

2005

National Institute of Standards and Technology  
Technology Administration • Department of Commerce  
Baldrige National Quality Program



# Landmark Dining, Inc. Scorebook

# Landmark Dining, Inc. Scorebook

This case study scorebook was developed as an instructional tool for the 2005 Examiner Preparation Course. A consensus team of experienced Baldrige Examiners evaluated the Landmark Dining, Inc., Case Study, using the Stage 2, Consensus Review Process. The Landmark Dining, Inc., Case Study describes a fictitious steak and seafood restaurant. There is no connection between the fictitious Landmark Dining and any organization, either named Landmark Dining, Inc., or otherwise. Other organizations cited in the case study also are fictitious, except for several national organizations. Because the case study is developed to train Baldrige Examiners and others and to provide an example of the possible content of a Baldrige application, there are areas in the case study where Criteria requirements are not addressed.

Landmark Dining, Inc., scored in band 5, showing that 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.

## Recommended Scoring Ranges for the Landmark Dining, Inc. Case Study

<b>Item</b>	<b>Scoring Range (%)</b>
1.1	60–70
1.2	55–65
2.1	70–80
2.2	45–55
3.1	60–70
3.2	65–75
4.1	65–75
4.2	65–75
5.1	65–75
5.2	55–65
5.3	60–70
6.1	65–75
6.2	60–70
7.1	55–65
7.2	60–70
7.3	60–70
7.4	55–65
7.5	65–75
7.6	60–70

**Scoring Range (points):**

**600–700**

To begin the evaluation process, review the applicant's Organizational Profile and the Additional Information Needed Form. List the key business/organization factors for this applicant, using the Areas to Address (organizational environment, organizational relationships, competitive environment, strategic challenges, and performance improvement system) in the order presented in the Organizational Profile section of the appropriate *Criteria for Performance Excellence* booklet.

**P.1a Organizational Environment**

- Family-owned and -operated steak and seafood restaurant business housed in historic landmark buildings in two locations
- Products/services: lunch and dinner in-house dining; beer, wine, and other alcoholic beverages; take-out dining; dinner delivery; and event catering
- New service in 2004: Home meal replacements (HMRs) delivered to day-care and gym facilities
- Vision: To be recognized as one of the top ten dining experiences in our cities because of the outstanding food and unique experience provided
- Mission: Landmark is the ultimate restaurant experience for our guests. Through a focus on great tasting food, historic atmosphere, superior service, and professional growth for our employees, we are the "restaurant of choice" for individuals, families, and businesses. We are part of our communities' histories through service and preservation of landmark buildings.
- Values: Excellence in Service and Customer Focus; Exceptional Food; Promotion of a Healthy Lifestyle; Ethics, Honesty, and Integrity; Innovation and Energy; Family Culture with Teamwork; Employee Development; Community Enrichment; Historic Preservation; and Joy
- Employee Profile:
  - 212 employees: 47 full-time, 102 part-time, 63 on-call
  - 49% Hispanic, 24% White, 23% African American (reflects diversity of communities)
  - 7% management (salaried), 6% support staff (salaried), 87% other staff (hourly)
  - 48% have some college or degree(s), 52% have a high school education or less
  - 25 developmentally disabled persons and disabled veterans
- Over 33% of employees retained for over 10 years, 19% for over 5 years, and 12% between 2 and 5 years. Most others are students or recent graduates.
- No union representation
- Facilities: a 192-seat restaurant, a 218-seat restaurant, 35-seat lounges at both restaurants, and a separate headquarters building (for management, warehousing, marketing, etc.)
- IT infrastructure is focused on the Foodtrak Point of Sale (POS) system
- Regulatory environment requirements: food safety codes, waste removal, zoning codes, licensing, financial regulations, employee safety, and other employee-related regulations

**P.1b Organizational Relationships**

- S corporation with Board of Directors (Dudley family members plus Frank Fendly) and an external Advisory Board composed of business leaders
- Key customer groups: individual and family patrons, businesses, tourists, communities; also segmented by more specific customer groups and requirements (i.e., by organization, family status, and service [Figure P.1-4])
- Key requirements of all customer groups: reliability, responsiveness, assurance, empathy, tangibles, exceptional food at a good value, a memorable dining experience
- Key stakeholder groups: regulatory agencies, the owners, the community, suppliers/partners

- Suppliers/partners: Participates in a local restaurant consortium for purchasing products and services; other suppliers include providers of IT services, custodial and facilities maintenance services, advertising, security, and some HR functions; partners include HMR distributors and a community college
- Cost of sales (funds to purchase supplies) is 30% of total sales

### **P.2a Competitive Environment**

- Specific market niche: family and business diners
- Competes directly with 35 specialty restaurants in Houston and 20 in Galveston
- Third-highest occupancy rate in Houston and highest in Galveston
- Revenues for 2004 >\$5.9M, with \$5.5M from restaurants and take-out, \$400K from catering
- Only company in Houston providing HMR delivery service
- Competitive success factors: name recognition, value for the dollar, fresh menu design and re-engineering, healthy menu items, effective use of facilities, superior service, operational excellence, community involvement
- Key sources of comparative data: the National Restaurant Association (NRA), vendor survey, People Report, Secret Diners Association, Employee Diner reports, informal consortium led by Owen Dudley, industry Web sites, Staffing Solutions, David & Bradley

### **P.2b Strategic Challenges**

- Continued expansion of products and services
- An increase in the number of competitors with a projected growth of 5.2%
- Availability of skilled and motivated employees to match expected growth
- Consumers with increased disposable income and a need for convenience and socialization
- Increased sophistication of the American palate
- Changing customer age demographics
- Heightened interest in food safety, nutrition, and health issues
- Increasing government impact through regulatory mandates

### **P.2c Performance Improvement System**

- Performance improvement focused on Strategic Planning Process
- Use of Balanced Scorecard to deploy goals and monitor progress
- DINERS Process Improvement approach
- Extensive use of cross-training for job growth and rotational assignments for succession planning
- Organizational knowledge database maintained through Foodtrak
- Baldrige annual self-assessment

**(For Stage 3, Site Visit Use)** Thinking about the questions in the Organizational Profile, did the team have any new insights about the applicant as a result of the site visit? If so, please describe.

The Key Themes Worksheet provides an overall summary of the key points in the evaluation of the application and is an assessment of the key themes to be explored if the applicant proceeds to Stage 2, Consensus Review and Stage 3, Site Visit Review. A key theme is a strength or an opportunity for improvement that addresses a central requirement of the Criteria, is common to more than one Item or Category (cross-cutting), is especially significant in terms of the applicant's key factors, and/or addresses a Core Value of the Criteria.

The Key Themes Worksheet should respond to the three questions below:

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

- The applicant maintains a focus on the future through its systematic and well-deployed strategic planning process, which is integrated and aligned with data and information systems, such as Voices and Foodtrak. These systems provide fact-based data and information to support short- and longer-term planning, by using key input from customers, suppliers/partners, key stakeholders, and employees. The Strategic Planning Process results in the development of a Strategy Matrix that helps the applicant align its strategic objectives with its strategic challenges, action plans, and competitive success factors related to both current and future operations. The alignment and integration in the Strategic Planning Process may help the organization remain agile in responding to its current operational challenges while positioning itself to best address the strategic challenges.
- The organization clearly demonstrates its commitment to management by fact and continuous improvement with systematic approaches to data collection and analysis and process improvement. DINERS Teams use a systematic improvement process to address opportunities for improvement across the organization. Data and information from the Voices and Foodtrak systems undergo multiple analyses to provide senior leaders, DINERS Teams, and employees at all levels actionable information on which to base their improvement recommendations. The organization presents several examples of performance improvement resulting from its well-deployed and integrated process improvement and data collection and analysis approaches.
- The applicant capitalizes on its planning, process improvement, and data and information collection and analysis approaches by creating a team-based environment and an operating style empowered and enabled by data and information available through a number of avenues. The organization ensures access to data and information and creates an environment of organizational learning through its Communication Process, Foodtrak Knowledge Management system, and a variety of two-way communication vehicles, including line-up meetings and periodic performance reviews. Employees have real-time access to key performance data and information, enabling them to make informed decisions in the course of their day-to-day work. Best practices are shared with all employees through line-up meetings, the Foodtrak Knowledge Management system, and through storytelling designed to support the organization's culture and individual and organizational learning.
- The organization demonstrates in its systematic approaches to employee learning, development, satisfaction, and well-being that it is committed to and values its employees. The organization provides employees with a "cafeteria" plan that allows employees to select benefits that best suit their individual needs. Through numerous education and training opportunities, employees learn multiple skills to increase their capabilities and overall value to the organization, and, to capitalize on its well-trained and motivated workforce, the organization empowers employee teams to schedule, manage, and improve their work processes. All employees complete an Individual Review and Development Plan (IRDP) that is aligned with the organization's direction and balances the needs of the individual and the organization. In addition, a systematic succession planning approach is integrated with the organization's employee development and training approaches to help ensure the long-term sustainability of the organization. These approaches support the organizational Values of Family Culture with Teamwork and Employee Development, as well as its strategic objective to "be an employer of choice."
- The organization is committed to being a valued citizen in the communities where it operates. It uses a systematic approach to identify key communities for organizational-level support as part of its Strategic

Planning Process and ensures deployment of its approaches for community support by authorizing time off for its employees to participate in key community activities. In addition, members of the organization's Leadership Team serve in volunteer positions side-by-side with employees and also are board members in key community support organizations, including the Houston and Galveston Food Funds, historic preservation associations, and area Chambers of Commerce.

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

- Although the organization has a mature, well-deployed, and integrated Strategic Planning Process that capitalizes on data and information sources such as Voices and Foodtrak, it is not clear how or if it has adequately addressed its stated desire to grow its Home Meal Replacement (HMR) and catering business lines. While some information is collected from catering customers, the applicant does not appear to have addressed several key aspects of its HMR and catering business lines, such as supplier and partner requirements, including those legal requirements associated with proper food handling and storage; customer requirements; customer contact requirements; or customer knowledge and relationship building. Without addressing these aspects, the applicant may not be positioned to duplicate for HMR and catering the relatively high levels of service, satisfaction, and regulatory compliance it achieves in its restaurant line of business.
- While the applicant addresses many of the potential impacts on society of its products and services and provides specific training, such as food handling certification, it does not appear to address the potential impacts of its beer, wine, and other alcoholic beverages, the legal and regulatory requirements associated with them. This may be particularly noteworthy given that beer and wine are among the key requirements of the couples and singles customer groups, which account for 45% of the organization's sales. Without adequately addressing the potential impacts of these products, the organization may leave itself vulnerable in a key regulatory and legal area.
- Although the organization relies on a number of key suppliers and partners for its products and services (e.g., the restaurant purchasing consortium, suppliers for safety and OSHA-related processes and for information technology services, and partners such as distributors for its HMR business line), a systematic process is not evident for managing and improving these key areas. For example, it is not clear how the organization communicates its expectations, key performance information, Values, and legal and ethical requirements to these suppliers and partners or what performance measures/indicators the organization uses to help manage their performance. This may be particularly important to the organization given its reliance on these key partners and suppliers and the potential impact of their performance on customers; legal, ethical, and regulatory compliance; and overall organizational performance.

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

- The organization's results address many to most areas of importance, with improving performance trends for most measures sustained for four to five years. Results in some key measures of customer satisfaction, product and service quality, financial performance, human resource performance, and social responsibility are equal to or better than its best-in-class, best competitor, and/or Baldrige Award recipient benchmarks. Performance in these areas appears to indicate the effectiveness of the organization's planning and improvement approaches and may indicate progress relative to the organization's vision "to be recognized as one of the top ten dining experiences in Houston and Galveston" and its strategic objective of retaining "restaurant of choice" status.
- The organization's product and service outcome results demonstrate sustained improvement in many areas of importance, with several being better than its best-competitor comparisons. The applicant's performance in wait time for seating and service and table cleanliness, both important measures because they show results related to the critical first contact with the customer, demonstrate improving performance from 2000 to 2004. Wait time for seating without a reservation, seating with a reservation, and first service all have

decreased by at least half. In addition, results for order accuracy and timeliness of delivery demonstrate improving performance from 2000 to 2004 for both restaurants and the catering and take-out business lines. Results for all product and service measures are better than the competitive comparisons and may demonstrate the effectiveness of the organization's DINERS improvement and strategic planning approaches.

- The organization's customer-focused results demonstrate improving performance trends in many to most key measures. Overall customer satisfaction for all external surveys matches the Baldrige Award recipient benchmark and best-in-class comparison in 2003 and 2004. Results from Secret Diners Association Reports and Employee Dining Reports demonstrate satisfaction levels better than the best competitor, with the organization outperforming its competitor in 2004 by 9% (97% vs. 88%) in the Secret Diners Association average satisfaction scores. Performance in these areas may support the organization's vision and its strategic objective of retaining the "restaurant of choice" status.
- The effectiveness of the organization's approaches for achieving its strategic objectives to "be the employer of choice" and supporting its Values of Family Culture with Teamwork and Employee Development may be demonstrated in its employee satisfaction and well-being results. For example, the applicant's Employee Satisfaction Results demonstrate improved performance in many to most of the key factors identified as affecting employee satisfaction, with 2004 performance in three of six factors for hourly employees and four of five factors for salaried employees better than its benchmark, the National Restaurant Association's (NRA's) best performer.
- The applicant's commitment to its communities in support of its Value of Community Enrichment is evident in results for contributions to the community and services donated, where performance has improved steadily from 2000 through 2004. In addition, its monetary contributions to the community's Restaurant Week are greater than the top 10% comparison, which includes much larger restaurants. The organization's success in addressing its social responsibilities is demonstrated by the fact that it has not been cited for any violations of health or food safety codes at either of its locations in the past seven years, and it has not been cited for any violations for waste removal or any employee-related regulation for the past five years.
- Results are not reported for several measures related to key performance areas. For example, results are not provided for several key in-process performance measures for the value creation processes identified in Figure 6.1-1, including measures associated with the Reservations and Greeting, Event Planning, Delivery and Event Cleanup, and Purchasing Consortium processes. Likewise, no results are provided for the operational measures of several key support processes identified in Figure 6.2-1, including those associated with Human Resource Management, Supplier Management, Disaster Preparedness, and Advertising and Marketing processes. In addition, no results are provided for several customer requirements identified by the applicant, including the overall customer requirement to receive exceptional food at a good value and several requirements specific to various customer segments, such as a "child-friendly" atmosphere, a "business conducive" environment, or healthy menu options. Without these results, it may be difficult for the organization to respond proactively to performance shortfalls or improvement opportunities.
- Results in several key performance areas are not segmented or have limited segmentation. For example, no product and service results are segmented by customer groups identified by the applicant (e.g., families, businesses, tourists). With one exception (Customer Satisfaction with Quality—Internal Surveys), customer-focused results are not segmented by customer groups, and few of these results are segmented by location or service. In addition, although the applicant provides a number of employee segments in the Organizational Profile (e.g., by job categories, ethnicity, and full- and part-time status), human resource results are segmented only by hourly and salaried workers. Without more comprehensive segmentation, it may be difficult for the applicant to evaluate its relative performance in each segment, to accurately gauge the effectiveness of its planning, or to effectively identify improvement approaches for its key customer and employee segments.
- Several results areas lack comparative data, including key product and service results (e.g., Standards of Acceptability for Food, Wait Time for Seating and Service) and several key measures of leadership and social responsibility (e.g., financial audit results, contributions and services donated, action plan



achievement). In addition, several comparisons, including some financial and market results, are to industry averages rather than to best-in-class organizations. Without appropriate comparative data, the organization may be limited in assessing its performance in addressing its strategic challenge of increasing competitors and achieving its vision to be recognized as one of the top ten dining experiences in its communities.

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant’s response to the Criteria requirements and its key business/organization factors.

**Indicate the 4–6 most important key business/organization factors relevant to this Item.**

1. Vision: To be recognized as one of the top ten dining experiences in our cities because of the outstanding food and unique experience provided
2. Values: Excellence in Service and Customer Focus; Exceptional Food; Promotion of a Healthy Lifestyle; Ethics, Honesty, and Integrity; Innovation and Energy; Family Culture with Teamwork; Employee Development; Community Enrichment; Historic Preservation; and Joy
3. Employee Profile:
  - 212 employees: 47 full-time, 102 part-time, 63 on-call
  - 49% Hispanic, 24% White, 23% African American (reflects diversity of communities)
  - 7% management (salaried), 6% support staff (salaried), 87% other staff (hourly)
  - 48% have some college or degree(s), 52% have a high school education or less
  - 25 developmentally disabled persons and disabled veterans
4. Suppliers/partners: Participates in a local restaurant consortium for purchasing products and services; other suppliers include providers of IT services, custodial and facilities maintenance services, advertising, security, and some HR functions; partners include HMR distributors and a community college
5. Competitive Success Factors: name recognition, value for the dollar, fresh menu design and re-engineering, healthy menu items, effective use of facilities, superior service, operational excellence, community involvement
6. S corporation with Board of Directors (Dudley family members plus Frank Fendly) and external Advisory Board composed of business leaders

**Strengths and Opportunities for Improvement:**

- Include an indication of the relative importance/strength of the comment by using ++ or - - as appropriate.
- Include a reference to the most relevant key factor(s) (KFs).
- Include an indication of which process evaluation factors are addressed in this comment.

**A = Approach      D = Deployment      L = Learning      I = Integration**

**STRENGTHS (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

+ / ++	Item Ref.	KF Ref.	A/D/L/I	STRENGTHS
++	1.1a(1)	1,2,6	A/D/L/I	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

+ / ++	Item Ref.	KF Ref.	A/D/L/I	STRENGTHS
				suppliers; and the Vision, Mission, and Values are printed on menus for customers to see.
+	1.1a(1)	2,3	A/D/L	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.
+	1.1a(2)	2,3	A/D/L	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.
+	1.1a(3)	1,3,5	A/D/I	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.
+	1.1b(1)	2,3	A/D	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.
+	1.1b(2)	1,2,3	A/D/I	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

+ / ++	Item Ref.	KF Ref.	A/D/L/I	STRENGTHS
				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 (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

- / - -	Item Ref.	KF Ref.	A/D/L/I	OPPORTUNITIES FOR IMPROVEMENT
-	1.1a(2)	2,3,4	D	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.
-	1.1a(3)	2,3,5	D/L	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.
-	1.1b(1)	2,3,5	A/D	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.

**Stage 2 Percent Score** 60–70%

**Item Worksheet—Item 1.2**

**Consensus: Training Scorebook Team**

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant’s response to the Criteria requirements and its key business/organization factors.

**Indicate the 4–6 most important key business/organization factors relevant to this Item.**

1. Family-owned and -operated steak and seafood restaurant business housed in historic landmark buildings in two locations
2. Products/services: lunch and dinner in-house dining; beer, wine, and other alcoholic beverages; take-out dining; dinner delivery; and event catering
3. S corporation with Board of Directors (Dudley family members plus Frank Fendly) and an external Advisory Board composed of business leaders
4. Values: Ethics, Honesty, and Integrity; Community Enrichment; Historic Preservation
5. Regulatory environment requirements: food safety codes, waste removal, zoning codes, licensing, financial regulations, employee safety, and other employee-related regulations
6. Key stakeholder groups: regulatory agencies, the owners, the community, suppliers/partners

**Strengths and Opportunities for Improvement:**

- Include an indication of the relative importance/strength of the comment by using ++ or - - as appropriate.
- Include a reference to the most relevant key factor(s) (KFs).
- Include an indication of which process evaluation factors are addressed in this comment.

**A = Approach      D = Deployment      L = Learning      I = Integration**

**STRENGTHS (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

+ / ++	<b>Item Ref.</b>	<b>KF Ref.</b>	<b>A/D/L/I</b>	<b>STRENGTHS</b>
+	1.2a(1)	1,3,4	A/D/L	The applicant uses an external Advisory Board, composed of prominent business leaders, that provides independent guidance and feedback on leadership and governance and takes an active leadership role in meetings and strategic planning activities. Two criteria are used to select Advisory Board members: (1) they must be comfortable with and supportive of the organization’s Value system, and (2) they must have chosen skills that complement those of the existing Senior Leadership Team. Annual financial audits are conducted by external independent auditors, results are shared with the Advisory Board to help ensure fiscal accountability, and, while not required, the applicant is in the process of implementing compliance under the Sarbanes-Oxley Act.
+	1.2a(2)	3,6	A/D/L	Senior leaders and managers use 360-degree reviews and track completion of IRDPs to improve their effectiveness as individual leaders and as a leadership team. The results of these assessments are discussed and appropriate actions planned during a special meeting prior to starting the Strategic Planning Process. Senior Leaders and the Advisory Board also receive feedback from an external

+ / ++	Item Ref.	KF Ref.	A/D/L/I	STRENGTHS
				consultant who attends their meetings quarterly.
+	1.2b(1)	1,2,4,6	A/D/L/I	Senior leaders hold key positions in local community committees and associations, including the Chamber of Commerce, the National Restaurant Association, and the Galveston and Houston Health and Human Services advisory boards. Information they gain from these positions is used in the applicant's Strategic Planning Process to help anticipate and identify potential concerns with current and future products, services, and operations.
+	1.2b(1)	3,5,6	A/D/L	The applicant has established procedures, training and certification, and measurement and reporting practices to help ensure compliance with multiple local, state, and federal regulatory requirements (e.g., food safety requirements, waste removal requirements, local zoning and building codes, licensing, employee safety requirements, and human resource requirements). Key compliance goals and measures are used to ensure that requirements are met. One result of these activities was the implementation of Hazard Analysis and Critical Control Point (HACCP) elements in anticipation of future Food and Drug Administration (FDA) food safety regulations and to ensure customer safety.
+	1.2b(2)	3,4	A/D/I	The applicant helps promote ethical behavior by communicating in multiple ways that ethical behavior is an organizational Value and a condition of employment. All employees receive ethics training and sign an ethics statement annually. The applicant monitors ethical behavior by tracking code of conduct violations, the number of employees terminated due to ethical issues, and regulatory compliance measures, and it reviews the results of customer, supplier, and employee surveys. Senior leaders and/or the Advisory Board investigate potential breaches of ethical behavior, and appropriate actions are taken.
+	1.2c	1,4,6	A/D/I	The organization identifies key communities and areas for support during its Strategic Planning Process and reviews them annually. The applicant has selected its two primary communities of operation, Houston and Galveston, and has identified the key support areas for these communities (Figure 1.2-1). Senior leaders and employees participate in a number of community events, and senior leaders fill leadership positions in several key community support organizations.

**OPPORTUNITIES FOR IMPROVEMENT (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

-/-	Item Ref.	KF Ref.	A/D/L/I	OPPORTUNITIES FOR IMPROVEMENT
-	1.2a(1)	1,2,3,6	A/D/I	Although the applicant appears to have a systematic approach to select and use its Advisory Board, it is not clear how this approach ensures accountability for management’s actions. Further, although the applicant shares its Strategy Matrix, key performance measures, and financial audit results with the Advisory Board and its employees, it is not clear how this approach provides internal controls on governance processes that would support transparency in operations or the selection and disclosure policies for the Advisory Board and the Senior Leadership Team that constitute the applicant’s governance system. It also is unclear how the applicant’s governance approach addresses fiscal accountability and risk in its supplier/vendor relationships to protect the interests of all key stakeholders.
-	1.2a(2)	1,3	D	While the organization contracts with a professor from the business department of a local university to attend quarterly board meetings and provide feedback to the senior leaders and the Advisory Board on their performance, a systematic process is not evident to use this feedback to improve the personal leadership effectiveness of senior leaders, the Advisory Board and its individual members, as well as the leadership system as a whole.
--	1.2b(1)	2,3,5	A	Although the applicant addresses many of the concerns associated with safe food handling at its restaurants with employee training and certification, it is not clear how it addresses other potentially adverse impacts of its products and operations. For example, a systematic process is not evident for addressing the potential adverse impacts of serving beer, wine, and other alcoholic beverages—key requirements for several customer segments. It also is not clear how potential adverse impacts of its transportation operations (e.g., HMR deliveries to distributors, catering event deliveries) are addressed. Without adequately addressing the potential of adverse impacts from these products, services, and operations, the applicant may not be able to effectively identify potential risks.
-	1.2b(2)	1,3,5	D	Although perceptions of ethical behavior are tracked through surveys and the applicant collects data on code of conduct violations, a systematic process is not evident for monitoring the ethical behavior of the organization’s governance structure or interactions with customers and partners, including HMR distributors. Further, while some measures are provided, it is not clear how these measures enable the applicant to monitor and respond to several key ethical challenges associated with its operations and interactions with direct and/or HMR customers, such as the abuse of customer credit card information (identified as a key concern by the applicant) and legal/ethical issues associated with the sale of alcoholic beverages.

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant’s response to the Criteria requirements and its key business/organization factors.

**Indicate the 4–6 most important key business/organization factors relevant to this Item.**

1. Key stakeholder groups: regulatory agencies, owners, community, suppliers/partners
2. Competitive success factors: name recognition, value for the dollar, fresh menu design and re-engineering, healthy menu items, effective use of facilities, superior service, operational excellence, community involvement
3. Strategic Challenges: continued expansion of products and services; an increase in the number of competitors with a projected growth of 5.2%; availability of skilled and motivated employees to match expected growth; consumers with increased disposable income and a need for convenience and socialization; increased sophistication of the American palate; changing customer age demographics; heightened interest in food safety, nutrition, and health issues; increasing government impact through regulatory mandates
4. Organizational knowledge database maintained through Foodtrak
5. Performance improvement focused on Strategic Planning Process
6. Values: Excellence in Service and Customer Focus; Exceptional Food; Promotion of a Healthy Lifestyle; Ethics, Honesty, and Integrity; Innovation and Energy; Family Culture with Teamwork; Employee Development; Community Enrichment; Historic Preservation; and Joy

**Strengths and Opportunities for Improvement:**

- Include an indication of the relative importance/strength of the comment by using ++ or - - as appropriate.
- Include a reference to the most relevant key factor(s) (KFs).
- Include an indication of which process evaluation factors are addressed in this comment.

**A = Approach      D = Deployment      L = Learning      I = Integration**

**STRENGTHS (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

+ / ++	Item Ref.	KF Ref.	A/D/L/I	STRENGTHS
++	2.1a(1)	1,2,3,5,6	A/D/I	The applicant conducts its Strategic Planning Process (Figure 2.1-1) at its annual three-day retreat with key participants (the Senior Leadership Team, the Board of Directors, and key suppliers) and also involves partners, Advisory Board members, and other community representatives, as appropriate. Participation by a variety of external stakeholders helps the applicant identify blind spots, as well as gain insight into various changes that may impact its future. As part of its Strategic Planning Process, the applicant has identified a short-term (one-year) planning horizon, as well as a longer-term planning horizon, which was established at five years to be responsive to the Value of Historic Preservation. Planning horizons are addressed in the planning process through the development of interim milestones (Figure 2.2-4) to track progress from short- to longer-term goals.



+ / ++	Item Ref.	KF Ref.	A/D/L/I	STRENGTHS
+	2.1a(1)	1-6	A/L/I	<p>The Strategic Planning Process is reviewed each year at the annual retreat, and it has evolved since 1990 to include key steps, as well as a more rigorous Strengths, Weaknesses, Opportunities, Threats, and Trends (SWOTT) analysis. In 2001, the Strategy Matrix was introduced to align the applicant's Vision, Mission, and Values with its key strategic challenges, strategic objectives, action plans, and goals. Subsequent refinements include the integration of competitive success factors (P.2a[2]), key stakeholders, and the Approach-Deployment-Learning-Integration concept. This alignment and integration may help the applicant maintain its focus on the future while addressing its key strategic challenges.</p>
++	2.1a(2)	1-5	A/D/L/I	<p>Prior to the strategic planning retreat, each member of the Leadership Team collects and analyzes data on one or more key factors (Figure 2.1-2), which ensures that customer and market needs, financial risks, technology, human resource needs, regulatory and societal risks, and economic changes are integrated into the Strategic Planning Process. This information then is used in an environmental scan and SWOTT analysis to identify relevant opportunities, review progress, and ensure the availability of financial resources necessary to carry out the strategic plan. To ensure agility in the execution of the plan, any changes to the key factors or performance are presented at the scheduled executive reviews or at midyear. For example, as a result of analysis and review of occupancy rates, funds were allocated to purchase new tables to be more easily configured for varying sizes of parties, which has increased the occupancy rate to 4% over the national average.</p>
+	2.1b(1,2)	2,3,5,6	A/D/I	<p>The applicant has identified key strategic objectives and the key goals for achieving these objectives in its Strategy Matrix (Figures 2.2-3 and 2.2-4). Short- and long-term objectives are aligned with strategic goals, competitive success factors, the organization's Values, and its strategic challenges identified in P.2b. The applicant has identified its most important goals for 2005 as maintaining a 15% growth rate per year in new service results, increasing customer satisfaction to 96.5%, and increasing its occupancy rate to 85%.</p>

**OPPORTUNITIES FOR IMPROVEMENT (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

-/- -	Item Ref.	KF Ref.	A/D/L/I	OPPORTUNITIES FOR IMPROVEMENT
-	2.1a(2)	1-5	D	Although the applicant’s Leadership Team collects and analyzes data and information on a number of factors to support its Strategic Planning Process, a systematic process is not evident for analyzing its supply chain strengths and weaknesses to ensure that needs can be met for factors related to business continuity and growth. Because suppliers are an integral part of the applicant’s operations, without a systematic process to capture and analyze such information, the applicant may not be able to effectively identify and address risks associated with its suppliers.
-	2.1b(2)	1,2,3	D/I	Although the applicant’s Strategy Matrix (Figures 2.2-3 and 2.2-4) includes the strategic challenges aligned to its strategic objectives, it is not clear how its strategic objectives specifically address each of the challenges (e.g., challenges associated with the sophistication of the American palate, heightened interest in food safety, or intensified government impact through increased mandates and their associated cost impacts). In addition, it is not clear how the strategic objectives balance short- and longer-term challenges and opportunities and the needs of all key customer groups, such as families, business patrons, and tourists.

**Stage 2 Percent Score** 70-80%

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant’s response to the Criteria requirements and its key business/organization factors.

**Indicate the 4–6 most important key business/organization factors relevant to this Item.**

1. Employee Profile:
  - 212 employees: 47 full-time, 102 part-time, 63 on-call
  - 49% Hispanic, 24% White, 23% African American (reflects diversity of communities)
  - 7% management (salaried), 6% support staff (salaried), 87% other staff (hourly)
  - 48% have some college or degree(s), 52% have a high school education or less
  - 25 developmentally disabled persons and disabled veterans
2. Mission: Landmark is the ultimate restaurant experience for our guests. Through a focus on great tasting food, historic atmosphere, superior service, and professional growth for our employees, we are the “restaurant of choice” for individuals, families, and businesses. We are part of our communities’ histories through service and preservation of landmark buildings.
3. Key sources of comparative data: the National Restaurant Association (NRA), vendor survey, People Report, Secret Diners Association, Employee Diner reports, informal consortium led by Owen Dudley, industry Web sites, Staffing Solutions, David & Bradley
4. Suppliers/partners: Participates in a local restaurant consortium for purchasing products and services; other suppliers include providers of IT services, custodial and facilities maintenance services, advertising, security, and some HR functions; partners include HMR distributors and a community college
5. Products/services: lunch and dinner in-house dining; beer, wine, and other alcoholic beverages; take-out dining; dinner delivery; and event catering
6. Vision: To be recognized as one of the top ten dining experiences in our cities because of the outstanding food and unique experience provided

**Strengths and Opportunities for Improvement:**

- Include an indication of the relative importance/strength of the comment by using ++ or - - as appropriate.
- Include a reference to the most relevant key factor(s) (KFs).
- Include an indication of which process evaluation factors are addressed in this comment.

**A = Approach      D = Deployment      L = Learning      I = Integration**

**STRENGTHS (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

+ / ++	Item Ref.	KF Ref.	A/D/L/I	STRENGTHS
+	2.2a(1,3)	1,2,4	A/D/I	<p>During the Strategic Planning Process, the Leadership Team identifies the specific actions required to accomplish the organization's strategic objectives, along with associated measures, and identifies who, what, when, and how the specific actions/tasks will be accomplished. A Strategy Matrix (Figures 2.2-3 and 2.2-4) is developed to ensure linkage of short- and long-term action plans to the competitive success factors, strategic challenges, and Values of the organization, and the action plans are then deployed throughout the organization and to suppliers and partners through the Communication Process (Figure 5.1-1). Specific shorter-term actions are further deployed through the development of action plans that support the organizational-level direction at the department and employee levels, and employees' action plans are linked to their IRDPs. The DINERS Improvement Process (Figure 6.1-3) and monthly performance reviews are used to formalize process changes, ensure organizational learning, and ensure that key changes resulting from the accomplishment of strategic action plans are integrated and that performance is sustained.</p>
+	2.2a(2)	1,3	A/D/L/I	<p>All measures in the Strategy Matrix are tracked through Foodtrak, and these measures are reviewed weekly and monthly by the Leadership Team. If there are emergencies or changes in the business climate, market conditions, or customer requirements, or if performance projections are not being met, the DINERS Improvement Process (Figure 6.1-3) is used to determine causes and recommend changes. The Strategy Matrix is then modified, appropriate measures are added to the Scorecard to track performance, employees are notified of changes during line-up or all-employee meetings, and managers and supervisors assist employees in modifying IRDPs, if necessary. These approaches allow the applicant to react quickly and with agility to changes as they occur.</p>
+	2.2a(5)	1,2,3,5	A/D/I	<p>The key performance measures for tracking progress on action plans are identified in the Strategy Matrix (Figure 2.2-4). The Leadership Team evaluates action plans at weekly and monthly executive review meetings to ensure alignment of the action plan measurement system with organizational strategies and stakeholder needs.</p>
+	2.2b	1,2,3	A/D	<p>The applicant has identified performance projections for its 28 key short- and longer-term action plan measures in the Strategy Matrix (Figure 2.2-4). The applicant's 2005 performance projections are better than or as good as its competitor's 2010 performance projections in most measures presented. Projected performance gaps are addressed using the DINERS Improvement Process (Figure 6.1-3).</p>

**OPPORTUNITIES FOR IMPROVEMENT (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

-/- -	Item Ref.	KF Ref.	A/D/L/I	OPPORTUNITIES FOR IMPROVEMENT
-	2.2a(1)	1,2	A/I	Although Leadership Team members take ownership of various action plans (Figure 2.2-1), the plans are developed, and measures are aligned, it is not clear how the applicant allocates resources, other than financial resources (6.2b[1]), to ensure accomplishment of its action plans. Without a systematic process to allocate resources according to its priorities, the applicant may not be able to ensure achievement of all its action plans and, in turn, its strategic objectives.
-	2.2a(4)	1,2	A/D	Although the applicant identifies many of its human resource plans related to its short-term action plans in Figure 2.2-2, human resource plans that derive from longer-term key action plans are not provided. Without specific human resource action plans, it may be difficult for the organization to accomplish its longer-term strategic objectives that may be dependent on recruiting and retaining skilled and motivated employees.
-	2.2b	3,6	A	Although key longer-term competitors' performance projections for the year 2010 are shown in the Strategy Matrix (Figure 2.2-4), it is not clear how the applicant's short-term projections compare to those of its competitors. This may limit the organization's ability to gauge its progress toward realizing its Vision "to be recognized as one of the top ten dining experiences in our cities."

**Stage 2 Percent Score** 45-55%

## Item Worksheet—Item 3.1

## Consensus: Training Scorebook Team

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant’s response to the Criteria requirements and its key business/organization factors.

**Indicate the 4–6 most important key business/organization factors relevant to this Item.**

1. Values: Excellence in Service and Customer Focus
2. Key customer groups: individual and family patrons, businesses, tourists, communities; also segmented by more specific customer groups and requirements (i.e., by organization, family status, and service [Figure P.1-4])
3. Key requirements of all customer groups: reliability, responsiveness, assurance, empathy, tangibles, exceptional food at a good value, a memorable dining experience
4. Specific market niche: family and business diners
5. Strategic Challenges: changing customer age demographics
6. Products/services: lunch and dinner in-house dining; beer, wine, and other alcoholic beverages; take-out dining; dinner delivery; and event catering

### Strengths and Opportunities for Improvement:

- Include an indication of the relative importance/strength of the comment by using ++ or - - as appropriate.
- Include a reference to the most relevant key factor(s) (KFs).
- Include an indication of which process evaluation factors are addressed in this comment.

**A = Approach      D = Deployment      L = Learning      I = Integration**

### STRENGTHS (Include figure references, as appropriate.)

*(Tab to move to the next column; tab from the final column begins next comment.)*

+ / ++	Item Ref.	KF Ref.	A/D/L/I	STRENGTHS
+	3.1a(1)	2,3,4,6	A/D	The applicant uses product, market, and pricing requirements identified by the restaurant industry to determine its customer and market segments. The company competes in the semicasual dining steak and seafood market, with \$35–\$50 dinner pricing, and customers within this market are segmented by customer type (e.g., family, business, tourist) and by type of service (dine-in, take-out, catering, and dinner delivery) (Figure P.1-4). The applicant uses market research to identify potential customers and customers of competitors for current, as well as future products and services.
++	3.1a(2)	1,2,3	A/D/L/I	To listen to and learn from its customers, the applicant uses its Voices system (Figure 3.1-1), which includes the “voices” of experience, the customer, the server, and the process. This systematic, integrated process is used to capture information before, during, and after a dining experience at various frequencies from multiple sources, and a 360-degree analysis is conducted to compare and validate data across the various voices. In addition, A Satisfaction and Importance Levels matrix (Figure 3.1-2) is used to analyze the relative importance of various factors and their impact on customers’ satisfaction to determine priorities that will enhance customer loyalty and retention.

+	3.1a(2)	1,2,3	A/D/L/I	Information from the Voices system, data from the Our Family program and Secret Diners program, and complaint data are aggregated through the Foodtrak system and used for multiple purposes, including as input into the Value Creation Processes (Figure 6.1-1). Based on the feedback, DINERS Teams may be chartered, resulting in menu adjustments, job redesign, and communication refinements. Senior Leaders also use the information and knowledge gathered as input to the Strategic Planning Process (Figure 2.1-1).
+	3.1a(2)	2,3,5	A/D/L/I	A variety of methods are available for customer groups to provide information, as shown in Figure 3.1-1. These communication methods include verbal responses; multiple-choice written responses; telephone, Web site, and written surveys; comment cards; focus groups; and comments via e-mail. Mechanisms are tailored according to the needs of various customer groups and markets, including frequency of contact.
+	3.1a(3)	1,3	A/D/L/I	The Voices system was initially designed in 1997 and has been through numerous cycles of improvement. The applicant uses the DINERS Improvement Process, Baldrige self-assessment, and the Strategic Planning Process to refine the approaches to listening and learning to keep them current with business needs and directions, including changes in the marketplace. A recent example is the change from conducting an annual customer survey to conducting an ongoing survey to ensure agility in reacting to changing needs, such as dietary and palate preferences and the need for convenience.

**OPPORTUNITIES FOR IMPROVEMENT (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

-/- -	Item Ref.	KF Ref.	A/D/L/I	OPPORTUNITIES FOR IMPROVEMENT
-	3.1a(2)	2,5,6	A/D/L	Although the Voices system provides a systematic approach for listening and learning related to the restaurant customers, it is not clear how or whether the system is used with customers of the catering or HMR services. This may be particularly important given the applicant’s strategic challenge of continued expansion of its products and services.
-	3.1a(2)	2,3,6	L/I	Although the applicant has identified multiple customer and market segments, it is not clear that there is a systematic process to use the unique requirements identified for each segment to better satisfy customer needs, determine needs for current or future products or services, or identify and prioritize opportunities for segment-specific improvements.
-	3.1a(2)	2,3,6	D	While the applicant does collect customer retention data on catering customers and Our Family program members, it is unclear whether it collects and analyzes this type of data on other dine-in customers or its take-out customers.

**Stage 2 Percent Score** 60-70%



**Item Worksheet—Item 3.2**

**Consensus: Training Scorebook Team**

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant’s response to the Criteria requirements and its key business/organization factors.

**Indicate the 4–6 most important key business/organization factors relevant to this Item.**

1. Vision: To be recognized as one of the top ten dining experiences in our cities because of the outstanding food and unique experience provided
2. Key customer groups: individual and family patrons, businesses, tourists, communities; also segmented by more specific customer groups and requirements (i.e., by organization, family status, and service [Figure P.1-4])
3. Key requirements of all customer groups: reliability, responsiveness, assurance, empathy, tangibles, exceptional food at a good value, a memorable dining experience
4. Competitive success factors: name recognition, value for the dollar, fresh menu design and re-engineering, healthy menu items, effective use of facilities, superior service, operational excellence, community involvement
5. Strategic Challenges: Consumers with increased disposable income and a need for convenience and socialization; increased sophistication of the American palate; changing customer age demographics; heightened interest in food safety, nutrition, and health issues
6. Products/services: lunch and dinner in-house dining; beer, wine, and other alcoholic beverages; take-out dining; dinner delivery; and event catering

**Strengths and Opportunities for Improvement:**

- Include an indication of the relative importance/strength of the comment by using ++ or - - as appropriate.
- Include a reference to the most relevant key factor(s) (KFs).
- Include an indication of which process evaluation factors are addressed in this comment.

**A = Approach      D = Deployment      L = Learning      I = Integration**

**STRENGTHS (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

+ / ++	Item Ref.	KF Ref.	A/D/L/I	STRENGTHS
+	3.2a(1)	1,2,3,4,6	A/D/L	To build relationships with customers, the applicant uses an outside advertising vendor to promote public awareness of its reputation among targeted customer segments through television, radio, magazine, and Web-based advertising; displays; and promotions. The applicant also builds relationships at multiple points of contact with customers by identifying specific customer requirements for all aspects of its food and beverage preparation and service. Loyalty is developed and strengthened through the Our Family frequent diner program, which personalizes service for program members and offers incentives (e.g., two-for-one meals and “treat a friend” coupons) to increase repeat business and positive referrals. The relationship building process is reviewed annually through the DINERS Improvement Process.

+	3.2a(2)	1,2,3,4,6	A/D/L/I	To enable all its customer segments to seek information, conduct business, and make complaints, the applicant provides multiple mechanisms, including personal contact, telephone, the Internet, fax, e-mail, surveys, and focus groups. The Voices system is used to identify customer contact requirements based on customer satisfaction ratings and comments related to the various contact methods. Customer contact standards (Figure 3.2-1) are deployed throughout the organization through the “Prospective Employee Guide,” the Employee Handbook, reinforcement at daily line-up meetings, and automated reminders through the Foodtrak system.
++	3.2a(3)	1,2,3,6	A/D/L/I	The applicant manages customer complaints by using its systematic Service Recovery Process (Figure 3.2-2), which enables identification and resolution of customer complaints on the spot or before the customer leaves the restaurant, thus minimizing customer dissatisfaction—and promoting repeat business due to the customers’ perception of special treatment during the recovery. The Service Recovery Process is used in all stages of the customer experience, and all employees receive training on contact requirements and the Service Recovery Process. Complaints surfaced during this process and from all other sources are integrated, aggregated, and analyzed through Foodtrak to identify root causes and trends, to prevent reoccurrence, to improve other customer-related approaches, and to refine the Voices system and the customer contact and relationship building process. Successful use of the Service Recovery Process is rewarded and celebrated at weekly staff meetings and in internal publications.
+	3.2a(4), b(4)	2,3,4,5,6	A/D/L/I	The applicant reviews and improves its approaches for building customer relationships and determining customer satisfaction to keep them current with business needs and directions by using the DINERS Improvement Process and conducting a Baldrige self-assessment at least annually. Results and processes related to the Voices system, Our Family program, contact methods and standards, and the Service Recovery Process are systematically reviewed and evaluated by senior leaders during strategic planning to ensure alignment with strategic directions, and action plans are created to address necessary changes. External satisfaction surveys are reviewed by an academic expert to ensure their validity and reliability.
+	3.2b(1)	1,2,3	A/D/L/I	The applicant uses a variety of methods to determine customer satisfaction and dissatisfaction before, during, and after the dining process. These mechanisms (Figure 3.1-1) include internal and external customer surveys, point-of-service input, and focus groups. Surveys are available in Spanish, English, Braille, and TTY systems. DINERS Teams use the correlation between satisfaction and importance levels (Figure 3.1-2), along with complaint factor analysis, to capture actionable information to exceed customer expectations, secure future business, gain positive referrals, design new processes, and redesign/improve existing processes.

+	3.2b(2)	3,6	A/D/L/I	The applicant uses the personal customer contact standards (Figure 3.2-1) and the methods identified in the Voices system (Figure 3.1-1) to ensure immediate follow-up on the performance of products and services. If there is negative feedback generated from these contacts, the Service Recovery Process is implemented to integrate immediate action with the feedback, and follow-up calls are made by shift managers to verify resolution of the complaint. Information is documented in the Foodtrak system to capture learning and facilitate aggregation with other data collected.
+	3.2b(3)	2,4,6	A/D/L	The applicant obtains information regarding its customers' satisfaction relative to their satisfaction with competitors regarding food, service quality, timeliness, price, value, and facilities through the Secret Diners Association and external customer satisfaction surveys conducted by a third party. Additional information is gathered from local publications in news and trade journals, including reviews by food critics and industry benchmark information from the National Restaurant Association (NRA). Results from internal customer satisfaction surveys also are used to analyze strengths and weaknesses of specific competitors identified by customers.

**OPPORTUNITIES FOR IMPROVEMENT (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

-/-	Item Ref.	KF Ref.	A/D/L/I	OPPORTUNITIES FOR IMPROVEMENT
-	3.2a(1,2)	2,3,4	A/D/L	It is not evident that the applicant's approaches to build relationships and to increase loyalty and retention address take-out, catering, or HMR customers. For example, the Our Family program, a key mechanism to increase customer loyalty and retention, appears to focus on dine-in customers. This gap may be important given that the organization intends to develop and expand its newer business lines.
-	3.2a(2)	2,3,4	D/L/I	It is not clear how access mechanisms and personal customer contact standards (Figure 3.2-1) are deployed to HMR customers, who are directly served by the applicant's distributor partners. Contact requirements for access mechanisms other than personal contact, such as telephone, fax, and Web access, also are not described. Without a systematic approach to determine contact requirements for all customer segments and access mechanisms, it may be difficult for the organization to ensure that the specific needs of all customers are being met.

**Stage 2 Percent Score** 65-75%

## Item Worksheet—Item 4.1

## Consensus: Training Scorebook Team

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant's response to the Criteria requirements and its key business/organization factors.

**Indicate the 4–6 most important key business/organization factors relevant to this Item.**

1. Key requirements of all customer groups: reliability, responsiveness, assurance, empathy, tangibles, exceptional food at a good value, a memorable dining experience
2. IT infrastructure is focused on the Foodtrak Point of Sale (POS) system
3. Key sources of comparative data; the National Restaurant Association (NRA), vendor survey, People Report, Secret Diners Association, Employee Diner reports, informal consortium led by Owen Dudley, industry Web sites, Staffing Solutions, David & Bradley
4. Suppliers/partners: Participates in a local restaurant consortium for purchasing products and services; other suppliers include providers of IT services, custodial and facilities maintenance services, advertising, security, and some HR functions; partners include HMR distributors and a community college
5. Strategic Challenges: continued expansion of products and services; An increase in the number of competitors with a projected growth of 5.2%
6. Employee Profile:
  - 212 employees: 47 full-time, 102 part-time, 63 on-call
  - 49% Hispanic, 24% White, 23% African American (reflects diversity of communities)
  - 7% management (salaried), 6% support staff (salaried), 87% other staff (hourly)
  - 48% have some college or degree(s), 52% have a high school education or less
  - 25 developmentally disabled persons and disabled veterans

### **Strengths and Opportunities for Improvement:**

- Include an indication of the relative importance/strength of the comment by using ++ or - - as appropriate.
- Include a reference to the most relevant key factor(s) (KFs).
- Include an indication of which process evaluation factors are addressed in this comment.

**A = Approach      D = Deployment      L = Learning      I = Integration**

**STRENGTHS (Include figure references, as appropriate.)***(Tab to move to the next column; tab**from the final column begins next comment.)*

+ / ++	Item Ref.	KF Ref.	A/D/L/I	STRENGTHS
++	4.1a(1)	1,2,3,5	A/D/L/I	Senior leaders use the annual Strategic Planning Process (Figure 2.1-1) and the Strategy Matrix (Figures 2.2-3 and 2.2-4) to systematically select and align measures for tracking organizational performance. From the matrix, senior leaders create an integrated Scorecard with key organizational measures that are reviewed at monthly Senior Leadership Team meetings to track performance and progress on strategic action plans. During the monthly review meetings, senior leaders also assess the organization's external and internal environment and adjust the Strategy Matrix and Scorecard, as appropriate. Key Scorecard measures (color-coded to show progress to plan) are integrated from performance data that reside in the Foodtrak system, which is linked to all sites and all operational functions and supports the applicant's value creation and support processes.
+	4.1a(1)	1,2,3,5	A/D/L/I	Data used to track daily operations (Figures 6.1-1 and 6.2-1) are selected and refined by DINERS Teams, which use a formal, systematic process that includes five selection criteria (including a direct relationship to the strategic plan) to align new and existing measures as business processes are refined. Significant operational measures are integrated through the Foodtrak system from linked supplemental databases that are used for data collection.
+	4.1a(2)	2,3,5	A/D/I	During the Strategic Planning Process, the applicant selects the comparative data and information that are used to understand its competitive position, to help determine action plans and goals, to design processes, and to facilitate the DINERS Improvement Process. Also, comparative data are part of the organizational performance reviews in monthly executive meetings, daily line-up meetings, and all-employee meetings. Comparative data are collected from the NRA, Secret Diners Association, Employee Dining Reports, the Chamber of Commerce, Staffing Solutions, local industry surveys, the applicant's financial auditor, and best-in-class sources, such as Baldrige Award recipients.

+	4.1a(3)	1,2,5,6	A/D/L/I	Daily and weekly performance trends are analyzed quarterly to verify that key leading indicators are predictive of organizational performance. The applicant's performance measurement system is refined annually by senior leaders during the Strategic Planning Process, and employee feedback collected through the Foodtrak Knowledge Management system, as well as Advisory Board feedback, are used to evaluate the measures and their linkages to the Strategy Matrix. Performance measures are refined as needed during monthly executive reviews of leading and outcome measure analyses to address more frequent and unexpected changing business needs and directions, and real-time changes are made through Foodtrak for rapid deployment to all employees.
+	4.1b(1)	1,3,5,6	A/D/I	To assess organizational capabilities and performance, all areas of the company use a systematic process of regularly scheduled, cascading performance review meetings with various frequencies (Figure 4.1-2), ranging from annually (e.g., strategic planning) to daily (e.g., line-up meetings). DINERS Teams are created to address areas identified for improvement, and a number of analyses are performed in support of the various cascading organizational reviews, including correlation analyses, which are used by senior leaders and employees at all levels to assess organizational performance results relative to goals, strategic objectives, action plans, and competitive performance.
+	4.1b(2)	2,3,5	A/D/L	Gaps in performance discovered as part of the analysis process are translated by senior leaders into priorities for improvement through refinements in key measures and goals, the development of action items or action plans, or through the deployment of DINERS Teams. Scorecard performance measures and any changes in priorities, directions, action plans, or allocation of resources resulting from senior leaders' performance reviews are systematically deployed to all employees via the Foodtrak system, by sharing the Strategy Matrix and Scorecard at all-employee meetings, and by modifying IRDPs, which are linked to the Scorecard and Strategy Matrix.

**OPPORTUNITIES FOR IMPROVEMENT (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

-/- -	Item Ref.	KF Ref.	A/D/L/I	OPPORTUNITIES FOR IMPROVEMENT
-	4.1a(2)	3,4	A/D	Although the applicant uses comparative data in its selection of organizational and operational measures, it is not clear what criteria are used to select the various measures available from multiple sources. In addition, it is not evident how the applicant ensures the effective use of comparative and competitive data and information in support of daily operational decision making and innovation for some of its divisions, such as catering and HMR Dinner Delivery.
-	4.1b(1)	3,5	A	While the applicant provides an example of its ability to respond quickly to findings in organizational reviews, it is not clear how the organization uses its various performance reviews to assess its overall ability to rapidly respond to changing organizational needs and challenges.

**Stage 2 Percent Score** 65-75%

**Item Worksheet—Item 4.2**

**Consensus: Training Scorebook Team**

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant’s response to the Criteria requirements and its key business/organization factors.

**Indicate the 4–6 most important key business/organization factors relevant to this Item.**

1. Employee Profile:
  - 212 employees: 47 full-time, 102 part-time, 63 on-call
  - 49% Hispanic, 24% White, 23% African American (reflects diversity of communities)
  - 7% management (salaried), 6% support staff (salaried), 87% other staff (hourly)
  - 48% have some college or degree(s), 52% have a high school education or less
  - 25 developmentally disabled persons and disabled veterans
2. Facilities: a 192-seat restaurant, a 218-seat restaurant, 35-seat lounges at both restaurants, and a separate headquarters building (for management, warehousing, marketing, etc.)
3. Key requirements of all customer groups: reliability, responsiveness, assurance, empathy, tangibles, exceptional food at a good value, a memorable dining experience
4. IT infrastructure is focused on the Foodtrak Point of Sale (POS) system
5. Suppliers/partners: Participates in a local restaurant consortium for purchasing products and services; other suppliers include providers of IT services, custodial and facilities maintenance services, advertising, security, and some HR functions; partners include HMR distributors and a community college

**Strengths and Opportunities for Improvement:**

- Include an indication of the relative importance/strength of the comment by using ++ or - - as appropriate.
- Include a reference to the most relevant key factor(s) (KFs).
- Include an indication of which process evaluation factors are addressed in this comment.

**A = Approach      D = Deployment      L = Learning      I = Integration**

**STRENGTHS (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

+ / ++	<b>Item Ref.</b>	<b>KF Ref.</b>	<b>A/D/L/I</b>	<b>STRENGTHS</b>
++	4.2a(1)	1,2,3,4	A/D/I	The applicant makes needed data and information available to its employees through its Foodtrak system, and employees can have immediate access to required data from the system through wired computers, wireless PDAs, touchpads, and touch terminals. For example, servers carry wireless POS/PDA units that place orders, provide order status, and prompt staff when actions are required. The Foodtrak system is integrated with the applicant’s public Web site, enabling its customers to access transactions and order-related information. It also enables access to applicable data for Our Family program members and appropriate suppliers for inventory management purposes.



+	4.2a(2)	1-5	A/D/L	The Foodtrak system's IT vendor provides technical support during operating hours and remotely monitors the system and software to ensure network security, provides backup systems, and operates databases to ensure data security. The LANs use secure encryption access codes, and WANs are electronically protected behind an access-restricted firewall. In addition, user feedback is captured in the Foodtrak Knowledge Management system, and suggested changes are reviewed prior to acceptance by a sampling of staff members.
+	4.2a(3)	3,4,5	A/DL/I	The applicant has a disaster recovery program to ensure continued availability of data and information in the event of an emergency. Program components include replacement for interface hardware at all locations to immediately replace breakdowns, battery-backed power supplies, daily data backups to on- and off-site locations, and contracted replacement of key system hardware components within 12 hours and of all customer contact systems within 24 hours. System performance is evaluated by the IT vendor with input from Foodtrak customers during the Annual Improvement Day.
+	4.2a(4)	1,4,5	A/D/L	Constant user feedback is solicited and monitored by technical staff from the applicant's contracted IT vendor. The vendor also uses its annual Foodtrak Improvement Day to keep this data and information availability system current with business needs and directions. In addition, user feedback is captured in the Foodtrak Knowledge Management system, where employees can provide input and questions about system capabilities, and DINERS Teams formally address improvement opportunities with the vendor.
+	4.2b	1,2,4,5	A/D/L	The Knowledge Management system within Foodtrak is used by the applicant on an ongoing basis to collect, organize, and share knowledge, including best practices, among key stakeholders. In addition, best practices are shared during team leader meetings and with all employees during line-up meetings. Vendors and suppliers are included in discussions when appropriate and are encouraged to enter into Foodtrak comments, suggestions, and ideas regarding their products.
+	4.2c	2-5	A/D	The applicant addresses data accuracy by using selection options, information scanning technologies, and forced-review elements in the design of its data entry processes. Electrical systems and manual backups are used to ensure reliability, and touchpads, computer access, and PDAs help ensure the timeliness of data and information. Security is ensured through the use of passwords and firewalls. To help ensure confidentiality, senior leaders must authorize access to protected electronic information, such as credit card data, customer profiles, and critical organizational data.

**OPPORTUNITIES FOR IMPROVEMENT (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

-/-	Item Ref.	KF Ref.	A/D/L/I	OPPORTUNITIES FOR IMPROVEMENT
-	4.2a(1)	4,5	D	Although some product suppliers such as the restaurant purchasing consortium have access to on-line inventory data and some vendors have Web access to their performance data, it is not clear whether outside suppliers of support services (e.g., custodial services, human resource management, advertising, and marketing) or the HMR distributor partners have access to similar information.
-	4.2b	2,3,4	D/L	Although the applicant has several mechanisms for sharing best practices (e.g., team leader and line-up meetings), a systematic process is not evident for identifying best practices. In addition, a systematic process is not described for effectively implementing a best practice once it is identified.
-	4.2c	1,5,6	A/D/I	While Advisory Board members are required to sign nondisclosure agreements, is it not clear whether a similar approach is used for employees and vendors/suppliers to ensure confidentiality.

**Stage 2 Percent Score** 65-75%

**Item Worksheet—Item 5.1**

**Consensus: Training Scorebook Team**

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant’s response to the Criteria requirements and its key business/organization factors.

**Indicate the 4–6 most important key business/organization factors relevant to this Item.**

1. Employee Profile:
  - 212 employees: 47 full-time, 102 part-time, 63 on-call
  - 49% Hispanic, 24% White, 23% African American (reflects diversity of communities)
  - 7% management (salaried), 6% support staff (salaried), 87% other staff (hourly)
  - 48% have some college or degree(s), 52% have a high school education or less
  - 25 developmentally disabled persons and disabled veterans
2. Values: Excellence in Service and Customer Focus; Family Culture with Teamwork; Employee Development
3. Competitive success factors: effective use of facilities, superior service, operational excellence
4. Strategic Challenge: availability of skilled and motivated employees
5. Extensive use of cross-training for job growth

**Strengths and Opportunities for Improvement:**

- Include an indication of the relative importance/strength of the comment by using ++ or - - as appropriate.
- Include a reference to the most relevant key factor(s) (KFs).
- Include an indication of which process evaluation factors are addressed in this comment.

**A = Approach      D = Deployment      L = Learning      I = Integration**

**STRENGTHS (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

+ / ++	<b>Item Ref.</b>	<b>KF Ref.</b>	<b>A/D/L/I</b>	<b>STRENGTHS</b>
++	5.1a(1)	1–5	A/D/L/I	The applicant has organized employees in all business divisions, including Catering, Dinner Delivery Service, and Administration, into process teams that align with each of its key processes (Figures 6.1-1 and 6.1-2) to ensure alignment with the strategic plan and to promote cooperation, empowerment, and innovation. Teams are responsible for scheduling and managing work to operate and improve their key processes. All team leaders meet monthly to assess performance, review customer feedback, identify opportunities for improvement, and share best practices. To keep current with business needs, promote agility, and encourage professional growth and development, cross-training is provided to all employees in at least two to three positions, and lateral service is emphasized.

+	5.1a(3)	1-5	A/D/L/I	The organization achieves effective communication and skill sharing across work units, jobs, and locations through its Communication Process (Figure 5.1-1), the Foodtrak Knowledge Management system, and other systems, such as a communication log (a benchmarking process of a Baldrige Award recipient), cross-training, and meetings (all-employee, monthly team leader, and shift meetings). Skill sharing also is facilitated through process improvements that are documented and included in Foodtrak to ensure standardized processes and procedures and by sharing best practices. These approaches may support the applicant's commitment to its success factors of superior service and operational excellence.
++	5.1b	1-5	A/D/L/I	The applicant's formal employee performance management system is its Individual Review and Development Plan (IRDP) Process, which is designed to provide two-way communication between employees and managers and includes a performance appraisal. IRDPs are aligned with organizational and department action plans and are reviewed quarterly during the first year and annually thereafter, with midyear check-ins to assess progress and identify barriers. Managers also participate in a biennial 360-Degree Feedback Process. Multiple reward and recognition mechanisms (e.g., dining certificates, birthday recognition, and on-the-spot awards such as gift cards and monetary bonuses) reinforce and support high performance and a focus on customer and business goals.
+	5.1c(1)	1,2,4,5	A/D/L/I	The applicant uses a systematic Job Review Process (Figure 5.1-2) to identify characteristics and skills needed by potential employees that are then documented in formal job descriptions. The job descriptions are based on process requirements and are systematically refined as part of the annual Strategic Planning Process or after major process changes, and they are updated and shared through IRDPs. Skills needed for newly created positions are identified by the hiring manager based on goals for the position and functional flowcharts of key processes that are validated and updated through weekly reviews after the employee is hired.
+	5.1c(2)	1,2,4	A/D/L/I	In addition to the Job Review Process (Figure 5.1-2), the applicant uses its systematic eight-step Recruiting and Hiring Process (Figure 5.1-3) to recruit and hire employees; this process has been refined through input from employees and managers and annual DINERS Team reviews. Both processes are integrated with the applicant's Strategic Planning Process to ensure they address both short- and longer-term organizational needs and directions. Employees and managers are involved in interviews of potential employees, and a staffing agency is contracted to address targeted recruitment efforts to reduce diversity gaps.

+	5.1c(3)	1-5	A/D/L/I	The applicant's formal succession planning initially identifies individuals to be developed for each leadership position and has been refined to include team leaders. The succession plan includes a career path, rotational assignments, training, development activities, and job shadowing of the future role, and the plan is reviewed every six months by the Chief Executive Officer and the Business Excellence (BE) Director. In addition, all employees are asked to develop career goals as part of their IRDPs that include developmental goals, action plans, and estimated timelines; those who express an interest in the industry are supported through special training. These processes may support the applicant's commitment to its Value of Employee Development.
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**OPPORTUNITIES FOR IMPROVEMENT (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

-/-	Item Ref.	KF Ref.	A/D/L/I	OPPORTUNITIES FOR IMPROVEMENT
-	5.1a(2)	1,2,3,4	A/D	Although the applicant's work systems approach includes employee representation on process teams, DINERS Teams, and in leadership positions to promote cooperation and empowerment, it is not clear how this approach helps the applicant capitalize on the diverse cultures and ideas of its workforce. Without a systematic approach, the applicant may have difficulty addressing its strategic challenge of having available skilled and motivated employees to match the growth of the organization.
-	5.1c(2)	3,4	A/D/I	Although the applicant has a process to recruit and hire new employees, a systematic approach to retain employees is not evident. As a result, the applicant may be limiting its effectiveness in addressing its strategic challenge of having available skilled and motivated workers and its key success factors of providing superior service and operational excellence.

**Stage 2 Percent Score** 65-75%

**Item Worksheet—Item 5.2**

**Consensus: Training Scorebook Team**

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant’s response to the Criteria requirements and its key business/organization factors.

**Indicate the 4–6 most important key business/organization factors relevant to this Item.**

1. Employee Profile:
  - 212 employees: 47 full-time, 102 part-time, 63 on-call
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  - 7% management (salaried), 6% support staff (salaried), 87% other staff (hourly)
  - 48% have some college or degree(s), 52% have a high school education or less
  - 25 developmentally disabled persons and disabled veterans
2. Values: Excellence in Service and Customer Focus; Family Culture with Teamwork; Employee Development, Enriching the Community
3. Competitive success factors: effective use of facilities, superior service, operational excellence
4. Strategic challenge: availability of skilled and motivated employees
5. Extensive use of cross-training for job growth

**Strengths and Opportunities for Improvement:**

- Include an indication of the relative importance/strength of the comment by using ++ or - - as appropriate.
- Include a reference to the most relevant key factor(s) (KFs).
- Include an indication of which process evaluation factors are addressed in this comment.

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**STRENGTHS (Include figure references, as appropriate.)**

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+ / ++	<b>Item Ref.</b>	<b>KF Ref.</b>	<b>A/D/L/I</b>	<b>STRENGTHS</b>
+	5.2a(1)	1–4	A/D/L/I	The applicant ensures that education and training efforts for employees align with organizational strategies and action plans identified in Figure 2.2-3 by using the Strategic Planning Process and resulting strategic objectives to create IRDPs. This linkage and alignment also ensure that key requirements associated with the applicant’s business needs and directions and accomplishment of its action plans are addressed at the organizational level in its training and development approaches. Also, DINERS Teams are used to identify improvement strategies that frequently are supported by training; for example, changes in the strategic plan have focused training for 2005 on ethics monitoring, the catering service and HMR delivery service, the Foodtrak system, and strategic planning.

+	5.2a(2)	1,2,3,5	A/D	The organization uses formal training methods to address needs associated with new employees, including a four-hour orientation provided by senior leaders, a virtual tour, and the Employee Handbook. Team leaders provide on-the-job training, new employees are assigned a coach/mentor for the first three months, and new employees job-shadow the coach for three to five days. Throughout the year, training is provided on CPR, safety, workplace violence, Occupational Safety and Health Administration (OSHA) requirements, safe handling of equipment, and building security through line-ups, on-line modules, and all-employee meetings. Employees are required to pass the NRA course for food handling and food safety, and all managers complete the Food Service Manager's Certification.
+	5.2a(3)	1-5	A/D/L/I	The applicant seeks and uses input from employees and their supervisors and managers on education, training, and development needs through employees' IRDPs, the Employee Satisfaction Survey, and informal feedback during line-up meetings. Organizational learning and knowledge assets are formally incorporated into education and training through coaching, sharing best practices at monthly all-employee meetings, using the Foodtrak Knowledge Management system as part of research for DINERS Teams, and providing outside trainers with key information from Foodtrak to incorporate into training.
+	5.2a(5)	1-5	A/D/L/I	The applicant reinforces the use of new knowledge and skills through line-ups, coaching, and on-the-job training, which includes immediate reinforcement and ongoing oversight of a team leader to help reinforce the use of new skills. For external training, supervisors develop a plan for the employee's use of a new skill, and employees are expected to share their key learnings by entering lessons learned into the Knowledge Management System. Further reinforcement is provided by including training in employees' IRDPs and evaluating employees on their attainment of skills.
+	5.2a(6)	1,2,4	A/D/L	The organization evaluates the effectiveness of its training using formal end-of-class evaluations, feedback from annual employee surveys, and correlations of improvement activities associated with related training. Other indicators include the accomplishment of action plans and the percentage of goals attained in employee IRDPs.
+	5.2b	1,2,4,5	A/D/I	Employees are motivated to develop and utilize their full potential through their IRDPs, which are linked to organizational strategic and action plans, as well as each individual's career goals, and are systematically reviewed with the supervisor. Raises and promotions are tied to performance appraisal results but can be given any time at the manager's discretion. This process may demonstrate the applicant's commitment to its Value of Employee Development and strategic objective of being the employer of choice.

**OPPORTUNITIES FOR IMPROVEMENT (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

-/- -	Item Ref.	KF Ref.	A/D/L/I	OPPORTUNITIES FOR IMPROVEMENT
-	5.2a(1)	1-4	A	Although employees develop IRDPs through the Strategic Planning Process (Figure 2.2-1), it is not clear how it addresses training related to performance measurement or how the applicant balances the individual training needs and those associated with career progression with short- and longer-term organizational objectives. Given the high turnover of staff within the industry, without a systematic process the applicant may not be effective in meeting the needs of its employee groups or in addressing its key success factors of providing superior service and operational excellence.
-	5.2a(4)	1,2,3,5	A/D/L	Although employees and supervisors can provide input on training delivery approaches through evaluation of current training and as part of the IRDP development process, it is not evident that there is a systematic process to seek and use input from employees and their supervisors and managers to determine appropriate delivery approaches prior to establishing training. Also, it is not evident that there is a systematic process to provide input regarding informal training approaches, such as on-the-job training, which is most often used.
-	5.2a(5)	1,2,3,5	A/D	Although the applicant generally has a “debrief period” for retiring and departing employees to train their replacements and document best practices, it is not clear if this approach to transfer knowledge is systematic and consistently deployed throughout the organization. This may be particularly important given the applicant’s stated desire to keep a core of employees who are the knowledge base of the company, its strategic challenge of the availability of skilled and motivated employees, and the generally high industry turnover rates. Although there is an expectation that employees will share learning from external training by entering lessons learned into the Knowledge Management System, it is not evident that the applicant has a systematic approach to document employees’ new knowledge and skills from internal training for long-term organizational use.

**Stage 2 Percent Score** 55-65%



**Item Worksheet—Item 5.3**

**Consensus: Training Scorebook Team**

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant’s response to the Criteria requirements and its key business/organization factors.

**Indicate the 4–6 most important key business/organization factors relevant to this Item.**

1. Employee Profile:
  - 212 employees: 47 full-time, 102 part-time, 63 on-call
  - 49% Hispanic, 24% White, 23% African American (reflects diversity of communities)
  - 7% management (salaried), 6% support staff (salaried), 87% other staff (hourly)
  - 48% have some college or degree(s), 52% have a high school education or less
  - 25 developmentally disabled persons and disabled veterans
2. Values: Family Culture with Teamwork; Employee Development
3. Competitive success factors: effective use of facilities, superior service, operational excellence
4. Strategic challenge: availability of skilled and motivated employees
5. Organizational knowledge database maintained through Foodtrak
6. Regulatory environment requirements: employee safety and other employee-related regulations

**Strengths and Opportunities for Improvement:**

- Include an indication of the relative importance/strength of the comment by using ++ or - - as appropriate.
- Include a reference to the most relevant key factor(s) (KFs).
- Include an indication of which process evaluation factors are addressed in this comment.

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**STRENGTHS (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

+ / ++	<b>Item Ref.</b>	<b>KF Ref.</b>	<b>A/D/L/I</b>	<b>STRENGTHS</b>
+	5.3a(1)	1,3,4,6	A/D/L	The organization ensures and improves workplace health, safety, security, and ergonomics through a contractor who monitors OSHA compliance, provides health and safety training, and conducts regular inspections. Employees provide suggestions for improving workplace factors at line-up meetings and IRDP sessions, the BE Director manages the vendor relationship and evaluates vendor performance, team leaders monitor measures, and DINERS Teams are created when opportunities for improvements are identified by vendor inspections or employee suggestions. Sample performance measures, improvement targets, and benchmarks differentiated for hourly and salaried workers are shown in Figure 5.3-1.

+	5.3a(2)	1,3,5,6	A/D/L	<p>The applicant has a formal Disaster Preparedness Plan to ensure workplace preparedness at its restaurant locations for general business disasters (e.g., fire) and natural disasters that are likely to occur in the area (e.g., hurricanes). The plan details actions employees should take and identifies ongoing activities to support disaster recovery, such as daily data system backup, off-site data storage, and a backup technology plan. The plan is reviewed and updated annually, and the information is available to all employees of the organization, with hard copies at each restaurant and in senior leaders' homes; an electronic version is available in the Foodtrak Knowledge Management system. During orientation, new employees receive initial information on emergency procedures that is reviewed on an ongoing basis, and drills are conducted monthly.</p>
+	5.3b(1)	2,3	A/D/L	<p>The applicant uses its Employee Satisfaction Survey, IRDP Process, and results of exit interviews to determine the key factors that affect employee well-being, satisfaction, and motivation. Key factors are segmented for hourly and salaried workers. The Employee Satisfaction Survey can be analyzed to identify the factors for various employee groups, and it asks employees to rank order various satisfaction factors by importance and their degree of satisfaction with these factors.</p>
+	5.3b(2)	1,2,3,5	A/D/I	<p>To support its employees, the applicant uses a cafeteria plan with a dollar limit that allows employees to tailor their benefits to meet their own diverse needs. Examples of these benefits include a 401k plan, subsidized medical insurance, a child care subsidy, health club membership, subsidized transportation, paid time off for holidays, time off for community involvement/volunteer activities, in-restaurant dining discounts, and recognition for participating in improvement activities. Benefits are prorated for part-time employees, and on-call workers may purchase medical insurance at reduced rates. These benefits reflect the applicant's commitment to addressing its strategic objective of being the employer of choice.</p>
+	5.3b(3)	1,4,5	A/D/L	<p>As its key tool for determining employee satisfaction, the applicant conducts an on-line, semiannual Employee Satisfaction Survey that is modeled after a national survey by the NRA and enables comparison to national results in the hospitality industry and best-in-class benchmarks. Response rates exceed 90% and are segmented by job, location, gender, age, and ethnicity. The applicant also monitors employee turnover, the rate of IRDP completion, absenteeism, sales per server, results from exit interviews, and work environment measures (Figure 5.3-1) as other indicators of employee satisfaction and well-being. When declining results occur, DINERS Teams are created to conduct reviews and make improvements.</p>

++	5.3b(4)	2,4,6	A/D/L/I	Senior leaders review indicators of employee satisfaction and motivation, including Employee Satisfaction Survey results, and regularly conduct correlation analyses with the organization's Voice of the Process and Voice of the Customer measures to identify potential opportunities for improvement in the work environment that impact key business results. Results of these analyses are addressed by DINERS Teams.
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**OPPORTUNITIES FOR IMPROVEMENT (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

-/- -	Item Ref.	KF Ref.	A/D/L/I	OPPORTUNITIES FOR IMPROVEMENT
-	5.3a(1)	1,2,3,6	D	While the organization addresses safety through the use of an outside firm and employees address safety needs and improvements at line-ups, it is not clear how the organization addresses safety and other issues for employee segments, such as administrative office workers or outside contractors' employees (e.g., custodial and security personnel) who work on the applicant's premises.
-	5.3a(2)	1,2,6	D	It is unclear how the applicant's workplace Disaster Preparedness Plan considers the needs of on-site contracted employees or its employees working off site, such as delivery and catering personnel, to make them aware of the plan and their actions and responsibilities in the event of a disaster. Without this information, the applicant's Disaster Preparedness Plan may not effectively address the needs of all employee groups.

**Stage 2 Percent Score** 60-70%

**Item Worksheet—Item 6.1**

**Consensus: Training Scorebook Team**

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant’s response to the Criteria requirements and its key business/organization factors.

**Indicate the 4–6 most important key business/organization factors relevant to this Item.**

1. Services/products: lunch and dinner in-house dining; beer, wine, and other alcoholic beverages; take-out dining; dinner delivery; and event catering
2. Key requirements of all customer groups: reliability, responsiveness, assurance, empathy, tangibles, exceptional food at a good value, a memorable dining experience
3. Suppliers/partners: Participates in a local restaurant consortium for purchasing products and services; other suppliers include providers of IT services, custodial and facilities maintenance services, advertising, security, and some HR functions; partners include HMR distributors and a community college
4. IT infrastructure is focused on the Foodtrak Point of Sale (POS) system
5. Competitive success factors: superior service, operational excellence

**Strengths and Opportunities for Improvement:**

- Include an indication of the relative importance/strength of the comment by using ++ or - - as appropriate.
- Include a reference to the most relevant key factor(s) (KFs).
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**STRENGTHS (Include figure references, as appropriate.)**

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+ / ++	<b>Item Ref.</b>	<b>KF Ref.</b>	<b>A/D/L/I</b>	<b>STRENGTHS</b>
+	6.1a(1)	1,2,5	A/D/L/I	Using information gathered through the Voices system, the applicant determines that its key value creation processes are those that add value to the dining experience according to the customer’s perspective. This same system provides information during strategic planning to identify emerging processes, which are then added to the Strategy Matrix and undergo an annual review. The applicant has identified key processes for its restaurants, catering and HMR business lines, and various product/service segments (Figure 6.1-1).
+	6.1a(2)	1–5	A/D/I	Value creation process requirements are determined by using Voices data from multiple stakeholders and are gathered before, during, and after the dining experience. The applicant’s suppliers provide information through their participation in reviews and input to the Foodtrak Knowledge Management component. The purchasing consortium manager and key suppliers participate in the monthly executive review meetings, where key metrics are discussed and opportunities for revisions are identified.

+	6.1a(3)	1,2,5	A/D/L/I	Cross-functional and cross-restaurant DINERS Teams use a formal, systematic, nine-step method to design value creation and support processes (Figure 6.1-2). This process begins with stakeholder requirements and includes flowcharts, in-process metrics, and targets from the Balanced Scorecard, a pilot phase, communication, training, and an annual evaluation. The Process Design Process also includes searches for new technology and a search of the Knowledge Management system for relevant information.
+	6.1a(4)	2,4,5	A/D/I	The applicant has identified the key performance measures and indicators for its value creation processes (Figure 6.1-1). To ensure the day-to-day operation of its processes meets key requirements, the applicant uses on-line and hard copy documentation of its value creation processes, training and on-the-job reinforcement, visual management and job aids, walk-throughs for certain events, and twice-daily line-ups, where key performance information is shared and reviewed. Customer input obtained through the Voices system is used in value creation process management, and supplier input is acquired through a variety of periodic meetings.
++	6.1a(6)	1,2,5	A/D/L/I	The applicant uses its DINERS Improvement Process (Figure 6.1-3) to annually review and improve its value creation processes and to keep them current with business needs and directions. Cross-functional employee teams are trained in the DINERS Improvement Process and related tools, and employees are trained to identify potential improvement opportunities that might necessitate a DINERS Team review at times other than the annual cycle. Process improvements are shared through monthly team leader process meetings and the Foodtrak Knowledge Management system, and process changes are documented and included in employee training guidelines within ten days.

**OPPORTUNITIES FOR IMPROVEMENT (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

-/- -	Item Ref.	KF Ref.	A/D/L/I	OPPORTUNITIES FOR IMPROVEMENT
-	6.1a(3)	1,2,5	A/D	A systematic process is not evident for incorporating cycle time, cost control, productivity, and other effectiveness and efficiency factors into its value creation process design approach. Further, it is not clear how the applicant implements the processes, once designed, to ensure they perform as expected and meet design requirements. Without a systematic process to incorporate efficiency and effectiveness factors into process design, it may be difficult for the applicant to ensure its value creation processes are achieving the desired performance.
-	6.1a(5)	1,3	A/D	Although the applicant conducts “quick and economical” pre-audits and daily observation of processes, it is not clear how these approaches enable the organization to systematically minimize the cost of inspections and audits or to prevent rework or defects, as appropriate.

**Stage 2 Percent Score** 65-75%

**Item Worksheet—Item 6.2**

**Consensus: Training Scorebook Team**

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant’s response to the Criteria requirements and its key business/organization factors.

**Indicate the 4–6 most important key business/organization factors relevant to this Item.**

1. Suppliers/partners: Participates in a local restaurant consortium for purchasing products and services; other suppliers include providers of IT services, custodial and facilities maintenance services, advertising, security, and some HR functions; partners include HMR distributors and a community college
2. Competitive success factors: effective use of facilities, superior service, operational excellence
3. Organizational knowledge database maintained through Foodtrak
4. Services/products: lunch and dinner in-house dining; beer, wine, and other alcoholic beverages; take-out dining; dinner delivery; and event catering
5. Use of Balanced Scorecard to deploy goals and monitor progress

**Strengths and Opportunities for Improvement:**

- Include an indication of the relative importance/strength of the comment by using ++ or - - as appropriate.
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+ / ++	Item Ref.	KF Ref.	A/D/L/I	STRENGTHS
+	6.2a(1)	2,4,5	A/D/I	The applicant determines its key support processes, as well as related key requirements, in-process measures, and outcome measures (Figure 6.2-1), at the same time and in a similar fashion as its key value creation processes; the processes are identified either through Step 4 in the Process Design Process (Figure 6.1-2) or through strategic planning. Many support process measures also are on the Scorecard, which is aligned with strategic objectives and action plans to help achieve business success.
+	6.2a(2)	1,2	A/D/I	Key support process requirements are determined by process owners and suppliers based on information from the Voices system. Support process requirements (Figure 6.2-1) include hiring of suitable employees; an accurate, timely, and cost-efficient payroll; information system availability; and multiple requirements for suppliers (Figure P.1-5).
+	6.2a(3)	1,2,4,5	A/D/L	The applicant’s team leaders and DINERS Teams use a nine-step approach (Figure 6.1-2) to design the applicant’s key support processes to meet all key requirements. The approach starts with the determination of the desired outcomes and incorporates new technology in Step 4 of the design approach.

+	6.2a(4)	3	A/D/L	The applicant has identified its key support processes, as well as associated measures and indicators used to control and operate the processes (Figure 6.2-1). The Foodtrak system provides prompts to guide and standardize support processes, and it also is used to communicate changes in processes to all employees.
++	6.2a(6)	3	A/D/L/I	Support processes are improved using the DINERS Improvement Process (Figure 6.1-3) and are reviewed annually by DINERS Teams for needed improvements of approaches or measures. Improvements are shared departmentally and with internal customers, and they are documented in Foodtrak to ensure they are used for organizational learning and innovative approaches for other processes. Process changes are included in employee training guidelines within ten days, and employees receive updated training.
+	6.2b(1)	1,2,4,5	A/D/I	The applicant uses its annual Budget Process to ensure adequate resources are available to support its operations. The Budget Process follows the Strategic Planning Process, and departments present requirements for both current operations and requirements for accomplishing their respective action plans. The Leadership Team then reviews all requests, prioritizes them based on operational and investment priorities related to the strategic plan, and allocates the required resources accordingly.
+	6.2b(2)	2,3,5	A/D	The applicant has a Disaster Recovery Program designed to ensure operations can resume within a reasonable amount of time after an emergency. This program includes IT systems backup, employee safety procedures, and return-to-work instructions that focus on disasters likely to happen in the applicant's region (e.g., a hurricane).

**OPPORTUNITIES FOR IMPROVEMENT (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

-/-	Item Ref.	KF Ref.	A/D/L/I	OPPORTUNITIES FOR IMPROVEMENT
-	6.2a(2)	1,4	A/D	While the applicant considers employees working in value creation processes to be internal customers, and while value creation processes results are shared with all employees, it is not clear how the applicant systematically uses input from its internal customers in the determination of key support process requirements. Without input from these key stakeholders, it may be difficult for the applicant to identify valid and important key support process requirements.
-	6.2a(3)	1,4,5	A/D	It is not clear how the applicant systematically incorporates cycle time, cost control, productivity, and other effectiveness and efficiency factors in its support process design approach. Further, it is not clear how the applicant implements the processes, once designed, to ensure they perform as expected and meet design requirements.



Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant’s response to the Criteria requirements and its key business/organization factors.

**Indicate the 4–6 most important key business/organization factors relevant to this Item.**

1. Value: Excellence in Service and Customer Focus
2. Key customer groups: individual and family patrons, businesses, tourists, communities; also segmented by more specific customer groups and requirements (i.e., by organization, family status, and service [Figure P.1-4])
3. Key requirements of all customer groups: reliability, responsiveness, assurance, empathy, tangibles, exceptional food at a good value, a memorable dining experience
4. Products/services: lunch and dinner in-house dining; beer, wine, and other alcoholic beverages; take-out dining; dinner delivery; and event catering
5. Competitive success factors: superior service, operational excellence
6. Strategic challenges: continued expansion of products and services, an increase in the number of competitors with a projected growth of 5.2%, increased sophistication of the American palate

**Strengths and Opportunities for Improvement:**

- Include an indication of the relative importance/strength of the comment by using ++ or - - as appropriate.
- Include a reference to the most relevant key factor(s) (KFs).
- Include an indication of which process evaluation factors are addressed in this comment.

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**STRENGTHS (Include figure references, as appropriate.)**

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+ / ++	Item Ref.	KF Ref.	Le/T/C/Li	STRENGTHS
+	7.1a	1,2,3,5	Le/T/C/Li	The applicant’s results for two measures related to the first contact with the customer, Wait Time for Seating and Service (Figure 7.1-1) and Table Cleanliness ratings (Figure 7.1-8), demonstrate improving trends from 2000 to 2004. For example, during this time period, wait time for seating without a reservation decreased from approximately 45 minutes to 20 minutes, and time until first service improved from about 45 minutes to approximately 12 minutes. Wait time for seating with reservations and table cleanliness ratings at both restaurants are better than those of local competitors. Wait time improvements are related to changes recommended by a DINERS Team.

++	7.1a	2-6	Le/T/C/Li	<p>Results for timeliness of delivery (Figure 7.1-5) demonstrate improved performance from 2000 to 2004 for both restaurants, with the overall Landmark level increasing from approximately 83% to 95%, and 2004 performance levels of the catering and take-out business lines are better than those of the competitors shown. In addition, during the same time frame, results for cooking time (Figure 7.1-6) and server pick-up time (Figure 7.1-7), which can contribute to timeliness of delivery, show steady or improved performance levels and are better than those of the competitors, and the overall organization pick-up time decreased from almost 3 minutes to less than 1.5 minutes. Performance in these areas may be especially noteworthy given the applicant's strategic challenge to increase its catering and take-out revenues and its strategic objective to improve product and service performance.</p>
+	7.1a	1,3,5	Le/T/Li	<p>The applicant's performance in Standards of Acceptability for Food (Figure 7.1-2) improved from 2000 to 2004 for all measures presented. Performance in presentation improved from about 83% to over 95%, results for temperature increased from 75% to approximately 97%, and timeliness increased from about 84% to 95%. These value creation process measures may be leading indicators of customer satisfaction.</p>
+	7.1a	1,3,5	Le/T/C/Li	<p>Results for Order Accuracy (Figure 7.1-3) demonstrate an improving trend from 2001 to 2004 for both restaurants and the catering and take-out services, and overall organization performance improved from about 86% in 2001 to 95% in 2004. In addition, the order accuracy for restaurants and catering outperforms the competitors by an increasing margin. Order accuracy is a requirement of all dining and catering customers, a Scorecard measure, and a requirement for the order taking process.</p>

**OPPORTUNITIES FOR IMPROVEMENT (Include figure references, as appropriate.)**

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-/-	Item Ref.	KF Ref.	Le/T/C/Li /G	OPPORTUNITIES FOR IMPROVEMENT
-	7.1a	2,3,4	G	Although most product and service results are segmented by location and a few are segmented by service type (restaurant, take-out, catering) or time of day (lunch or dinner), Wait Time results (Figure 7.1-1) are not segmented by location, and results for Standards of Acceptability for Food (Figure 7.1-2) are not segmented by location or service type. In addition, no results are segmented by customer group (e.g., families, businesses, and tourists) even though these customer groups have unique requirements (Figure P.1-4) in addition to common requirements. Further segmentation may help the applicant understand its relative performance for various customer groups, as well as specific locations and services, and identify differences that may be opportunities.
-	7.1a	2,3,5,6	G	It is not evident that the applicant’s results for product and service outcomes cover all areas of importance. For example, no results are provided to indicate performance relative to family requirements for a “child friendly” atmosphere and “healthy menu options,” business sector requirements for a “business conducive” environment, singles’ requirement for broad beer and wine choices, and tourists’ desire to have a “fun experience.” In addition, no results are shown for the key requirement for all customers to receive good value and have a memorable dining experience.
-	7.1a	1,5,6	G	No comparisons are provided for Standards of Acceptability for Food (Figure 7.1-2), for wait time without reservation or for first service (Figure 7.1-1). Without comparisons to competitors or benchmarks, the applicant may have difficulty assessing its relative performance and identifying opportunities for improvement in a highly competitive market.
-	7.1a	1,3,5,6	Le/C	While most levels and trends in product and service performance are positive, some opportunities remain. For example, take-out service performance for Timeliness of Delivery (Figure 7.1-5), while generally improving, has been lower than the competitor’s.

**Stage 2 Percent Score** 55-65%

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant’s response to the Criteria requirements and its key business/organization factors.

**Indicate the 4–6 most important key business/organization factors relevant to this Item.**

1. Products/services: lunch and dinner in-house dining; beer, wine, and other alcoholic beverages; take-out dining; dinner delivery; and event catering
2. Key customer groups: individual and family patrons, businesses, tourists, communities; also segmented by more specific customer groups and requirements (i.e., by organization, family status, and service [Figure P.1-4])
3. Key requirements of all customer groups: reliability, responsiveness, assurance, empathy, tangibles, exceptional food at a good value, a memorable dining experience
4. Competitive success factors: value for the dollar, superior service, operational excellence
5. Strategic challenges: an increase in the number of competitors with a projected growth of 5.2%, increased sophistication of the American palate, changing customer age demographics
6. Value: Excellence in Service and Customer Focus

**Strengths and Opportunities for Improvement:**

- Include an indication of the relative importance/strength of the comment by using ++ or - - as appropriate.
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+ / ++	<b>Item Ref.</b>	<b>KF Ref.</b>	<b>Le/T/C/Li</b>	<b>STRENGTHS</b>
+	7.2a(1)	2,3,4,5	Le/T/C/Li	The applicant’s performance in Overall Customer Satisfaction (Figure 7.2-1) shows improvement in all reported categories from 2000 through 2004, with catering customers’ satisfaction increasing from about 93% to over 98%. In 2004, performance for external surveys, internal surveys, and dine-in at both restaurants is above the best-in-class comparison and at or above the Baldrige Award recipient benchmark. These results may reflect the effectiveness of the applicant’s customer-focused improvement activities (Customer First training and process changes to improve cycle time and service) and support the applicant’s Value of Excellence in Service and Customer Focus.

+	7.2a(1)	2,3,4,6	Le/T/C	Results from internal surveys for Customer Satisfaction with Quality (of the dining-in experience) (Figure 7.2-2) demonstrate continuing performance improvement from 2000 to 2004 in all segments reported, with the combined performance for all segments increasing from approximately 94% to about 97%. Performance in four of the five segments in 2004 is at, or very near, the best-in-class comparison. Sample Aggregated Verbal Comments about the dining-in experience (Figure 7.2-3) also show improvement in all nine evaluation areas from 2001 to 2004, with the most improvement being seen in the percentage of favorable comments about wait time, which increased from 77.5% to 93.1%.
+	7.2a(1)	2,3,4,5	Le/T/C/Li	The applicant's results related to the Secret Diners Association and Employee Dining Reports (Figure 7.2-4) improved from 2000 through 2004, and its performance levels are substantially better than the performance of its competitor. While the applicant's competitor for the Secret Diners Association and Employee Dining Reports performed in 2004 at approximately 88% and 85% respectively, the applicant's performance was at 97% and 95%. These results may indicate the success of the applicant's customer-focused approaches.
+	7.2a(1)	1,2,3,5	Le/T/C	Results from 2001 through 2004 show favorable trends for the total number of complaints, the number of complaints received during and after dining, and the amount spent on complimentary meals (Figure 7.2-5), all indicators of customer dissatisfaction. The total number of complaints decreased from nearly 400 in 2000 to fewer than 300 in 2004, while the competitor's complaints increased from about 250 to more than 500.
+	7.2a(2)	1,3,4,5	Le/T/C/Li	From 2000 to 2004, the number of catering customers increased from about 300 to over 1,500, and the number of Our Family members increased from about 50 to approximately 3,800 (Figure 7.2-6). In addition, the percentage of these customers who dine in the applicant's restaurants or use catering more than once has increased since 2001, and customer retention percentages for these customers are above the industry retention comparison. The number of referrals made by Our Family members and other customers, as well as the percentage of customers who join the Our Family program as a result of referrals, also has steadily increased (Figure 7.2-7). These results may reflect the success of targeted activities to build relationships and may help the applicant achieve its revenue growth objectives.

**OPPORTUNITIES FOR IMPROVEMENT (Include figure references, as appropriate.)**

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-/- -	Item Ref.	KF Ref.	Le/T/C/Li /G	<b>OPPORTUNITIES FOR IMPROVEMENT</b>
-	7.2a(1)	1,2,6	G	With the exception of Customer Satisfaction with Quality (Internal Surveys), customer-focused results are not segmented by key customer groups identified in Item P.1b(2)—families, businesses, and tourists—or in Figure P.1-4, which indicates that couples and singles account for 45% of the applicant’s sales. Also, few results are segmented by location, service, or meal type (i.e., lunch and dinner). This lack of segmentation may make it difficult for the applicant to identify and target specific areas needing improvement for its various customer groups.
-	7.2a(2)	1,3,4,6	G/C/Li	There are no customer satisfaction comparisons for catering and take-out. Also, it is not evident that the applicant measures customer retention for patrons (other than catering customers) who have not signed up for the Our Family program. Without measures of perceived value for its entire range of customers, it may be difficult for the organization to assess its overall success.

**Stage 2 Percent Score** 60-70%

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant’s response to the Criteria requirements and its key business/organization factors.

**Indicate the 4–6 most important key business/organization factors relevant to this Item.**

1. Strategic challenges: continued expansion of products and services, an increase in the number of competitors with a projected growth of 5.2%
2. Specific market niche: family and business diners
3. Competes directly with 35 specialty restaurants in Houston and 20 in Galveston
4. Third-highest occupancy rate in Houston and highest in Galveston
5. Revenues for 2004 >\$5.9M, with \$5.5M from restaurants and take-out, \$400K from catering
6. Only company in Houston providing HMR delivery service

**Strengths and Opportunities for Improvement:**

- Include an indication of the relative importance/strength of the comment by using ++ or - - as appropriate.
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+ / ++	Item Ref.	KF Ref.	Le/T/C/Li	STRENGTHS
++	7.3a(1)	2,3,4,5	Le/T/C/Li	The applicant’s Gross Profit per Seat (Figure 7.3-1) has increased from approximately \$9,000 in 2001 to approximately \$13,000 in 2004. This performance is substantially better than its most relevant comparison, the upper quartile median of small restaurants (which has remained nearly level during this time period at about \$8,000), and it is significantly better than the 2004 level of \$10,000 of the upper quartile median for restaurants of all sizes. These results support the applicant’s competitive success factor to use facilities effectively and its objective to sustain financial performance.
+	7.3a(1)	2,3,4,5	Le/T/C	The applicant’s performance for Return on Owner’s Equity (Figure 7.3-2) shows a positive trend, increasing from 6% in 2000 to 8% in 2004. In addition, the applicant has met or exceeded its goal during this time period, and it has surpassed the upper quartile of small restaurants and equaled the industry upper quartile in 2003 and 2004. These results support the applicant’s objective to sustain financial performance.

+	7.3a(1)	2,5,6	Le/T/Li	The applicant's current ratio (Figure 7.3-3) has been equal to or better than the industry average from 2000 to 2004, has steadily improved since 2001, and in 2003 and 2004 met the goal of 2:1 without the reserve fund. These results indicate the applicant's success in achieving its goal to maintain an average ratio that provides a safety net and allows for investment in growth. In addition, the Profit and Loss Summary (Figure 7.3-4) currently is equal to or better than the industry standard for cost of sales and earnings before interest and tax (EBIT). These results support the organizational objectives to sustain financial performance and increase take-out, catering, and HMR business.
+	7.3a(1)	3,4,5	Le/T/C	With the exception of one year (2002), the applicant's Restaurant Revenue Growth from 2000 to 2004 (Figure 7.3-5) exceeded or equaled its comparisons, the top 2 out of 43 restaurants in the Secret Diners Association. In addition, results for Market Share by Division (Figure 7.3-6) indicate that the applicant is moving toward its goal, especially at the Houston restaurant, of 10% of the local market for small steak and seafood restaurants. These results support the strategic objective to sustain financial performance and may be an early indicator of success in an environment of increasing competition.
+	7.3a(1)	1-5	Le/T/C/Li	The applicant's Occupancy Rate (Figure 7.3-7) at both restaurants has improved from 80% in 2000 to 86% in 2004, and it is approaching the performance levels of its benchmark, at 90%. This performance may indicate the effectiveness of the applicant's improvement approaches, such as reconfigured seating in both restaurants. These results support the competitive success factor of effective use of facilities and the organizational objective to sustain financial performance.
+	7.3a(2)	2,5,6	Le/T	The applicant has identified 15% growth as a desirable target for its new catering and take-out services (Figure 7.3-8), in order to manage growth. Performance for both services has been within 5 percentage points of this target from 2001 to 2004, and 2004 performance meets the target.

**OPPORTUNITIES FOR IMPROVEMENT (Include figure references, as appropriate.)**

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-/-	Item Ref.	KF Ref.	Le/T/C/L /G	<b>OPPORTUNITIES FOR IMPROVEMENT</b>
-	7.3a(1)	2,5,6	Le/C	Results and comparisons for only one year (2004) are provided in Figure 7.3-4, 2004 Profit and Loss Summary, and, although cost of sales and EBIT results are favorable, controllable expenses and occupancy costs are at or near industry averages. In addition, some comparisons for financial and market results are to industry averages rather than best-in-class.



-	7.3a(2)	2,5,6	Le/C/Li	Although the applicant's performance in Market Share by Division (Figure 7.3-6) demonstrates improving performance, the market share for its Galveston restaurant and its catering service are below that of its nearest competitor and its own goal. This may be especially noteworthy given the applicant's strategic challenges of "continued expansion of products and services" and "an increase in the number of competitors with a projected growth rate of 5.2%."
-	7.3a(2)	2,5,6	T/C/Li	Although the new business segments of catering and take-out (Figure 7.3-8) are within the applicant's desired 15% growth range in 2004, no comparative data are provided. Comparative information could help the applicant evaluate its relative performance in these new areas.

**Stage 2 Percent Score** 60-70%

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant’s response to the Criteria requirements and its key business/organization factors.

**Indicate the 4–6 most important key business/organization factors relevant to this Item.**

1. Values: Family Culture with Teamwork; Employee Development; Ethics, Honesty, and Integrity
2. Employee Profile:
  - 212 employees; 47 full-time, 102 part-time, 63 on-call
  - 49% Hispanic, 24% White, 23% African American (reflects diversity of communities)
  - 7% management (salaried), 6% support staff (salaried), 87% other staff (hourly)
  - 48% have some college or degree(s), 52% have a high school education or less
  - 25 developmentally disabled persons and disabled veterans
3. Key sources of comparative data: the National Restaurant Association (NRA), vendor survey, People Report, Secret Diners Association, Employee Diner reports, informal consortium led by Owen Dudley, industry Web sites, Staffing Solutions, David & Bradley
4. Strategic challenges: availability of skilled and motivated employees
5. Extensive use of cross-training for job growth
6. Regulatory environment requirements: employee safety, other employee-related regulations

**Strengths and Opportunities for Improvement:**

- Include an indication of the relative importance/strength of the comment by using ++ or - - as appropriate.
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+ / ++	Item Ref.	KF Ref.	Le/T/C/Li	STRENGTHS
+	7.4a(1)	2,3	Le/T/C/L	The applicant’s key measures of work system performance include the Percentage of Positions Filled From Within, Hiring Cycle Time, and Employee Turnover Rate (Figures 7.4-1, 7.4-2, and 7.4-3, respectively). For each of these measures, results show improvement trends from 2000 to 2004. During this time, performance in Positions Filled from Within increased from 50% to 80%; performance in Employee Turnover Rate improved from about 98% to approximately 75% while the industry average increased to approximately 120%; and performance in Hiring Cycle Time for hourly employees, a process addressed by a DINERS Team, now equals its Baldrige Award recipient benchmark.

+	7.4a(2)	1,2,5	Le/T	Results for IRDPs on Target (Figure 7.4-5) and Succession Plans (Figure 7.4-6) demonstrate improved performance from 2000 to 2004. Employee satisfaction with IRDPs and the percentage on target show improvement trends from approximately 45% and 78% in 2000 to 63% and 85%, respectively, in 2004. The percentage of succession plans completed reached 100% for both management and team leaders in 2004, with team leaders' completion improving from 40% in 2001 and management's completion from approximately 50% in 1999. Performance in these areas may reflect the applicant's focus on its Value of Employee Development.
+	7.4a(2)	1-5	Le/T/C	The applicant's results for Cross-Training Hourly Employees to Standards (Figure 7.4-7) and % Growth in FTE Employees (Figure 7.4-8) demonstrate improving performance from 2000 to 2004. The percentage of employees cross-trained within two months of their hiring improved from 40% in 2000 to nearly 70% in 2004, while the percentage of cross-trained employees with more than one year and those with the company between two months and one year improved from 80% and 60%, respectively, in 2000 to 100% in 2004. In addition, the applicant has reduced the growth in FTE employees from .20% in 2000 (the year the cross-training program was implemented) to less than .05% in 2004, which is below the industry average.
++	7.4a(3)	1-4	Le/T/C/Li	Employee Satisfaction Results (Figure 7.4-9) demonstrate improved performance from 2000 to 2004 in many of the key factors identified as affecting employee satisfaction. Performance in 2004 in three of six factors for hourly employees and four of five factors for salaried employees is better than the NRA-best benchmark, with the overall performance for both hourly and salaried nearing the benchmark's level. Performance in this area may have a positive impact on the applicant's ability to address its key human resource strategic challenge of "availability of skilled and motivated employees to match the expected growth of the organization" and its strategic objective to "be an employer of choice."
+	7.4a(3)	1,2,3,6	Le/T/C	The applicant's performance levels in Safety Measures (Figure 7.4-11) have improved in the three categories presented—Number of Injuries, Worker's Compensation Claims, and Security Violations—from 2000 to 2004. Injuries improved from seven to one (better than the Baldrige Award recipient benchmark), workers' compensation claims improved from two to one (equal to the benchmark), and security violations from six to one (equal to the benchmark) during this period.

**OPPORTUNITIES FOR IMPROVEMENT (Include figure references, as appropriate.)**

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	<b>Item Ref.</b>	<b>KF Ref.</b>	<b>Le/T/C/Li /G</b>	<b>OPPORTUNITIES FOR IMPROVEMENT</b>
-	7.4a(1-3)	2,3	G/C	While the applicant presents a number of diverse employee segments, including job categories, ethnicity, and full- and part-time workers, in its Organizational Profile, Figure P.1-2, it does not provide human resource results that are segmented beyond hourly and salaried workers. Further, the comparisons provided in Figures 7.4-1 through 7.4-3 address only performance for the hourly workers and do not include relative comparisons for the salaried workers. Without this information, it may be difficult for the applicant to assess the impact of its human resource-focused improvement activities relative to these varied segments and to ensure it is reaching its strategic objective to “be an employer of choice.”
-	7.4a(2,3)	1,2,3,5	G	The applicant does not present results relating to the training and development approaches it describes in Item 5.2 or for the employee well-being and satisfaction approaches described in Item 5.3. Among the missing results for approaches described in Item 5.2 are those related to the effectiveness of its Customer First training, On-the-Job-Training, the NRA’s food handling and food safety courses, and management and leadership courses described in Item 5.2a(6). Missing results for approaches described in Item 5.3 include those associated with absenteeism and most of the Work Environment measures presented in Figure 5.3-1. Without these measures, it may be difficult for the applicant to gauge the effectiveness of these courses, its training approaches, and its employee well-being and satisfaction approaches.
-	7.4a(3)	1–4	Le/T/C	Results for several areas of employee satisfaction presented in Figure 7.4-9 are significantly below the applicant’s benchmark. The applicant’s performance in Competent Management is 10% below its NRA benchmark, and it has remained relatively flat from 2002–2004. Performance in compensation (hourly and salaried) and benefits (hourly), while improving, is still well below that of the benchmark comparison. This may be particularly noteworthy because the applicant has identified these areas as key factors affecting employee satisfaction.

**Stage 2 Percent Score** 55–65%

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant’s response to the Criteria requirements and its key business/organization factors.

**Indicate the 4–6 most important key business/organization factors relevant to this Item.**

1. Products/services: lunch and dinner in-house dining; beer, wine, and other alcoholic beverages; take-out dining; dinner delivery; and event catering
2. Suppliers/partners: Participates in a local restaurant consortium for purchasing products and services; other suppliers include providers of IT services, custodial and facilities maintenance services, advertising, security, and some HR functions; partners include HMR distributors and a community college
3. Competitive success factors: name recognition, value for the dollar, fresh menu design and re-engineering, healthy menu items, effective use of facilities, superior service, operational excellence, community involvement
4. Strategic challenge: continued expansion of products and services
5. Values: Excellence in Service and Customer Focus; Ethics, Honesty, and Integrity; Innovation and Energy

**Strengths and Opportunities for Improvement:**

- Include an indication of the relative importance/strength of the comment by using ++ or - - as appropriate.
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+ / ++	Item Ref.	KF Ref.	Le/T/C/Li	STRENGTHS
+	7.5a(1)	1,3,4	Le/T/C	The applicant’s results for two measures of organizational productivity, Revenue per Employee (Figure 7.5-1) and Chef Volume (Figure 7.5-2), demonstrate improving performance trends from 2001 to 2004. During this time period, its overall performance for Revenue per Employee increased from approximately \$33,000 to over \$40,000, and in 2004 it equaled the best-in-class comparison. Performance in Chef Volume for catering increased from about 3,800 to 4,800 during this period, and overall performance neared the benchmark’s performance level in 2004.
+	7.5a(1)	1,3,4	Le/T/C/Li	Additional measures of efficiency used to evaluate key value creation processes include Prime Cost (Figure 7.5-3) and Cost per Employee (Figure 7.5-4), both of which show sustained improvements in performance from 2000 to 2004. During this time, the catering service’s performance in Prime Cost improved from 60% to 65%, and the applicant’s overall performance consistently exceeded its best-in-class comparison. In 2004, overall performance for Cost per Employee exceeded industry average, the benchmark, and the applicant’s target, despite the added costs associated with operating historical landmarks.

+	7.5a(1)	1,3,4	Le/T/C/Li	Results associated with the applicant's value creation processes, and in particular its Menu Design and Re-engineering Process—New Menu Item Performance (Figure 7.5-5) and Menu Item Development Cycle Time (Figure 7.5-6)—demonstrate improving performance from 2001 to 2004 and from 2002 to 2004, respectively. Performance in both areas is better than the industry average, and the number of hours to develop new menu items decreased from about 58 in 2002 to approximately 35 in 2004. These results may support the applicant's strategic objective of operational excellence and its competitive success factor of fresh menu design.
+	7.5a(1)	1,3,4	L/T/C	The applicant's performance in Menu Item Shortages (Figure 7.5-7) has consistently matched or outperformed the comparisons provided (industry average and a local NRA industry best-in-class restaurant) since 2001. Performance has improved from 0.05% in 2000 to only 0.01% of new product orders unable to be filled in 2004.
+	7.5a(2)	1,3,4	Le/T/C/Li	The applicant's performance in Pre-Audit Scores (Figure 7.5-8) improved from 2000–2004, with overall performance increasing from about 72% to 90% and performance levels at or better than the best-in-class benchmark. From 2000 to 2004, performance in Set-up Cycle Time (Figure 7.5-9) improved for the catering line and both restaurants (e.g., Harrisburg Station improved from 5 minutes to less than 2 minutes) and compared favorably to the industry average in 2004. These results may support the organization's Value of Excellence in Service and Customer Focus.
+	7.5a(2)	1,3,4	Le/T/C	Results for two key measures of efficiency—Spoilage (Figure 7.5-10) and Shrinkage (Figure 7.5-13)—show improving trends from 2000 to 2004. During this time, overall performance in food spoilage improved from .07% to less than .05%, and shrinkage decreased from over .05% to about .02%. In addition, 2004 performance for each measure is at or very near the best-in-class benchmark comparison.
+	7.5a(2)	1,2,3,5	Le/T/C/Li	The applicant's results for Supplier Performance (Figure 7.5-11) and System Availability and Help Desk Issue Resolution (Figure 7.5-12) improved from 2000 to 2004, with the supplier fill rate increasing from 95% to about 98% and system availability improving from 90% to about 98%. In addition, the 2004 performance levels for Supplier Performance and System Availability and Help Desk Issue Resolution are equal to the best-in-class benchmark. These results may indicate the effectiveness of the applicant's supplier/partner management approaches.

**OPPORTUNITIES FOR IMPROVEMENT (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

-/- -	Item Ref.	KF Ref.	Le/T/C/Li /G	<b>OPPORTUNITIES FOR IMPROVEMENT</b>
-	7.5a(1)	1-3	G	The applicant does not report results related to the operational measures for several of its value creation processes. Among the missing results are those measures or indicators related to the in-process measures for value creation processes identified in Figure 6.1-1, such as accurate scheduling for Reservations and Greeting, the order to the kitchen 10 days in advance for Event Planning, staff/vehicles scheduled one week prior for Delivery and Event Cleanup, and the availability of supplier inventory systems for the Purchasing Consortium. Without these results, it may be difficult for the applicant to identify causal relationships between its value creation process measures and customer-focused measures and respond proactively with appropriate improvement activities.
-	7.5a(2)	1-3	G	The applicant does not report results related to the operational measures for several of its key support processes. Among the missing results are those measures or indicators related to the in-process measures for support processes identified in Figure 6.2-1, such as timely payroll information entry for its Human Resource Management, health pre-inspections for its Supplier Management, the implementation of location and process plans for Disaster Preparedness, and the increase in meals served due to promotions for Advertising and Marketing. Without these results it may be difficult for the applicant to respond proactively with appropriate improvement activities.

**Stage 2 Percent Score** 65-75%

**Item Worksheet—Item 7.6**

**Consensus: Training Scorebook Team**

Prepare one Item Worksheet for each Item, capturing the 6–10 most important strengths and opportunities for improvement based on the applicant’s response to the Criteria requirements and its key business/organization factors.

**Indicate the 4–6 most important key business/organization factors relevant to this Item.**

1. Values: Ethics, Honesty, and Integrity; Community Enrichment; Historic Preservation
2. Regulatory environment requirements: food safety codes, waste removal, zoning codes, licensing, financial regulations, employee safety, and other employee-related regulations
3. S corporation with Board of Directors (Dudley family members plus Frank Fendly) and an external Advisory Board composed of business leaders
4. Competitive success factor: community involvement
5. Strategic challenge: heightened interest in food safety
6. Performance improvement focused on Strategic Planning Process

**Strengths and Opportunities for Improvement:**

- Include an indication of the relative importance/strength of the comment by using ++ or - - as appropriate.
- Include a reference to the most relevant key factor(s) (KFs).
- Include an indication of which process evaluation factors are addressed in this comment.

**Le = Performance Levels    T = Trends    C = Comparisons    Li = Linkages    G=Gaps**

**STRENGTHS (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

+ / ++	Item Ref.	KF Ref.	Le/T/C/Li	STRENGTHS
+	7.6a(1)	6	Le/T/C	The applicant measures achievement of organizational strategy through the percentage of strategic action plans on target for achieving key milestones and deadlines (Figure 7.6-1). Results for this measure improved from about 50% in 2000 to over 90% in 2004, and they met or exceeded established targets from 2002 to 2003.
+	7.6a(2)	1,2,6	Le/T/C/Li	The annual employee survey results provided in Figure 7.6-2, Perceptions of Ethical Behavior, indicate consistently improving performance, with the percentage of employees who strongly agreed with statements regarding the ethical behavior of fellow employees increasing from about 72% in 2002 to over 80% in 2004. In addition, the applicant’s performance has consistently matched or exceeded that of the best competitor benchmark. These results may indicate the effectiveness of approaches to ensuring an environment that promotes ethical conduct.
+	7.6a(3)	1,2,6	Le/T	Financial Audit Results (Figure 7.6-4) for the annual external audit, a key measure of fiscal accountability, show a trend toward improvement in the number of findings from 2000 to 2004. For the past three years, the applicant has achieved its established target for this measure of no findings.



++	7.6a(4)	1,2,6	Le/T/C	The applicant's performance in Results of HHS Audits (Figure 7.6-5) has shown sustained improvement from 2000 to 2004, with the overall score increasing from approximately 89% to nearly 100%. These results are better than the top 10% of the reported audits for the two cities in which the applicant operates. In addition, the applicant has not been cited for any violations of health or food safety codes at either of its locations in the past seven years and has not been cited for any violations for waste removal or any employee-related regulation for the past five years.
++	7.6a(5)	1,3,4,6	Le/T/C/Li	The applicant's results for Contributions to the Community (Figure 7.6-6) and Services Donated (Figure 7.6-7) demonstrate improving performance from 2001 to 2004 and from 2000 to 2004, respectively. The applicant's monetary donations to the community's Restaurant Week increased from approximately \$3,500 in 2001 to \$5,000 in 2004, exceeding its top 10% comparison, which includes much larger restaurants. Approximately 130 of the organization's 212 employees participated in community-related events in 2003 and 2004 (Figure 7.6-7), reflecting the effectiveness of the applicant's approach of allowing up to four days a year for employees to participate in community service-related activities.
+	7.6a(5)	1,3,4,6	Le/T/Li	Results for Developmentally Disabled and Disabled Veterans Employed (Figure 7.6-8) show improving performance from 2000 to 2004, with the combined number employed increasing from 4 to 25. The applicant also supports the hospitality industry. Its performance in Employees Advancing Careers in Hospitality (Figure 7.6-9) demonstrates improving performance in all factors from 2000 to 2004, including an increase in the number of active scholarships from one to six.

**OPPORTUNITIES FOR IMPROVEMENT (Include figure references, as appropriate.)**

*(Tab to move to the next column; tab from the final column begins next comment.)*

-/- -	Item Ref.	KF Ref.	Le/T/C/Li /G	OPPORTUNITIES FOR IMPROVEMENT
-	7.6a(1,3, 5)	2-5	C	Comparative data are not provided for some key measures of leadership and social responsibility, including action plan achievement (Figure 7.6-1), financial audit results (Figure 7.6-4), and community support (i.e., contributions and services donated) (Figures 7.6-6 and 7.6-7). Without such comparisons, the applicant may have difficulty evaluating its progress in the areas.
-	7.6a(2)	1,2	G/Li	Results are not provided for several measures of ethical behavior. For example, no results on this topic are presented from the annual customer surveys noted in 1.2b. In addition, results are not provided for the number of code of conduct violations or for employment termination due to ethical issues, also referenced in 1.2b (although the applicant states these results are available on site). Further, the applicant does not provide results related to the key measures or indicators of trust in the senior leaders' governance of the organization from such stakeholder groups as partners and the community. Without results in these areas, it may be difficult for the applicant to accurately gauge its performance in its key Value of Ethics, Honesty, and Integrity.
-	7.6a(3)	1,2	Le/T/Li	While the applicant's internal financial audits are more stringent than its external audits and its performance improved from 2002 to 2004 (Figure 7.6-4), its 2004 level (16 findings) is higher than the levels from 1999 to 2001. This decline in performance may make it difficult for the applicant to ensure its financial processes can continue to favorable excellent results in external audits.

**Stage 2 Percent Score** 60-70%

## SCORING GUIDELINES—BUSINESS CRITERIA

SCORE	PROCESS (For Use With Categories 1–6)	RESULTS (For Use With Category 7)
<b>0% or 5%</b>	<ul style="list-style-type: none"> <li>▪ No systematic approach is evident; information is anecdotal. (A)</li> <li>▪ Little or no deployment of an approach is evident. (D)</li> <li>▪ An improvement orientation is not evident; improvement is achieved through reacting to problems. (L)</li> <li>▪ No organizational alignment is evident; individual areas or work units operate independently. (I)</li> </ul>	<ul style="list-style-type: none"> <li>▪ There are no business results or poor results in areas reported.</li> <li>▪ Trend data are either not reported or show mainly adverse trends.</li> <li>▪ Comparative information is not reported.</li> <li>▪ Results are not reported for any areas of importance to your organization's key business requirements.</li> </ul>
<b>10%, 15%, 20%, or 25%</b>	<ul style="list-style-type: none"> <li>▪ The beginning of a systematic approach to the basic requirements of the Item is evident. (A)</li> <li>▪ 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)</li> <li>▪ Early stages of a transition from reacting to problems to a general improvement orientation are evident. (L)</li> <li>▪ The approach is aligned with other areas or work units largely through joint problem solving. (I)</li> </ul>	<ul style="list-style-type: none"> <li>▪ A few business results are reported; there are some improvements and/or early good performance levels in a few areas.</li> <li>▪ Little or no trend data are reported.</li> <li>▪ Little or no comparative information is reported.</li> <li>▪ Results are reported for a few areas of importance to your organization's key business requirements.</li> </ul>
<b>30%, 35%, 40%, or 45%</b>	<ul style="list-style-type: none"> <li>▪ An effective, systematic approach, responsive to the basic requirements of the Item, is evident. (A)</li> <li>▪ The approach is deployed, although some areas or work units are in early stages of deployment. (D)</li> <li>▪ The beginning of a systematic approach to evaluation and improvement of key processes is evident. (L)</li> <li>▪ The approach is in early stages of alignment with your basic organizational needs identified in response to the other Criteria Categories. (I)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improvements and/or good performance levels are reported in many areas addressed in the Item requirements.</li> <li>▪ Early stages of developing trends are evident.</li> <li>▪ Early stages of obtaining comparative information are evident.</li> <li>▪ Results are reported for many areas of importance to your organization's key business requirements.</li> </ul>
<b>50%, 55%, 60%, or 65%</b>	<ul style="list-style-type: none"> <li>▪ An effective, systematic approach, responsive to the overall requirements of the Item, is evident. (A)</li> <li>▪ The approach is well deployed, although deployment may vary in some areas or work units. (D)</li> <li>▪ 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)</li> <li>▪ The approach is aligned with your organizational needs identified in response to the other Criteria Categories. (I)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improvement trends and/or good performance levels are reported for most areas addressed in the Item requirements.</li> <li>▪ No pattern of adverse trends and no poor performance levels are evident in areas of importance to your organization's key business requirements.</li> <li>▪ Some trends and/or current performance levels—evaluated against relevant comparisons and/or benchmarks—show areas of good to very good relative performance.</li> <li>▪ Business results address most key customer, market, and process requirements.</li> </ul>
<b>70%, 75%, 80%, or 85%</b>	<ul style="list-style-type: none"> <li>▪ An effective, systematic approach, responsive to the multiple requirements of the Item, is evident. (A)</li> <li>▪ The approach is well deployed, with no significant gaps. (D)</li> <li>▪ 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)</li> <li>▪ The approach is integrated with your organizational needs identified in response to the other Criteria Items. (I)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Current performance is good to excellent in most areas of importance to the Item requirements.</li> <li>▪ Most improvement trends and/or current performance levels are sustained.</li> <li>▪ 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.</li> <li>▪ Business results address most key customer, market, process, and action plan requirements.</li> </ul>
<b>90%, 95%, or 100%</b>	<ul style="list-style-type: none"> <li>▪ An effective, systematic approach, fully responsive to the multiple requirements of the Item, is evident. (A)</li> <li>▪ The approach is fully deployed without significant weaknesses or gaps in any areas or work units. (D)</li> <li>▪ 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)</li> <li>▪ The approach is well integrated with your organizational needs identified in response to the other Criteria Items. (I)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Current performance is excellent in most areas of importance to the Item requirements.</li> <li>▪ Excellent improvement trends and/or sustained excellent performance levels are reported in most areas.</li> <li>▪ Evidence of industry and benchmark leadership is demonstrated in many areas.</li> <li>▪ Business results fully address key customer, market, process, and action plan requirements.</li> </ul>

## 2005 Scoring Band Descriptors

Band Score	Band Number	% Applicants in Band	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 focused on the future. The organization obtains results stemming from its approaches, with some improvements and good performance. The organization is in the early stages of using comparative and trend data.
376–475	3		The organization demonstrates effective, systematic approaches responsive to the basic requirements of most Items, although there still are 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 results 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 <sup>2</sup> leadership and some benchmark leadership are demonstrated in results, which 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, which fully address key customer/stakeholder, market, process, and action plan requirements.

1. Percentages will be based on scores from the Stage 1 review.

2. Industry refers to other organizations performing substantially the same functions, thereby facilitating direct comparisons.

## A, D, L, I Definitions

The four factors used to evaluate process are Approach, Deployment, Learning, and Integration. The following questions can be asked to determine if the process meets the requirements of approach and deployment and/or if the process is mature enough to show cycles of learning and integration.

### **Approach (A):**

- What approach (i.e., the methods used to accomplish a process) or collection of approaches is discussed?
- What Areas of the Criteria Item does the approach address (e.g., 1.1a[1-3], 1.1b)
- Is the approach systematic (with repeatable steps, inputs, outputs, key steps, and time frames)?
- Is there evidence that the approach is effective?
- Is this approach (or collection of approaches) a key organizational process? Is the approach important to the applicant's overall performance? (If yes, clearly state why it is important and cite the key factors used to support your position.)
- Are any of the multiple requirements of the Item that are not addressed (gaps) important to the applicant?

### **Deployment (D):**

- To what extent is the approach deployed (shared or spread) throughout the organization (early stages, well deployed but with some variation among areas/work units, well deployed with no gaps, or fully deployed)?

### **Learning (L):**

- Has the approach been evaluated and improved? If yes, is the evaluation and improvement conducted in a fact-based, systematic manner (e.g., regular, recurring, data driven)?
- Is there evidence of organizational learning (i.e., evidence that the learning from this approach is shared with other organizational units/other work processed)? Is there evidence of innovation and refinement from organizational analysis and sharing (e.g., evidence the learning is actually used to drive innovation and refinement)?

### **Integration (I):**

- How well is the approach aligned with the applicant's organizational needs identified in the other Criteria Items and in the Organizational Profile? How well is the approach integrated with these needs? (Examples of needs are strategic challenges, objectives, and related action plans; organizational mission, vision, and goals; key processes and measures; key customer/market segments and requirements; and employee groups and requirements.)

## Le, T, C, Li, G Definitions

Evaluating the extent of performance levels, trends, comparisons, linkages, and gaps in the data and results measures an applicant presents—given the applicant’s key factors and the information presented in the Organizational Profile—is how to assess the Results Items of Category 7.

### **Performance Levels (Le):**

The term performance “levels” refers to numerical information that places or positions an organization’s results and performance on a meaningful measurement scale. Performance levels permit evaluation relative to past performance, projections, goals and appropriate comparisons.

### **Trends (T):**

“Trends” refers to numerical information that shows the direction and rate of change for an organization’s results. Trends provide a time sequence of organization performance. A minimum of three data points generally is needed to begin to ascertain a trend. More data points are needed to define a statistically valid trend. The time period for a trend is determined by the cycle time of the process being measured. Shorter time cycles demand more frequent measurements, while longer cycle times might require longer time periods before meaningful trends can be determined. Examples of trends called for in the Criteria include data related to product and service performance, customer and employee satisfaction and dissatisfaction results, financial performance, marketplace performance, and operational performance, such as cycle time and productivity.

### **Comparisons (C):**

“Comparisons” in results data should show how the organization’s results compare with those of other, appropriate selected, organizations. Benchmarks are one form of comparative data. Other comparative data organizations might use include industry data collected by a third party (frequently industry averages), data on competitors’ performance, and comparisons with similar organizations in the same geographic area.

### **Linkage (Li):**

“Linkages” show the extent to which results measures link to key factors and Process Items, such as important customer, product and service, market, process, and action plan performance requirements identified in your Organizational Profile and in Process Items.

### **Gaps (G):**

“Gaps” are the missing results data that are anticipated to be found in Category 7—given the applicant’s key factors and information presented in the Organizational Profile and in Categories 1–6.

## Baldrige National Quality Program

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**Technology Administration**  
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