



We recently finished our fabulously successful Dallas meeting with over 1100 owners in attendance and over 200 suppliers and owner employees.

Some of the most memorable comments from the speakers and the attendees include:

- Culture eats strategy for lunch
- It's all about cash flow
- Screw with one of us screw with all of us
- We will lead together again
- The greatest good for the greatest number
- When you have a big stick you don't have to use it
- Changing the CFR measure doesn't lower your debt or your payments
- The Voice is not part of the National Franchising Standards
- Never do anything to harm the Brand
- You are not alone
- The changes to BBV 2020 did not go far enough
- We are losing our emotional connection to the customer
- We must represent the interests and points of view of the owners
- Delivery is the future - it's the economics that need to change

The creative by Bob Shallcross was incredible, memorable and inspiring - be sure to check out those videos.

Blake Casper opened the meeting focusing on the relationships and our culture. Our relationships with our crew, the customer and the Company. He compared our relationship with the Company to a marriage paraphrasing Fred:

“ Fred was talking about the marriage and how everything must be subordinated to the marriage. All else comes second. If we are doing anything to violate the marriage, it must be stopped. Full stop. Hard stop. Don't pass go stop. Stop the intimidation, stop the bullying, stop the apathy. But maybe most importantly, stop the contempt. Contempt will kill a marriage quicker than anything else. There are plenty of battered marriages out there, but there are very few contemptible marriages. So what's the opposite of contempt...here is my list...faith in, trust of, commitment to, care for...laughing, work, focus, love..”happily ever after”. That's McDonalds ”

We need to stop chasing the haters and double down on the McDonald's lovers - there are many more of them.

Mark Salebra followed Blake with his focus on how we should be doing business and the NOA's core values. The leadership team was then introduced. Blake Casper, Director and President, Mark Salebra, Director and Vice President, John Kujawa, Executive Director, Larry Tripplett, Director, Estaphan Awad, Director and Secretary and Val Netland, Director and Treasurer. Each Director shared their thoughts on the purpose of the NOA.

John Kujawa then reviewed key provisions of the Bylaws, including officers, annual meetings, election of Directors, voting rights (one vote per restaurant cast by the P1X owner for that restaurant) and dues (\$200/restaurant and \$100/Walmart and SPODs).

Dorothy Stingley shared her powerful story and perspective on the need for the NOA.

The session concluded with a Q&A period. With questions ranging from Blake's email on UBER delivery to the setting of the dues to the voting rights to financial controls and individual owner advocacy. As a self-funded group all the questions were welcomed and answered with complete transparency.

The second session started with a presentation by the NFCA group. Andy Laufer, Carole Casale and Ron Cressman presented on behalf of the group. They shared their owners' collective financial situation, depreciation advice, the need for planning, interest rate concerns and ROI calculations. There was also owner participation on their borrowing experience.

The NOA's general counsel, Carmen Caruso, then presented on Good Faith and Fair Dealing, statutory protections in many states, the prohibition on franchisor retaliation, never taking any action that will harm the brand and that the NOA is a very powerful organization when we are united.

Leo Lopez, the Franchising Team lead for the NLC next updated the audience on recent changes the team has been able to get implemented (RTR letters, CFCR abeyance, preferred buyers) and what they are currently working on. John Kujawa then discussed the National Franchising Standards focusing on the Building the Business through Guest satisfaction Standard. He then offered some advice on Sales between Operators and documenting conversations with McDonalds' company employees.

All the presenters then conducted a Q&A session.

Day 2 started with a welcome by Blake and a video from Paul Schrage. Travis Heriaud then presented on OPNAD. He opened his presentation with the need to protect our culture and bring it to life with our customers. Since the Tampa meeting OPNAD has made significant pivots. The challenges we are facing include strong cost head winds, the need to grow GC's, the risk of losing our emotional connection with our customers, and the need to fix creative. OPNAD has learned that one National plan does not work and we need to balance the plan and the 3 legged stool.

They will: fix value, adjust GMA, rebalance the calendar, and resource effective local plans.

They have completely rebuilt the Value team, changed D123 to have more local empowerment with local having 80% of everyday value.

Travis closed with stating how media is growing, how important GMA is to our future and the great opportunity Delivery represents if we can get the economics right.

David Bear presented the case for change and the multi year analysis and selection process NPSAG went through which led to Deloitte being chosen as the new nationally approved, strategic pricing advisor. Christian Sandoval presented on technology. He pointed out that for many years we had 2 touch points with our customers but that since 2017 that number has grown to at least 7. He then thanked the owners that participated in the NOA Technology survey stating it was valuable to his team. The number 1 priority for the team is Reliability. They must get RFM, GMA and NP6 fixed. The goal of Digital menu boards is to grow cash flow and leverage information. GMA needs to be a strategy that drives engagement. Kiosks will have a new look and feel and require less touches to place an order. Soon they will be able to take cash. They are simplifying the RFM home page. It is their plan to keep tech costs flat for 2019.

Jon Kelly followed sharing that the NLSC demands full transparency and accountability, competitiveness and winning. He stated that our specs are higher than our competitors. He shared things have changed since Styrofoam cups were pulled without owner input – we will ask about the wants of the customer before making any similar decisions. NSLC has picked up equipment and is working hard to gather feedback and has a process to get it fixed. He also shared McDonald's storm relief efforts and success.

Jon's closing was incredibly well thought out and passionate. He covered the need for and changes caused by the NOA, the need for unity, that delivery is the future and all 3 legs of the stool should profit from it. He explained that paying rent and service fees on a 20% delivery fee is not the same as paying rent and service fees on a 2% credit card fee and the credit cards did not set a precedent. Finally, we must align our own interests to return to our past success.

The meeting closed with 2 open question and answer sessions. The first with representatives from all the Diversity Groups and the second with the NLC Officers.

Some of the frequently heard post meeting comments from the attendees include:

- Best meeting ever,
- Felt part of the McFamily,
- I know I am not alone,
- Let's lead with solutions, and
- Thank you for forming the NOA.

The entire Board of the NOA thanks all who attended the Dallas meeting for their support, engagement and encouragement.