee turnover rate, additional measures are needed to assess how well the organization has been creating and maintaining a productive, learning, and caring work environement for all employees.

- Cross training was listed as a key strategy across the organizaton. Although the Figure 7.4-7 shows the percentage of hourly employees cross trained to standards, limited results were presented on the success of this factor and no results on the direction of this factor.

- Although, there has been an improvement over time in the overall employee satisfaction results as shown in figure 7.4-9, only 50 percent were slightly above the benchmark (NRA Best), 50% were below for hourly employees and all of the indicators for salaried employees.

## Item 7.5 - Organizational Effectiveness Results

Your score in this Criteria Item is in the 50-65 percentage range. (Please refer to Figure 2, "Scoring Guidelines.")

*Strengths*

- Chef Volume s shown in Figure 7.5-2 has increased without adding more chefs. This is due to efficient operations, performance improvements due to Foodtrak and productive employees.

- Menu Item Development cycle Time shown in Figure 7.5-6 is the average time to introduce new items or revise the menu. With the use of the Menu Design and Re-engineering Process, cycle time has significantly improved over the past 3 years.

- The organization's performance in Prime Cost as shown in Figure 7.5-3 has consistently improved and currently exceeds that of its measure and currently exceeds that of its benchmark.

- System Availability shown in Figure 7.5-12 and Shrinkage in 7.5-13 have both shown improvements over time.

- Spoilage as shown in Figure 7.5-10 has improved significantly over time. This is attributed to better use of the Foodtrak system for supplier inventory management.

- Table set up time as shown in figure 7.5-9 shows improved performance over time. This reflects the organization's adoption of industry wide improvements, changes in the work process flow, and process standardization.

*Opportunities for Improvement*

- Although the organization presented data on Revenue per Employee, Chef Volume, and Prime cost, supplier and partner performance and other appropriate measures of efficiency and effectiveness were not presented that are relevant and important to the organization. This might inlcude Suppliers are an integral part of delivering a memorable dining experience to customers, the  local restaurant purchasing consortium, suppliers of IT services, custodial services, and advertising,  security company and a human resource (HR) services organization that assists with some HR functions  These key suppliers and requirements are shown in Figure Pl-5. In addition, distributors (Figure Pl-5) including certain day-care facilities and gyms.

- Supplier Performance, Shrinkage, and Improvement Process Savings are not shown for all divisions in the organization. The organization had two restaurant, a catering service, and a delivery srvice.  Achieving organizational effectiveness and process efficiency is difficult to determine.

- Improvement Process Savings shown in Figure 7.5-14 has not improved over the last year and although it has reached the target goal, it is below the benchmark.

- Although the organization, includes Supplier Performance in figure 7.5-11, it is not clear how this is liked to operational performance that was an action plan from the strategic planning process.

## Item 7.6 - Leadership and Social Responsibility Results

Your score in this Criteria Item is in the 50-65 percentage range. (Please refer to Figure 2, "Scoring Guidelines.")

*Strengths*

- Results from the annual employee and supplier surveys are identified as a key measure of ethical behavior. The applicant has exceeded the performance of their best competitor for both of these measures for the past three years (Figure 7.6-2).

- External financial audits, a key measure of fiscal accountability, have shown a positive trend in the number of findings for the past five years. For the past three years this measure has achieved the established target of no findings (Figure 7.6-4).

- The applicant has not had any violations for key regulatory areas, including health and food safety, waste removal and employee safety and well-being, for the past five years. Health department audit results show positive trends for the same period and performance exceeding the top 10% of all audits for the current year (Figure 7.6-5)

- Results for key measures of organizational citizenship, including contributions to community, services donated, employment of developmentally disabled persons and disabled veterans, and support of the hospitality industry, all show positive trends for the past four years (Figures 7.6-6 to 7.6-9).

*Opportunities for Improvement*

- Comparative data is not provided for some key measures of leadership and social responsibility including strategy accomplishment, fiscal accountability and community support. Without such comparisons, it may be difficult for the applicant to evaluate its progress towards achieving its vision of being "recognized as one of top ten dining experiences."

- For some key measures of leadership and social responsibility, including strategy accomplishment, ethical behavior, fiscal accountability, and community support, results are not segmented by location or service. This may make it difficult for the applicant to identify opportunities for improvement.

- Although the applicant indicates that results to support the ethical measures identified in 1.2b (2) for the number of code of conduct violations and employment termination due to ethical issues are available on site, no results are presented for the amount of shrinkage of inventory due to theft (one of its ethical measures described in 1.2b(2) or to measure customer satisfaction with ethical behavior as also described in 1.2b(2). Without this information, it

may be difficult for the applicant to know whether it is effectively meeting its ethics, integrity, and honest values.

- Although internal financial audits (Figure 7.6-4) identifies process deficiencies such as missed deadlines, the number reported from 1999 through 2004 show mixed performance; i.e., a low of 12 in 2000, a high of 18 in 2002, and 16 in 2004.

## *APPENDIX*

This feedback report contains an evaluation from the Your Program Board of Examiners of your application report and a site visit. It contains the Examiners' findings, including a summary of key themes of the evaluation and a detailed listing of strengths and opportunities for improvement by each Item of the Award Criteria.

The next section provides background information on the examination process and scoring information. Specific comments on strengths and opportunities for improvement follow.

During the application review process, the Your Program and the Board of Examiners maintain strict confidentiality of your information and this feedback.

## *APPLICATION REVIEW*

Stage 1, Independent Review

The application evaluation process begins with a Stage 1 review. Your Program assigns four or more members of the Board of Examiners to each application. It makes assignments according to the Examiners' areas of expertise and to avoid potential conflicts of interest. Each Examiner independently evaluates the application report and writes comments relating to the applicant's strengths and opportunities for improvement and uses a scoring system developed for the Award Program. All applicants in all sectors (government, business, education, health care and not for profit) go through the Stage 1 evaluation process.

Stage 2, Consensus Review

All applicants proceed to the Stage 2 review. A team of Examiners, led by a Team Leader, conducts a series of conference calls or face-to-face meetings to reach consensus on comments that capture the team's collective view of the applicant's strengths and opportunities for improvement. Additionally, the team decides on a score for each Item and identifies the issues to clarify and verify during the site visit. The team documents its comments, scores, and site visit issues into a single Consensus Scorebook. The major steps of the Consensus Review process are:

| Step 1 | Step 2 | Step 3 |
|---|---|---|
| **Consensus Planning:** <br> - Assign Item Discussion Leaders <br> - Review Findings From the Independent Evaluations <br> - Develop Draft Item Consensus Comments | **Consensus Review:** <br> - Discuss Key Factors <br> - Discuss Items and Key Themes <br> - Achieve Consensus on Comments, Scores, and Site Visit Issues | **Post-Consensus Review Activities:** <br> - Document Findings <br> - Prepare Consensus Scorebook <br> - Prepare for Site Visit |

Stage 3, Site Visit Review

The team of Examiners conducts Stage 3 to clarify any uncertainty or confusion regarding the written application report and to verify that the information provided is correct. The team identifies several site visit issues to address by interviewing the applicant's employees or by reviewing documentation on site. All applicants receive a site visit. After completing the site visit, the team of Examiners prepares a final Site Visit Scorebook. The major steps of the Site Visit Review process are:

| Step 1 | Step 2 | Step 3 |
|---|---|---|
| **Team Preparation:** | **Site Visit:** | **Site Visit Report:** |
| - Review Consensus Findings | - Make/Receive Presentations | - Summarize Findings |
| - Develop Site Visit Issues Worksheets | - Conduct Interviews | - Finalize Comments |
| - Plan Site Visit | - Review Records | - Prepare Final Site Visit Scorebook |
| | - Record Observations | - Provide Key Themes to Applicant |

Stage 4, Judges' Review

During Stage 4, Your Program forwards the Application Reports, Consensus Scorebooks, and Site Visit Scorebooks for all Applicants to the Panel of Judges, which makes final recommendations on which applicants should receive an Award. The Judges discuss applications by each application tier, and then they vote on the appropriate award level.

Some members of the Panel of Judges are from out-of-state. Judges do not participate in discussions or vote on applicants that they have a conflict of interest or a competing interest. The panel reviews and discusses all conflicts so that all Judges are aware of their own and others' limitations on access to information and participation in discussions and voting.

Your Program designs the judging process to allow a balanced assessment of organizational quality. The Panel of Judges considers several factors in addition to the overall score. These include the breadth and relevance of competitive comparisons; observations, verification, and clarification obtained during the site visits; and the strengths and opportunities for improvement identified by the examination team. Recognizing that business, education, government, health care, and not-for-profit each have different needs and dynamics, the Your Program Panel of Judges nevertheless seeks to apply consistent standards across all sectors for the final determination of Award levels.

The Judges' final recommendations are then sent to the Your Program Board of Trustees for approval. The Judges also identify best practices for recognition and presentations at the annual Quest for Success conference.

Following the Judges' review and recommendations of Award recipients, the Team Leader and the examination team edits the final Site Visit Scorebook to become this Feedback Report.
The major steps of the Judges' Review process are:

| Step 1 | Step 2 | Step 3 |
|---|---|---|
| **Panel of Judges' Review:** | **Evaluation by Application Tier:** | **Assessment of Organization:** |
| - Application Reports | - Tier 3/4 applicants | - Overall Strengths / Opportunities for Improvement |
| - Consensus Scorebooks | - Tier 2 applicants | - Determination of Award Level |
| - Site Visit Scorebooks | | - Identification of Best Practices |
| - Updated Results (Category 7) | | |

## *SCORING*

Your Program designed the scoring system used to score each Item to differentiate the applicants in the evaluation reviews and to facilitate feedback. The Scoring Guidelines for Business, Education, or Health Care (shown in Figure 1) are based on (1) evidence that a performance excellence system is in place; (2) the maturity of its processes as demonstrated by Approach(A), Deployment (D), Learning (L), and Integration (I); and (3) the results it is achieving.

An applicant's total scores fall into one of eight scoring bands. Each band corresponds to a descriptor associated with that scoring range. Figure 1 on the next page provides scoring information on each band. Your organization scored in band 4

In the Feedback Report, the Applicant receives a percentage score based upon the Scoring Guidelines (Figure 2), which describe the characteristics typically associated with specific scoring ranges.

Figure 3 shows the Scoring Summary by Item done by the Examiner Team. The second column shows the percentage scores assigned during the Consensus Meeting. The third column shows the percentage scores assigned after the Site Visit. The far right columns convert these percentage dependent of the weighting of each Item. The maximum point score is 1,000. Your organization scored xxx after site visit.

## *COMMENTS*

Following Figure 3 are comments from the Examiners, evaluating your organization against the Award Criteria. The Key Themes provide you the most important comments determined by the Examiner team.

Detailed comments by Item follow the Key Themes. Opportunities for improvement are not prescriptive but should be actionable by your organization, if you choose to.

## *Figure 1 - SCORING BAND DESCRIPTORS*

| Band | Band Number | Descriptors |
|------|-------------|-------------|
| 0-275 | 1 | The organization demonstrates the early stages of developing and implementing approaches to Category requirements, with deployment lagging and inhibiting progress. Improvement efforts focus on problem solving. A few important results are reported, but they generally lack trend and comparative data. |
| 276-375 | 2 | The organization demonstrates effective, systematic approaches responsive to the basic requirements of the Items, but some areas or work units are in the early stages of deployment. The organization has developed a general improvement orientation that is forward-looking. The organization obtains results stemming from its approaches, with some improvements and good performance. The use of comparative and trend data is in the early stages. |
| 376-475 | 3 | The organization demonstrates effective, systematic approaches responsive to the basic requirements of most Items, although there are still areas or work units in the early stages of deployment. Key processes are beginning to be systematically evaluated and improved. Results address many areas of importance to the organization's key requirements, with improvements and/or good performance being achieved. Comparative and trend data are available for some of these important results areas. |
| 476-575 | 4 | The organization demonstrates effective, systematic approaches responsive to the overall requirements of the Items, but deployment may vary in some areas or work units. Key processes benefit from fact-based evaluation and improvement, and approaches are being aligned with organizational needs. Results address key customer/stakeholder, market, and process requirements, and they demonstrate some areas of strength and/or good performance against relevant comparisons. There are no patterns of adverse trends or poor performance in areas of importance to the organization's key requirements. |
| 576-675 | 5 | The organization demonstrates effective, systematic, well-deployed approaches responsive to the overall requirements of the Items. The organization demonstrates a fact-based, systematic evaluation and improvement process and organizational learning that result in improving the effectiveness and efficiency of key processes. Results address most key customer/stakeholder, market, and process requirements, and they demonstrate areas of strength against relevant comparisons and/or benchmarks. Improvement trends and/or good performance are reported for most areas of importance to the organization's key requirements. |
| 676-775 | 6 | The organization demonstrates refined approaches responsive to the multiple requirements of the Items. These approaches are characterized by the use of key measures, good deployment, evidence of innovation, and very good results in most areas. Organizational integration, learning, and sharing are key management tools. Results address many customer/stakeholder, market, process, and action plan requirements. The organization is an industry leader in some areas. |
| 776-875 | 7 | The organization demonstrates refined approaches responsive to the multiple requirements of the Items. It also demonstrates innovation, excellent deployment, and good-to-excellent performance levels in most areas. Good-to-excellent integration is evident, with organizational analysis, learning, and sharing of best practices as key management strategies. Industry leadership and some benchmark leadership are demonstrated in results that address most key customer/stakeholder, market, process, and action plan requirements. |
| 876-1000 | 8 | The organization demonstrates outstanding approaches focused on innovation, full deployment, and excellent, sustained performance results. There is excellent integration of approaches with organizational needs. Organizational analysis, learning, and sharing of best practices are pervasive. National and world leadership is demonstrated in results that fully address key customer/stakeholder, market, process, and action plan requirements. |

## *Figure 2 - SCORING GUIDELINES*

| Score | Process (For use with Categories 1-6) |
|---|---|
| 0% or 5% | • No SYSTEMATIC APPROACH is evident; information is ANECDOTAL. (A)<br>• Little or no DEPLOYMENT of an APPROACH is evident. (D)<br>• An improvement orientation is not evident; improvement is achieved through reacting to problems. (L)<br>• No organizational ALIGNMENT is evident; individual areas or work units operate independently. (I) |
| 10%, 15%, 20%, or 25% | • The beginning of a SYSTEMATIC APPROACH to the BASIC REQUIREMENTS of the Item is evident. (A)<br>• The APPROACH is in the early stages of DEPLOYMENT in most areas or work units, inhibiting progress in achieving the BASIC REQUIREMENTS of the Item. (D)<br>• Early stages of a transition from reacting to problems to a general improvement orientation are evident. (L)<br>• The APPROACH is ALIGNED with other areas or work units largely through joint problem solving. (I) |
| 30%, 35%, 40%, or 45% | • An EFFECTIVE, SYSTEMATIC APPROACH, responsive to the BASIC REQUIREMENTS of the Item, is evident. (A)<br>• The APPROACH is DEPLOYED, although some areas or work units are in early stages of DEPLOYMENT. (D)<br>• The beginning of a SYSTEMATIC APPROACH to evaluation and improvement of KEY PROCESSES is evident. (L)<br>• The APPROACH is in early stages of ALIGNMENT with your basic organizational needs identified in response to the other Criteria Categories. (I) |
| 50%, 55%, 60%, or 65% | • An EFFECTIVE, SYSTEMATIC APPROACH, responsive to the OVERALL REQUIREMENTS of the Item, is evident. (A)<br>• The APPROACH is well DEPLOYED, although DEPLOYMENT may vary in some areas or work units. (D)<br>• A fact-based, SYSTEMATIC evaluation and improvement PROCESS and some organizational LEARNING are in place for improving the efficiency and effectiveness of KEY PROCESSES. (L)<br>• The APPROACH is ALIGNED with your organizational needs identified in response to the other Criteria Categories. (I) |
| 70%, 75%, 80%, or 85% | • An EFFECTIVE, SYSTEMATIC APPROACH, responsive to the MULTIPLE REQUIREMENTS of the Item, is evident. (A)<br>• The APPROACH is well DEPLOYED, with no significant gaps. (D)<br>• Fact-based, SYSTEMATIC evaluation and improvement and organizational LEARNING are KEY management tools; there is clear evidence of refinement and INNOVATION as a result of organizational-level ANALYSIS and sharing. (L)<br>• The APPROACH is INTEGRATED with your organizational needs identified in response to the other Criteria Items. (I) |
| 90%, 95%, or 100% | • An EFFECTIVE, SYSTEMATIC APPROACH, fully responsive to the MULTIPLE REQUIREMENTS of the Item, is evident. (A)<br>• The APPROACH is fully DEPLOYED without significant weaknesses or gaps in any areas or work units. (D)<br>• Fact-based, SYSTEMATIC evaluation and improvement and organizational LEARNING are KEY organization-wide tools; refinement and INNOVATION, backed by ANALYSIS and sharing, are evident throughout the organization. (L)<br>• The APPROACH is well INTEGRATED with your organizational needs identified in response to the other Criteria Items. (I) |

| Score | Results (For use with Category 7) |
|---|---|
| 0% or 5% | • There are no business RESULTS or poor RESULTS in areas reported.<br>• TREND data are either not reported or show mainly adverse TRENDS.<br>• Comparative information is not reported.<br>• RESULTS are not reported for any areas of importance to your organization's KEY business requirements. |
| 10%, 15%, 20%, or 25% | • A few business RESULTS are reported; there are some improvements and/or early good PERFORMANCE LEVELS in a few areas.<br>• Little or no TREND data are reported.<br>• Little or no comparative information is reported.<br>• RESULTS are reported for a few areas of importance to your organization's KEY business requirements. |
| 30%, 35%, 40%, or 45% | • Improvements and/or good PERFORMANCE LEVELS are reported in many areas addressed in the Item requirements.<br>• Early stages of developing TRENDS are evident.<br>• Early stages of obtaining comparative information are evident.<br>• RESULTS are reported for many areas of importance to your organization's KEY business requirements. |
| 50%, 55%, 60%, or 65% | • Improvement TRENDS and/or good PERFORMANCE LEVELS are reported for most areas addressed in the Item requirements.<br>• No pattern of adverse TRENDS and no poor PERFORMANCE LEVELS are evident in areas of importance to your organization's KEY business requirements.<br>• Some TRENDS and/or current PERFORMANCE LEVELS evaluated against relevant comparisons and/or BENCHMARKS show areas of good to very good relative PERFORMANCE.<br>• Business RESULTS address most KEY CUSTOMER, market, and PROCESS requirements. |
| 70%, 75%, 80%, or 85% | • Current PERFORMANCE is good to excellent in most areas of importance to the Item requirements.<br>• Most improvement TRENDS and/or current PERFORMANCE LEVELS are sustained.<br>• Many to most reported TRENDS and/or current PERFORMANCE LEVELS evaluated against relevant comparisons and/or BENCHMARKS show areas of leadership and very good relative PERFORMANCE.<br>• Business RESULTS address most KEY CUSTOMER, market, PROCESS, and ACTION PLAN requirements. |
| 90%, 95%, or 100% | • Current PERFORMANCE is excellent in most areas of importance to the Item requirements.<br>• Excellent improvement TRENDS and/or sustained excellent PERFORMANCE LEVELS are reported in most areas.<br>• Evidence of industry and BENCHMARK leadership is demonstrated in many areas.<br>• Business RESULTS fully address KEY CUSTOMER, market, PROCESS, and ACTION PLAN requirements. |

## *Figure 3 - SCORING SUMMARY*

| | Percent Score | Point Score |
|---|---|---|
| Item 1.1 | 50 | 35 |
| Item 1.2 | 70 | 35 |
| **Category 1 Leadership** | **58** | **70** |
| Item 2.1 | 55 | 22 |
| Item 2.2 | 45 | 20 |
| **Category 2 Strategic Planning** | **50** | **42** |
| Item 3.1 | 50 | 20 |
| Item 3.2 | 45 | 20 |
| **Category 3 Customer and Market Focus** | **47** | **40** |
| Item 4.1 | 45 | 20 |
| Item 4.2 | 65 | 29 |
| **Category 4 Measurement, Analysis, and Knowledge Management** | **55** | **49** |
| Item 5.1 | 60 | 21 |
| Item 5.2 | 55 | 14 |
| Item 5.3 | 60 | 15 |
| **Category 5 Human Resource Focus** | **59** | **50** |
| Item 6.1 | 50 | 23 |
| Item 6.2 | 50 | 20 |
| **Category 6 Process Management** | **51** | **43** |
| Item 7.1 | 50 | 50 |
| Item 7.2 | 50 | 35 |
| Item 7.3 | 70 | 49 |
| Item 7.4 | 55 | 39 |
| Item 7.5 | 50 | 35 |
| Item 7.6 | 55 | 39 |
| **Category 7 Business Results** | **55** | **247** |
| **Total Score** | | **541** |