



A NEW DECADE BRINGS A RENEWED FOCUS

The 2010 Owners' Rallies held the week of May 17th in our four major regions were well received by our owners and key store level staff. The Williamsburg rally had 82% of stores represented, the Roanoke rally had an impressive 93% of stores represented and the Baltimore and Washington rallies had 91% of stores represented. I want to thank all of those owners for attending and especially those owners who brought their managers and key staff with them. Those owners who chose not to attend or could not attend missed some important information on how we plan to grow our business over the next five years and we look forward to seeing them at the next regional rally.

We were very excited to be able to have Julian Dent present the key components of the *2015 Strategic Plan* which showed us just how few visits we are currently getting from the heavy QSR user and what changes we must make as a system in order to increase this number to significantly grow our sales and profits over the next five years. Of particular concern was the number of customers who visit our restaurants, brought in by effective advertising campaigns, only to have a less than desirable experience and not return. This is where we must place our focus: getting the Franchise 101 Basics right every time! We see customer complaints in every market in the territory on the increase this year with service related complaints coming in at the top. Poorly trained staff, rude staff and poor product preparation issues continue to top the list. Jim Byrnes delivered his *Subway Sustained Superior Service* presentation at our rallies which dovetailed very nicely into our focus on the customer experience. This is an area that we all have great control over and can make significant improvements in each market if every owner takes a serious look at how their teams are trained and supervised and what tools they are currently not utilizing in this effort. To simply caulk it up to a tough labor market is simply not going to allow us to make the needed changes that we must make in order to greatly increase the profitability of our investments.

We discussed that with this new decade SDC would now be requiring all owners to submit a Business Plan with specific actions on how you plan on reaching the 2015 goals. The plan will include an Organizational Chart which highlights all PIC or DAI trained managers and number of Sandwich Artist's per store so that we can see how training is conducted in your organization and by whom. It will also include a Training Guide, the manual that is used by you to train all new hires coming into your organization and how the University of Subway is utilized beyond the PIC requirement as part of a comprehensive training program. Several great manuals have been available for years and can be used to design a manual specific to your organization. There will be much more information sent out in the coming weeks and months on this program, but we know we must focus in on this as never before if we are going to see better store level execution and delivery of the Franchise 101 Basics at a higher level in each market. Everyone should want to rally around this effort as it directly impacts the profitability of every store in every market.

Finally, I want to thank all of our vendors for their participation. We had close to twenty vendors at each meeting, the most we have ever had. There was a wide variety of key vendors and it seemed that those in attendance were able to meet with many of them and find value in what they learned.

Thanks again for all those owners and key staff that attended and we look forward to working together so that we find our selves in an even more prosperous place in 2015!