Panel Introductions

• Danny Koontz
  – Ruby Tuesday
• Bob Schreiber
  – Starbucks
• Vance Arndt
  – Longhorn Steakhouse
• Roger Goldstein
  – Panda Restaurant Group
• Terry Byerly
  – Pizza Hut
Session Goals

• Learn how peer restaurateurs run their departments, manage vendors, and how technology impacts their decisions and business plan

• Understand how restaurant chains leverage their multi-site locations to manage waste containment and other services

• See how financial data is used to drive short and long term decisions
Session Goals

• Recognize how different restaurant chains structure their facility departments with support staff, areas of responsibilities, and geographical territories

• Hear how different restaurant chains partner with their construction departments and how brand design changes are made
How Facilities Communicates with other Departments

- Starbucks
  - Operations
    - E-mail, phone and text as needed. With critical or detail needs on a one to one basis, a phone call is used. If the critical or detail need has 3+ participants a conference call is scheduled
    - Facility managers will call each DM every week to review open work orders, district needs, vendor issues and for relationship building
    - Facilities has a call with each director every three weeks to discuss same weekly e-mail per DM per store update on capital and high cost, high priority or long completion repair projects
    - Per DM per store top line financial review after final R&M report
  - Store Development
    - Scheduled weekly calls with real estate, construction, design and legal
    - Facility managers attend design meetings for minor and major construction, pre construction meetings and construction punch meeting
  - Home Office
    - Facilities has scheduled calls with corporate facility team
Vendor Management

- Longhorn Steakhouse
  - Repair and Maintenance call center to dispatch calls to vendors that are competitively bid AND selected by Directors of Operations, Managing Partners and Facility Managers
  - Non-R&M center locations vendors are selected by Directors of Operations, Managing Partners and Facility Managers
  - Facilities manages all Cyclical services
    - Waste and Recycling
    - Grease traps
    - Yellow Grease
    - HVAC and Refrigeration PM’s
    - Fire suppression and Life Safety
    - Hood Cleaning
Work Order Management

- Panda
  - In-house or Outsourced
  - Timing of service orders and Invoicing
  - Vendors, equipment, and service history
Waste Management

• Starbucks
  – Trash
    • Trash is contracted out to one broker by the corporate facility department. They bid, insure service and invoice. The facility managers call the broker if issues arise. They do not deal directly with the trash vendors
  – Recycle
    • Recycling is handled by the broker contracted for trash removal
  – Grease trap
    • Bid out by Facility Managers. They have brokers and grease trap pumping companies bid
Ruby Tuesday
- Profit and Loss statements
- Depreciation schedules
- Lease terms, financial health
**R&M Budgets**

- Starbucks
  - Annual budget is set up to accommodate contractual services and normal spend with consideration to sales and seasonal weather conditions by region. Preliminary budget is created by corporate financial department for dollars per sales week and total dollars per period per category. Field gives input on budget and adjustments are made. Final sent out to field
  - Budgets are adjusted each quarter to accommodate business environment
  - R&M budgets have a category and period goal. The only hard goal is the total R&M quarterly goal. Funds allocated to one category can be used in another, i.e. from building to HVAC and between months i.e. from April to May. But all funds allocated in Q2 must be used in Q2. No budgeted funds can be moved between quarters. So any variance in actual cost in the quarter must be corrected in that quarter
Capital Budgets

• Longhorn Steakhouse
  – Audits are conducted on each restaurant every year and the project data is gathered in Oracle
  – Planned project, Unplanned projects, Equipment and Corporate Initiatives budgets are determined by Senior Leadership
  – Facility Managers meet with Directors of Operations to prioritize projects according to next year's budget. SVP then reviews the list and approves, disapproves or adds to the planned projects. Director of Facilities and the EVP and VP of Finance review the entire list and approve or disapprove
Description & Size of Facility Teams

• Ruby Tuesday
  – 6 total people including myself for restaurant facilities, additional 3 people for Support Center and campus facilities management

• Starbucks
  – Starbucks has two facility divisions headed by a divisional director. There are 14 regions in the US. Each region has a regional facility manager. Each region has facility service managers. The number of facility service managers depends on the number of stores in the region. The average number of stores per facility service manager is 65 to 100 stores. The variance is due to geography of the region and experience level of the facility service manager. Each region has one to two facility reps. to support the facility team. There also is a Seattle based corporate facility department. They handle national initiatives

• Longhorn Steakhouse
  – Longhorn Steakhouse has 5 Facility Managers which report to a Director of Facilities. Darden has 36 Facility Managers which report to 3 Directors of Facilities who report to a Senior Director of Facilities. There are 5 Facility Coordinators that support the Facility Managers. Darden also has a Director of the R&M center along with a support staff for the R&M center

• Panda
  – 2 Directors, 13 Facility Manager, 4 office support team
Ruby Tuesday
- Approx. 750 company, 43 franchise, 52 international locations, 45 states and 14 countries

Starbucks
- 54 countries worldwide, US 6,705 company stores, 4,082 licensed, international 2,326 company, 3,890 licensed

Longhorn Steakhouse
- Longhorn has 387 locations primarily in the eastern half of the United States. Darden has 1,850 locations primarily in the US

Panda
- 1,400 locations, 26 Regions approximately 2 Regions per Facility Manager
Average Square Footage

- Ruby Tuesday
  - 4,600 to 4,900
- Starbucks
  - 1,500
- Longhorn Steakhouse
  - 6,000 Square feet, however there is a wide range on this average number.
- Panda
  - 1,800 to 2,500 building, Endcaps and Free Standing
Ruby Tuesday
- 2 coordinators, 2 managers, and one Director reporting to the Director of Construction and Facilities Management. Director of Facilities Management reports to Senior VP of Development and has dotted line to Executive Vice President of Operations.

Starbucks
- Facilities reports to the store development department. Store development is independent of operations but has a dotted line to operations.

Longhorn Steakhouse
- Chief Supply Chain Officer > Senior Director of Facilities > Director of Facilities > Facility Managers.

Panda
- Facility Manager to Lead Facility Manager, Lead Facility Manager to Director, Director to VP.
Areas of Responsibility

- **Ruby Tuesday**
  - All facilities related projects, normal R&M, all furniture, fixture, equipment purchases, all approvals over 1k, pests, fire safety, security, property management leasehold issues, remodels, pm etc

- **Starbucks**
  - Complete facility related costs, both capital and R&M, to the envelope of the building and all equipment. Facilities will source, contract and monitor vendors. Facility responsibilities do not include lease negotiation but does include landlord contact for any noncompliance issues. Renovations are handled by the construction department with scope and final punch approval in coordination with facilities. Facilities will do the certifying of all new construction to meet LEED standards. The FMs do an annual audit of all facilities. They do a financial facility store spend analysis each month for each store and district manager. They have interaction with corporate facility department who drives national programs and initiatives

- **Longhorn Steakhouse**
  - Complete annual audit of each restaurant, complete all planned and unplanned projects, execute corporate initiative, create and get approval of next years maintenance plan, manage cyclical service, attend all new restaurant openings and remodel turnovers, continuing training and education and 24/7 response to any emergency that arises

- **Panda**
  - All aspects of the building and equipment repair and maintenance, both capital and R&M budget management, Training operations, 24/7 response for stores needs
Advancement Opportunities

- Panda
  - Development Plan is Essential
  - Create structure for advancement and recognition opportunity
  - Identify and develop your successor
In-House Tech vs. Vendor Base

• Panda
  – Pros and Cons to each
  – Geography and Store distribution
  – Do you want to be in the service business too
Roll of Facilities with Construction

- Ruby Tuesday
  - Communication
  - Sharing of lessons learned and best practices
  - Clean and defined turnover
Influencing Change

• Panda
  – Facilities Managers matter
  – Relationship with construction and design
  – Set up a structure so suggestions are heard and acted on
Equipment Purchasing

• Ruby Tuesday
  – Use of Procurement
  – Partnership in total cost of ownership
  – Communication
Questions & Answers

• First five questions will receive a gift card