

## Facilitator — August/September 2011



Change Language: Choose

### A Slice of the Pie

*Sherleen Mahoney*

At Pizza Hut, franchisees are in business for themselves, but never by themselves

Pizza—in all its savory, cheesy and chewy goodness—is the No. 1 choice when busy people need to pick up dinner. And according to a recent Rasmussen Report, Pizza Hut is rated as America's favorite pizza, with 58 percent of customers choosing it over other brands. It's not surprising: Pizza Hut offers so many fan favorites, such as the signature Pan Pizza, Thin 'N Crispy, Veggie Lover's, Meat Lover's, Tuscani Pastas, WingStreet wings and more.

A subsidiary of Yum! Brands Inc., Pizza Hut Inc. has more than 6,000 restaurants in the United States and more than 5,600 restaurants in nearly 100 countries and territories around the world.

#### A Shift in Attitude

Yum! executives know that corporate culture and investing in employees are critical to the company's success, and they choose to foster a culture of collaboration, transparency and support. After all, the company's formula for success is "People capability first, satisfied customers and profitability follow." As the No. 1 pizza chain in the country, it seems to be working.

In an effort to promote teamwork, the company moved away from supervisor and manager titles. Instead, they use terms like "coaches" and "leaders."

"There's a difference between managing people and coaching people," said Joseph Sciortino, Director of Facility Management at Pizza Hut. "When you're called a coach, you act like a coach."

High-level leaders chose clear glass for their office to embrace the open collaboration environment, even though frosted glass was an option. There are also designated collaboration areas with trendy furniture and tabletop-sized notepads built into the table.

#### High-Tech Home Base

This positive and healthy infrastructure is housed in Pizza Hut's new Center of Restaurant Excellence (CORE) located in Plano, Texas, which sits on 20.5 acres with approximately 170,000 square feet of office space.

The building, which opened in January, includes such perks as an impressive gym, tranquil locker rooms, a daycare and a state of the art café, as well as high-tech amenities, such as a test kitchen, a sensory lab for taste tests and Pizza Hut Academy.

Pizza Hut Academy was designed to offer continuous training to ensure that everyone throughout the Pizza Hut system is aligned with the company's high standards. Before the academy existed, annual training took place in a hotel, where it was difficult to simulate a real-life restaurant experience.

The ultimate goal is to bring all of the company's area coaches—each one supporting between six to 12 restaurants—to the academy's full mockup restaurant. They'll be trained on everything from the basic standards, such as how to make pizza, to deeper topics like preventative maintenance, equipment troubleshooting and sneak peaks of up-and-coming initiatives and products. For example, a group was recently trained on a new Wingstreet fryer panel that allows operators to audit how often the fryer oil is polished and changed.

Pizza Hut also leverages the academy for the associates who work at the CORE. All members of the CORE are required to go through Boot Camp from June till August: They are also required to work in a restaurant for two shifts to experience first-hand the reality of the restaurant world. Once the academy and restaurant training is completed they will receive their PHD (Pizza Hut Degree).

Members of the Boy Scouts and Girl Scouts, and little league and soccer teams are invited as patrons. Working in groups of 15 to 20, every employee will participate in rotating servicing positions to learn every facet of the business.

“The associates get a true understanding of what it feels like on a Friday night at a restaurant, and we challenge them to say ‘what can you do with this knowledge now in your job every day to help support restaurants?’” said Jen Weber, Dean of Pizza Hut Academy.

“We make sure the franchisees have a voice,” she said. “As we start building the curriculum, we’re taking them along with us to make sure we integrate their thoughts and ideas on areas of learning far above restaurant leaders—everything from facilities to core operating processes to BDP people practices. I see this process as something that will evolve over time.”

### Achieving Results

Complacency and status quo have no place in the corporate mindset. Even the downward economy can’t be used as an excuse.

Continually striving for excellence and innovation, Yum! designed the “Achieving Breakthrough Results” training program, which CEO David Novak called “the biggest culture-change initiative in the world today.”

The program is geared toward achieving a “one-system mindset” and is taught by Yum! executives. It is mandatory for all employees and open to all franchisees.

Set up as a three-triangle hierarchy, the program teaches employees to first focus on intentions and goals, working backwards to figure out how to achieve those goals.

The first triangle focuses on Intentionality: Desire, Mental Energy and Commitment. At this level, the program challenges employees to focus on results. Identifying what you want to achieve allows you to map the way to get there.

The second triangle focuses on Thinking: Picture Step Change, Creativity and Know-How. Here, employees are encouraged to pose the impossible, ban myths and build know-how.

The final triangle is about Action: Words, Others and You. This stage encourages employees to participate in healthy debates, create step change possibilities and embrace Ching, a Chinese philosophy that centers around achieving a balance of opposites, embracing the evolution of events as a process and accepting the inevitability of change.

And at the heart of this structure are results.

### Tools for Success

True to the corporate message of support—and thanks to Achieving Breakthrough Results training—Terry Byerly, facility coach/project manager at Pizza Hut, forged an idea to create specialized facility tools to support the franchisees. With the collaboration of the facility department, they “broke through” by designing a Web-based facility tool.

“We all had to come up with a breakthrough idea, and we came up with this solution,” Byerly said.

The facility department created an information database, that includes “everything you ever wanted to know about facilities, but were afraid to ask,” Sciortino said. Originally called “Facilities on a Stick,” these helpful tips existed on a USB drive, but soon evolved to a more user-friendly Web-based resource called “Facility Toolbox.”

Developed for all franchisees in mind, especially small franchisees who don’t have the infrastructure for in-house preventative maintenance programs, the Facility Toolbox will give them access to their own facility department with a myriad of solutions only a mouse click away. It will reside on the “Pizza Hut” intranet website.

One section of the Toolbox will cover preventative maintenance and repairs, addressing everything from HVAC and fire suppression to grease traps and landscaping.

“If franchisees need preventative maintenance models for HVAC, it’s there. If they need preventative maintenance for ovens, it’s there,” Sciortino said.

Byerly said the Facility Toolbox offers franchisees specific, actionable help in an easy-to-use format.

“For instance, changing the air filters on a HVAC unit, they may not know what type to use or how often to change them,”

he said. “The tool tells them the specifications of the filter and how often to change it in a step-by-step format.”

There also will be a trash right-sizing calculator, a budget planning tool, energy saving ideas and national average pricing information for needs such as HVAC preventative maintenance servicing. In addition, the Pizza Hut Facility Team will provide free support for further information and questions.

Currently in its final development stages, the Facility Toolbox is expected to be completed and rolled out by the end of this year.

### Breakthrough Moments

“As a result of the Achieving Breakthrough Results training, we as a facilities team sit down and ask ‘how do we break through?’” Sciortino said.

One breakthrough was the creation of the Blodgett oven/hood conversion kit. After 2012, parts for Blodgett ovens will no longer be available. For those Pizza Hut locations that use these ovens, they thought they’d have to remove the ovens and purchase new ovens and hoods.

Blodgett ovens have a special enclosure that encapsulates the oven. When the oven is removed, so is the enclosure. The remaining hood is rendered useless because it needs the enclosure to work properly.

This left them with few options: altering the hood assembly, a process that had very poor results, or replacing the exhaust hood, an option that was either cost prohibitive or not possible in some existing buildings.

But in a breakthrough moment, the facilities department worked with Chuck McCabe from Air Care Experts of Lake Forest, Calif., to develop a conversion kit that converts the hood to fit over any oven they want under it. The retrofits are one part of a comprehensive approach to improving the exhaust hood performance, McCabe explained.

As with all exhaust hoods, particularly compensating hoods, skirting and a proper air balance are integral to their performance. The combinations of all of these services have provided the opportunity for the stores to continue to operate pizza ovens under their existing hoods.

The process, from the initial design of containment panels to the current configuration, took about six years, McCabe said. But it’s already paying off for Pizza Hut and its franchisees, from both a costs and materials perspective.

“It is always a challenge to improve restaurant margins and every opportunity for minimizing capital and operating expenses needs to be considered,” McCabe said. “Retaining the existing hood provides the cost savings associated with utilizing an existing asset rather than purchasing a new hood. And the low cost of the program allows more ovens to be changed out sooner, resulting in less maintenance and operating costs for the old ovens.”

Two other options were created for franchisees when replacing Blodgett ovens. Middleby Corp., a global company that develops, manufactures, markets and services a broad line of food service equipment, has agreed to refurbish ovens and offer them for purchase. The facilities department worked with Middleby and other vendors to offer an oven leasing program.

“Achieving Breakthrough Results is driving these changes,” Sciortino said. “We’d still be buying new ovens and replacing hoods if we didn’t sit down and challenge ourselves.”

### A System of Support

It’s seemingly simple things, like multiple oven options, that illustrate Pizza Hut’s strong system of support for its franchisees. Focusing on people first has changed Pizza Hut’s tone, with its employees, franchisees and customers. As a company that’s always been adaptable and forward-thinking, Pizza Hut is yet again writing its own recipe for success.

### The iChing of Collaboration

At Pizza Hut, collaboration is driving the company’s future. Employees, who are solely focused on the customer, are encouraged to share new ideas and best practices to enhance the restaurant’s brand—and have fun while doing it.

In order to foster a collaborative culture, the CORE has designed trendy interactive working spaces to inspire creative thinking and iCHING, a tool on the company’s intranet that is used across the global Yum! organization for employees to

post ideas and best practices, have discussions and share links.

Along with collaboration, recognition also is a huge part of the company's culture. Through the Yum! Awards, employees are rewarded for their breakthrough achievements in a fun way. At Pizza Hut, one of the most prestigious honors is the "Big Cheese" Award, a giant cheese hat. Even Chairman and CEO David Novak gives out his own award—a set of chattering teeth with legs— to those who "walk the talk." Other awards include the "Warp Speed," the "Sauce Packet" and the "Big Leap Award."

At Pizza Hut, it's all about breakthrough thinking. Every day, people are working hard to innovate in every aspect of the business.

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