

# 2024

# PRE-WORK

## CASE STUDY | Music City Bites

You may access this year's case study application from the TNCPE website at: [www.tncpe.org/examiners](http://www.tncpe.org/examiners)

Please download and print the case study for use in orientation and the examiner training course. We advise that you print your application in color as the applicant has color-coded figures, charts, and graphs throughout the application.

Additional instructions for accessing the case study appear in the Step-by-Step Instructions in your pre-work packet.



TNCPE | PO Box 101310 | Nashville, TN 37224  
[examiners@tncpe.org](mailto:examiners@tncpe.org) | [www.tncpe.org](http://www.tncpe.org)



# 2024



## Music City Bites, LLC. Case Study

The Music City Bites LLC Case Study was developed for the Tennessee Center for Performance Excellence (TNCPE) for use in its Examiner Training efforts. The Music City Bites, LLC Case Study describes a fictitious small business organization in the restaurant industry. There is no connection between the fictitious Music City Bites, LLC and any other organization, either named Music City Bites or otherwise. Other organizations cited in the case study are also fictitious, except for references to several national and government organizations. This Case Study has been developed, both in content and data utilization, to ensure that it addresses questions within the 2023-24 Baldrige Framework and reflects issues currently faced in today's business environment. Because the case study is developed to train TNCPE Examiners and others and to provide an example of the possible content of a TNCPE application, there are areas in the case study where Criteria requirements are not fully addressed.



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# Completing the Intent to Apply/Eligibility Form

1. Applicant: Provide the official name and address of your organization.

Music City Bites, LLC    4707 Magenta Sky Lane                      Nashville, TN 37214

2. Size and Locations: Provide the number of full-time equivalent employees (FTE) working at the organization.

NOTE: Full-time equivalent employees are defined as those who regularly work 37.5 or more hours a week and are entitled to benefits. Additionally, indicate the number of sites to be included in the evaluation.

3 locations

1.) Music City Bites, LLC Corporate Headquarters employs 15 FTE employees and is located at 4707 Magenta Sky Lane    Nashville, TN 37214

2.) Music City Bites (Belle Meade) employs 74 FTE employees and is located at 2303 Landmark Lane, Nashville, TN 37205

3.) Landmark Dining (Hermitage) employs 72 FTE employees and is located at 1707 Hermitage Parkway, Nashville, TN 37076

All three of the above sites function as a single entity and should be included in TNCPE's evaluation.

3. Industry Sector: Select the sector that best describes your organization.

Music City Bites, LLC operates a food service and restaurant business serving residents and businesses within the Greater Nashville area. We use the Business/Non-Profit version of the Criteria.

4. Industrial Classification: Indicate the North American Industry Classification System (NAICS) codes most relevant to your organization's products

and/or services. To search for the appropriate NAICS codes, visit [https:// www.naics.com/search/](https://www.naics.com/search/).

a. 722 Food Services and Drinking Places

5. How did you hear About us: Take a moment to tell us how you learned about TNCPE.

We learned about TNCPE when one of our company's leadership attended Belmont University while attaining their MBA. One of the course requirements included the review of the Malcolm Baldrige Quality Award and the Framework that the national program developed and deployed. Our organization began using the framework informally, and formally adopted it as an improvement methodology in 2015. We have applied twice since beginning our continuous improvement journey with two-year gaps in between application cycles to give us time to develop approaches and deploy them based upon the feedback received. Our corporate leadership performs site visits annually to check adherence and deployment of key processes and uses the outputs of those site visits to identify improvements needed for the coming year. We have attended TNCPE's Annual Conference since adopting the Baldrige Criteria as our improvement methodology and use TNCPE's award process as an external evaluation to identify blind spots in our own internal evaluation processes.

6. Official Organization Contact: In these fields provide complete contact information (using a street address) for the person at the organization who will be the point of contact for the TNCPE office and the examiner team leader.

Ellen Bellweather, CEO 4707 Magenta Sky Lane Nashville, TN 37214

Phone: 615-225-4476 e-mail: ellen@musiccitybites.com

7. Alternate Official Contact: Provide contact information for an alternate contact with authority to provide additional information in the event the official contact is not available. If the official or alternate contact changes during the course of the application process, please inform TNCPE.

Josie Bellweather, COO 4707 Magenta Sky Lane Nashville, TN 37214

Phone: 615-499-1305 e-mail: josie@musiccitybites.com

8. Return Applicant?: Indicate if the organization has applied for an assessment with TNCPE before. If so, please indicate the year(s) of application.

Yes. We applied in 2017 and 2019

9. Application Level: Choose the level of recognition for which your organization plans to apply:

Commitment Award (Level 2), Achievement Award (Level 3), or **Excellence Award (Level 4)**.

10. Assurance and Authorizations: Your organization's highest-ranking official is required to authorize the application. This indicates that your organization will comply with the responsibilities associated with being a TNCPE Award Program participant.

*Ellen Bellweather, CEO of Music City Bites, LLC*

11. Participation on the Board of Examiners: One of the best ways to gain knowledge of the TNCPE Baldrige Excellence Framework is to serve as an examiner and see how the framework has been applied to other, diverse organizations. Past applicant organizations have benefited from having examiners on staff and TNCPE is pleased to provide these benefits to future applicants. We are happy to provide training free of charge to one employee of each applicant organization. Indicate contact information for the employee you would like to attend training. If your examiner candidate is unable to fulfill all requirements of the review schedule, TNCPE will invoice you the value of examiner training (\$795).

Amelia Bellweather 4707 Magenta Sky Lane Nashville, TN 37206

Phone: 615-499-1305 e-mail: amelia@musiccitybites.com

12. Organizational Profile: Include a line and box organizational chart or charts for your organization. This should be provided as a separate attachment.

See attached.

13. Subunits: If your organization is a subunit of a larger organization, attach a line and box organizational chart showing your organization's relationship to the highest management level of the parent organization, including intervening levels. On a separate attachment, briefly describe the major functions provided to the applicant by the parent or by other subunits of the parent.

Music City Bites, LLC is a small business located in Nashville, Tennessee with two restaurants located in Belle Meade and Hermitage neighborhoods in Nashville. Corporate offices are located in Opry Mills.

14. Intent to Apply Fee: A \$250 non-refundable Intent to Apply Fee is required to cover the costs associated with the initial processing and eligibility determination. The Intent to Apply Fee may be paid by check or with a credit card. Select "**Invoice Me**" to pay by check or select "Pay Now" to pay by credit card.

Check attached

### **Submitting your Intent to Apply/Eligibility Packet**

Your Intent to Apply/Eligibility Packet should include:

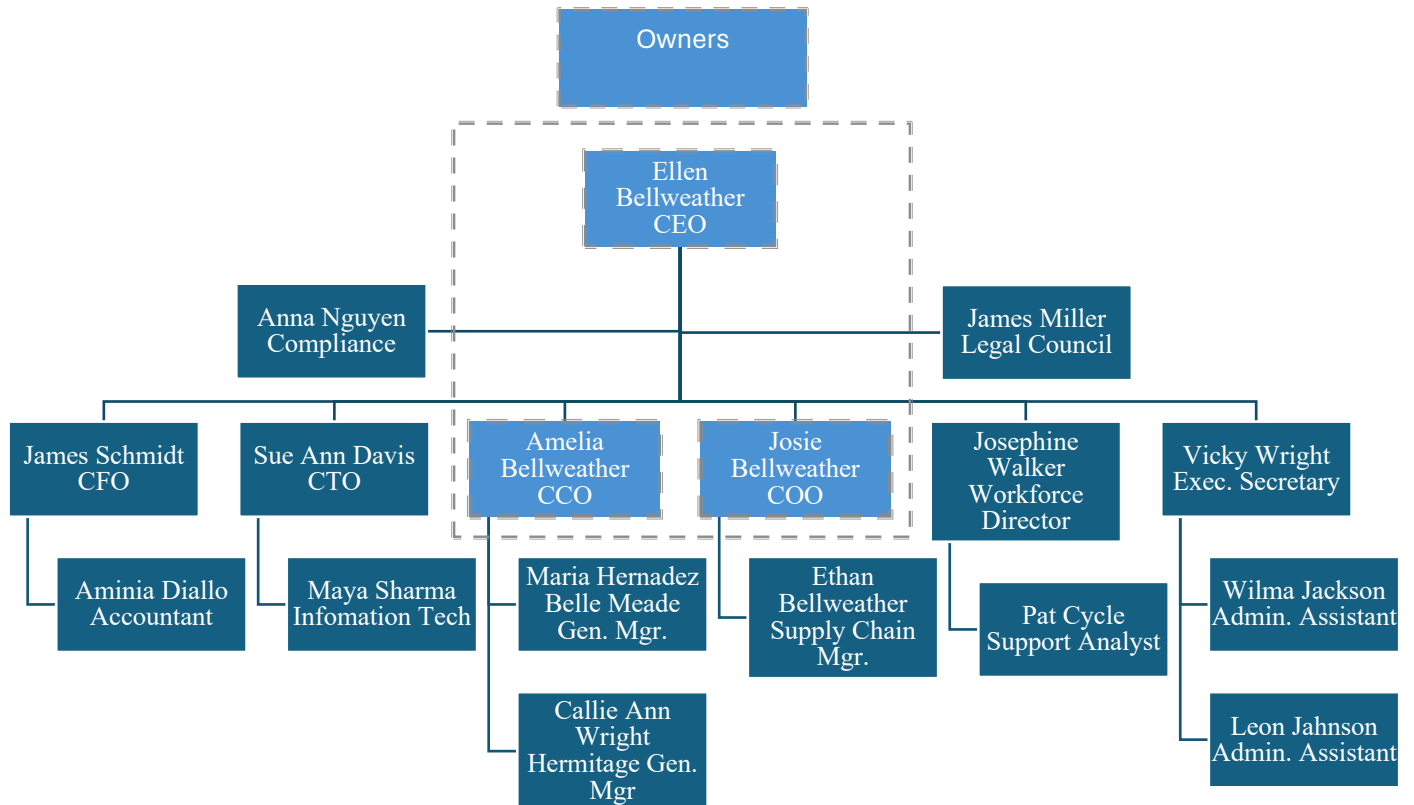
- The Intent to Apply/Eligibility Form
- Organizational chart or charts
- \$250 fee (paid only with a credit card or invoiced to your organization)

Attach these items to the online registration form by the deadline

# Music City Bites, LLC

## Organization Chart

**Advisory Board** is composed of two elected Board Members (Benjamin Cohen and Asih Kapoor) and three owners who also function as the CEO, COO, and the CCO. Non-family Board Members are identified by the CEO based on the skills they possess and identified needs of the Board/Business and then elected by majority vote by the owners.



## GLOSSARY

**5s:** a workplace organization and control method which reflect 5 “s” based words; 'sort', 'set in order', 'shine', 'standardize', and 'sustain'.

**AIR:** Annual Improvement Retreat

**AP / Action Plan:** a definitive checklist of tasks and resources needed to complete a project or achieve a goal. Also is used as Accounts Payable

**AR:** Accounts Receivable

**AOS:** Available On Site

**ASCAP:** American Society of Composers, Authors, and Publishers

**Balanced Scorecard:** Strategic planning prioritization tool

**Benchmarks:** Comparisons or comparative data

**BITES:** PDCA continuous improvement tool used by and branded for Music City Bites

**BB:** Big Bite (Should / Must Do's)

**BMI:** Broadcast Music Inc.

**CASTLE:** Third party provided platform provider for the security suite used by MCB

**CC:** Core Competencies

**CITY:** Choices, Inviting, Timeliness and Yummy.

**DEI:** Diversity, equity, and inclusion

**DINER:** Third party provided platform for integrated management system and applications used to support business activities.

**FDA:** Food and Drug Administration

**FSIS:** Food Safety and Inspection Service

**FT:** Full-time team member working over 30 hours per week.

**FTE:** Full Time Employee

**I&I:** Ingredients and Inventory

**IT:** Information Technology

**KP:** Key Product

**KPI's:** Key Performance Indicators

**KS:** Key Service

**KSP:** Key Support Processes

**KWP's:** Key Work Processes

**LB:** Little Bite (Could Dos)

**LLC:** Limited-Liability Company

**Mgmt:** Management

**MBA:** Master in Business Administration

**MCB:** Music City Bites, LLC

**MBPB:** Metropolitan Beer Permit Board

**MRA:** Metro Restaurant Association

**Mtc.** Maintenance

**MOSCOW:** a method used to identify Must Dos, Should Do's, Could Do's, and Won't Dos – called **BB:** Big Bites (Must/Should Do's), **LB:** Little Bites (Could Dos), and **Tapas** (Could/Won't Dos).

**MVV:** Mission, Vision, and Values

**NAICS:** North American Industry Classification System

**OSHA:** Occupational Safety and Health Administration

**PDCA:** Plan, Do, Check, Act

**POS:** Point-of-Sale

**PT:** Part-time team member working less than 30 hours per week.

**RELAX:** MCB's mental health app

**RCA:** Root Cause Analysis

**SCM:** Supply Chain Management

**SMART:** Specific, Measurable, Attainable, Realistic, Timely

**SPP:** Strategic Planning Process

**SPS:** Strategic Planning Session

**SC:** Strategic Challenges

**SO:** Strategic Objectives

**SI:** Strategic Initiatives, Goals for Strategic Objectives, Action Plans, and Performance Projections

**SWOT:** Strengths, Weaknesses, Opportunities, Threats

**TDA:** Tennessee Department of Agriculture

**TN:** Tennessee

**TN ABC:** Tennessee Alcoholic Beverage Commission

**TNCPE:** Tennessee Center for Performance Excellence

**TN WRC:** Tennessee Workplace Regulations and Compliance also identified as Tennessee Department of Labor and Workforce Development

**TOSHA:** Tennessee Occupational Safety and Health

**USDA:** United States Department of Agriculture

The following abbreviations and denotations for Role within MCB are used within category responses and tables and are added here for clarification:

**Admin.:** Administration

**Asst. Mgr.:** Assistant Manager

**C:** Corporate

**CCO:** Chief Customer Officer

**CEO:** Chief Executive Officer

**CFO:** Chief Financial Officer

**COO:** Chief Operations Officer

**CT:** Contract Teachers

**CTO:** Chief Technology Officer

**FP or Food Prep.:** Food Preparation employees used for washing, chopping, food assembly and other activities related to the cooking process.

**Gen. Mgr.:** General Manager

**IT:** Information Technology or in cases of roles of employment Information Technician.

**M:** Management

**S:** Servers

**SL:** Senior Leaders

**SS:** Support Staff

**TM:** Team Members

## ORGANIZATIONAL PROFILE

Music City Bites, LLC (MCB) operates casual dining restaurants located in Nashville, Tennessee (TN). Hours of operation are from 11:00 am to 11:00 pm, seven days a week with the bar serving customers from 4:00 pm to 12:00 am Monday through Saturday. We have a small corporate office in Opry Mills and operate two restaurants, one located in Belle Meade and the other in the Hermitage community within the City of Nashville. From its humble beginnings as a food truck cycling between six parking lots in and around downtown Nashville, MCB has operated in multiple forms over its 37-year history. Today, MCB is a women-owned, family business operating as an LLC, filing taxes as an S-Corporation.

### P1. ORGANIZATIONAL DESCRIPTION

#### P.1a. Organizational Environment

**P.1a(1) Products and/or Service Offerings:** MCB offers sit-down and carry out options, as well as delivery of food and beverages within a five-mile radius of our store locations. This footprint enables us to reach almost 65 percent of the population of Metro Nashville areas including downtown. Both the Belle Meade and Hermitage restaurants offer a wide menu of appetizers, entrees, and desserts at competitive prices. We create meals that use locally grown meats and produce whenever possible. While our menu has many local favorites, we specialize in items which are flavorful, but difficult to replicate at home. Both restaurants have an adjoining bar area with live bands. Within the bar, a full-complement of alcoholic beverages are served. To preserve our family-friendly environment, the bar and restaurant are separated, and our adjoining restaurant offers beer and wine with meals. Figure P.1.1 indicates our Products and Services broken down by delivery method and percent of Revenue / Budget.

Figure P.1-1 PRODUCTS AND SERVICES		
Products & Services	Delivery Method	Percent of Revenue / Budget
Food and Drink	Dine In	57% / 60%
Food and Drink	Carry Out	12% / 10%
Food and Drink	Delivery*	10% / 10%
Alcoholic Beverages	Dine In Only	21% / 20%
*We currently use Metro Home Delivery for food delivery.		

**P.1a(2) Mission, Vision, Values, and Culture:** Our mission, vision, and values (MVV) have been modified extensively over the history of the company with significant changes occurring in 2020 as we recognized how our organization would need to adapt to the rapidly changing consumer, economic, and business environment.

We leverage our core competencies daily in the design, management, and improvement of key processes, supply chain management, meal prep, service delivery, and customer experience management efforts. Every facet of a process is

optimized to meet or exceed customer expectations and is critical to the successful attainment of our Mission, Vision, and Values (Figure P.1-2).

Figure P.1-2 MISSION, VISION, VALUES, CULTURE, & CORE COMPETENCIES
<b>MISSION:</b> Music City Bites: To deliver a consistently enjoyable dining experience where exceptional service and delicious food leaves a smile on every face.
<b>VISION:</b> To be Nashville's culinary destination known for high quality food, Southern hospitality, and memorable experiences.
<b>VALUES:</b> Customer Input which leads to Improved Customer Experiences, Valuing People, Teamwork Harmony that Creates Memorable Moments, Service Excellence, Culinary Innovation, Sustainable Practices, and Community Engagement.
<b>CULTURE:</b> Our culture reflects a collaborative environment where we all work to exceed the expectations of the customer. Our workforce is an extension of our family and as member of that family we hold each other accountable to portray the values that underpin our reputation within the community.
<b>CORE COMPETENCIES:</b> CC1- Customer Experience Management CC2- Meal sourcing, preparation, and hospitality CC3- Optimization of every process based on data and customer input

**P.1a(3) Workforce Profile:** MCB is a hospitality business that requires a workforce of approximately 161 (FTE) full and part-time, customer centric individuals to ensure our mission's success. Our customers are diverse and, therefore, our workforce is designed to reflect the communities we serve (Figure P.1-3). Based on workforce input and human resource consultants that support the hospitality industry, we have identified a target demographic which we attempt to maintain. Maintaining the demographic spread ensures broad appeal by our customers, helps us to maintain consistent benefit options that are attractive to current and perspective employees supporting retention, and the ability to recruit top tier prospects in the market.

Figure P.1-3 WORKFORCE PROFILE		
Job Type / FTE / Part-Time%		Gender
Corporate (C):	15 / 0%	Male: 32%
Management (M):	12 / 0%	Female: 68%
Servers (S):	78 / 0%	
Food Prep (FP):	33 / 20%	
Support Staff (SS):	23 / 20%	
Age/Tenure in Years (FT)		Race / Ethnicity
18-25	18% / 1.25 Years	White 49%
26-35	32% / 6 Years	Non-white: 45%
36-50	33% / 10 Years	International: 6%
51-65	11% / 3 Years	
65+	6% / 5 Years	

All customer-facing roles are performed by full-time employees and part-time employees are utilized for food prep and support services such as bussers, dishwashers, etc. We often use part-time opportunities as introductory positions and promote those who excel in hospitality to full-time positions as opportunities for advancement arise.

To maintain high workforce satisfaction and engagement among the demographic described, the restaurant has identified the Key Drivers (Figure P.1-4) which we have segmented by age and job type.

Figure P.1-4 KEY ENGAGEMENT DRIVERS		
Key Drivers	Age Segment	Job Type
Flexible Scheduling	All	S,FP, SS
Competitive Wages	All	All
Health Benefits	All but 18-25	All
Career Development	26-35 & 36-50	C,M,S,SS
Employee Discounts	18-25 & 65+	S,FP, SS
Recognition & Appreciation	All	All
Work Environment / Culture	All but 18-25	All
Work-Life Balance Initiatives	All	S, FP, SS
Key: C=Cooks, FP=Food Prep, S=Servers, SS=Support Staff		

The restaurant industry has seen significant changes since the pandemic. As Covid shuttered businesses and changed the expectations of the workforce and customers in various ways, we found many of our staff sought employment outside of the food industry and we struggled to maintain staffing. Retention of employees in the 51-65 age range was adversely impacted and we are currently working to recruit and retain that age range, especially those with top-tier food service experience. We are currently at target capacities for all positions except for Support Staff and Food Prep at the Belle Meade restaurant. The key driver of flexible scheduling has proven to be a significant challenge in developing a reliable workforce capability and capacity model and, when coupled with the strategic challenge of the Nashville Metro area's affordable housing market, this creates issues with all aspects of workforce planning, especially in the Belle Meade community.

**P.1a(4) Assets:** Our primary assets are divided into four categories: Physical, Human, Digital, and Intangible.

**Physical Assets** are restaurant space. Although both restaurants and our corporate office are under long-term leases, we consider the layout, décor, ambiance, and functionality for both dine-in and takeout/delivery to be physical assets. Kitchen equipment such as appliances, utensils, and tools necessary for preparing and plating food efficiently and safely are all essential to our success. Our Point-of-Sale (POS) System leverages technology for

processing orders, payments, and managing customer data and is utilized in every aspect of our improvement efforts.

**Human Assets** are a foundational element of our service delivery efforts. We hire, train, and support a team of skilled and friendly chefs, servers, and support staff which deliver exceptional service and ensure optimal customer experiences. We also develop managers and leaders who create a positive work environment, ensure efficient operations, and implement strategies for success.

**Digital Assets** include the MCB website, an informative and user-friendly interface showcasing our menu, ambiance, story, and online ordering options. We have developed a convenient mobile app for online ordering, reservations, loyalty programs, and special offers. We utilize numerous social media platforms to engage with customers, promote events, and share updates. Additionally, we support in real-time an online review management system that monitors and responds to online reviews, both positive and negative.

**Intangible Assets** are often overlooked but are essential to our image. We consider our brand identity, reputation, customer relationships, and community engagement to be some of our most valuable assets and we manage these to ensure success in this area. Our brand identity reflects a distinct and memorable brand that resonates with our target audience and reflects our values. Our reputation is built on consistently delivering excellent food, service, and atmosphere. We design our interactions to create customer relationships which are built upon genuine concern for the customer experience which fosters loyalty and repeat business. We look for ways to engage in the communities we serve and seek opportunities to be a part of the fabric of those communities. We are actively involved in local events, partnerships, and initiatives, which strengthens community ties.

**P.1a(5) Regulatory Environment:** Operating in the restaurant / hospitality industry is challenging and there are many local, state, and federal regulations, certifications, and requirements to ensure public health and safety. Figure P.1-5 depicts the various state, federal, and local organizations that develop and enforce regulations along with a brief description of the requirements they represent.

**P.1b(1) Organizational Structure:** MCB is a family-owned business operating as a limited liability corporation (LLC) filing as an S-Corporation. We utilize a five-member Advisory Board (See Org. Chart) that sets strategic direction, monitors performance as it relates to the execution of strategic goals and objectives, develops and approves modification of strategies, and stays abreast of industry and market trends in order to make wise and timely recommendations that are aligned with the family's objectives which are identified within the MVV of the organization.

The MCB Leadership System model features three distinct activities: create the environment, operationalize the strategy, and monitor and improve performance.

Figure P.1-5 REGULATORY REQUIREMENTS	
Regulator	Requirement
<b>State</b> -TDA	-Permits, inspections, safety regulations, Service Manager per establishment is required to maintain certifications with TDA
-TN ABC	-Licenses Alcohol Sales for beer, wine, and alcoholic permitting and training
-TN Dept. of Revenue	-Sales tax, permitting, tip withholding
-TOSHA, TN WRC	-Labor laws, unemployment tax, and Insurance, Workers Compensation
<b>Federal</b> -FDA, USDA FSIS -OSHA	-FDA food safety regulations, compliance with applicable recalls. -Compliance w/ workplace safety regulations, training, accident reports
<b>Local</b> -Dept. of Health -Metro Beer Board -City of Nashville	-Food Safety Inspections / Health Code -Issues Beer Permits  -Zoning Laws, Noise ordinances, and entertainment by-laws, bus. licenses
<b>Licensing</b> -ASCAP /BMI	-Music Licensing for live music

**P.1b(2) Customers and Stakeholders:** MCB uses a variety of internal and external data sources to identify key customers and requirements for each of our market segments (Figure P.1-6). Our mobile app and POS systems are designed to support this level of segmentation and we survey customers regularly to refine these findings. For purposes of identification, an asterisk has been added to Figures P.1-6 and Figure P.1-7 to reflect that although customers may interact with us in various ways, carry out and delivery customers reflect the method they most often utilize. Both restaurants represent distinct markets with similar customer groups, but different service characteristics.

Figure P.1-6 represents the percentage of sales revenue for each customer segment for both the Belle Meade and Hermitage markets. We can segment data in much greater detail to identify emerging customer segments or trends; however, Table P.1-6 reflects the segments by which we currently segment data to design and improve our work processes.

Figure P.1-6 KEY CUSTOMER REQUIREMENTS	
Customer Segment	Key Requirements
Dine In	Quality food, relaxed atmosphere, and proximity to home.
Bar Patrons	Interested in casual environment, quality appetizers and drinks in a vibrant music atmosphere.
Carry Out*	Busy professionals or families looking for high quality food to go for meals, parties, or gatherings.
Delivery Customers*	Convenient, accurate, and quick service, as well as a variety of menu options suitable for take-out or delivery.

Our stakeholders represent a broad group of individuals which may be affected by the actions and success of the organization. Stakeholders include the owners, workforce, suppliers, regulators, and the communities we serve. While they represent a wide variety of interests, they all share a single key requirement: Operate in a manner that promotes a safe, secure, and sustainable environment to ensure our community's health and growth.

Figure P.1-7 KEY MARKET & CUSTOMER SEGMENTS		
Customer Segment	Belle Meade	Hermitage
Dine In	55% of Sales	61% of Sales
Bar	22% of Sales	19% of Sales
Carry Out*	10% of Sales	14% of Sales
Delivery*	13% of Sales	6% of Sales
*We currently use Metro Home Delivery for food delivery.		

**P.1b(3) Suppliers, Partners, & Collaborators:** We often include suppliers and partners in focus groups to inform our SPP and engage them in developing any innovative initiatives that we determine worthy of pursuit. Organizations that have participated in these efforts are marked with an asterisk (Figure P.1-8). We partner with Metro Home Delivery\* to manage our food delivery service. We also collaborate with a consortium of local restaurants and our local Chamber of Commerce to collect and compare market data and acquire a better understanding of our community. We partner with a variety of food banks and Second Harvest Food Collectors to support charitable efforts in our community.

## P.2 ORGANIZATIONAL SITUATION

### a. Competitive Environment

**P.2a(1) Competitive Position:** MCB restaurants have a wide variety of potential competitors for food and beverage dollars within the markets served; however, we position ourselves to compete with other locally owned dine-in restaurants of similar size and service offerings. Belle Meade includes: The

Figure P.1-8 SUPPLIER, PARTNERS, COLLABORATORS, AND SUPPLY CHAIN REQ.		
Supplier Type	Supplier	Key Requirements
<b>Food Service Providers</b>	<ul style="list-style-type: none"> <li>• Fresh Farms Distributors*</li> <li>• Seafood Sensations Inc.*</li> <li>• Gourmet Grocers LLC</li> <li>• Baker's Bliss Bakery</li> <li>• Organic Oasis Co-op</li> <li>• Farmer's Market</li> </ul>	<ul style="list-style-type: none"> <li>• Food quality expectations met</li> <li>• Consistent and timely delivery</li> <li>• Responsive customer service</li> <li>• Traceability &amp; transparency</li> <li>• Alignment with MCB's MVV</li> </ul>
<b>Beverage Suppliers</b>	<ul style="list-style-type: none"> <li>• Brewmaster Distributors</li> <li>• Grapevine Imports</li> <li>• Spirit Savant Distillery</li> <li>• Coffee Culture Roasters*</li> <li>• Mixology Maven Supplies</li> <li>• Staffing Excellence</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance to licensing and regulatory reqs.</li> <li>• Quality assurance and brand variety</li> <li>• Consistent and timely delivery</li> <li>• Responsive customer service</li> <li>• Alignment with MCB's MVV</li> </ul>
<b>Equipment Suppliers</b>	<ul style="list-style-type: none"> <li>• Culinary Connection Equipment, LLC*</li> <li>• Bar Basics Warehouse</li> <li>• Stage Sound Solutions</li> <li>• Furniture Finesse Furnishings*</li> <li>• Black Hat IT Solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Quality, durability and reliability</li> <li>• Cost effectiveness</li> <li>• Alignment with MCB's MVV</li> </ul>
<b>Business Service Providers</b>	<ul style="list-style-type: none"> <li>• Linen Specialists</li> <li>• Eco-Friendly Cleaners</li> <li>• Mystery Shopper Network</li> <li>• Live Music Bookings</li> <li>• Marketing Marvels Agency*</li> <li>• Data Insight Providers, LLC*</li> <li>• Castle</li> <li>• Glassdoor</li> <li>• Simplyhired</li> <li>• Google</li> <li>• Yelp</li> <li>• Facebook</li> </ul>	<ul style="list-style-type: none"> <li>• Meet agreed upon timelines / budget</li> <li>• Alignment with MCB's MVV</li> <li>• Confidentiality</li> </ul>

Manor, Belle Meade Blues, and Cork and Crown Steak House. Of those offerings, MCB maintains a consistent 28 percent market share based on data we share amongst the consortium of local restaurants.

The primary differentiator that we attribute our success to is offering local music and our reputation for exceptional service. In Hermitage, we have a broader level of competition and the disposable income in that area is lower than that of Belle Meade. We directly compete with six locally owned restaurants: Hermitage Hideaway, The General's Table, Main Street Bar and Grille, Metro Grille, Taste of the South, and The Abbey. Only three offer live music and four serve alcoholic beverages, which gives us a competitive advantage. Based on comparative reviews, our restaurant consistently ranks higher in terms of customer satisfaction, and we have much higher customer loyalty than the other restaurants in our area. We enjoy a 14 percent market share in Hermitage and have been experiencing steady growth in that market since 2021.

**P.2a(2) Competitiveness Changes:** The restaurant industry has seen significant change since 2020 and Nashville's economic growth, along with its benefits, has brought about its own share of competitive challenges. The major changes impacting MCB's ability to compete includes:

- Increasing food costs and its impact on repeat customer volume and restaurant selection.
- Availability of a skilled workforce coupled with the local issues of affordable housing within the area.
- Rapidly evolving customer tastes and preferences.
- Dynamics of technology integration to create seamless customer experiences from mobile apps and integration with delivery services to POS.
- Increasing consumer interest in home delivery services and mobile apps enabling ghost restaurants, virtual kitchens, and pop-up restaurants to emerge as a threat to traditional restaurants.
- Increasing food allergy and alternative food preferences (i.e., gluten free, dairy free, vegan, etc.) and impact on food costs.

Recognizing these emerging changes, we have developed action plans to minimize the impact on our operations in a proactive and strategic manner. These initiatives include partnering with local restaurant supply chain managers to develop collaborative partnerships with food providers to enable lower pricing. We are in the early stages of discussions with Metro Transportation to increase the hours of bus routes in Belle Meade to increase our access to a skilled workforce that may have transportation issues. We are also evaluating the merits of our own delivery service options that would diminish customer exposure to competitive options.

**P.2a(3) Comparative Data:** Key sources of comparative data from within the industry include Metro Restaurant Association (MRA), a consortium of local restaurant owners who share quarterly sales measures, workforce retention, staffing capacities, and financials. We also contract with an industry research firm to perform customer surveys and conduct focus

groups to acquire insight into tastes and preferences. Staffing Excellence provides us with results from the best-practice restaurant operators. Although we are not included, we use the same methodology to enable comparison to restaurants exhibiting best in class performance. Mystery Diners Network provides us with third-party insights into our local competitors' performance in wait times, customer experience, and menu offerings including pricing and health code ratings. Managers' walk-arounds capture data, and our customer feedback is reviewed daily.

Key sources of comparative data from outside the industry include publicly available social media ratings from Google, Yelp, and Facebook which encourages customer reviews. Our membership in the local Chamber of Commerce offers us insights into trends in the Metro area which impact us. Although we have not found comparative data among the Baldrige Community, we review published applications and presentations from state and national quality award recipients to identify potential sources of comparative data and innovative practices. As with any organization, limitations related to data collection always exist. There are many food service providers, especially for carry out and delivery, which we do not compare ourselves against, representing recognized gaps. We are also heavily reliant on the accuracy of local competitors and their willingness to provide open and honest measures. Although this is difficult to verify, we do perform some testing and reviewing to increase confidence in the data.

**P.2b Strategic Context:** Together with the Advisory Board and Owners, MCB's Leadership Team creates a culture that delivers memorable experiences for our customers. Based on multiple cycles of strategic improvement and refinement, MCB has developed an organizational structure, processes, and culture to focus on action and achieve sustainable performance, foster improvement, encourage innovation, and seek strategic opportunities. Developing leading-edge practices in an integrated, continuous process improvement environment allows us to deliver a distinctive value stream that benefits our customers.

MCB recognizes that there are a lot of competitors in the industry. Most of these competitors are much larger and have more resources available to develop creative services which are appealing to customers. Our Leadership Team views these competitors as a source for research and development efforts. By monitoring these large competitors, we can identify sources of innovation which we can adapt and deploy to create value for our customers. This allows us to strategically address the challenges and threats we face in the local market (Figure P.2-1).

**P.2c Performance Improvement System:** We adopted the Baldrige Framework as a template for operational success in 2015. All key processes and customer facing processes are documented and evaluated annually or as emerging data identifies changes in customer expectations or our results. Our internal site visit team evaluates restaurant deployment of

these processes annually and results are integrated into our Strategic Planning Process (SPP) and Workforce Training modules. We are data transparent and share all key measures via electronic message boards. We review performance of key measures in a variety of frequencies from real-time to quarterly. Local restaurants use PDCA for problem solving and solutions are shared among restaurants. We use 5-S in kitchen and dining set-up and have checklists to ensure service quality and delivery. We use Kanban to support our supply chain systems. Our managers and corporate members are trained in the use of root-cause analysis (RCA) and value-stream mapping, and they are used in many aspects of the operation.

Figure P.2-1 STRATEGIC ADVANTAGES, CHALLENGES, OPPORTUNITIES, and THREATS	
Advantages	Challenges
<ul style="list-style-type: none"> <li>• SA1: Brand Image and Reputation</li> <li>• SA2: Exceptional family of employees including innovative chefs</li> <li>• SA3: Ahead of most competitors related to technology integration</li> <li>• SA4: Long term lease on facilities ensures lower cost</li> <li>• SA5: Established credit rating enabling low cost of capital</li> <li>• SA6: Locations are customer friendly with easy parking</li> <li>• SA7: Existing relationships with highly rated local bands</li> </ul>	<ul style="list-style-type: none"> <li>• SC1: Implications of food delivery services including cost impacts, quality of experience and potential for customer erosion</li> <li>• SC2: Some new processes not deployed consistently</li> <li>• SC3: Competition: Belle Meade area has competitive restaurant and entertainment scene, requiring strategic marketing efforts</li> <li>• SC4: Availability of potential employees for food prep and support services.</li> <li>• SC5: Rising health care costs</li> <li>• SA6: Increasing employee requests for flexible hours</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Relationships with local food banks, Second Harvest that enables us to support local communities</li> <li>• Emerging entrepreneurs in delivery services market</li> <li>• Opportunity to sell branded clothing lines that support brand image and increase revenue</li> <li>• Emerging benefits from collaborative partnership with food providers to lower food costs</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing food costs, uncertain economic conditions and impact to customers</li> <li>• Skilled workforce availability (transportation issues limiting interest in lower paying positions)</li> <li>• Changes in customer tastes and preferences</li> <li>• New entrants with low overhead like Pop-up's, Ghost Restaurants and Virtual Kitchens</li> <li>• Employee turnover</li> </ul>

## CATEGORY 1: LEADERSHIP

### 1.1 SENIOR LEADERSHIP

#### 1.1a Mission, Vision, Values

**1.1a(1) Establishing Mission, Vision, Values:** MCB is proud of its mission, which was developed by the owners working with the Advisory Board and a select subcommittee of team members and customers prior to opening our first restaurant. The concept of incorporating the rich heritage of Nashville's southern hospitality with a music-themed eating establishment created an opportunity for MCB to distinguish ourselves in the very competitive restaurant market in Middle Tennessee. We review our mission annually as we plan for the next year and modification recommendations are reviewed by the Advisory Board and senior leaders prior to final adoption by the owners. Senior leaders (SL) regularly review elements of the MVV at our "Music City Chorus" meetings that include everyone working at our restaurants, and the MVV are posted in all team member work areas, i.e. kitchens, prep areas, locker areas, and other team member gathering places. Additionally, each team member receives a pocket-sized card with a summary of the MVV upon hiring and when any changes are

made. Senior leaders also perform a short review of one element of the MVV, e.g. one value statement, at the beginning of every Music City Chorus meeting.

The Leadership System (Figure 1.1-1) incorporates the MVV as part of the leaders' incentive program, with specific elements measured as part of the MCB Leadership Dashboard, which our IT department developed for our leadership system.

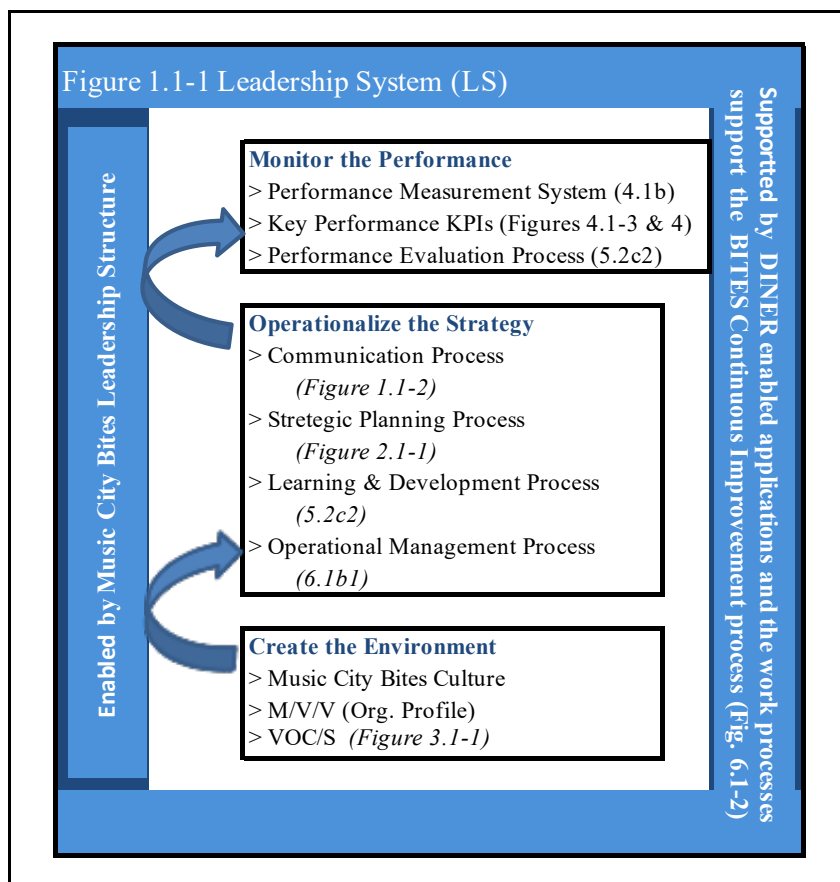
For example, the Dashboard includes measures for service excellence that can be attributed to each senior leader such as supply chain performance for our COO, customer satisfaction for the CCO, and team member satisfaction for the Workforce Director. Dashboards are customized for each senior leader so that specific performance issues may be identified, and corrective actions taken. Additionally, since our supply chain partners are key to our business, our legal counsel includes an appendix in every relevant contract that outlines our MVV and relates these tenets to the contract elements. SL and legal counsel review every contract with key partners and stakeholders to ensure that the provisions align with MCB's MVV, including any metrics that are tied to contract performance. Non-conforming contract specifications or measures are either modified or eliminated from the contract

prior to execution. The Leadership System is designed to ensure that these processes are performed reliably for all our suppliers and stakeholders.

In what we view as a unique characteristic of MCB's operations, we decided shortly after our first restaurant opened to include a summary of the MVV on every menu so that our customers would know who we were and what we stand for. Many customers have commented on that unique feature and customers who have brought issues to our site managers are often rewarded with a free dessert at the manager's discretion. Our MVV are on our website and stakeholders throughout the market service area are encouraged to contact us via email, through the website, or by phone with any comments or questions.

#### 1.1a(2) Promoting Legal and Ethical

**Behavior:** SL compensation is tied to metrics that reflect our values, which ensures that those values are continually reinforced in their



**Figure 1.1-2: Communication Methods**

Communication Method	Conducted by	Freq.	Type				Workforce				Stakeholders			Purpose
			In person	Electronic	Print	Online	Front line	Culinary	Managers	SLs	Customers	Public	Suppliers	
Music City Chorus meeting	SL	Q	X			X								TD, TC
Music City U courses	SL, CTs	D		X	X	X	X	X	X	X				TD, PI
Holiday Bites	SL, TMs	B	X								X	X	X	CR, PI
Service club attendance	SL, TMs	M	X	X				X	X	X	X	X	X	CR, CD
Open door policy	SL	D	X	X		X	X	X	X	X	X	X	X	TD, TC, CR, CD
SL rounds	SL	W	X				X	X	X		X			TD, CR
Music City Notes	SL, TMs	M		X	X	X	X	X	X	X			X	TC, TD, PI
Ad hoc Zoom meetings	SL	V				X	X	X	X	X				TC, PI

Key: SL = Senior Leaders; CTs = Contract Teachers; TMs = Team Members; D = Team Development; TC = Team Communication; PI = Performance Improvement; CR = Customer Relations; CD = Community Development; Q = Quarterly; D = Daily; B = Biannually; M = Monthly; W = Weekly; V = Variable, as needed

interactions with staff and all stakeholders. During semi-annual reviews that the Advisory Board conducts with each SL, performance on those measures is a key part of the discussion and decisions about perquisites and bonuses. SL are evaluated on legal and ethical issues, using results from customer surveys, team member surveys, and reports on the Compliance Hotline administered by Ethico LLC. In some cases, SL may discuss (anonymously) legal or ethical issues at Music City Chorus meetings, if they are pertinent to the staff at large. The compensation system for all team members is geared towards rewarding those who identify compliance or ethical issues before they occur. This provision was added after a cycle of improvement two years ago, when team members identified opportunities to prevent mistakes in compliance with one of our suppliers who was delivering basic food supplies that were close to expiration. By intervening with that vendor, we were able to ensure freshness of our menu items, while also saving money on food waste.

**1.1b Communication:** SL spend many hours communicating with staff, key partners, customers, and other stakeholders (Figure 1.1-2). Quarterly Music City Chorus meetings are held at the Hermitage restaurant with a brunch for all workforce members and a virtual connection for those who cannot attend in person. The online connection was added during the pandemic to reduce exposure to the virus, and the option was so popular with team members that the practice was continued. This cycle of improvement was deemed effective when we observed that attendance at the quarterly meetings increased by over 25 percent. Working with team

members, we have added online conferences to our educational offerings, as well as used this technique for other team member encounters, especially for those workers who are students and have little time outside of work to travel to our office for meetings.

Key partners and stakeholders are invited to a similar early lunch meeting (Holiday Bites) twice a year, usually around major holidays (July 4<sup>th</sup> and Christmas) to provide updates, sample new menu items, and share in fellowship with SL. In addition to these events, SL are active in several community groups and service organizations, from church committees to Rotary Clubs, and leaders always carry “Courtesy Cards” that provide discounts at our restaurants to encourage new business and reward returning customers. Through these efforts, SL promote connections with stakeholders, as well as identify potential new community resources.

In addition to the community activities, SL maintain an “open door” policy that encourages team members and customers to easily make appointments for discussions through the web-based application or via phone. Team members often engage SL in conversation during the leaders’ frequent visits to the restaurants, and SL note these discussions in the “Music City Performance Log” on the intranet. During these visits, SL also distribute “High Five” cards to team members who display exceptional performance and dedication to our MVV. Team members are encouraged to complete a short feedback survey on each interaction that ranks the SL on the quality of the encounter and willingness to listen (Figs. 7.4-1 and 7.4-2).

Performance Log entries are labeled by topic area and frequently consulted prior to decision or policy making. As the strategic plan is updated each year, these information resources have proven highly valuable to find new actions to improve performance. As a small business in a competitive environment, developing the balance among stakeholders and customers is a difficult task, but the performance log has proven invaluable for gaining insight into all viewpoints. Interestingly, too, is the ability to fine tune key performance indicators using customer and stakeholder input.

Another innovation by SL is the “Music City Notes” monthly newsletter published on the intranet for all team members to read. The newsletter provides updates on performance, as well as safety tips and recipes that our team members can enjoy at home. If significant changes are required between monthly meetings, SL can organize a Zoom session quickly to update everyone on required changes. Since SL monitor performance daily on our scorecard monitoring system, any needed changes can be communicated quickly to individuals or the entire enterprise. Additionally, SL visit each restaurant at least twice a month to maintain a two-way dialog with staff and managers, provide motivation to improve performance, and troubleshoot any issues that may arise.

Our SL staff was chosen because of their willingness to incorporate our MVV into their everyday work. As SL report performance to the Advisory Board, their commitment to each initiative, as well as overall performance, is palpable. The Advisory Board and owners cultivate that feeling of accountability through praise for accomplishments and the compensation incentive program that rewards high performance. The philosophy of “Just Culture” was adopted by the owners in the early stages of company development, and that approach has enhanced the willingness of SL to assume accountability for the work of the organization.

### **1.1(c) Focus on Organizational Performance**

**1.1c(1) Creating an Environment for Success:** SL efforts to create an environment for success start with the strategic planning process (SPP). By crafting the strategic plan to align initiatives and measures to continually improve facility ambience and food quality, SL create an environment for success that should prove sustainable. For example, over the past several years, SL have led the implementation of recruitment and retention policies to encourage diversity, equity, and inclusion, and the composition of the workforce

has improved as we reflect the make-up of our community. SL have adopted a data-driven approach to management that uses statistical methods to identify adverse performance quickly so that each restaurant manager has a clear understanding of expectations and support to achieve those goals. Site managers have developed strong partnership relationships with each SL and clearly understand how to find support for issues that arise.

Learning is an important attribute of any successful organization, and with two nationally prominent universities in the Nashville metro area, MCB is a strong proponent of lifelong learning. We have developed “Music City U,” an intranet-based learning center for all team members with updates on safety regulations, customer service techniques, and leadership development (Figure 7.3-13). Team members are encouraged to access these modules for their own development and, for those who demonstrate interest and acumen for leadership positions, SL develop mentor relationships to help develop those skills. Encouraging innovation is difficult in any organization, but our “Music City Composers’ Circle” was designed by SL to invite any team member with a new idea to engage in development of the concept with leadership support (Figures 7.5-12 and 13). Team members may enter the idea in the Composers’ Circle section of the intranet site, and the entries are reviewed by SL within one to two days. An example of one innovation that has improved customer service is the use of handheld devices by our table service staff to settle customer bills at the table rather than at a cash register by the front door. Customers have found this new service very satisfying, and the table service staff have seen a rise in the number and amounts of tips.

**1.1c(2) Creating a Focus on Action:** During the SPP, SL and site managers develop action plans that emanate from strategic goals and objectives. However, plans and metrics reflect several inputs in addition to the strategic goals, e.g. achievement of the organizational vision, optimizing the customer and stakeholder experience, enhancing the bottom line through competitive pricing and purchasing, and maximizing team member engagement. Through this collaborative effort, SL and site managers become engaged and accountable for performance at each restaurant, and leaders across the organization gain a new sense of teamwork to achieve goals that they have set. SL and site managers have their joint metrics displayed on their respective dashboards, and the measures become integral to their monthly meetings to discuss performance.

## 1.2 GOVERNANCE AND SOCIETAL CONTRIBUTIONS

### 1.2a Organizational Governance

**1.2a(1) Governance System:** As a family-owned business, MCB is governed by a board consisting of three family members and other members elected to the board based on their expertise and contribution to the governance of the organization. Currently the Advisory Board consists of two elected board members and three owners, the CEO, COO, and CCO. Board members are selected based on their skills in relation to the needs of the business and then elected by a majority vote of the owners. Advisory Board members sign an agreement annually that includes a non-disclosure clause, a conflict-of-interest clause, and remuneration details. SL report to the Advisory Board at each meeting which then provides recommendations as needed. Fiscal accountability is achieved by quarterly internal (CFO and Accountant) and annual external (Honest Auditors, Inc.) audits. The Advisory Board also reviews accident and injury reports at each meeting, presented by the Workforce Director, COO, and legal counsel. As a family-owned business, all financial and operational information is private and not distributed publicly. Family member owners are involved in all aspects of the business, ensuring that ownership interests are protected.

Succession planning for senior leaders is performed during our annual strategic planning sessions, with frank, open discussions with the leaders and Advisory Board members about needs that may arise within the one-year and five-year time horizons. As part of each leader's contribution to creating an environment for success (1.1c(1)), promising team members are mentored by each SL and prepared for succession if the need arises. Although we have not had the opportunity to promote one of these up-and-coming co-workers, there are five individuals who could assume the duties of a SL when needed.

**1.2a(2) Performance Evaluation:** Four years ago, the senior leadership team created the "Music City Keyboard," a performance dashboard using databox software developed and maintained by Data Insights Providers, LLC. Each SL is accountable for a subset of the dashboard measures, which are updated with real-time data, and SL review these measures daily. The data are presented at Advisory Board meetings for review and comment. Board performance is evaluated annually through a self-administered standard assessment

developed by BoardEffect followed by discussion of opportunities for improvement.

SL compensation is determined through a process conducted by the owners using performance metrics for each SL compared with targets, including a discussion with each SL. After the new compensation plans are created, they are reviewed with the Advisory Board at its annual retreat and any recommendations are taken under advisement by the owners who may modify the plans. The evaluations include measures for financial performance, individual restaurant performance, customer satisfaction and engagement, team member satisfaction and engagement, supply chain performance, and capital expense management.

A key requirement for SL is to maintain a contemporary perspective on restaurant operations and SL are encouraged to participate in national and regional trade organizations such as the National Restaurant Association. MCB funds participation in the organizations and attendance at meetings. Through this networking effort, SL have brought several innovative approaches to our restaurants, including new sources for recipes and special training modules for servers that were incorporated into Music City U.

**1.2a(3) Organizational Performance:** SL work continuously to achieve organizational goals using the measures identified during the SPP and included on their individual dashboards. Alignment of metrics throughout the organization achieved through the SPP provides incentives for everyone in MCB to work together to achieve the vision to be Nashville's culinary destination by ensuring that customers and other stakeholders receive the best food at the best prices with the best dining experience. As SL meet with managers and team members at each site, these key operational elements are emphasized through review of current performance and eliciting ideas for improvement. These discussions are conducted in an atmosphere of Just Culture, avoiding individual blame, and seeking process and system changes to support change. In some situations, innovative ideas are advanced by team members, and those ideas may be implemented as a test at the local restaurant or referred to the Music City Composers Circle for a more systematic review and implementation. As these new ideas are developed and deployed, contributions by everyone involved are recognized during SL visits to the restaurants, as well as at Music City Chorus quarterly meetings and daily manager meetings at each

restaurant, ensuring that high performance and creativity are recognized and promoted among the workforce.

## **1.2b Legal and Ethical Behavior**

### **1.2b(1) Legal, Regulatory, and Accreditation Compliance:**

Along with other restaurants in Middle Tennessee, we are regulated by the Tennessee Department of Agriculture Regulatory Services Division, Occupational Safety and Health Administration (OSHA), local health department, and US Treasury Alcohol and Tobacco Tax and Trade Bureau. Our legal counsel and restaurant managers are tasked with maintaining certifications for each site, and counsel tracks changes in requirements daily. Pertinent regulations are posted strategically at each restaurant to ensure compliance with requirements. Restaurant managers have checklists based on requirements that are completed regularly, often daily, and SL review the checklists with managers during site visits.

The owners have a keen sense of social responsibility, having implemented methods of reducing food waste and recycling any materials that cannot be reused. Several years ago, farmers in Middle Tennessee started a cooperative that picked up food waste and brought it to a central composting site that has provided loam for many of the farms from which MCB gets its locally grown produce. We have participated in this effort for five years and almost eliminated the food waste that enters the trash or water supply.

Although we are proud of our performance in food and other waste recycling, SL are continually seeking other potential ways to impact communities during their engagement in local and national organizations. After each local or national meeting, SL are encouraged to enter any insights into the “Music City Log” on the intranet to describe the potential for new improvement projects.

**1.2b(2) Legal and Ethical Behavior:** The “Music City Code” is the ethical guideline for everyone in the organization and each team member is provided with a copy at the time of employment, along with a discussion during new team member orientation. Site managers are encouraged to briefly discuss at least one element of the code of ethics with team members at daily team member meetings prior to opening. Violations of the code are deemed to be reasons for termination which is made clear to each team member at orientation. MCB maintains a Compliance Hotline supported by Ethico LLC, and confidential reports of ethical violations

are provided to owners and the Advisory Board as they occur for immediate action if necessary. Ethico provides the number of reports and types of violations monthly. Any breach that requires immediate action is assigned by the CEO to an appropriate SL for disposition, which may include termination of the offender. The issue and response are documented in the team member’s personnel file. All violations are reported to the Advisory Board.

## **1.2c Societal Contributions**

**1.2c(1) Societal Well-Being:** MCB considers societal well-being issues to relate to hunger and pollution from operations. As the SPP is developed each year, consideration of these issues has led to several improvements in operations and enhanced participation in community improvement efforts. For example, our chefs have analyzed the amount of food waste and created a more precise system for measuring portion sizes that has reduced the amount of waste and saved money on food preparation. Additionally, we participate in the local composting program to ensure that food waste does not enter the trash system. We also recycle all cardboard, metal, and most plastic containers. (Figures 7.4-9 thru 11). Finally, our staff is incentivized to volunteer at the Second Harvest Food Bank of Middle Tennessee with up to four hours of pay per month for time spent with that community organization.

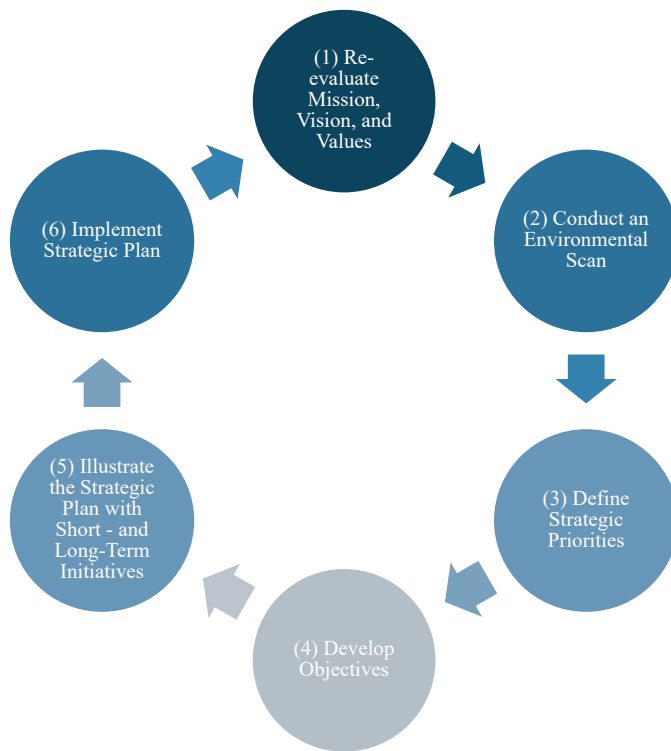
**1.2c(2) Community Support:** Our key communities include the Second Harvest Food Bank of Middle Tennessee, which is working to eliminate hunger in our community, the Goodwill Industries of Middle Tennessee for recycling many different types of materials, and the Nashville Musicians Association which provides support for local musicians during their formative years (Figure 7.4-7). These key communities were identified by the owners through their personal experience and involvement with consideration of how our engagement would be understood by our customers and stakeholders. We are continually evaluating recommendations from our team members, customers, and other stakeholders regarding other service opportunities.

## **CATEGORY 2: STRATEGY**

### **2.1 STRATEGY DEVELOPMENT**

#### **2.1a Strategy Development Process**

**Figure 2.1-1 Strategic Planning Process**



**2.1a(1) Strategic Planning Process:** MCB hosts an off-site, facilitated annual Strategic Planning Session (SPS) with key mgmt. members. The SPS is often hosted by the owners but occasionally externally facilitated. This decision was made by the Advisory Board through reviewing the extent of trailing performance or deteriorating and rapidly changing external environment conditions.

The SPP (Figure 2.1-1) identifies 1-, 3-, and 5-year strategic objectives (SO). The team prioritizes integration and alignment and thus begins every SPS by reevaluating and clarifying the MVV statements. If any edits are necessary, this process will capture those adjustments and reasoning. Due to a rapidly changing external environment, MCB does not plan for more than five years in advance but reviews trend analysis and forecasting annually. Steps 1-3 are conducted during the off-site SPS and Steps 4-6 are conducted during the Annual Retreat (2.2a).

**2.1a(2) Strategy Considerations:** After reviewing the MVV, MCB conducts an environmental scan by using a SWOT analysis. MCB uses its DINER platform (4.1) to identify internal and historical strengths and weaknesses (strategic advantages and challenges) and evaluates customer focus group feedback for gaps and blind spots in service.

MCB also incorporates key process improvements identified through the Annual Improvement Retreat (AIR) facilitated prior to the SPS. Additionally, supplier focus groups deliver feedback for innovation consideration. Opportunities and threats are assessed through a variety of economic and data analysis, including Deloitte Environmental Scans and the Food Institute which helps identify innovations and technological changes impacting products, services, operations, and markets. In addition, potential customer information is gathered and reviewed through informal conversations and networking with local businesses.

These strategic considerations are utilized to create overarching strategic directives and KPIs. These goals and directives are posted in takeaway notes from the session and are voted on as the finalized items for management to build action items to achieve.

### **2.1a(3) Strategic Opportunities and Intelligent**

**Risks:** SL utilizes a Balanced Scorecard approach to prioritize the risks and innovation opportunities based on the critical and strategic KPIs and directives

identified in the SPS. The organization has a limit of six strategic projects and new deployments annually based on resources and customer change requirements or parameters. Another 5-10 small (Little Bite (LB)) improvements may be deployed annually with a three-month implementation timeline. MCB utilizes informal change management practices in its PDCA, KPI reviews and strategic initiative prioritization, like an Impact/Effort matrix. MCB uses these methods to assess potential changing needs and includes monthly and quarterly review feedback through the year to evaluate prioritization of changing needs. Figure 2.1-2 illustrates the Balanced Scorecard dimensions of Financial Perspective, Customer Perspective, Internal Perspective, Learning and Growth Perspective, and Supplier Perspective in relation to the 2024 Sizzle Strategy that contains MCB's Strategic Objectives (2.1b).

**2.1a(4) Outsourcing and Core Competencies:** Supplier management is a key support process for MCB. The market poses both strategic advantages and challenges. The key SAs of the company's brand and reputation attract strong suppliers with acceptable delivery times and quality; however, since the pandemic, supplier costs are extremely high and increasing, and turnover is high within the food chain supply network. When a supplier's contract is re-evaluated, a cost benefit

Figure 2.1-2 Sizzle Strategic Plan – 2024 Strategic Objectives				
Financial Perspective	Customer Perspective	Internal Perspective	Learning and Growth Perspective	Supplier Perspective
Increase ROA to 9% (On Average Comparison) from 7.9% in 2023 (SC1 & CC3)	Create food allergy and sensitivity awareness in menus, food preparation, and front-of-house staff communication (SC1).	Develop performance or incentive plans for employee tenure and attendance (SC4 & SC6)	Invest in excellence training program for staff and suppliers (CC3, SA1, SA2, SC2 & SC4)	
Consider secondary capital to fund tech advancement to mitigate staff shortages, marketing efforts, food delivery costs (CC1, CC3, SA5, SC1 & SC4)		Consider health benefit flex spending plan to reduce health insurance costs; consider wellness program for insurance cuts (SC5)	Consider AI opportunities for marketing assistance (SA3 & SC2)	Reevaluate supplier delivery processes to evaluate improvement opportunities (CC3, SA3, SC1 & SC2)
Consider leasing bar space on Sundays for income (CC3, SA4 & SC3)				Switch from Pepsi to Coke products, find a higher-brand offer supplier and increase prices (CC2 & SC1)
Increase Dine In Revenue by 5% (P.1-1 & CC1)				
<b>Core Competences:</b> CC1: Customer Experience Management; CC2: Meal sourcing, preparation, and hospitality; CC3: Optimization of every process based on data and customer input.				
<b>Strategic Advantages:</b> SA1: Brand Image and Reputation; SA2: Exceptional family of employees including innovative chefs; SA3: Ahead of most competitors related to technology integration; SA4: Long term lease on facilities ensures lower cost; SA5: Established credit rating enabling low cost of capital; SA6: Location is customer friendly with easy parking; SA7: Existing relationships with highly rated local bands				
<b>Strategic Challenges:</b> SC1: Implications of food delivery services including cost impacts quality of experience and potential for customer erosion; SC2: Some new processes not deployed consistently; SC3: Competition: Belle Meade area has a competitive restaurant and entertainment scene, requiring strategic marketing efforts; SC4: Availability of potential employees for food prep and support services; SC5: Rising health care costs; SC6: Increasing employee requests for flexible hours				
<b>Timeline::</b> Purple = 1 year; Blue = 3 years; Orange = 5 years +				

analysis comparison of switching vendors is reviewed. Critical KPIs measured include customer experience such as delivery freshness, timeliness, complaints and compliments on a dish, and the chef's rating of ingredients. Suppliers receive these performance metrics quarterly for review.

## 2.1b Strategic Objectives

### 2.1b(1&2) Key Strategic Objectives & Considerations:

During the Annual Retreat, strategic directives are reviewed and disseminated to the leaders and staff representatives in attendance. These attendees review, discuss, and brainstorm tactical approaches to achieve goals. During the discussion, attendees identify the timeframe each SO will be achieved based on resource allocation and priority (2.2a1). Figure 2.1-2 illustrates MCB's SO and action plans in Figure 7.5-10.

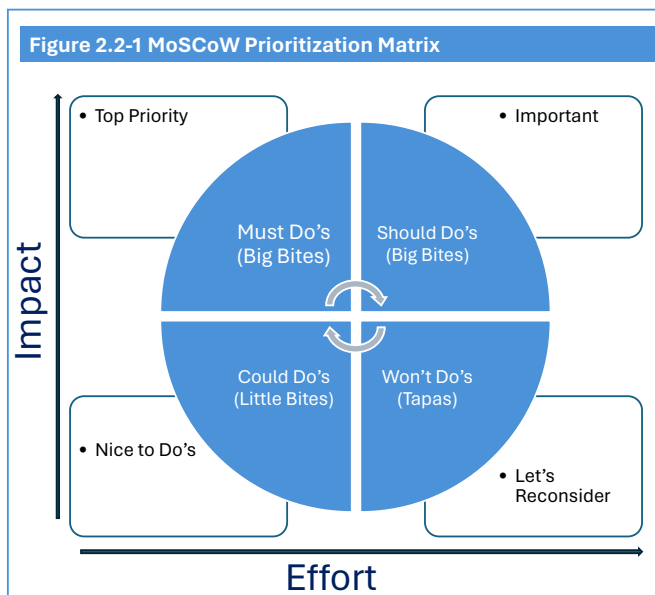
As part of our quarterly meeting with our top five suppliers, we review their strategic direction and any initiatives that may impact MCB operations. Based on this input, emerging industry trends at trade shows, and customer input from focus groups, MCB's SL's develop ways to leverage existing or develop new core competencies to address future needs and

exploit identified advantages/ opportunities. These approaches enable MCB to balance a variety of stakeholder needs while addressing strategic challenges that may be emerging over the SPP's time horizon.

## 2.2 STRATEGIC IMPLEMENTATION

### 2.2a Action Plan Development and Deployment

**2.2a(1) Action Plans:** A few weeks after the SPS, leaders, managers, supervisors, and five seasoned employees meet at the Annual Retreat offsite for two days to evaluate the outputs from the SPS. The five employees are selected through a variety of approaches and leaders select high performers with relevant expertise to represent the organization through action planning. Staff is led by internal leadership to evaluate the improvements and strategic initiatives presented to create tactical action plans. Leaders first review the current strategic plan and assess completed, in progress, and outdated initiatives. Then, the team utilizes an internally branded version of the MoSCoW method (Figure 2.2-1) to identify



Must Dos, Should Dos, Could Dos, and Won't Dos – called Big Bites (Must/Should Dos), Little Bites (Could Dos), and Tapas (Could/Won't Dos). This method is also utilized when analyzing process improvement initiatives (6.1b2).

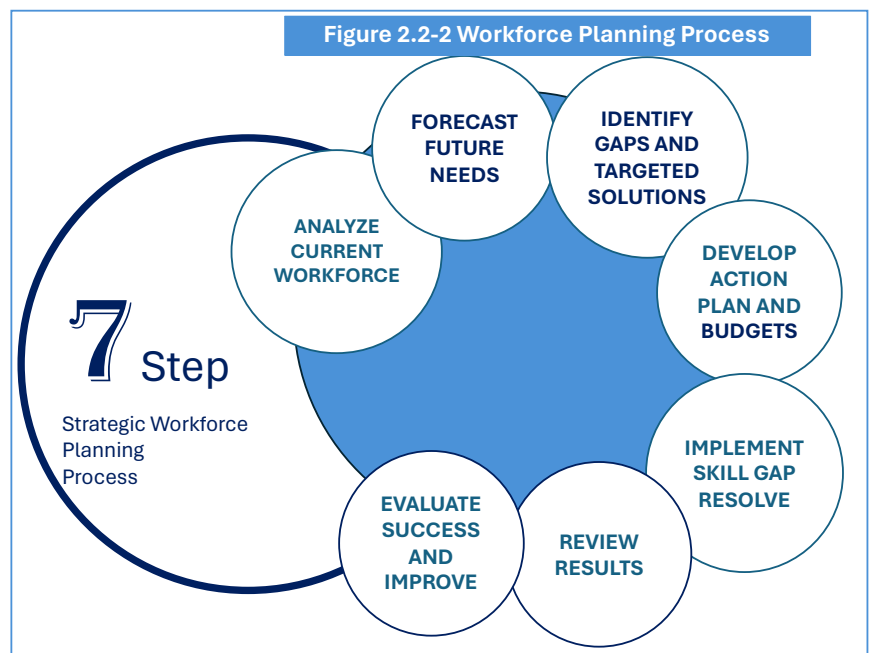
The team determines the initiatives to pursue and creates an action planning document outlining the programs, projects, or products associated with the initiative. This action plan incorporates the SMART framework, and each action plan is identified on a 1-, 3-, and 5-year basis.

**2.2a(2) Action Plan Implementation:** The strategy document outlining the strategic objectives and its action plans is called the Sizzle Strategy and is deployed to all staff through quarterly all-staff meetings. Additionally, mgmt. meets with suppliers to deploy the supplier-based initiatives and collaborates on an action plan. Monthly and quarterly reviews with key staff segments review the action plan, adjust as necessary, and evaluate the KPIs/sustainability of each. Informally, managers and supervisors conduct mentoring and coaching continuously to deploy action plans daily. Leaders begin immediately pursuing his or her respective actions in post-action planning meetings.

**2.2a(3) Resource Allocation:** As part of the action planning and budget process, key staff and other resources necessary to conduct

the action are considered and budgeted for, including head count. During the budget allocation process, conducted partially during and immediately after the action planning process, each action plan is provided as a line item for financial resource allocation. Managers are responsible for logging the cost and earned value management principles are utilized to measure cost variances and return on investment for each strategic action plan. These are discussed in monthly and quarterly reviews. Staff capacity and capability is measured on a daily and weekly scheduling basis.

**2.2a(4) Workforce Plans:** With the strategic challenge of cost, workforce planning is an increasingly important aspect of action planning. During the action planning process at the Annual Retreat, leadership conducts several processes to address workforce planning (Figure 2.2-2). Leadership utilizes a capability and capacity grid to analyze the current workforce and skills. New or growing requirements of workforce skills are captured through the SPP. Those gaps are highlighted, and solutions are brainstormed to address such gaps. For example, due to increased demand from customers suffering from food allergies and intolerances, front line staff need to be provided information on the menu ingredients and processes to communicate to customers when asked. The gaps are then brainstormed for solutions to resolve and action plans and budgets are designed and incorporated into the Sizzle strategic plan (2.1b).



**2.2a(5) Performance Measures:** MCB’s strategic implementation KPIs include action plan progress, schedule variance, budget variance, and innovation deployments (7.5b). These KPIs are cascaded from a general Return on Investment measurement on strategic actions. Action plans are measured using a stoplight status tracker. This tracker system is manual and relies on managers to input the status updates. This tracker was deployed less than a year ago and was recently utilized to educate leaders of action plan progress. During monthly and quarterly meetings, MCB leaders assess the progress of key initiatives. If any budget or schedule variance is present, leaders review the root cause of the issues. These are brought to the performance improvement team (6.1) for assistance to ensure strategic initiatives are successful.

**2.2a(6) Performance Projections:** MCB struggles to identify true competitor data for some KPIs. MCB uses informal discussions with local businesses, comparisons with data found in the economic trends for restaurants during strategic planning, and historical data to compare and forecast a variety of measures. MCB supervisors forecast daily labor needs by utilizing historical and seasonal trends for peak hours. This data is captured in the internal dashboard and reviewed each morning by staff. Other forecasting models include budget forecasts in relation to food supply and cost inflation and seasonal menu demands. Although limited, MCB receives some competitor data through its mystery shopper program. Performance is measured in relation to historical trended data or compared between the different MCB restaurant locations.

If a gap or issue is identified during a monthly or quarterly review, a few different approaches are utilized. If mgmt. identifies the gap is due to economic conditions, focus groups and strategic conversations will occur to assist in identifying modifications to action plans or operations. If a gap is due to process performance, the process improvement team is notified for adjusting. If the gap is caused by staff or a supplier, mgmt. will address those issues through written format and place a performance watch for these issues to be resolved.

**2.2b Action Plan Modification:** Action plans are reviewed by some managers during monthly meetings and updated accordingly. Other managers use plans as general guidelines to promote action immediately following the Annual Retreat but do not update the plans. Managers are empowered to adjust action plans based on a variety of data including: an identified

need from customer and supplier feedback, industry trends, and financial need. At each Annual Retreat, action plans are reviewed for completion and relevancy, and updated, archived, or marked as “complete.” Mgmt. recently made an adjustment to the status tracker by requesting all managers update action plan statuses during monthly and quarterly reviews. Currently, about 75 percent of managers consistently utilize the tracker.

## CATEGORY 3 CUSTOMERS

### 3.1 CUSTOMER EXPECTATIONS

#### 3.1a Customer Listening

**3.1a(1) Current Customers and Other Customers:** MCB’s current customers are representative of our local markets and provide great feedback. Customer satisfaction results, as compared to our local competitors, show that we accomplish our mission of leaving a smile on every face. We systematically listen to, interact with, and observe customers with a variety of tools to gain actionable insights (Figure 3.1-1).

Figure 3.1-1 Voice of the Customer Tools	
Sources	Information Collected
MCB Mobile App	Data for various analysis
Loyalty Club	Activity of return customers
MCB Website	Traffic information correlated with other data sources to provide sophisticated segmentation capabilities and insight
Social Media & External Websites	Comments (positive and critical) and reviews
Mystery Diners Network	Unbiased feedback on service, food, and facilities
Focus Groups	Feedback on current trends and opinions
Customer Surveys	Satisfaction levels segmented in various ways (See Customer Satisfaction Results in Item 7.2)
Diner	Data from integration with business tools and Metro Home Delivery

We deploy a highly integrated and interactive mobile app and website and have an active social media presence. The website is regularly updated and user-friendly. The app provides convenient online ordering and the ability to make reservations. We have a loyalty program fully incorporated

with the app to eliminate friction with loyalty club members. We also use the services of Mystery Diners Network to gain unbiased insight and feedback.

Our social media presence engages customers with the latest specials and event information and provides an effective way to push news and notifications to our customers. We use social media monitoring tools that enable us to identify mentions of MCB as well as our local competitors. We also monitor Yelp, Google, and other sites for mentions, comments, and reviews. Responses are made to every social media post, whether positive or negative, within 24 hours. While responses are not canned, we do maintain scripts and response guidelines that have been proven to drive engagement and recover customer confidence when MCB fails to meet customer expectations. This information is captured in our Music City Log for analysis and improvement efforts as warranted. An example of this information in use was an LB project that resulted in an expansion of our Bourbon selection based on feedback from our Bar Patrons through Facebook.

MCB uses the DINER Integrated Management System as illustrated in Figure 4.1-1. This system allows us to track our customer-focused critical metrics as listed in Figure 4.1-2. It is tied to our delivery service partner data, digital resources, and our POS system and includes an online review management system that allows customers to make comments to which we can respond in real time. Customer information is available for analysis and is reviewed as part of our standard meeting agendas.

These collective tools, in conjunction with our loyalty program, provide insight and allow sophisticated customer data analysis especially when aggregated with data available through external sources like Metro Home Delivery. Further, these tools provide pre-sale, in-experience, and post-experience feedback for our key customer segments as listed in Figure P.1-6. As an example, managers use the Diner Reporting Program to collect data directly from customers while performing walk arounds during dinner service, events, and any other period the facilities are open.

**3.1a(2) Potential Customers and Other Customers:** SL network and interact with potential customers in a variety of social environments such as Chamber and Rotary meetings, public events, and entertainment venues to gain feedback from potential customers. These venues allow SL to encourage new customers to give MCB a try by giving out “Courtesy Cards”

to provide discounts. SL also have frequent informal conversations with entertainers we employ to collect intelligence on customers attending events at competitive venues. In addition to the functional skills that our Advisory Board members are known for, they are well versed in the local restaurant and entertainment scene. This provides another voice for soliciting and sharing information, as feasible.

MCB contracts with an industry leading research firm to conduct focus groups that include potential customers. Feedback from these focus groups is logged into the Music City Log, along with other voice of the customer collected data, then reviewed and analyzed during quarterly meetings and during the SPP.

### **3.1b Customer Segmentation & Product/Service Offerings**

**3.1b(1) Customer Segmentation:** MCB segments customers into four major categories: Dine In, Bar Patrons, Carry Out, and Delivery Customers (Figure P.1-7). These segments can be broken down and analyzed by multiple sub-groups to gain insights as warranted. Data from the Chamber, focus groups, our apps, and industry resources help identify relocation trends, demographic changes, and other variables impacting existing or new customer groups in what we consider our service area for each restaurant. Additionally, this information is analyzed to determine potential changes in taste, growing food trends, or other opportunities to enhance each segment’s experience with our offerings.

Our Belle Meade service area has seen substantial growth due to an influx of residents from California and Texas. A large portion of this influx were people of retirement age. We found some accommodation for a demographic with an expectation for earlier dinner service was required. Staffing changes and the addition of some West Coast style menu items addressed these demands.

These customer segments are reviewed as part of the SPP and modified, if necessary. As an example, Delivery Customers were not identified as a key customer segment until the explosive growth of delivery orders due to the pandemic.

**3.1b(2) Product/Service Offering:** Our offering was built on the concepts introduced in our MVV in the Organizational Profile. Offerings are only provided when they can meet the Key Requirements listed in Figure P.1-6.

The 2020 experience with the pandemic and rapid growth in carry-out and delivery demand required us to make drastic shifts in our menu. The availability of certain ingredients during this time compounded these adaptations. Our data sources, processes for reviewing information and intelligence, and close ties to the local community allowed us to undertake a BB project to make these changes slightly ahead of our competition. First, we pivoted to an outdoor-only dining experience, then we opened dining areas with limited seating, and currently as full-service with both carry-out and delivery options.

We had been working with a local delivery service, Metro Home Delivery, experimentally since early 2019. We were conservative with our initial delivery options to ensure we could provide a customer experience in line with the in-house experience through this service. Through this proof of concept, we were able to quickly deploy this service, as well as our MCB website hosted carry out services in mid-2020. During our scheduled team member and manager meetings, we use information gathered from industry trade shows, magazines, our collective in-house food trend expertise, innovative chefs, and aggregated customer feedback to modify and update menu items to best suit our customer needs. Shortly after the restrictions from the pandemic were lifted, our bar managers and affiliated chefs determined that small shareable menu items or Tapas were gaining popularity in bars and music venues such as ours. These findings resulted in a new menu section that has been very well received and continues to delight our Bar Patron customers. The popularity of these new offerings also spilled over into appetizer offerings in the other dining areas.

Information we gathered related to changing demographics and taste in our local markets allowed our chefs to successfully adapt the menu in other ways. Major changes in customers' desire to have gluten free, dairy free, vegan, and specialty diet offerings created competitive pressure that we have been able to navigate effectively. These new menu items have attracted new customers and helped us maintain loyalty with existing customers that may have shifting expectations.

## 3.2 CUSTOMER ENGAGEMENT

### 3.2a Customer Experience

**3.2a(1) Relationship Management:** Senior Leaders use several processes to sustain Just Culture at the highest levels

of MCB (Figure 5.2-1). The MCB Leadership Dashboard and Keyboard hold SL accountable to daily reviews of key customer metrics and measures of service excellence. Aggregated data in DINER allows leaders to review and analyze customer feedback in a way that ensures we are meeting our mission and vision, living our values, and sustaining our culture.

SL deploy other processes through the rest of the workforce. Regular all-staff meetings emphasize the importance of service excellence. Examples gathered in the previous days through DINER and the Music City Log allow us to commend the behavior we desire and maintain a commitment from all team members to live our values. In addition to all-staff meetings, Music City Notes is our monthly newsletter that always includes noteworthy examples of positive customer experiences. Finally, Music City U offers a full learning plan for new team members and regularly updated classes for long-term team members focused on how they can enhance our customer relationships.

Our in-house experience, app, and website are the primary vehicles for maintaining and enhancing our brand. They allow us to showcase our story and engage customers with different forms of communication, customer testimonials, videos, reviews, etc. Social media amplifies the impact by allowing and encouraging word-of-mouth and easy sharing of positive experiences. Relationship building through nurturing, open communication, and building a sense of partnership with bands we employ, and the local music industry provide additional means to communicate our unique experience and build our brand.

The feedback tools available through DINER and our loyalty program allow us to engage customers at every stage of the customer life cycle. New customers are encouraged to become part of the loyalty program with offers such as drink or appetizer specials for first-time visits and new carry out customers. DINER offers customers the ability to make comments during dining experiences, both self-service and by interacting with managers during walk-arounds. The loyalty program builds existing and returning customers' experiences through extras such as free desserts on birthdays and other enhancements.

A unique touch used by MCB is including our MVV information on our menus, as well as our website and social sites. As part of the onboarding process, the customer-facing

team members are trained to tell the story around our MVV just as they are trained to discuss menu items. We frequently hear feedback from customers that this builds a connection and makes them feel like they are part of the MCB family.

**3.2a(2) Customer Access and Support:** The data housed in DINER and notes collected in the Music City Log during all-staff meetings, manager meetings, quarterly Music City Chorus meetings, and the Music City Composers Circle are used to review and refine key customer support requirements during the SPP. This information along with information obtained informally and during customer focus groups and surveys provide great insight into customers’ support expectations.

One of our most powerful resources is trained team members that are empowered to adjust during service to immediately resolve customer issues when they can be accommodated. These might include moving customers to a different table or from the bar area to the restaurant when feasible. Our Music City U training includes several scenarios that managers, supervisors, and customer-facing team members are exposed to that make them feel comfortable immediately dealing with customer support issues that might otherwise escalate. All the MCB resources that allow customer access are discussed in items throughout this application. Refer to Figure 4.1-1 illustrating the DINER Integrated Management System for an overview and Figure 3.2-1 showing MCB’s key customer support processes.

Figure 3.2-1 Customer-Focused Support Processes
Support Processes
Complaint Monitoring and Response: MCB App, DINER, Metro Home Delivery, Social Media, Websites, in-person
Customer Feedback Analysis and Review: DINER, Loyalty Club, Focus Groups, Surveys, Mystery Diners Network
Dietary, Off-Menu, and other Special Menu requests
Team Member Training around Customer Complaint Scenarios: Onboarding, In-person, and through Music City U
Review of data from Local Restaurant Consortium
Manager Walk-Arounds

**3.2a(3) Complaint Management:** The DINER management system and reporting tools along with constant monitoring of online sites provide real-time notifications of customer complaints and allow near real-time responses and

resolutions. Managers are empowered to resolve complaints in a financially responsible manner when they occur during an in-house experience. We are currently piloting AI-based automatic responses that will provide immediate resolution to some general entries.

As discussed in 3.2a2, team members are trained to deal with a broad range of customer complaint scenarios to prevent them from being unresolved or escalating. Complaints are reviewed and discussed in regular all-staff meetings to ensure process changes made to address complaints are sustained.

Complaint data, as captured and described in detail in Item 7.1, is reviewed during regular meetings and the SPP so that improvement plans can be developed and initiated through our BITES improvement process (Figure 6.1-2).

**3.2a(4) Fair Treatment:** We implement various practices to create a positive and equitable dining experience for everyone including training team members to treat all customers with respect and provide consistent service regardless of age, gender, race, or appearance. Clear communication of policies, such as reservation procedures, wait times, and refund policies, help set expectations and avoid misunderstandings. Additionally, offering a diverse menu to accommodate various dietary preferences and restrictions shows a commitment to inclusivity. Providing prompt and attentive service, addressing any customer concerns or complaints professionally, and ensuring a clean and welcoming environment are essential in ensuring fair treatment of all customers. Regularly seeking feedback from customers through surveys and comment cards helps us identify areas for improvement and make necessary adjustments to enhance the overall dining experience.

**3.2b Customer Satisfaction, Dissatisfaction, and Engagement:** The MCB app, website, loyalty program, social media, DINER, and walk-arounds by managers allow us to collect satisfaction and dissatisfaction data from all customer segments. This aggregated data can be segmented by Key Customer Segment and into a variety of sub-groups (location, demographic variables, or time of service) to allow robust analysis around the needs of different customer groups. We also use data from our partners, such as Metro Home Delivery, to enhance this analysis through cross-reference and other methods.

Regular analysis and review of this data occur as part of SL accountability and through the Music City Leadership

Dashboard and Keyboard. This allows SL and Managers to act and educate our team members based on that feedback. Information collected by our outside industry research firm and involvement with the local restaurant consortium gives us the ability to compare customer satisfaction across multiple variables and with multiple competitors. Our market share and customer satisfaction results demonstrate these processes effectively result in high customer satisfaction levels.

## CATEGORY 4 MEASUREMENT, ANALYSIS, AND KNOWLEDGE MANAGEMENT

### 4.1 MEASUREMENT, ANALYSIS, REVIEW, AND IMPROVEMENT OF ORGANIZATIONAL PERFORMANCE

#### 4.1a Performance Measurement

**4.1a(1) Performance Measures:** MCB uses the dashboard function of our integrated management system, DINER (Figure 4.1-1), developed for us and other leading small restaurants by Data Insight Providers LLC utilizing specialized database software, to track data and information on daily operations and overall business performance. This includes information related to customers, team members, team member files, work, support, and business functions, and

includes the DINER Reporting Program, Music City Performance Log, Music City Team, and many other applications. These applications collect data and information through our work processes and systems and allow MCB to integrate them into a knowledge management system to allow our SL, managers, and many team members to understand our performance and make appropriate decisions.

MCB uses a four-step process to select, collect, align, integrate, act, evaluate, and sometimes eliminate/improve its KPIs. Most KPIs have an indicator using our stoplight system (green, yellow, red) where the limits are based on Statistical Process Control (SPC), benchmarks, or other pre-determined aspects.

Through several cycles of improvement, MCB has developed a structure for its KPIs. Our ten most critical KPIs are readily available to each SL and manager hourly (Figure 4.1-2). Strategic and project KPIs reflect achievement and performance of Strategic Initiatives and Action Plans (Figure 2.1-2) and are reviewed as described in Item 4.1b. Work systems and processes have associated outcomes, support, and in-progress KPIs that are tracked and monitored appropriately; with a sample of these KPIs are shown in Figures 4.1-3 and 6.1-1. Others are available on site (AOS).

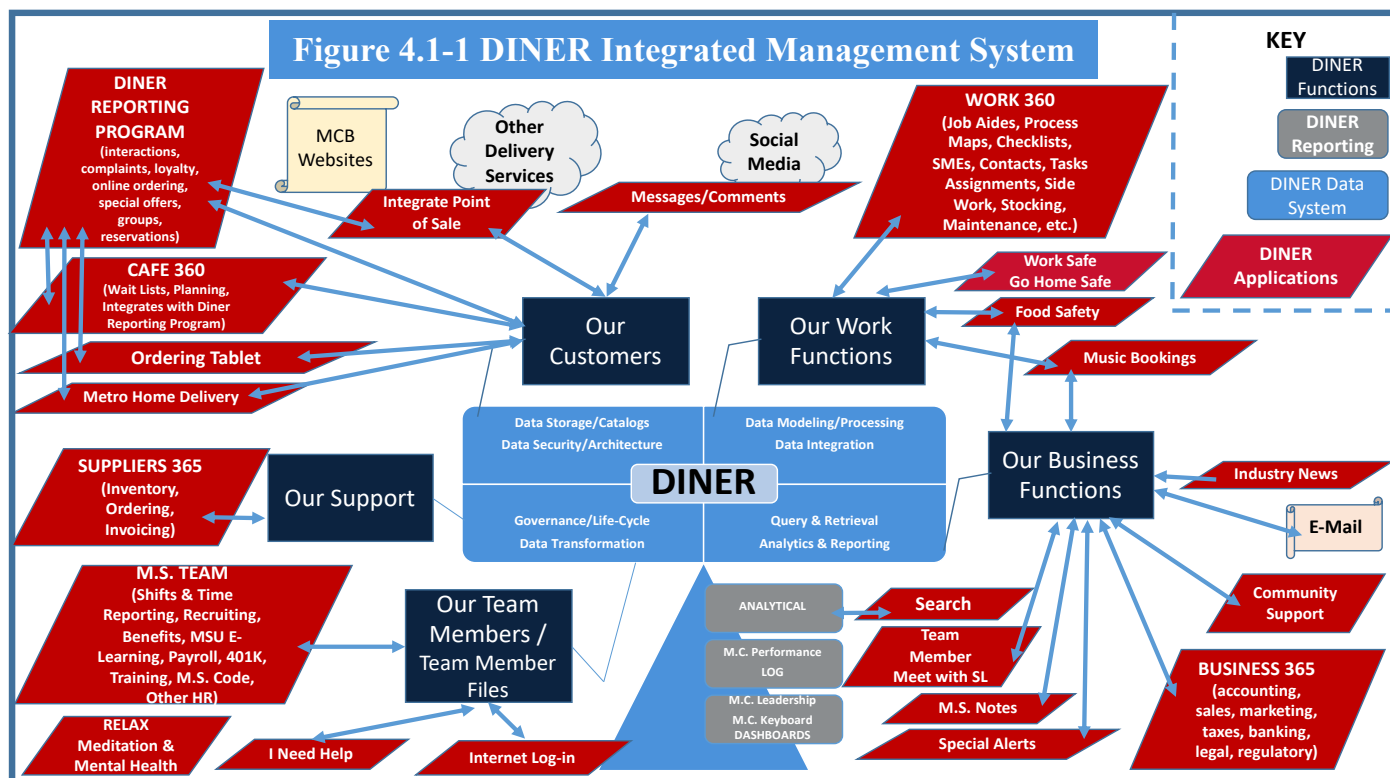


Figure 4.1-2 Critical KPIs		
Critical KPI	Description	Figure
Table Turnover Rate	How quickly tables are being seated, served, and then cleared for the next guests. A high table turnover rate indicates efficient service, while a low rate may suggest issues with service speed or customer experience.	AOS
Spend per Customer	Average ticket size refers to the average amount spent by each customer during their visit. Monitoring this hourly can help identify trends in customer spending habits and preferences while assessing the effectiveness of upselling strategies, promotions, and menu pricing.	Figure 7.5-3
Labor Cost Percentage	The proportion of total revenue that goes towards paying team members' wages. Keeping a close eye on this hourly can help ensure that labor costs are in line with revenue and identify any potential inefficiencies in staffing levels.	AOS
Food Cost Percentage	The ratio of food costs to total revenue. By monitoring this hourly, manager can track food waste, monitor ingredient costs, and ensure menu pricing is optimized for profitability.	AOS
Reservation Rate	Monitoring this rate can help predict busy periods, allocate staff efficiently, and provide insights into customer demand.	Figure 7.1-2
Average Wait Time	By dividing the total wait time (in the door to a table) by the number of guests served, it helps identify bottlenecks and areas for improvement.	Figure 7.1-7
Time from Order to Delivery	The time it takes from when an order is placed to when it's delivered to the table, take-out customer, or delivery service. Monitor this closely to ensure timely service.	Figure 7.1-13
Cooking Time	Measure the time it takes to prepare each dish. Consistent cooking times lead to better guest satisfaction.	Figure 7.1-11
Order Accuracy	Ensure that dishes are prepared correctly the first time. Re-making orders increases wait times and frustrates guests.	Figure 7.1-14

MCB reviews its critical, strategic, and project KPIs annually as part of its SPP described in Item 2.1. When either a work system/process improvement or DINER application changes, the appropriate project team will make changes in the KPIs.

MCB has several approaches to ensure that KPIs can respond to rapid or unexpected organization or external changes and provide timely data. MCB tests KPIs as part of the approaches described in Item 6.2c(2) for disasters and emergencies. MCB

modified some KPIs during the pandemic, especially as it shifted to Delivery and Carry-Out services, as well as to protect our team members' health.

There are two versions of our dashboard. The Music City Leadership Dashboard captures KPIs for the entire organization. Each SL, manager, and certain team members have an individualized Music City Keyboard Dashboard that captures KPIs that the person is responsible for monitoring.

**4.1a(2) Comparative Data:** The Organizational Profile (P.2a(3)) describes sources of benchmarks (comparative data). See 3.1b(2), 3.2a(2), 3.2b, and 5.2c(1) regarding the methods MCB uses to collect additional customer and team member benchmarks. MCB uses information from Staffing Excellence and Tech Trends Solutions to select benchmarks and best practices for information to support fact-based decision making. Every three years, the Strategic Plan will have a Strategic Initiative for a project team to review current benchmarks for any changes, additions, or deletions. There have been two cycles of improvement (AOS).

#### 4.1b Performance Analysis and Review, and Improvement

**4.1b(1) Performance Analysis and Review:** MCB conducts monthly and quarterly performance reviews by SL on the second Tuesday morning of each month. The monthly review lasts about one hour and consists of all critical KPIs and most strategic/project KPIs, while any member of the SL may bring up any significant other KPIs that are in the red. The quarterly review lasts three hours and is a more thorough review of all KPIs that are in the red, plus all critical, strategic, and project KPIs. In addition, each SL, manager, and certain team members are responsible for monitoring their KPIs at more frequent intervals, down to hourly during restaurant hours, plus holding more frequent reviews within their teams or work functions.

At each review, the current results are assessed relative to benchmarks, core competencies, financial health, and progress in meeting Strategic Objectives and completing Action Plans in the Strategic Plan. These periodic reviews allow MCB to respond rapidly to changing organizational needs and challenges, as demonstrated in MCB's actions during the pandemic (AOS). Prior to each review, the staff at the corporate office conduct analysis of KPIs in the red using the analytical function in DINER.

Figure 4.1-3 Sample of Outcomes, Support, and In-Progress KPIs		
Type	Name	Figure
Outcomes	Customer Willingness to Recommend MCB to Friends and Family	7.2-15
Outcomes	Likelihood to Return	7.2-16
Outcomes	Customer Loyalty Program	7.2-17
Outcomes	Team Member Perception of Safety (By Location)	7.3-8
Outcomes	Team Member Retention (By Location)	7.3-10a
Outcomes	Team Member Retention (By Age)	7.3-10b
Outcomes	Reasons for Team Member Dissatisfaction	7.3-11
Outcomes	Leadership Communication	7.4-1
Outcomes	Leadership Communication	7.4-3
Outcomes	Audit Findings Results	7.4-4
Outcomes	Legal and Regulatory Requirements	7.4-5
Outcomes	Gross Revenue	7.5-1
Outcomes	Gross Margin	7.5-2
Outcomes	Capital Management	7.5-4
Outcomes	Financial to Budget Performance	7.5-5
Outcomes	Accounts Payable Process Effectiveness	7.5-6
Outcomes	Accounts Receivable Process Effectiveness	7.5-7
Outcomes	Market Share (Belle Meade)	7.5-8a
Outcomes	Market Share (Hermitage)	7.5-8b
Outcomes	Market Trends by Customer Type (Belle Meade)	7.5-9a
Outcomes	Market Trends by Customer Type (Hermitage)	7.5-9b
Outcomes	Big Bites / Little Bites Dashboard	7.5-11
Outcomes	Music City Composers Circle Innovation Program	7.5-12
Outcomes	Music City Composers Circle Innovation Program Activities	7.5-13
Support	Most Popular Bands for 2023	7.2-18
Support	Team Member Satisfaction With Benefits (By Position)	7.3-5a
Support	Team Member Satisfaction With Benefits (By Age Group)	7.3-5b
Support	Team Member Satisfaction With Benefits (By Location)	7.3-5c
Support	MCB Volunteer Hours	7.4-8
Project	Action Planning	7.5-10

As part of the reviews, decisions are made by SL as to potential actions to achieve organizational success and move red KPIs to green or at least yellow statuses. These are then communicated to other team members throughout MCB. Typical responses are quick action improvement teams (Big Bites or Little Bites, see Item 6.1 and Figure 6.1-2), increased resources to work systems or processes, or usage of external

resources. Sometimes, changes to specific items in the Strategic Plan may be necessary.

As described in Item 2.2a(6), performance projections are produced during the SPP by assessing the current level of MCB performance compared to the benchmarks, strategic objectives, trends, and other factors to develop a target to achieve in the current year, next three years, and/or next five years. These future performance projections allow MCB to set quantifiable strategic goals for Strategic Objectives. These processes are the results of two cycles of improvement over the last five years.

**4.1b(2) Improvement:** MCB identifies follow-up actions for process improvement or innovation projects from the monthly and quarterly reviews, in the Annual Improvement Retreat (see 6.1b(2)), and in the annual SPP. Innovations at MCB are breakthrough improvements never done in small family-owned restaurants in the Nashville region. All other projects are considered process improvements (see 6.1b(2)). Typically, MCB only has about five projects on-going at any one time, due to its small organizational size, with one of them being an innovation project.

A member of SL will sponsor each improvement or innovation project. That sponsor will appoint a cross-functional team to conduct the project, using BITES (P2.c) as the fundamental mechanism. The sponsor will provide timelines, apply financial and other resources, and other guidance to the project team members. Projects are reported on at least at the quarterly reviews, and significant actions are done at the monthly performance reviews. The SL will set and change priorities and timelines as needed and resolve conflicts.

## 4.2 INFORMATION AND KNOWLEDGE MANAGEMENT

### 4.2a Data and Information

**4.2a(1) Quality:** MCB verifies and ensures the quality of organizational data and information by properly using the applications from its DINER integrated management system developed for us and other leading family-owned small restaurants by Data Insight Providers LLC.

While our team members are fully trained on using the applications designed as part of their work systems and processes, the online data management system has defined reporting structures; defines how the users manage and report

on the data; and uses specific validations of data to ensure accuracy, validity, integrity, reliability, and currency. For example, if a wait person enters a lunch entry at supper time, the application will ask a question to confirm that the entry was not a mistake.

Data Insight Providers thoroughly tests all updates and has a standard process to issue an immediate software update if any one of its 12,000 family-owned restaurant customers identifies an issue. Our team members participate with their developers to ensure that tasks to enter data are of high quality.

**4.2a(2) Availability:** Data and information are readily available to SL, managers, and certain team members, key suppliers, and designated partners, on the Music City Leadership or Keyboard dashboard functions in DINER. Each restaurant's website is integrated with DINER to provide key data and information, such as status of wait times, specials, full nutritional information on all entries, background and soundbites of all musical guests, ability to order take-out or interface with delivery services, make special requests for groups or individuals with specific needs, and other items we have found customers want to know in deciding to visit MCB.

Our team members may enter their application from any device to schedule their work hours, check on benefits, communicate sickness or emergencies, seek assistance on employment-related matters, and other aspects using the Music City Team Member application. The corporate email system, including Music City Notes, Special Alerts, Music City Performance Log, the Diner Reporting Program, and other applications, are integrated with DINER.

These applications and functions are available 24 x 7 x 365, except for a two-hour system halt in the early hours each Tuesday morning (2-4 am). Data Insight Providers ensures DINER availability of organizational data and information and has approaches for user-friendliness, timeliness, and reliability. Deployment and integration follow the same methods described in Item 4.2a(1).

**4.2a(3) Cybersecurity:** MCB relies on Data Insight Providers for cybersecurity policies, procedures, and protection. MCB uses a server-based architecture with three virtual machine partitions for security purposes: (1) public facing for its three websites, social media, and public emails; (2) operations for food and bar services, team members

scheduling, supply deliveries, inventory management, and related activities; and (3) administrative for team members, financial, procurement, security, and regulatory aspects. MCB has an enterprise license for the CASTLE security suite of products as well as consulting services. All data and information are secured with cloud-based systems.

This provides functions such as firewalls, virus scans, access permissions, and password management. All MCB devices only use the applications and functions from the DINER data management system, including access to MCB websites and the mobile application. Wait people use a standard tablet to take orders for dine-in and walk-in/call-in carry-out customers. Team members and suppliers have remote access to special secured log-in screens via the Internet to gain access to either Music City Team Member or Our Support applications. Certain functions can only be accessed from MCB devices. The CASTLE security suite is updated at least weekly, and passwords are changed every 90 days. Data Insight Providers provide security monitoring services. A few MCB team members participate in a semi-annual cybersecurity exercise where hackers secretly attack a small family-owned restaurant.

#### **4.2b Organizational Knowledge**

**4.2b(1) Knowledge Management:** MCB uses the DINER integrated management system to build and manage organizational knowledge. DINER addresses the methods used to collect and transfer team members, voice of the customer, market, financial, supplier, and other restaurant-specific data; blend and correlate data; transfer relevant data to SL, managers, team members, key suppliers, and key partners; and assemble and transfer knowledge for use in restaurant management, improvement and innovation projects, SPP, and monthly/quarterly organizational performance reviews using the Music City Leadership dashboard function in DINER. Included in the work functions, support, and business functions applications in DINER are Job Aides for each position; defined work process steps, seamless integration of information technology with work process steps, an inventory of data analytics and data science techniques, standard methods and procedures to identify sources of data and information (especially from outside MCB), and a searchable database of key process owners and at least three subject matter experts among the MCB team members. Entry of data into the knowledge management database is the responsibility of specifically defined team members.

MCB deploys its knowledge management database and other assets through the dashboard function. Two cycles of improvement created DINER at Data Insight Providers, with the assistance of 35 family-owned restaurants, including MCB. An additional improvement cycle created the dashboard function, which involved MCB and 13 other family-owned restaurants. Two current improvement projects are underway, one being an ability to use AI to ask questions utilizing the restaurant's knowledge database and one to utilize a restaurant's customer ordering history to predict number of customers, ordering preferences, and similar information for annual Nashville events and holidays.

**4.2b(2) Best Practices:** As described in the Organizational Profile at P.2a(3), MCB obtains information on best practices through its interactions with MRA and Staffing Excellence, plus the industry research firm and insights from the Mystery Diners Network and BoardEffect. If practical, MCB will contact the other organizations to gain further information, and if the best practice is a practical usage by MCB, two to three MCB team members will visit the other organization to observe the best practice, ask further questions, and determine if it can be applied to MCB operations. On average, there are about three of these visits per year and may involve benchmarking their KPIs.

In addition, team members share practices and procedures they have seen and/or participated in at other restaurants. In March 2018, MCB had its first Day of Sharing with an all-team member meeting at the Belle Meade restaurant. Individual team members shared many best practices, ideas, benchmarks, and suggestions that Tuesday morning. We repeated this in both 2019 and 2020 (prior to pandemic shutdowns) and have continued online sessions during 2021-2023. These six sessions led to project teams implementing twelve best practices. The Day of Sharing proceeds the Annual Improvement Retreat, as described in Item 6.1.

**4.2c Pursuit of Innovation:** Innovations at MCB are breakthrough improvements never done in small family-owned restaurants in the Nashville region. Our primary source for information is from SL, managers, and our team members reading about breakthrough improvements accomplished in other industries. Our secondary source includes our interactions with Data Insight Providers, who are constantly reviewing new applications that might be useful to small family-owned restaurants. The Music City Composers Circle,

with several team members, operates a think tank for potential ideas, process improvement, breakthroughs, and innovations. Over the last five years, MCB has been involved in two projects that meet our innovation definition and both utilize supply chain applications that were discovered through online articles. MCB is considering joining a potential innovation with Data Insight Providers on another supply chain application used in the airline industry. If we decide to pursue this, MCB will follow the project team process described in Item 4.1b(2).

## CATEGORY 5 WORKFORCE

### 5.1 WORKFORCE ENVIRONMENT

#### 5.1a Workforce Capability and Capacity

**5.1a(1) Capability and Capacity Needs:** MCB assesses our workforce capability and capacity by looking at patterns for each day of the week to determine the number of staff needed for each shift. From this a staffing matrix is utilized and our team members are allowed to self-schedule to allow for better work flexibility. Online scheduling for team members, as well as time reporting, is housed on an app available to all levels of the MCB team called Music City Team. Open shifts are posted on the bulletin boards as pickup requests to allow for others to pick up the shifts as needed. Once the schedule closes, the manager fills in any remaining shifts to balance the schedule in coordination with the team members. Each manager attempts to fill the schedule to avoid overtime but may utilize overtime beginning with those who have volunteered followed by mandatory overtime.

Each role within the organization has been scoped for specific skills, certifications, and/or education needed, and job descriptions were created based on those needs. These job descriptions are reviewed each year during evaluation time to ensure the needs of the workforce and MCB are being met. If revisions are needed, the manager will submit a request to senior leadership to update the job description.

**5.1a(2) New Workforce Members:** MCB utilizes a standardized process for its recruitment, hiring, and onboarding. As full-time positions become vacant, they are first posted internally through the Music City Team app so that current part-time employees have promotional opportunities. If the position is not filled internally, the vacant

position will be posted on various job search boards such as Indeed, Simplyhired, and Glassdoor. If the role is filled internally, the part-time position that team member occupies will be posted to back fill that team member's role. Applicant resumes are compared to the job description and qualified candidates are called and scheduled for an interview by the manager. MCB utilizes its measured demographics of staff and customers and strives to hire applicants that represent the diversity of our community. Selected candidates are scheduled for a brief orientation of their location and the organization and then will be assigned a current team member to serve as their training mentor. Each role has a competency checklist that must be signed off by the mentor prior to allowing the new team member to function alone.

For hard to fill positions, MCB utilizes a team member referral program. Through this program, any current team member who refers a hired applicant will receive a \$500 bonus on hire and another \$500 bonus after the new team member completes their first year of employment.

**5.1a(3) Workforce Change:** In the past few years, MCB has completed multiple cycles of learning in adjusting our ability to balance the needs of team members with our organizational needs in response to the pandemic and how it affected the restaurant industry. In 2020 when we had to close due to the lockdown, we discovered the need to change our strategies quickly to mitigate loss of income for both the organization and our team members. Through emergency planning, we quickly recognized our ability to provide safe delivery and take-out practices that allowed our team members to continue to earn during this time. In fact, MCB became one of the first local establishments to offer these services. As TN law allowed, we shifted to offering outdoor dining to allow servers to return to their roles as quickly as possible. Unfortunately, during this time, many of our team members, especially servers, sought employment outside the food industry. As a result, we began looking at our staffing matrix monthly to ensure that we are aware of changing trends to adjust our capacity accordingly. We also collaborate across locations to share staff as possible during slower periods. Managers monitor activity during each shift and staff can volunteer to flex on or off as customer activity flexes. Other challenges that have arisen from these changes in scheduling are dissatisfaction with overtime requirements, particularly at our Belle Meade location.

**5.1a(4) Work Accomplishment:** MCB employs a workforce consisting of full-time and part-time team members, and

positions consist of a skilled and friendly team segmented by corporate, management, servers, food prep, and support staff (Figure P. 1-3). To ensure that we deliver excellent customer service, all customer-related roles are performed by full-time employees. Part-time employees are utilized in food prep and support services such as bussers, dishwashers, etc. Part-time opportunities are considered introductory positions with full-time promotions offered to those who display excellence in hospitality. This model allows our most engaged team members to interact with customers to create loyalty, and a more agile and resilient workforce since all full-time employees have training in food prep and support services to fill gaps when part-time employees are not able to be scheduled. This staffing model also allows us to capitalize on our core competency of Customer Experience Management.

In addition, we capitalize on our core competency of Optimizing every process by involving team members in mock trial runs of new processes to ensure all steps and checkpoints are effective and decrease risk when addressing menu changes and other key processes.

**5.1b(1) Workplace Environment:** At MCB, we believe our team members are family so we must provide an environment that allows for the well-being of our team. One of the ways that we ensure the health of our employees is providing flexible scheduling that leads to positive work life balance. We offer educational courses to our staff on kitchen safety, how to respond to a robbery situation, and other safety measures important to our employees. During walk arounds, managers keep their eyes open for any unsafe situations and rectify issues in real time.

We are compliant with all ADA regulations to accommodate any potential disabilities in future employees, even though our current employees do not need this accommodation.

**5.1b(2) Workforce Compensation and Benefits:** MCB offers competitive wages and benefits within the restaurant industry. Compensation is within the 70<sup>th</sup> percentile for the market and is scaled based on experience within the industry. Yearly cost of living increases are given on an as needed basis after completing a market analysis to ensure we are keeping up with competitors. We offer benefits that align with the industry norm as well as benefits that are unique to MCB. Important benefits are determined by listening to our staff through annual surveys. Recent additions, such as our mental health app RELAX, were included after learning about a high incidence of depression, sleep problems, and stress within the

restaurant industry. Our team members receive this benefit no matter their employment status. Growth in career is also an important driver for our team members which led to the addition of more professional training such as ServSafe (food and safety training) and LinkedIn Learning to promote service skills. Team members also enjoy serving in the community and therefore we offer four hours' paid time a month to volunteer at the Second Harvest Food Bank of Middle TN. Team members receive meals at no cost on their meal breaks during their work shift. A 50 percent discount is applied to all meals off shift. As a new initiative this last fiscal year, MCB recognized the need to assist team members, particularly in our Belle Meade market, with safe and reliable transportation to work. While this process is in the beginning stages of being realized, it addresses a core strategic challenge. Our full complement of benefits is displayed in Figure 5.1-1. During October of every year, benefit reenrollment is hosted within our Music City Team app.

Figure 5.1-1 Workforce Benefits	
Benefit	Team Member status
Health Insurance	FT, PT (24 hours or more)
Subscription to Mental Health app: RELAX	All team members
Professional Training and Personal Development	All team members
Vacation time/flexible scheduling	FT/All team members
Sick Time	FT Only
Paid Volunteer Hours	FT Only
Free Meals/Discounts	All team members
Transportation Help	All team members
Key: FT=Full Time; PT=Part Time	

## 5.2 WORKFORCE ENGAGEMENT

### 5.2a Assessment of Workforce Engagement

#### 5.2a(1) Drivers of Engagement

The drivers of engagement as displayed in Figure P.1-4 are determined by SL after the Team Member Sharing Day session that is held prior to strategic planning. This listening portion of the session helps SL understand the needs of our team members as well as the unique needs of different age groups and job types. MCB utilizes these drivers to make key strategic workforce decisions as they relate to benefits and

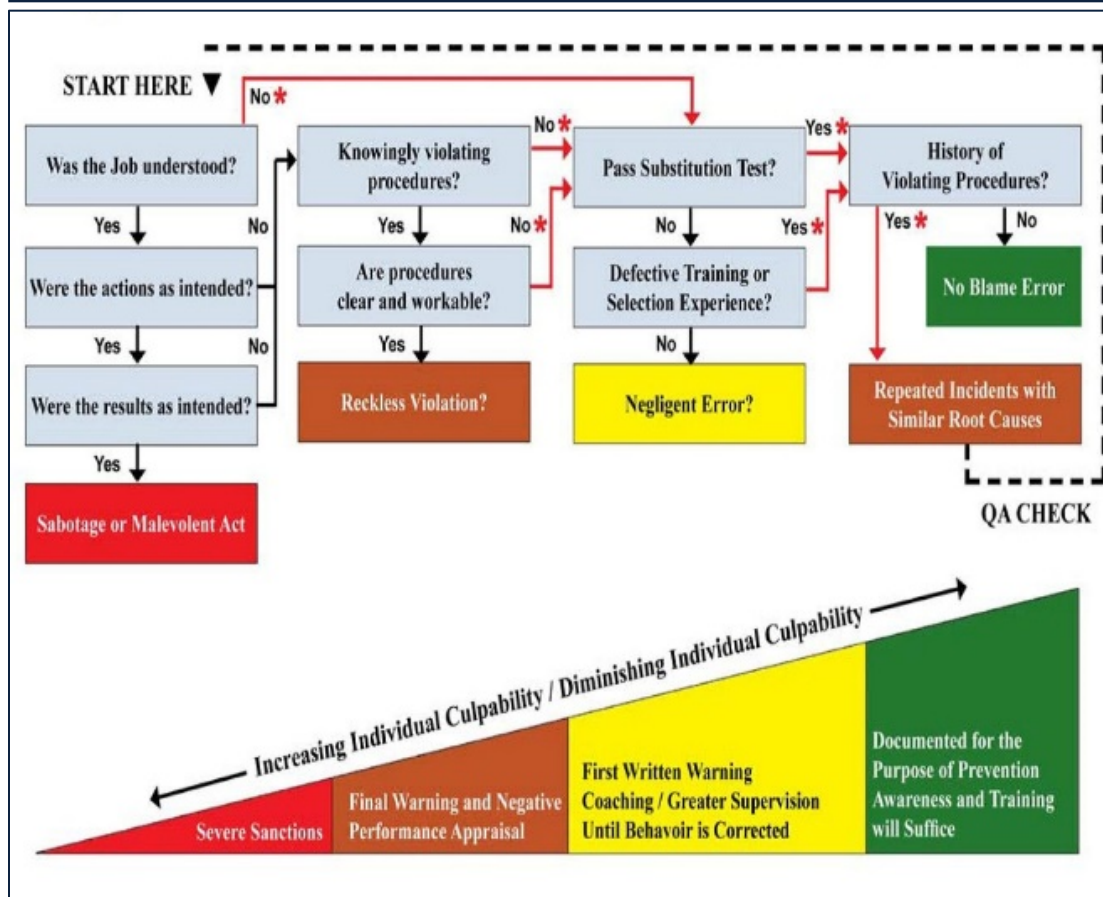
compensation, staffing models, and educational offerings. Key drivers of engagement are reexamined every year during the SPP to ensure relevance and altered for any changes as needed. To ensure that the team member voices are heard during the SPP, five seasoned team members are included in SP planning sessions.

**5.2a(2) Assessment of Engagement:** MCB measures engagement of team members on a consistent basis. Once a year the Workforce Director sends out a survey asking questions in an anonymous manner that measures the satisfaction and engagement of staff. Our main question that measures engagement is “How likely are you to recommend working at MCB?” Informal measures of engagement include information gathered by observation through SL walk arounds (enthusiasm, teamwork, initiative, willingness to go the extra step for customers). SL also review metrics such as team member turnover, attendance, and customer feedback scores to assess engagement.

**5.2b Organizational Culture:** Our culture reflects a collaborative environment where we all work to exceed the expectations of the customer. Our workforce is an extension of our family and, as members of that family, we hold each other accountable to portray the values that underpin our reputation within the community. All team members follow the Music City Code, our ethical guidelines for everyone.

Our culture is characterized by open communication promoted by regular walk throughs by SL during which they speak with managers and employees and allow for two-way communication. These interactions can be evaluated by team members in the Music City Performance Log to better measure SL effectiveness. Appointments can also be made with SL to discuss items further according to our open-door policy. We also utilize a newsletter called Music City Notes that can be accessed by the entire workforce. When emergency communication needs to be completed, such as any changes in regulatory requirements, we utilize special alerts that can be sent out to personal cell phones or emails. In a cycle of improvement, every year prior to the SPP, MCB hosts

Figure 5.2-1 Just Culture Algorithm



of each site after a self-assessment is completed by the team member. Key performance areas evaluated include tardies and attendance, customer satisfaction, safety skills, and process standards. Team members may be recognized monetarily in these evaluations if they have contributed to discovering a compliance or ethical issue that resulted in decreased waste or increased revenue for MCB, therefore allowing the team member to share in the reward.

Recognition for staff is completed in multiple ways. Each break room has a bulletin board where coworkers or leaders can post thank you notes. Written positive customer

a Team Member Sharing Day that allows staff to share thoughts on improvements, innovative ideas, and communicate the needs of the workforce. Another way MCB benefits from the ideas of its team members is our Music City Composers Circle, which allows anyone to engage in the development of a new concept with leadership support.

As a result of an innovation cycle, one of our managers brought forth an idea borrowed from the healthcare industry known as “Just Culture.” Figure 5.2-1 illustrates the associated decision tree for this process. The basis of this process allows team members to make mistakes and learn from those mistakes rather than face immediate punitive action. The “Just Culture” looks for the root of the issue and addresses the cause of the issue. This process has resulted in an increased incidence of self-reporting when a mistake occurs.

**5.2c(1) Performance Management:** Team member performance is evaluated at 90-days, six months, and then annually during the original hire month after the first year. These performance evaluations are completed by the manager

comments are also posted on these boards. The online newsletter, Music City Notes, also contains a section highlighting team members who have demonstrated excellence. A new process that was developed in response to our key driver of recognition is our “High Five” recognition. (Fig. 5.2-2) SL have “High Five” cards that they carry during their walk-through sessions. If they observe a team member doing something great, they give them a “High Five.” Once a team member collects multiple high five cards they can be traded in for a reward. (Fig 5.2-3) Recognitions are permanently recorded within the Music City Team App to allow for use in the evaluation process.

Figure 5.2-2 High Five Recognitions	
High Five Category	Example Behaviors
Friendliness	Going above for a customer, taking care of team members
Quality	Excellent food presentation, customer compliment on food
Safety	Practicing all areas of environmental safety
Innovation	Speaking up about improvements needed, suggesting ideas
Process standards	Observed efficiencies, excellent wait times

Figure 5.2-3 High Five Rewards	
# of High Fives	Reward
10 cards	Priority self- scheduling
25 cards	Holiday of choice off (first come first serve)
50 cards	\$50 gift card of choice
100 cards	Paid day off

**5.2c(2) Performance Development:** Music City employs an educational platform called Music City U. This program includes in-house educational programs and online educational opportunities by contract. LinkedIn Learning is also utilized for professional development courses as part of our team member benefits. Yearly, each team member is assigned a core group of mandatory learning modules that meet the base requirement for their job description. Classes may include but are not limited to kitchen safety, complaint resolution, conflict of interest, and more. Other classes can be selected and self-assigned as desired by each team member based on their development preferences. Team meetings, known as Music City Chorus, are conducted at each site monthly to discuss needs and education updates may be provided at these touchpoints as well. SL also use these meetings to share anonymously serious breaches in ethical practice to prevent issues from reoccurring. As a cycle of improvement, virtual options were added during the pandemic for safety and were popular among the team, so they were continued after distancing restrictions were ceased.

**5.2c(3) Career Development and Succession Planning:** MCB team members in part time roles are given priority for open full-time positions and their performance in their part time role is utilized to select the best qualified team member to fill the role. Full time team members who are interested in other roles within MCB can request shadowing opportunities to learn more about interesting positions and learn from

current team members within that role. SL identify potential successors and offer mentoring to those identified team members to enhance their ability to promote from within.

**5.2c(4) Equity and Inclusion:** Music City Bites is committed to treating all people with dignity and respect. We are welcoming to all people regardless of race, religion, sexuality or gender. During our Team Member Sharing Day, feedback on our processes are gathered from all segments of the workforce. Tracking the demographics of our workforce allows SL to ensure that all segments of the workforce are represented in different roles within MCB.

## CATEGORY 6 OPERATIONS

### 6.1 WORK PROCESSES

#### 6.1a Product and/or Service and Process Design

**6.1a(1) Product and/or Service Requirements:** To determine our key product (KP) and service (KS) requirements, we use three major sources of compiled data and inputs from: 1. Regulatory Requirements (Figure P.1-5); 2. Customer Requirements (Figure P1-6, and 3.1b2); and Owner Requirements (AOS). This data and inputs from these various sources are reviewed annually (at a minimum during the AIR or when new services and/or products are added or significantly revised) by the various leaders and process owners for each KP and KS areas to ensure that the requirements remain relevant and accurate.

**6.1a(2) Product and/or Service Design:** Our KS is *The unforgettable delivery of food and beverages to our customers (aligned to our CC of Customer Experience Mgmt.)* and our KP is *The variety (CHOICES) of menu and beverage options we offer to our customers! (aligned to our CC of Meal sourcing, prep, and hospitality)*

Interdisciplinary work teams led by the KP and/or KS lead use BITES (our 4 step PDCA methodology) to:

- Identify the primary outcome desired based on the complication of key requirements (6.1a1).
- Brainstorm and use other systematic tools to develop process maps and procedures as well as training tools and in-services.

**Figure 6.1-1: Key Services and Products, Key Work and Support Processes, Associated Requirements and Key Metrics**

KEY Services, Work & Support Processes (and associated sub processes)	Key Requirements	Key Metrics (IP=In Process; O=Outcomes) Additional metrics AOS
<b>M—Meal Management</b> <ul style="list-style-type: none"> <li>Menu and food options and design</li> <li>Ingredients and supply identification</li> <li>Food Preparation</li> <li>Food Plating</li> </ul>	<ul style="list-style-type: none"> <li>Chef designed—Choices and stable menu options</li> <li>Ingredients—Fresh and Flavorful</li> <li>Timeliness—Preparation and delivery</li> <li>Yummy-Flavorful and nutritious</li> </ul>	Figs. 7.1-1 thru 3 (IP) Figs. 7.2-1 thru 14 (O)
<b>U—Unforgettable Customer Experience Mgmt.</b> <ul style="list-style-type: none"> <li>RSVP mgmt.</li> <li>Meet and Greet</li> <li>Seating and Service</li> <li>Thank you and Come Again</li> </ul>	<ul style="list-style-type: none"> <li>Choices –Menu Options and Availability</li> <li>Inviting – Welcoming and Memorable</li> <li>Timeliness—Preparation and delivery</li> <li>Yummy-Delicious and Flavorful</li> </ul>	Figs. 7.1-1 thru 16 (IP) Figs. 7.2-1 thru 14 (O)
<b>S—Sales and Finance Management</b> <ul style="list-style-type: none"> <li>Menu and Beverage Pricing</li> <li>Promotions, Specials and Events</li> <li>Delivery Services Mgmt.</li> <li>AP &amp; AR</li> <li>Payroll</li> </ul>	<ul style="list-style-type: none"> <li>Customer and Stakeholder Value</li> <li>Integrity--accuracy, fair</li> <li>Timeliness</li> <li>Yield - % of customers serviced</li> </ul>	Fig. 7.1-15 (IP) Fig. 7.5-14 (O) Figs. 7.4-7 & 8 (IP) Figs. 7.5-6 & 7 (IP) Figs. 7.2-8 thru 14 (O) Additional IP metrics AOS
<b>I—ingredient and inventory Management (I&amp;I)</b> <ul style="list-style-type: none"> <li>Capture and Identification I&amp;I needs</li> <li>Identification and relationship mgmt. of Suppliers and Sources</li> <li>Ordering and Securing I&amp;I</li> <li>Maintaining and Rotation of I&amp;I</li> <li>Recycling and Compositing</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive– Effective, Efficient</li> <li>Innovative</li> <li>Timeliness</li> <li>Yield</li> </ul>	Figs. 7.1-21 thru 24 (IP) Figs. 7.4-9 thru 11 (O)
<b>C—Cleanliness management</b> <ul style="list-style-type: none"> <li>Cleaning schedule and execution</li> <li>Inspections and Audits</li> <li>Service mtc agreements (laundry, waste, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive– Effective, Efficient</li> <li>Innovative</li> <li>Timeliness</li> <li>Yeah’s --Positive interactions / outcomes</li> </ul>	Figs 7.1-4, 6, 17, 18 & 19 (IP) Figs. 7.2-4 (O) Fig. 7.4-9 (IP)
<b>B—Beverage Management</b> <ul style="list-style-type: none"> <li>Beverage and Drink options and design</li> <li>Sources and Supply identification</li> <li>Beverage and Bar Preparation and Delivery</li> </ul>	<ul style="list-style-type: none"> <li>Choices – Availability and Menu Options</li> <li>Innovative</li> <li>Timeliness—Preparation and delivery</li> <li>Yeah’s - Positive interactions / outcomes</li> </ul>	Figs. 7.1-1 thru 15 (IP) Figs. 7.2-1 thru 14 (O)
<b>I—Infrastructure Management</b> <ul style="list-style-type: none"> <li>Leasing</li> <li>Facilities mtc..</li> <li>Parking lots mtc.</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive – Effective, Efficient</li> <li>Integrity</li> <li>Timeliness</li> <li>Yeah’s - Positive interactions / outcomes</li> </ul>	Figs. 7.1-4, 18, & 19, 7.3-7a & b, & 8 (IP) Additional IP metrics AOS Fig. 7.2-5 (O)
<b>T—Technical and Equipment Management</b> <ul style="list-style-type: none"> <li>DINER mgmt. and. mtc.</li> <li>Kitchen and Bar equipment mgmt. and. Mtc..</li> <li>IT mgmt. and mtc..</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive – Effective, Efficient</li> <li>Innovative</li> <li>Timeliness</li> <li>Yeah’s - Positive interactions / outcomes</li> </ul>	Fig. 7.1-19 (IP) Figs. 7.2-6 & 9 (O)
<b>E—Team Member Management</b> <ul style="list-style-type: none"> <li>Hiring</li> <li>Team Member Scheduling</li> <li>Uniforms</li> </ul>	<ul style="list-style-type: none"> <li>Collaborative</li> <li>Integrity</li> <li>Timeliness</li> <li>Yeah’s - Positive interactions / outcomes</li> </ul>	Figs. 7.1-8, 9, 7.3-1 thru 4b (IP); Additional IP metrics AOS Fig. 7.2-3a, 3b, and 6 (O)
<b>S—Servicing Our Team Members</b> <ul style="list-style-type: none"> <li>Training and in-services</li> <li>Benefits and Wellbeing</li> <li>Recognition and Rewards</li> </ul>	<ul style="list-style-type: none"> <li>Collaborative</li> <li>Impactful</li> <li>Timeliness</li> <li>Yeah’s - Positive interactions / outcomes</li> </ul>	Figs. 7.3-5 thru 19 (IP); Additional IP metrics AOS Figs. 7.3-12 and Figs. 7.2-3a,b (O)

- c) Conduct mock walk throughs to trial the approach with TMs and often with a small group of loyal customers and suppliers, as appropriate, to ensure all steps and checkpoints are effective as well as identifying any risk or unanticipated consequences with things such as menu changes and/or process changes.
- d) Hardwire the approach to ensure consistency and continuity between servers, chefs, and kitchen staff within one location (typically Belle Meade) and then replicate it at our Hermitage location. This enables us to capitalize on our third CC of Optimizing Every Process. Occasionally we must modify a process from one location to the next due to physical layout or other constraints, but we still use the same set of requirements and metrics (Figure 6.1-1) to enable location-to-location comparatives and trending.

When appropriate, other partners and key suppliers are consulted and/or brought in during steps b, c, and d. New technologies and innovative ideas are key considerations in adoption of new menu and/or beverage options, as well as delivery options. For example, in a recent cycle of improvement and innovation, we implemented and installed a 20-bottle wine decanter system (Wine Keeper) at our two bars to improve accurate and consistent wine pours every time and enhance the preservation of each opened wine bottle. We are looking to expand this technology into our high-end liquor options for straight and mixed drinks to further ensure consistency from one bartender to the next. This addition has been met with much success and delight from our customers and we have been asked by many local and regional bars and restaurants for demonstrations, including several of our key competitors.

**6.1a(3) Process Requirements:** Our approach to determining and validating our key work and support process (KWP and KSP) requirements follows the same sources and methodology as described in 6.1a(1). The KWP and KSP and their associated requirements and metrics are shown in Figure 6.1-1. To simplify and help to communicate and ensure requirements with our TM, we use the acronym of C-I-T-Y to reflect four key sets of requirements for each KWP/KSP. The use of this acronym was the result of input from our Team Members in 2018 and resulted in a cycle of improvement with its implementation in early 2019.

**6.1a(4) Process Design:** Our approach to designing both our KWP and KSP process follows the same methodology and integration of technology, knowledge, and risk consideration

as outlined in 6.1a(2). In addition, when developing and designing these processes, the team includes several additional questions and areas to assess/address in their PDCA template including:

- Potential impact on the environment (i.e. chemicals for areas such as cleaning and disinfection), food sourcing (i.e. minimizing pre-processed foods and ingredients with a higher focus on organic products), and minimization of waste (i.e. considerations for recycling, minimizing the use of single use products, and composting of food waste) (1.2c(1)).
- Potential societal impact (i.e. daily capture of foods and food products that cannot be reused but can be shared with our local food banks).

All services and KWP and KSP processes identified in Figure 6.1-1 have written procedures and workflow documentation (AOS). At least annually, these processes are reviewed by the leaders, managers, chefs, and line supervisors, as appropriate, for any opportunity or updates which are captured and incorporated into the AIR (4.1b(2), 6.1b(1)). The addition of the AIR was the result of a 2021 cycle of learning and improvement.

## 6.1b Process Management and Improvement

**6.1b(1) Process Implementation:** Day to day operations is primarily managed using standardized daily menus; kitchen, dining and bar standardized protocols and work/support processes (Figure 6.1-1); a variety of check list and checkoffs to ensure consistency and timeliness of food and beverage delivery; and unforgettable customer service enabling us to effectively meet our identified process requirements, control expenses (6.2a), and, when appropriate, improve our KWP and KSP (6.1b2).

For example, we run two full eight-hour shifts each day of operation in both locations. Each shift has one manager and two supervisors assigned to each location to help oversee the dining room, pick-up/delivery area, and bar. Each kitchen is managed by a Kitchen Manager, a shift-assigned head Chef, and two Line Supervisors. Daily, each manager and supervisor have a set of assigned metrics and checklists to monitor, some hourly and others by shift. Chefs and Line Supervisors are tasked with checking and verifying each food item (accuracy, presentation, and appropriate temperature) that leaves the kitchen before delivery to a customer (in-dining, delivery, or takeout).

A standard set of key KWP/KSP metrics are captured real-time and updated into DINER, where these can be monitored in real-time by any leader and/or TM. In addition, dining and bar managers are regularly doing rounds with dining and bar customers to ask about their experience (3.1a1) and all delivery and takeout orders are followed up within 24-hours with a customer e-survey to ask about experience, food presentation, and value. This data is monitored daily for any outliers (any score less than 3 on 5-point scale) and weekly for trends and full data capture.

**6.1b(2): Process Improvement**--Data and inputs on improvement opportunities are gathered from a variety of sources including: customer surveys and comments; TM surveys and comments; in-process and outcome trends and identified outliers; supplier inputs and/or service changes; industry trends, innovations, and innovative opportunities; and seasonal needs and/or requests. These data inputs are gathered in DINER in a special section for each process and/or general commentary. Based on these inputs, key improvements occur through two key avenues as shown in Figure 6.1-2 and described below.

- a) Quarterly, managers, supervisors, chefs, and line supervisors meet to review and discuss the inputs and prioritize (Figure 2.2-1) those that are identified as:
- Must do's (aka Big Bites (BB))
  - Nice to do's (aka Little Bites (LB))
  - Let's reconsider (aka Tapas)

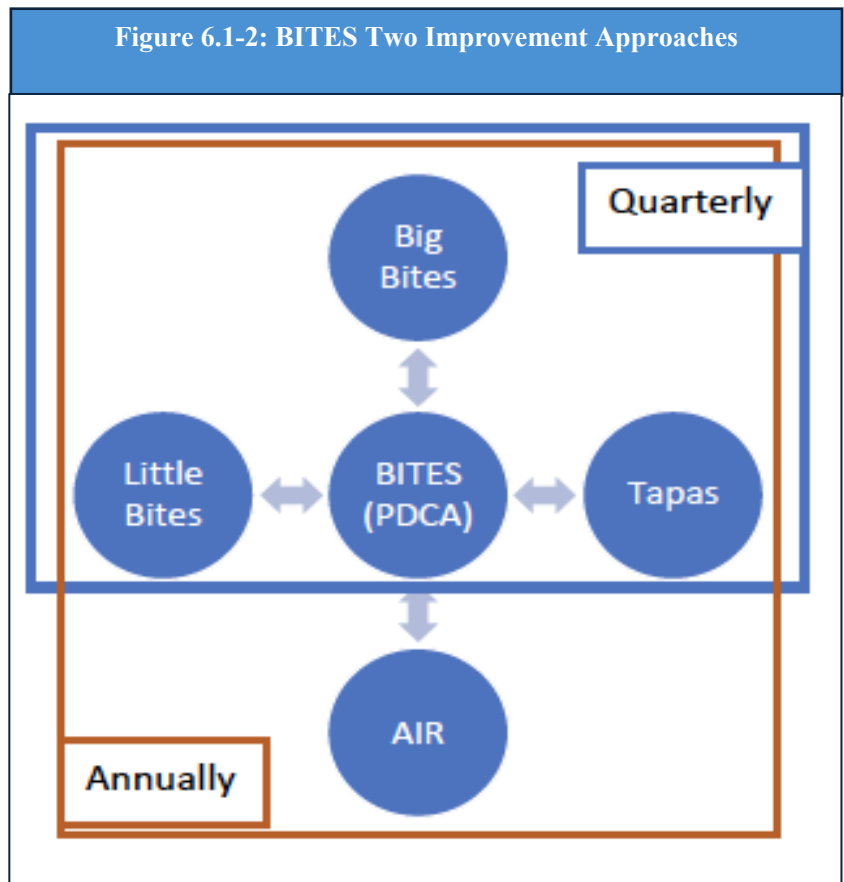
Inputs that are BB are further prioritized and scheduled for process/service incorporation and implementation using the rigor of PDCA steps with a working team assigned to each BB. The team is given a specific number of paid hours per TM to meet, identify appropriate fixes and/or changes, test, and implement. If there is still available team time, the LB are addressed and implemented.

On average one to two BB and two to four LB are identified each quarter. Typically, two to three opportunities are completed each quarter. All BB are expected to be completed within three months (we have a 95 percent completion rate) and all Tapas that are not addressed are re-evaluated at the AIR.

- b) The AIR is a full day and includes all leaders, managers, supervisors, and five seasoned TMs. This event is focused on reviewing all identified improvements from the annual document review (see 6.1a), performance reviews, identified opportunities (4.1b2), impact of the BB and LB implemented within the last year, and any Tapas that were not addressed and/or incorporated.

Time during the AIR is also allocated to identify and discuss any industry trends or opportunities for improvement/innovation. Any potential or scheduled major improvements that involve technology or additional capital are referred from the strategic planning group for consideration (2.1a).

**Figure 6.1-2: BITES Two Improvement Approaches**



## 6.2 OPERATIONAL EFFECTIVENESS

**6.2a Operational Efficiency and Effectiveness:** The design, management, and day-to-day operations (including the monitoring of key in-process and outcome measures), as well as customer and TM surveys and inputs, helps to ensure we are effectively managing our organization while keeping a close eye on our costs, providing value to our customers, and the overall effectiveness of our operations. Work process

design (6.1a4), workflows, and the annual review helps to ensure we identify and address any opportunities to improve efficiencies and/or effectiveness, as well as reduce variability especially between shifts and locations. Process and product waste and rework are managed through kitchen and bar oversight (Figures. 7.1-7, 9-thru 17) and strict ingredient and inventory management (Figures. 7.1-22 & 23). As part of our supply management, we have implemented an effective composting and recycling program to further reduce products going into the landfill (6.2b, Figures 7.5-9 thru 11). Our customers have come to expect that we will keep our costs in check and deliver both an unforgettable customer experience and great food/beverages at a reasonable price (Figures 7.2-1 – 17).

**6.2b Supply-Network Management:** Our supply management is operationalized in our KWP of *Ingredient and Inventory Management* with input from both Meal and Beverage Mgmt. for suppliers for all products related to our primary business (Food and Beverages) and in our KWP of Technical and Equipment Mgmt. for all additional support-based suppliers (IT, facilities, and equipment).

We have recently standardized our supply management, as a cycle of learning in 2022, into four key approaches: a) Selection, Management, and Evaluation of Suppliers; b) Product/Equipment Identification and Procurement; c) Inventory Mgmt.; and d) Recycling and Composting Management.

Selection, Management, and Evaluation of Suppliers: Key supplier selection is based on four criteria elements using a 5-point scoring system (with 5 being optimal) and contracts are awarded on a one-to-three-year length, as appropriate based on the type of supplies and products. The aim for our supplier selection is to only select suppliers with a score greater than 15+ points. The four criteria are:

- 1) Are the Products being secured from locally or regionally based owner operators (including local /regional farm raised products such as beef, pork, chicken, vegetables, wines, liquors, and craft beers) or locally owned/operated services (e.g. IT, laundry, equipment maintenance, and delivery)? We aim to use organic products when/where available. Approximately 65 percent of our ingredients and food/beverage sources are sourced locally/regionally (four state region).
- 2) Can the supplier meet our supplier requirements (see Figure P.1-8 for key requirements)?

- 3) Will the supplier participate in special events and/or charities (including local food bank contributions)?
- 4) Will the supplier share key performance metrics and participate in regular supplier meetings to review performance and expectations?

Prior to 2022, we did not have a systematic approach to supplier selection. Based on learnings from a previous Baldrige recipient, we adopted a set of criteria in a 2023 cycle of learning and improvement and have since validated our key suppliers with it.

We believe that we are mitigating our supply chain risk and improving our supply chain agility using local/regional materials where possible. When necessary, we have flexibility to go to national providers for key supplies including paper/disposable products and food products that are not available regionally (such as some types of citrus fruits). Access and relationships to larger distributors are maintained to ensure we have access to products, food sources, and equipment, when necessary. As part of our 2024 SPP, we are reassessing our supplier delivery processes to identify additional improvement opportunities and continue to minimize waste, delayed delivery times, and packaging that is not recyclable.

Risk was minimized during the pandemic by a greater reliance on local/regionally owned and operated sources. Unlike many of our competitors, we were not impacted as severely by supply chain disruptions during the pandemic. Because of our ability to rapidly shift and having robust processes, we were more effectively able to shift our business model to take-out during the heights of the pandemic. Once we were allowed, we were able to easily shift to outside seating for most of our dine-in demand which helped to minimize our societal impact on keeping our TMs employed (5.1a3). In addition, our local/regional suppliers were grateful for engaging with us in keeping a higher-than-average demand for supplies during this time versus several of our local key competitors (Figure 7.1-24).

To enhance our supplier management and evaluation, we typically meet quarterly with our top five suppliers and at least annually with all other suppliers to review key metrics and performance and discuss any opportunities for improvement. In the past five years, we have only had to remove two suppliers from our key suppliers' group due to poor

performance or their inability to meet expectations and/or demand.

As part of our inventory and ingredient management system, we use the Kanban approach for many of our key supplies and/or ingredients including high volume beverages. We assign one of the Line Supervisors daily to review and check for any outdated (or soon to be outdated) products and remove them from our stock. As a restaurant, many products would not be used based on the best by date; however, they are still viable and are shared with our local food banks, as appropriate. Other products are returned to the supplier, for credit, if appropriate, or discarded. All storerooms, walk-in refrigerators, kitchen and dining room layouts, and cleaning closets are all set up using 5-S methodology and our TMs are educated on our lean and PDCA approaches during orientation and regular in-services/training.

### **6.2c Safety, Business Continuity, and Resilience, and Risk Management**

**6.2c(1) Safety:** Our goal is always to ensure a safe and secure working environment for our workforce, customers, and stakeholders. Within our business, we are subject to several critical safety risks in the workplace and dining/bar areas including kitchen accidents (burns, cuts), slips and falls; violence (such as breaking and entering, assault, etc.), and repetitive motion injuries (Fig. 7.3-7a). As part of our process design, we implement and regularly assess steps that may be more susceptible to these types of safety risks and build in, where appropriate, fail-safe steps, safety tips, and reminders. Our day-to-day operation audits and checklists include elements to ensure we are paying attention to opportunities to minimize risks and maximize safety. When accidents or injuries occur (for anyone), we have a strict policy to document the details and do an RCA within 24 hours to identify where and/or if we could have prevented the accident. During severe weather (rain, snow, ice), we take extra precautions and safety measures to ensure our parking lots and entry ways are clear/dry with additional safety items including additional rugs, salt, signage, etc. Lastly, TM training is key in accident prevention and mitigation. Training and update reminders include good kitchen and servicing practices (handling of hot sources, knife skills, carrying skills, and techniques, etc.), fire and disaster protocols, robbery protocols, and body mechanics (especially for repetitive strains/injuries and prevention of slips and falls).

**6.2c(2) Business Continuity and Resilience:** As a privately owned business with agile operations and a SPP, we have the resources to respond rapidly to shifts in our industry environment, unlike what we have seen within our industry from some regional and nationally owned restaurants and/or bars, especially during and immediately after the pandemic. The pandemic tested our business approach and processes, and we learned and pivoted fast in minimizing the impact of our business disruption. We were readily able to reopen with a modified business model with shifting to “all” take-out options and then followed by take-out and outdoor seating, while still maintaining 70 percent of our staffing. Local musicians also responded by setting up a rotational music calendar going from four nights a week (pre-pandemic) to seven nights a week during the pandemic. We have since adopted this model in our bars / music venues.

Prevention and protection for our business is fortified by our robust design and process documentation. TM training allows our workforce to readily respond to emergencies and/or disruptions (as we have seen with how many of our key competitors were much slower to respond and/or shuttered during the pandemic). Innovation continues to be embedded in how we solicit TM and customer inputs to incorporate into our approaches. For example, we were one of the first to shift to an all-take-out model during the early days of the pandemic and staff rallied when we used a large portion of our parking lots and sidewalks for outside dining. We have since incorporated these innovative ideas into other regular and pop-up events to support our customers and local economy.

**6.2c(3) Risk Management:** We address operational risk management by having robust and documented approaches and regularly review these approaches to identify and mitigate risk. Legal and regulatory compliance is built into the design of KWP and KSP and audits are regularly conducted to ensure compliance and identify potential issues and/or risks. We regularly are subject to required inspections (city, state). In addition, we have learned several best practices from our local health systems on conducting self-inspections and have integrated ISO based concepts into our audits and check list (6.1a4, b1), a 2020 cycle of improvement, which has been invaluable improvements in our kitchen, storerooms, refrigerators, and dining areas. For all IT systems, we outsource maintenance to a third party (4.2a) to ensure we are meeting all requirements and expectations (6.1a1 & 3, Figure 7.1-19). We anticipate as part of the 2025-26 SPP cycle, risk management considerations will be more effectively

integrated, especially in our consideration for financial viability (2.2a3).

## CATEGORY 7 RESULTS

MCB’s KPIs, which are critical to the success and sustainability of the organization, are provided with associated measures (segmentation AOS). Comparative data is provided in most cases where available and MCB regularly researches industry sources to identify best practices and the resulting performance which it drives. However, in many cases, restaurant sourced KPIs representing top decile, best-in-class performance levels are too expensive for MCB to subscribe to and acquire. Because of this, we have chosen to invest in market research that is most applicable to MCB’s success and utilize comparative data from locally owned competitive restaurants.

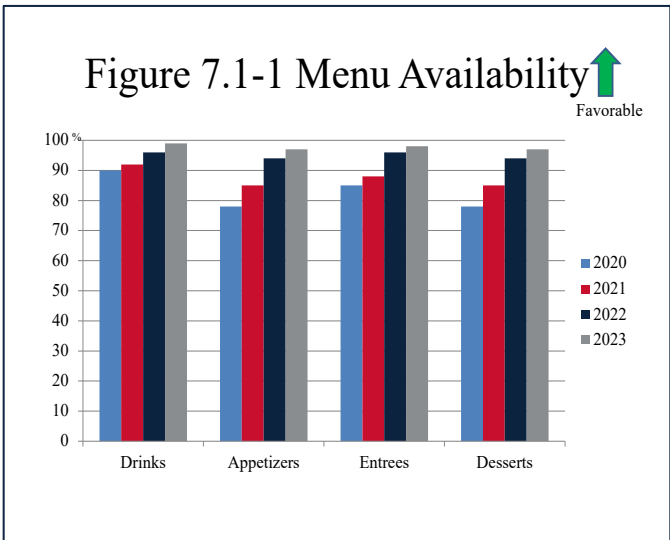
On March 22, 2020, Gov. Lee issued Executive Order No. 17 calling on businesses to utilize “alternative business models” and prohibiting gatherings of ten or more people. The order also ordered restaurants and bars to offer only drive-thru, take-out, or delivery services. While these prohibitions were necessary for the betterment of our community and lasted much less time in Tennessee than most other states, the restaurant industry was heavily impacted by the pandemic, and it created both challenges and opportunities that transformed our industry. Many local restaurants did not survive. MCB’s business in 2024 does not look anything like the one we operated prior to the pandemic but we proudly present our performance as a testament to the transformative leadership and focus on the customer that has driven our success.

### 7.1 PRODUCT AND PROCESS RESULTS

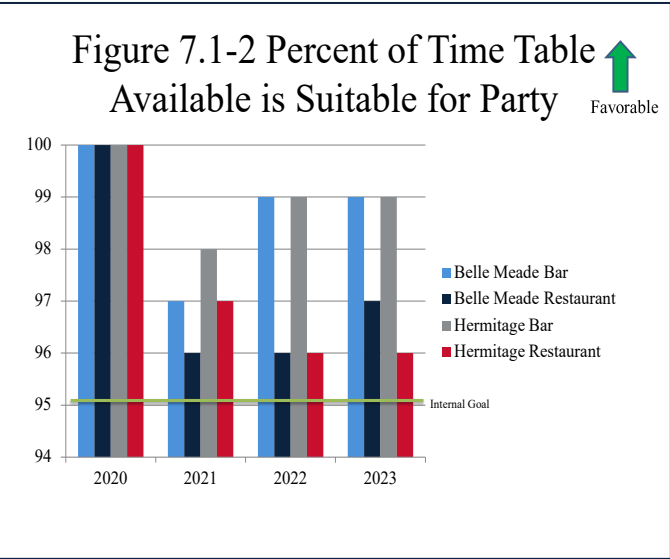
#### 7.1a Customer-Focused Product and Service Results

MCB has multiple key work and support processes as identified in Figure 6.1-1. The key work process of Meal Management is critical to the success of any restaurant. MCB uses CITY (Choices, Inviting, Timeliness, Yummy) as a memorable acronym for the key requirements we employ to manage, measure, and improve our performance. Three KPIs MCB uses to determine Choice are Menu Availability, Percent of Time a Table Available is Suitable for Party, and Delivery Requests Outside Service Area.

Menu Availability (Figure 7.1-1) reflects the impacts that food shortages and transportation issues we experienced within the

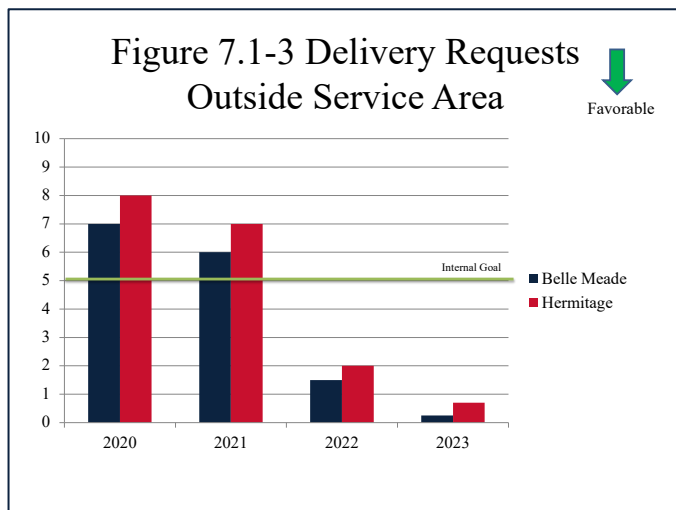


supply chain due to the pandemic. Although sales were heavily impacted early on, restaurants like MCB quickly transformed to focus on parking lot take-out options and home delivery. Through our efforts with the local restaurant consortium, as well as improvements in the way we manage our supply chain network, we have favorably impacted the availability of all products that we offer our customers. Our focus group efforts have identified that a KPI impacting customer choice is the availability of a table that is suitable to accommodate the customer’s family and friends (Figure 7.1-2).



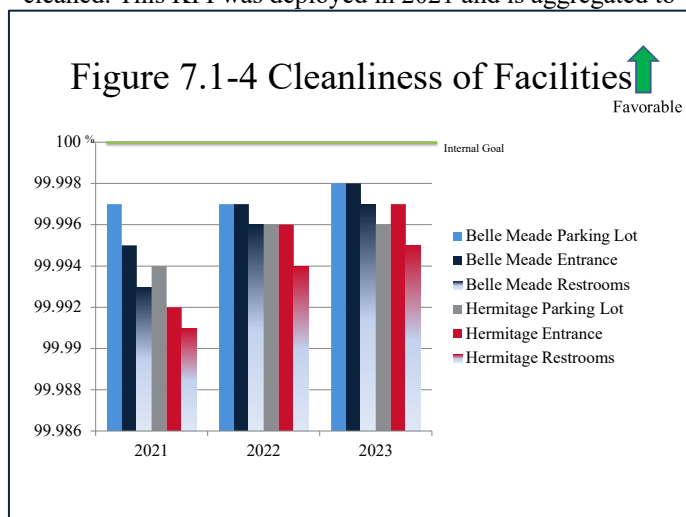
Delivery requests that are outside of our service area were a significant source of customer complaints in early 2021 before we worked with our delivery provider to modify their customer app to enable geocoded addressing and establishing geofencing of the service delivery area which ensured a 95 percent likelihood of identifying addresses. MCB’s goal for

this KPI is therefore 95 percent or greater. We have experienced consistent levels greater than that since implementation. Figure 7.1-3 illustrates key performance improvements that are directly attributable to our implementation of tools developed in our Baldrige journey. By sharing these tools with our partners, we were able to improve service for not just MCB but all restaurants using their delivery services in our community.



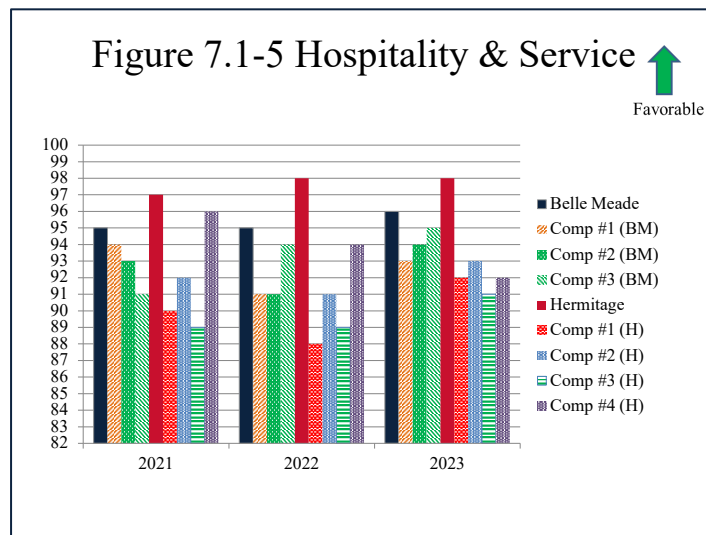
The next letter in MCB's CITY acronym is I: Inviting. Based on focus groups, MCB has determined that cleanliness of the facilities, hospitality, and service and cleanliness of the utensils used in food service are key customer requirements.

Cleanliness of Facilities (Figure 7.1-4) is assessed hourly by the manager on duty using a checklist which addresses cleanliness of parking lot, entrance, and waiting area. It also includes inspection of restrooms to ensure that paper products are stocked, soap dispensers filled, and floors and sink basins cleaned. This KPI was deployed in 2021 and is aggregated to

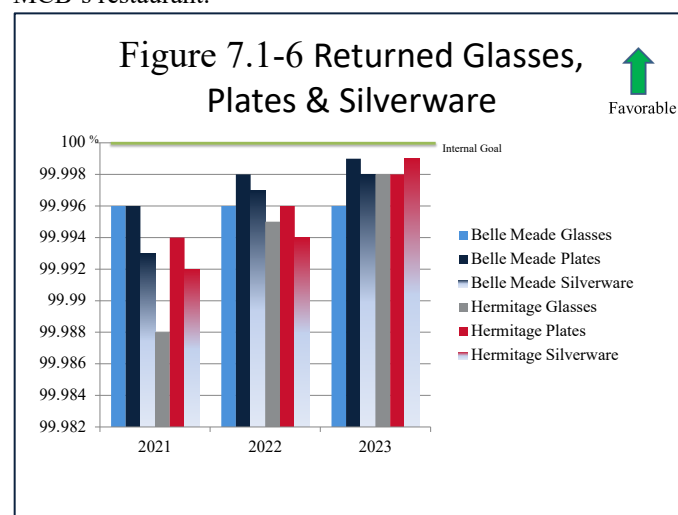


report monthly incidents of non-compliance with established internal standards. Performance levels and trends are consistently favorable with only one to two incidents per month.

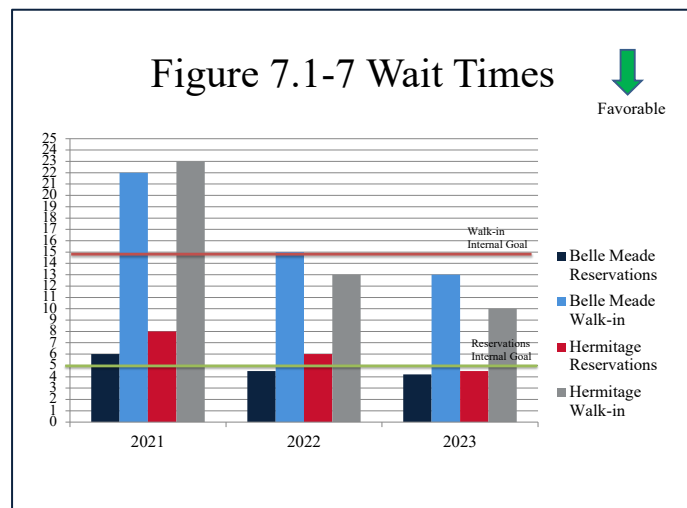
Hospitality and Service (Figure 7.1-5) is based on mystery shopper reports. MCB contracts to have 20 random mystery shoppers per month and compares against results of local peers currently under contract. Local competitors are not identified by name, only by a number which enables recognition of placement among MCB's peer group but does not identify which restaurant the comparative represents.



Returned Glasses, Plates, and Silverware (Figure 7.1-6) is a KPI which is input by runners who perform these replacements. This reflects not only a cleanliness concern but a reflection on the customer's perception of the cleanliness of MCB's restaurant.

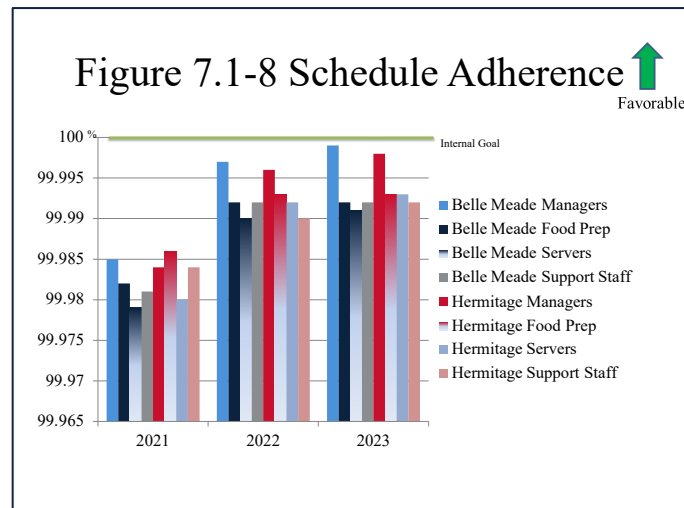


The next letter in our CITY acronym is T: Timeliness. Based on focus groups, we have determined that wait times in all phases of the dining experience are critical to the customer experience. Due to this, MCB uses the POS system to capture data at key intervals to identify average wait times which enables identification of bottlenecks and make corrections prior to them impacting the customer experience. Wait Times (Figure 7.1-7) calculates wait time from arrival to seating.



Data are input by hosts/hostesses. MCB has established a goal of less than five minutes for reservations and less than 15 minutes for walk-ins based on focus groups' identified expectations. Data are maintained and reviewed in real time but annualized for presentation. Results for 2021 are unfavorable due to open positions following the pandemic. Average results for Sunday through Thursday easily exceed goals. Results for Friday and Saturday are significantly longer but most times meet established goals. Greater segmentation is AOS. Mystery Shopper provides comparative data which demonstrates favorable performance against unidentified peers, especially on peak days and times. Those results are also AOS.

Staffing Adherence to Schedule (Figure 7.1-8) is a critical KPI used to diminish customer wait times. MCB's team member scheduling is optimized weekly based on historical customer volumes and based on a variety of factors including reservations already booked, wait times, weather, and events. Managers are familiar with the variables that impact staffing requirements and adjust as necessary to maintain adequate staffing levels to ensure excellent service. Since MCB began tracking schedule adherence, significant improvements are recognizable and it is believed to have a direct impact upon labor costs, wait times, and customer satisfaction and engagement KPIs. Staffing Adherence to Schedule is determined by comparing weekly schedules to team member hours worked.



Time from Seating to Server (Figure 7.1-9) represents dead time for the customer. MCB developed the goal of less than three minutes for this KPI based on focus groups' identified customer expectations. Mystery Shopper is used to validate these measures as well as the performance of peers which is consistent for most competitors. Time from Order to Table (Figure 7.1-10) identifies the average time for meals to be prepared and delivered to the table. MCB has established a goal of less than 20 minutes based on focus groups' identified customer expectations. Meeting this goal required changes in our menu based upon input from focus groups to ensure that customer favorites were retained. Some menu items require longer prep times, and they are noted on the MCB menu. Servers advise customers of the increased wait times at the time of order to help establish expectations. These items are excluded from measurement.

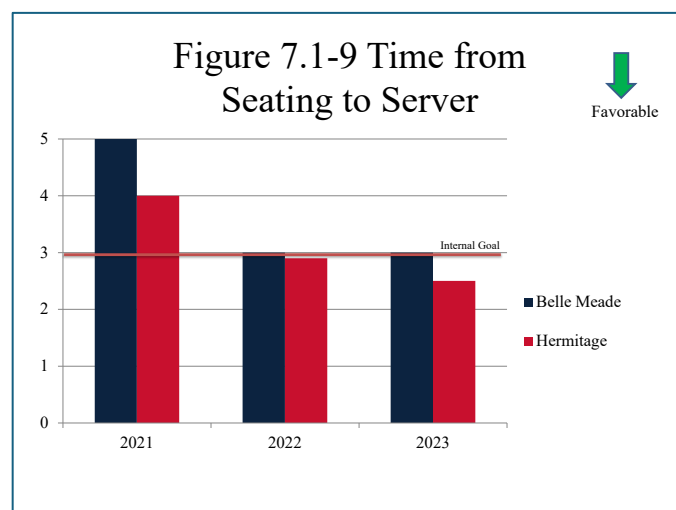
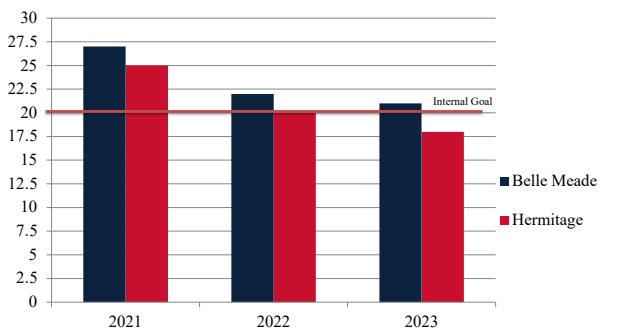
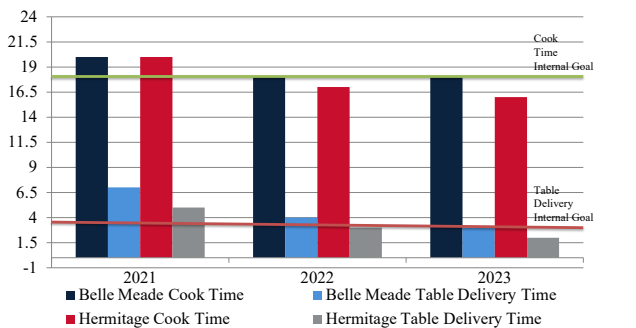


Figure 7.1-10 Time from Order to Table



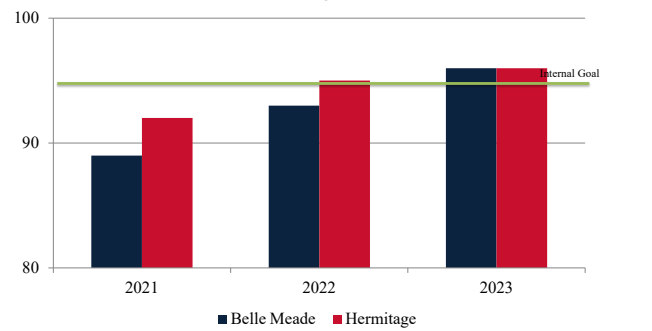
Cook and Delivery Time (Figure 7.1-11) shows favorable performance over time in both cooking and delivery times. MCB made significant improvements in the menu based on focus groups' input related to tastes and preferences, as well as identified expectations for food to be cooked and delivered. MCB developed a BITES team to develop new adaptations of the menu and had them tested among focus group participants. Once the menu was confirmed, we deployed the changes to both restaurants. In a separate BITES project, MCB's team members worked with the supplier of delivery services to improve multiple aspects of the delivery process including addressing, geocoding in the delivery app, and improving multiple aspects of MCB's internal processes.

Figure 7.1-11 Cook & Delivery Time



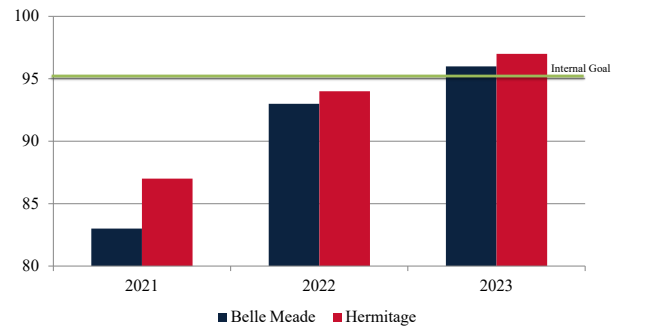
Carry Out Within Projected Time (Figure 7.1-12) is a KPI used to evaluate how MCB is meeting the projected time when carry out orders will be available. By eliminating bottlenecks for Carry Out orders, MCB ensures that parking lots and lobby waiting areas are not crowded and a positive customer experience is regularly met. A goal of 95 percent is established and will be modified to 97 percent in 2024.

Figure 7.1-12 Carry Out Within Projected Time



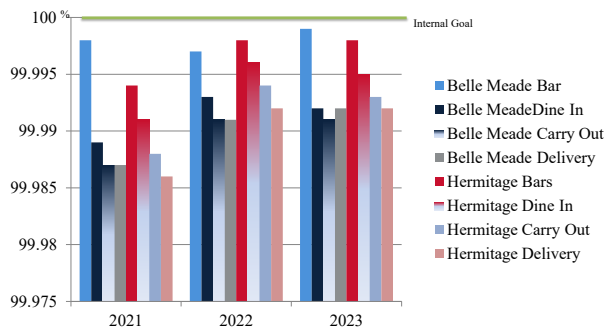
Delivery Within Projected Time (Figure 7.1-13) is based on customer expectations identified during focus groups. Customer feedback indicates that delivery should be within ten minutes of the time promised. MCB's delivery provider now guarantees a 15-minute window for all deliveries and provides a detailed report of deliveries exceeding the time along with a reason for delays. This is used for RCA and process improvement efforts. Improvements in the delivery provider's geofencing capabilities and MCB's projection window capabilities have led to significant improvements and the goal for 2024 will move to 97 percent.

Figure 7.1-13 Delivery Within Projected Time



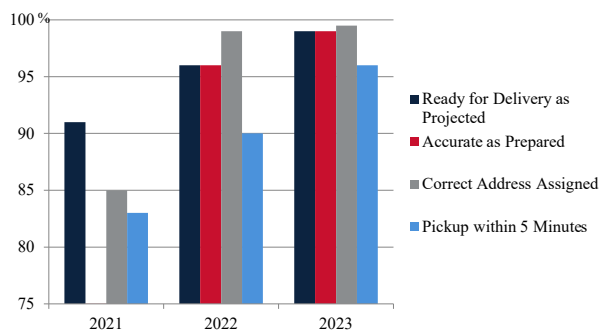
Order Accuracy (Figure 7.1-14) is a KPI developed by MCB to identify times when the food delivered to the table or customer is different than what was ordered. Like Returned Meals, this KPI is maintained by managers on duty and triggered when servers return a meal. While this data is reviewed hourly to identify emerging issues, the data is annualized to enable presentation in a concise format. Detailed data (AOS) indicates order accuracy diminishes 1-1 ½ percent on Friday and Saturday.

Figure 7.1-14 Order Accuracy



Delivery Service Management Effectiveness (Figure 7.1-15) shows the impact of BITES improvements across all aspects of the delivery process which includes food ready for delivery as projected, food accuracy, correct addressing assigned to the delivery order, and pickup within five minutes which is a leading indicator of the order's ability to be delivered within the 15-minute window.

Figure 7.1-15 Delivery Service Management Effectiveness



The last letter in MCB's CITY acronym is Y:Yummy. Focus groups have determined that temperature, taste, presentation, and order accuracy are key requirements to ensure memorable moments.

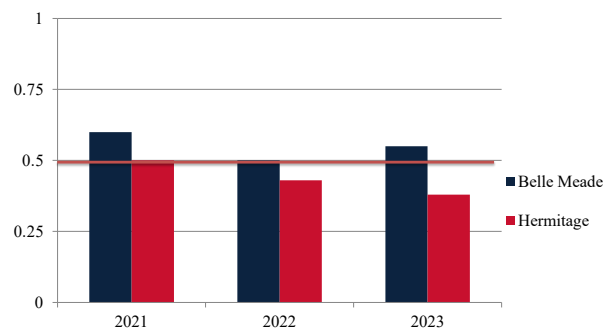
Returned Meals based on Temperature are segmented by Bar, Dine In, Carry Out, and Delivery for each restaurant. We have been measuring this since 2022 with a target of zero percent for this measure. Servers are required to evaluate the temperature of food at the time they pick up. Since we established this practice, we have not had any food returned based on temperature at either restaurant for any customer segment.

Returned Meals Based on Taste is a KPI used by MCB for Bar, Dine In, Carry Out, and Delivery at each restaurant. The

measure is maintained by the manager on duty and triggered when servers return a meal. While returns are rare (less than 1 percent year over year, data AOS), they do occur and managers are required to record and identify the cause at the time of the event.

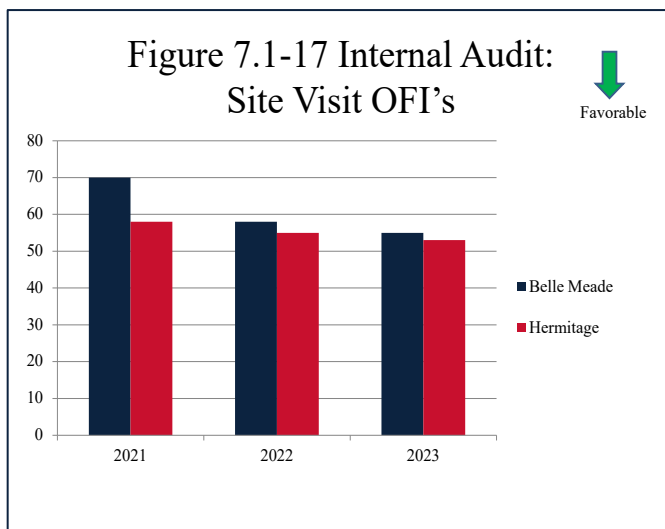
No Charge Meals (Figure 7.1-16) is a KPI representing comped meals based on an issue of customer dissatisfaction. Performance is aggregated into an annualized measure for presentation purposes. Although 100 percent accuracy is our goal, we have established that 0.5 percent is a reasonable level of performance for this KPI. These measures are maintained by managers on duty who are involved in the service recovery process. Data is entered for each event and reviewed daily. Data captured enables segmentation and root causes are identified for each event (AOS).

Figure 7.1-16 No Charge Meals

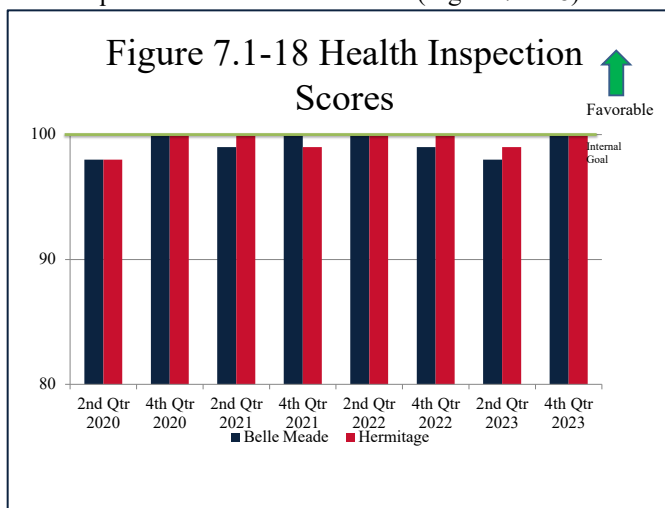


## 7.1b Work Process Effectiveness Results

**7.1b(1) Process Effectiveness and Efficiency:** Each year, MCB performs internal site visits to ensure that systematic processes are consistently deployed at both restaurants and to verify that MCB policies and procedures are administered consistently and fairly. MCB uses state and national trained examiners in these internal site visits to ensure that the process is aligned with the Baldrige Criteria. OFIs are addressed at the local restaurant and as inputs to the SPP, as appropriate. This approach was identified from a Baldrige applicant when discussing their processes at examiner training. While we celebrate the strengths that arise in the evaluation, Internal Site Visit OFIs (Figure 7.1-17) identifies the OFIs by restaurant.



The TDOH conducts restaurant inspections to ensure that food service establishments are following the Tennessee Food Establishment Rules. In Tennessee, restaurants receive a score on a 100-point scale. The score and the full inspection report are available on the TDOH website. During the inspection, the inspector looks for evidence of food-handling practices such as proper handwashing procedures, food temperature control, and proper storage and labeling of food. The inspector also looks for evidence that pests are being controlled, such as routine pest control measures and prevention of rodent and insect infestation. The health inspector also takes note of any structural issues with the restaurant that could present health or safety hazards, such as poor plumbing or electrical wiring, or inadequate ventilation or sanitation (Figure 7.1-18).



On-time maintenance and Uptime of key technical, IT, and equipment are key performance metrics for ensuring effective and efficient Technical and Equipment Management (Figure 7.1-19).

**7.1b(2) Safety and Emergency Preparedness:** Safety extends not only to employees but to customers, suppliers, and anyone visiting our premises. A hospitable environment

**Figure 7.1-19 Technical and Equipment Management**

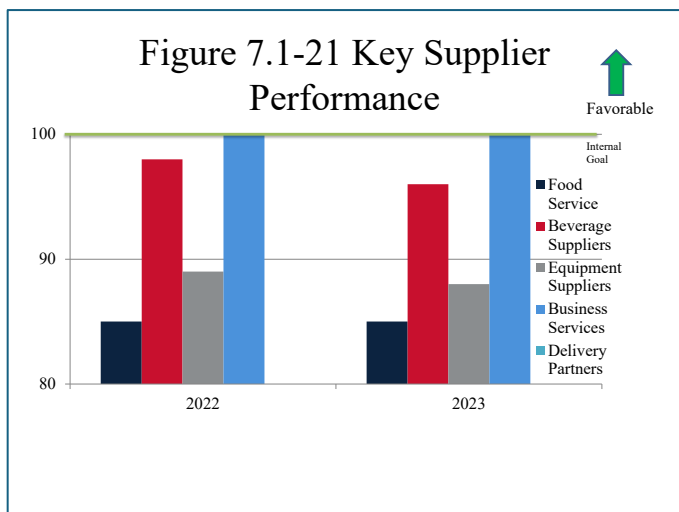
Scheduled Maintenance On-Time (Goal 100%)	2020	2021	2022	2023
DINER App	100%	100%	100%	100%
Kitchen/Bar Equipment	82%	88%	90%	91%
Other IT platforms	100%	85%	86%	87%
Application and Equipment Uptime / Availability. (Goal 99%)	2020	2021	2022	2023
DINER App	95%	91%	91%	97%
Kitchen/Bar Equipment	94%	95%	100%	85%
Other IT platforms	99%	97%	99%	97%
On-time Mtc. and Uptime are KPI for ensuring effective and efficient Technical and Equipment Mgmt				
IT Attributes	2020	2021	2022	2023
Cybersecurity Breaches	1 – resolved	0	0	1-resolved
Data Integrity (As assessed by entry errors, corrections, etc.) per 1000 entries (Goal is <0.5%)	1.50%	2.50%	1.75%	0.75%

requires that team members, customers, and honored guests are free from harm. Key safety issues include slips, trips, and falls; cuts and abrasions; burns and scalds; workplace violence; and fire safety. Despite efforts to create a safe environment, infrequent events do occur, most often in the kitchen and involving team members. While safety KPIs include suppliers, we have not had an event that involved suppliers since we opened. Although included in this KPI, they are not listed specifically.

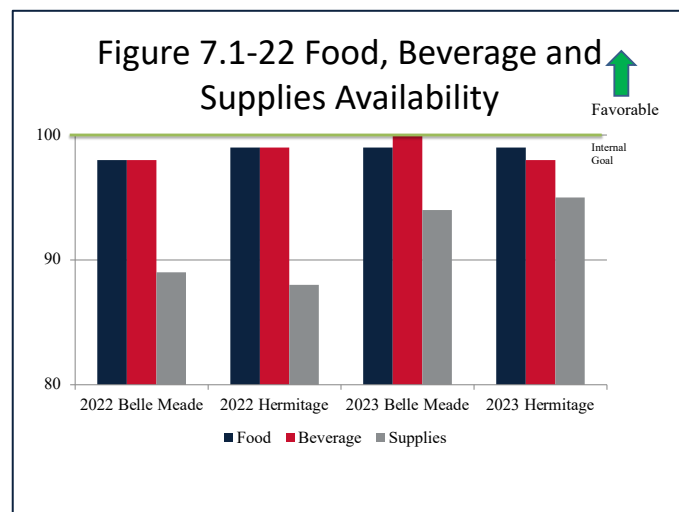
**Figure 7.1-20 Safety Results**

	Belle Meade		Hermitage	
	Customers	Team Members	Customers	Team Members
<b>2021</b>				
Slips, Trips, & Falls	4	6	7	7
Cuts and Abrasions	0	12	0	15
Burns and Scalds	0	15	2	11
Workplace Violence	0	0	0	0
Fire	0	7	0	3
<b>2022</b>				
Slips, Trips, & Falls	4	7	3	6
Cuts and Abrasions	0	7	0	8
Burns and Scalds	1	4	2	5
Workplace Violence	0	0	0	0
Fire	0	3	0	0
<b>2023</b>				
Slips, Trips, & Falls	3	5	2	4
Cuts and Abrasions	0	6	0	7
Burns and Scalds	1	5	1	5
Workplace Violence	0	0	0	0
Fire	0	1	0	2

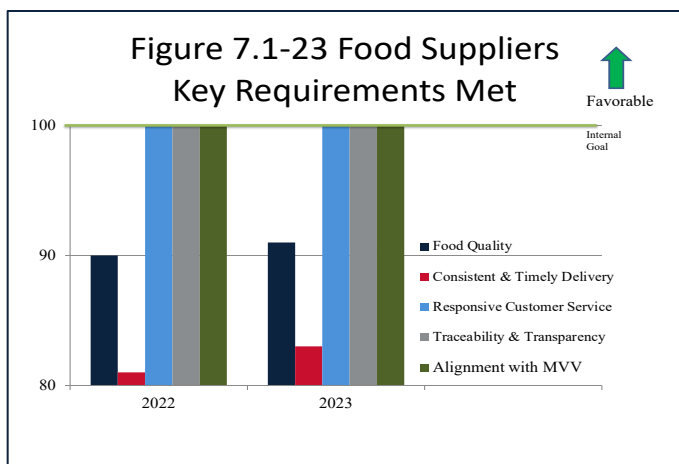
**7.1c Supply-Network Management Results:** MCB has made significant changes in supply chain management due to the collaborative efforts of the local restaurant owners. Supply chain performance management efforts are in the early stages of deployment. Because the supply chain is managed at the corporate level, performance measures related to suppliers are aggregated, as presented in Key Supplier Performance (Figure 7.1-21).



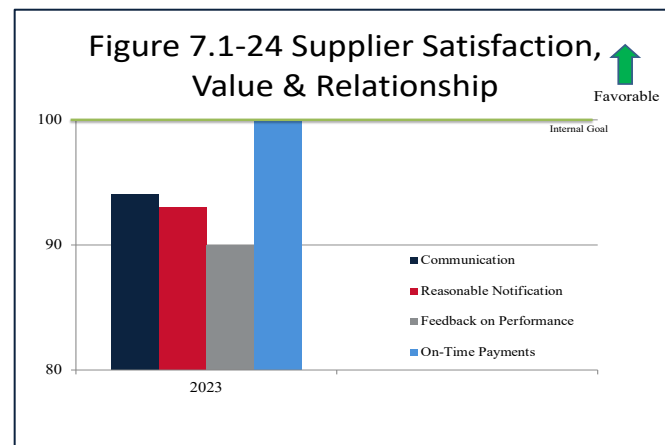
Food, Beverage, and Supplies Availability (Figure 7.1-22) depicts local restaurant food, beverage, and supply availability and is segmented by restaurant.



Food Suppliers Key Requirements Met (Figure 7.1-23) demonstrates performance results of food suppliers in relation to MCB's key requirements.



Supplier Satisfaction, Value, & Relationship (Figure 7.1-24) is a new KPI that MCB just deployed in 2023 and identifies the key requirements of our suppliers / how surveyed suppliers reflect their perception of MCB. We had a 43 percent response rate to our survey.



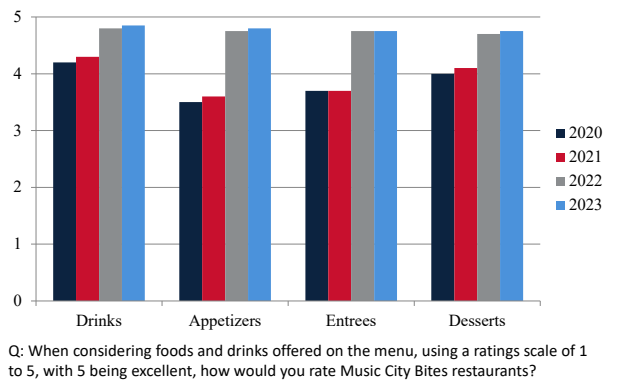
## 7.2 CUSTOMER RESULTS

### 7.2a Customer-Focused Results

**7.2a(1) Customer Satisfaction:** KPIs for MCB's customer satisfaction results identify many of the same processes as those measured in 7.1 because they are based on the same key requirements. Results for 7.2 reflect customer perspectives and enable us to continuously monitor and compare results and identify changes in customer preferences as they arise. MCB uses a 5-point scale in surveys, like those used in social media and product quality ratings. Surveys are identified by transaction numbers entered by the customer to enable identification and correlation of data for RCA. Data is segmented by restaurant and customer segment. Surveys identify local competitors, and we ask customers to rate them in the survey process. Many of the improvements in performance are directly attributable to MCB's focus group efforts, such as the menu changes in 2022 which impacted many KPIs simultaneously.

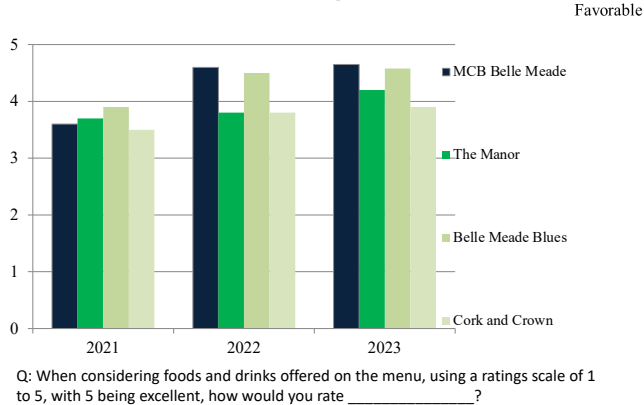
Customer Satisfaction with Menu Offerings (Figures 7.2-1) identifies customer responses to surveys as segmented by drinks, appetizers, entrees, and desserts. A significant increase in customer satisfaction occurred when the new menu offerings were developed through our use of focus groups.

**Figure 7.2-1 Customer Satisfaction with Menu Offerings**

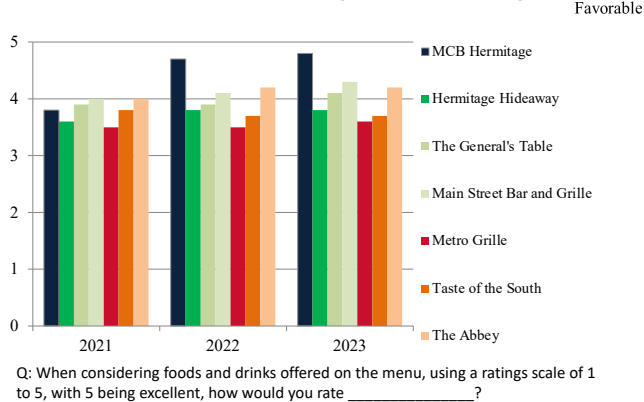


Customer Satisfaction with Menu Offerings (Figure 7.2-1a, b) identifies customer responses to surveys as segmented by Belle Meade or Hermitage and its local competitors and evaluated by the customer survey and asking questions about local competitors.

**Figure 7.2-1a Customer Satisfaction with Menu Offerings (Belle Meade)**

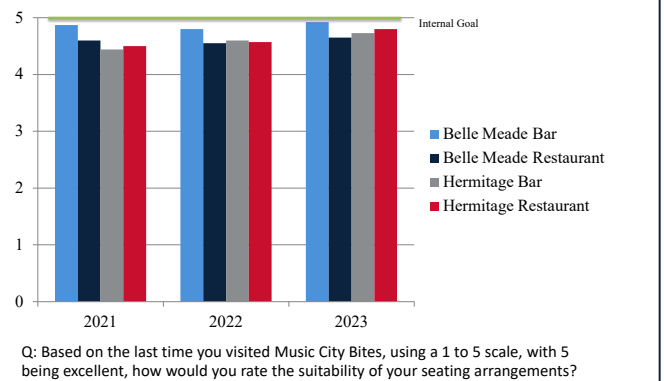


**Figure 7.2-1b Customer Satisfaction with Menu Offerings (Hermitage)**



CITY key requirements for Inviting as it relates to key work processes, customer satisfaction with the hospitality & service, cleanliness of the facilities, and the atmosphere are critical KPIs for MCB (Figures 7.2-2 through 5). Performance related to these KPIs have been consistently high and demonstrates our focus on making customers' experiences at our restaurants memorable.

**Figure 7.2-2 Customer Satisfaction with Table Suitability**



**Figure 7.2-3 Hospitality & Service**

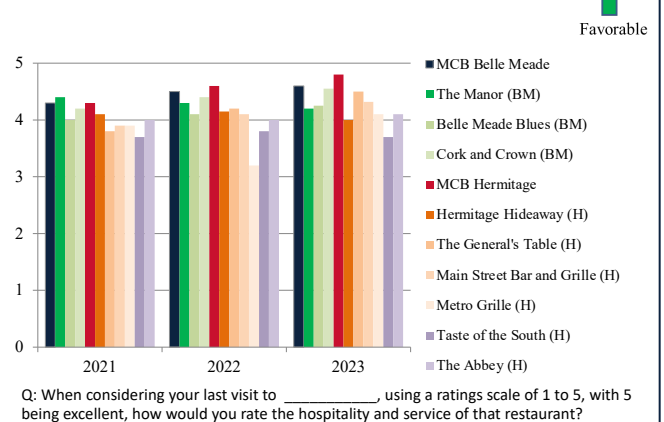
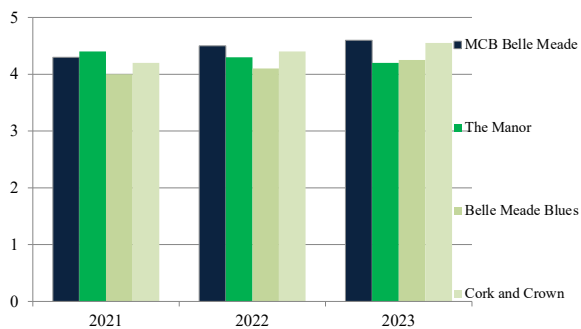


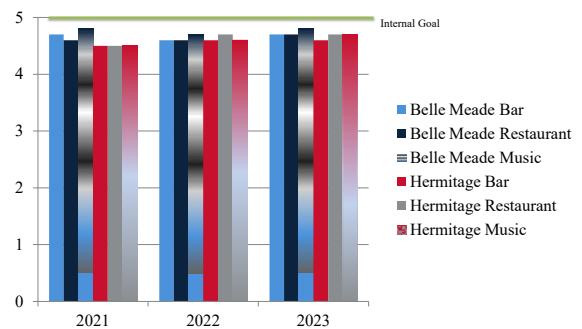
Figure 7.2-3a Hospitality & Service  
(Belle Meade)



Q: When considering your last visit to \_\_\_\_\_, using a ratings scale of 1 to 5, with 5 being excellent, how would you rate the hospitality and service of that restaurant?



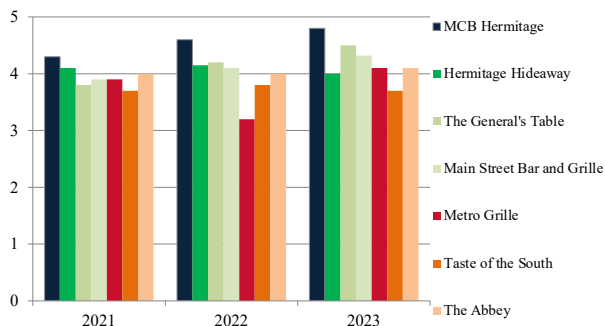
Figure 7.2-5 Customer Satisfaction  
with the Atmosphere?



Q: Based on your last visit to Music City Bites, on a 1 to 5 scale, with 5 being excellent, how would you rate the atmosphere and vibe?



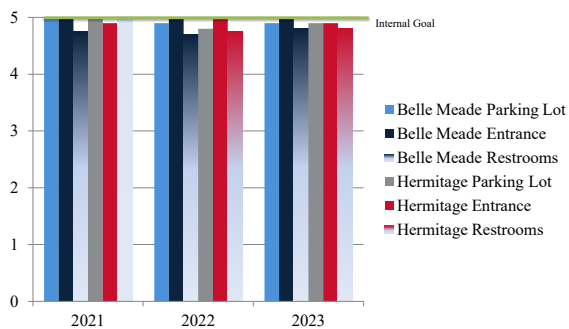
Figure 7.2-3b Hospitality & Service  
(Hermitage)



Q: When considering your last visit to \_\_\_\_\_, using a ratings scale of 1 to 5, with 5 being excellent, how would you rate the hospitality and service of that restaurant?



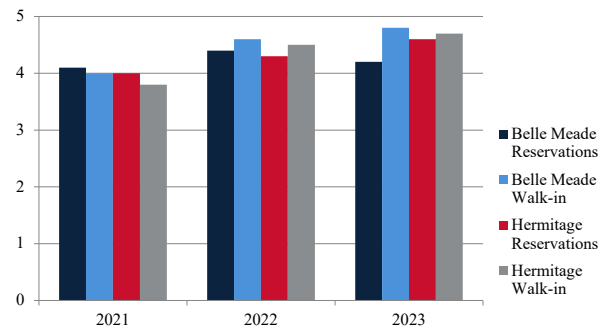
Figure 7.2-4 Customer Satisfaction  
with Cleanliness of Facilities



Q: When considering your last visit to Music City Bites, using a 1 to 5 scale, with 5 being Excellent, how would you rate the cleanliness of the \_\_\_\_\_?



Figure 7.2-6 Customer Satisfaction  
with Wait Times



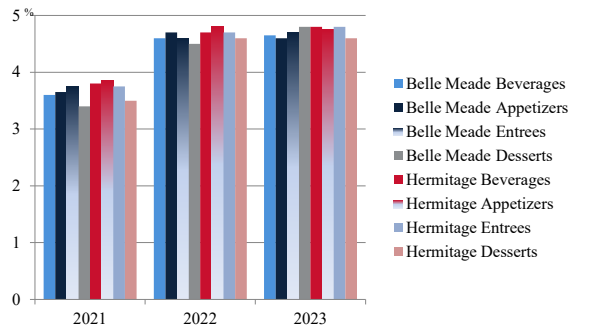
Q: When considering your last visit to Music City Bites, on a scale of 1 to 5, with 5 being excellent, how would you rate the length of time you had to wait for a table?



Although listed in an annualized format, Customer Satisfaction with Wait Times (Figure 7.2-6) is maintained in a daily and hourly format. A slight variation is recognizable by month with summer months (peak periods), November, and December posting slightly lower scores in the 4.2 to 4.3 range with consistent score between 4.2 and 4.7 over time trending favorably since 2021. When compared to customers' perceptions of local peers, MCB restaurants outperform local peer competitors.

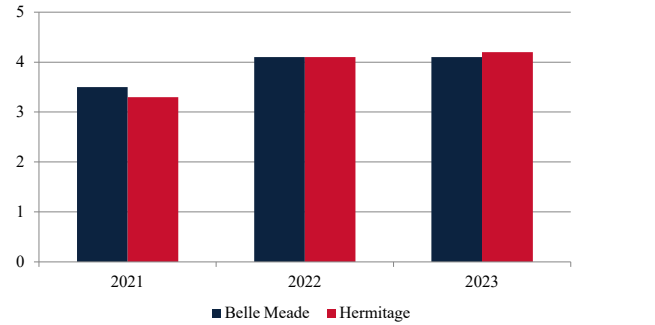
Food Quality in relation to temperature, taste, presentation, and accuracy for both locations and customer segments is a KPI related to our CITY key requirement of Yummy. Customer Satisfaction with Menu Quality (Figure 7.2-7 and 8) demonstrates MCB's performance results related to these attributes.

Figure 7.2-7 Customer Satisfaction with Menu Quality



Q: When considering your last visit to Music City Bites, on a 1 to 5 scale with 5 being excellent, how would you rate the food you ordered?

Figure 7.2-9 Customer Satisfaction with Delivery Services



Q: Based on the last time you had food delivered from Music City Bites, on a 1 to 5 scale, with 5 being excellent, how would you rate your satisfaction with this service?

Figure 7.2-8 Customer Satisfaction with Menu Quality Attributes

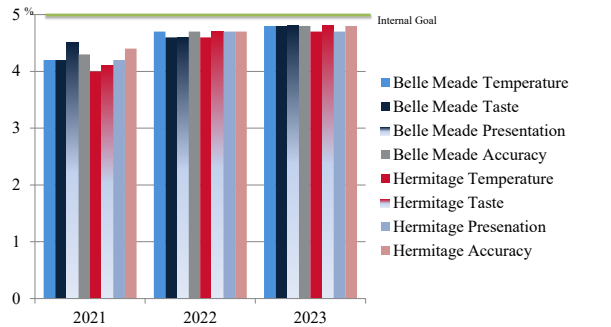
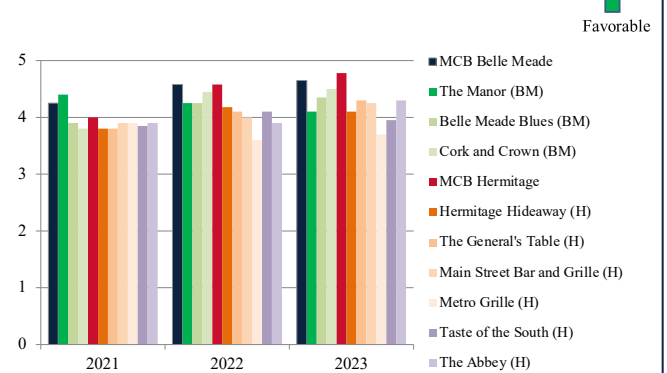


Figure 7.2-10 Google Reviews



One of MCB's strategic challenges is "Implications of food delivery services including cost impacts, quality of experience, and potential for customer erosion." As a result of this strategic challenge, MCB has established a KPI associated with Customer Satisfaction with Delivery Services (Figure 7.2-9). This demonstrates why this has become a strategic challenge and why MCB is evaluating the strategic opportunity of "Emerging entrepreneurs in delivery services market."

MCB's s CCO monitors and reports changes in customer ratings for MCB and local peer restaurants and reports any changes in regularly scheduled meetings.

MCB social media KPIs include Google Reviews (Figure 7.2-10), Yelp Review (Figure 7.2-11), and Facebook Reviews (Figure 7.2-12). While results across all data sources vary slightly, MCB restaurants demonstrate leadership roles amongst peers.

Figure 7.2-11 Yelp Reviews

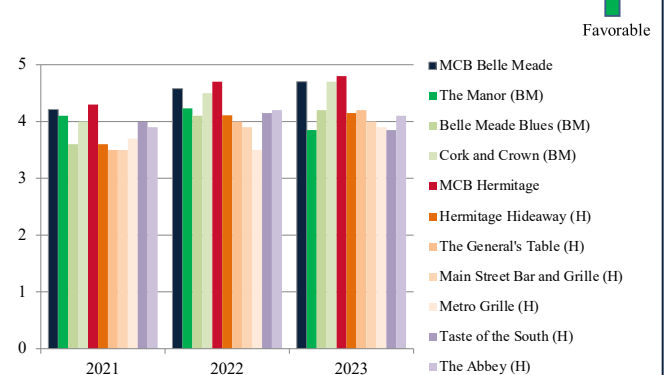


Figure 7.2-12 Facebook Reviews

**Music City Bites (Belle Meade)**

[www.facebook.com](https://www.facebook.com)



[Tripadvisor \(278\)](#)

Steak, Seafood, American · \$\$

Reviewed March 8, 2023 [One of our favorites!](#)

We live nearby and order frequently to pick up. The steaks, salads, and sides are always delicious. The service is wonderful and food is packed well to get it home hot. We can usually pick it up in 15 minutes after ordering and they get...[More](#)

**Date of visit:** March 2023

**Music City Bites (Hermitage)**

[www.facebook.com](https://www.facebook.com)

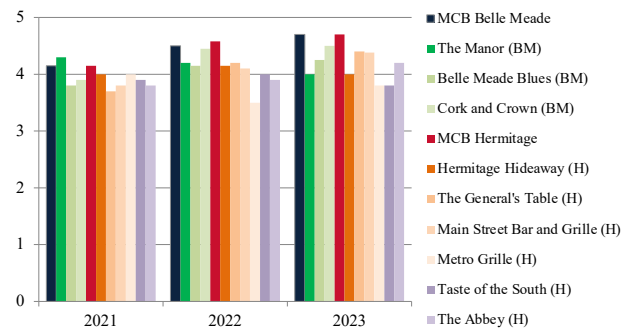


[Tripadvisor \(243\)](#)

Steak, Seafood, American · \$\$

Favorable

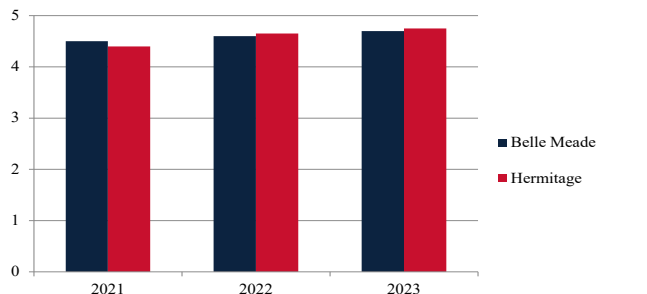
Figure 7.2-14 Mystery Shopper Ratings



Favorable

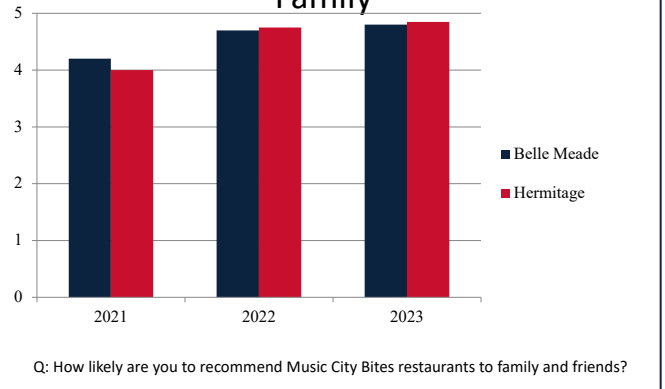
Customer Satisfaction Ratings (Figure 7.2-13) represents customer survey results from our mobile app. While customers may visit either or both restaurants throughout the customer life cycle, the survey instrument requires the customer to select the restaurant being rated at the beginning of the survey. Performance is consistent across both restaurants over a three-year period.

Figure 7.2-13 Customer Satisfaction Ratings (App-based)



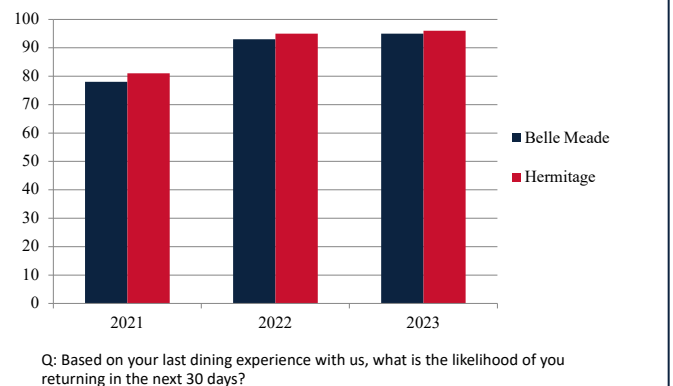
Favorable

Figure 7.2-15 Customers Willingness to Recommend MCB to Friends and Family



Favorable

Figure 7.2-16 Likelihood to Return



Favorable

Mystery Shopper Ratings (Figure 7.2-14) reflect consistently favorable reviews since mid-2022. Social media reviews are not segmented by customer type and app-based reviews do not enable segmentation. Mystery Shopper reviews are currently limited to dine-in experiences and do not reflect customer satisfaction with bar, carry-out, or delivery.

**7.2a(2) Customer Engagement:** MCB maintains results for two KPIs designed to measure customer engagement. Customers' Willingness to Recommend MCB to Friends and Family (Figure 7.2-15) and Likelihood to Return (Figure 7.2-16) demonstrate favorable levels and trends for both Hermitage and Belle Meade restaurants.

Customer Loyalty Program (Figure 7.2-17) demonstrates the impact of MCB's Customer Loyalty Program which is deployed via the mobile app. It is not uncommon for customers to download an app and never use it; however, our

app has a 64.6 percent usage rate and has enabled over \$400,000 in gross revenue in carry-out and delivery sales.

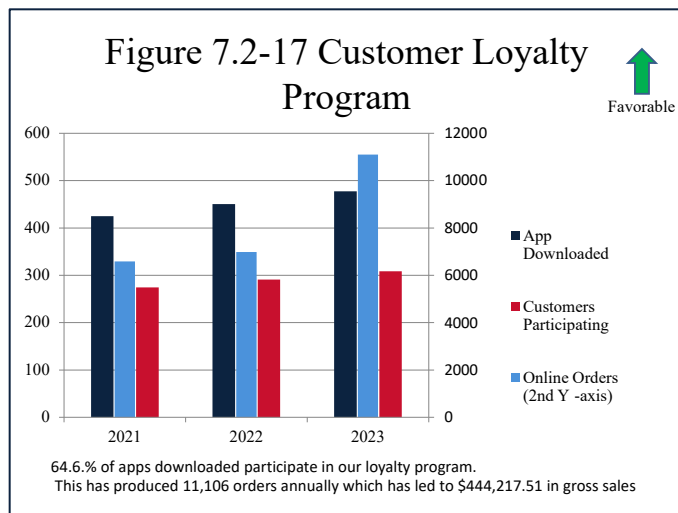
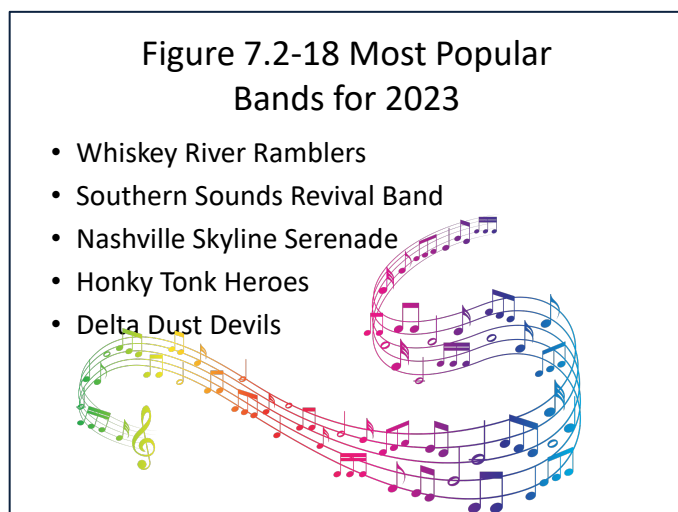


Figure 7.1-18 showcases our Most Popular Bands for 2023, as identified by our loyal customers and attendance volumes during performances.



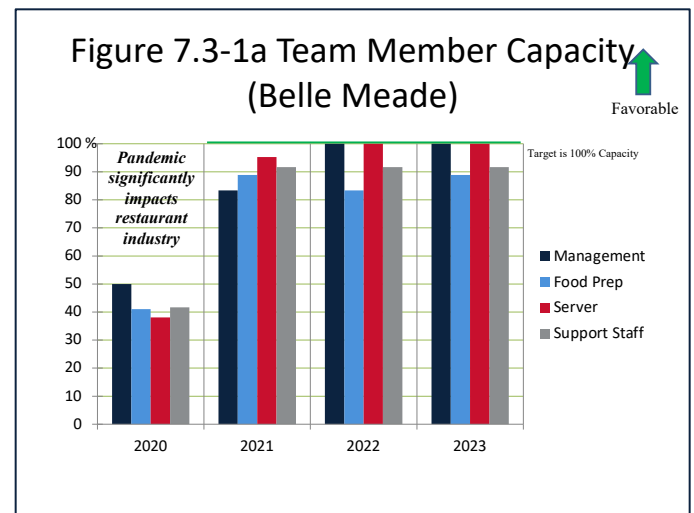
## 7.3 WORKFORCE RESULTS

### 7.3a Workforce-Focused Results

**7.3a(1) Workforce Capability and Capacity:** Availability of potential employees for food prep and support services is one of MCB's strategic challenges, especially within the Belle Meade market. Capacity and capability results are critical KPIs related to MCB's success in delivering memorable moments.

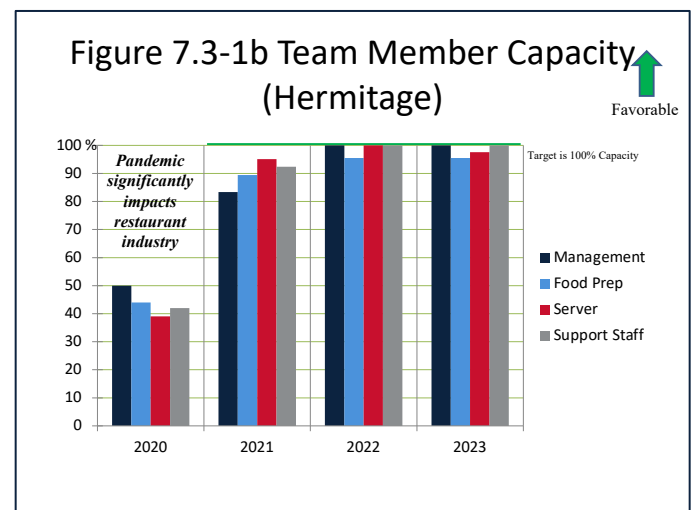
Team Member Capacity (Figure 7.3-1a) depicts Belle Meade's staffing by role. This magnifies the strategic threats of competition, skilled workforce availability (transportation

issues limiting interest in lower paying positions), and employee retention.



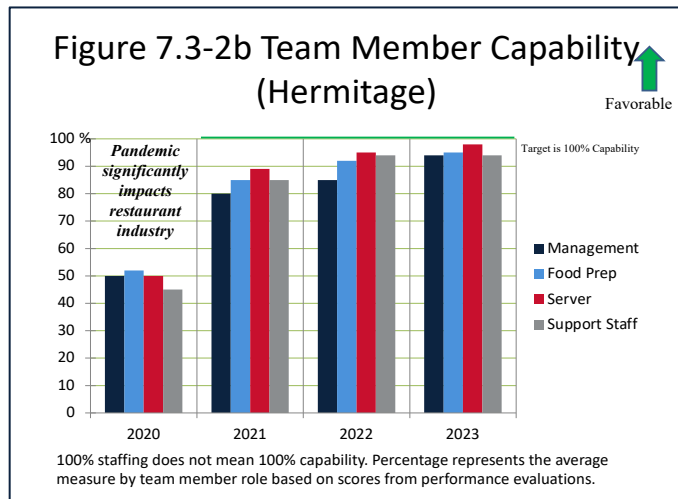
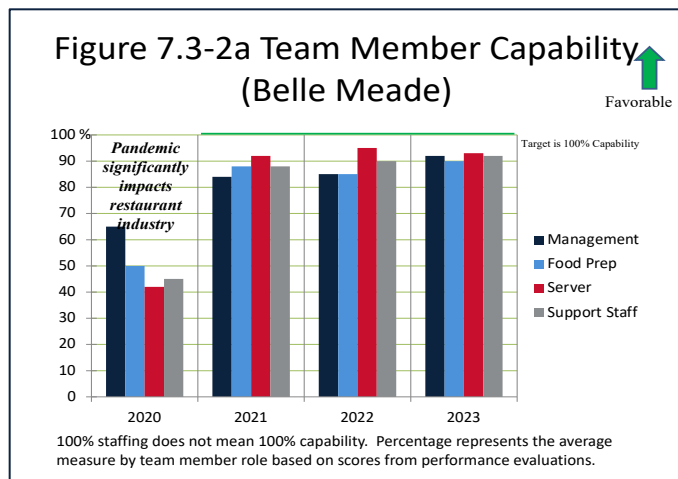
Hermitage's market has more competition for restaurant employees, but MCB represents a more desirable place to work. This helps to increase the volume of skilled team members applying in the Hermitage market.

The transportation issues experienced by team members within the Belle Meade market do not impact Hermitage nearly as much and team member capacity reflects that challenge's impact when comparing performance between the two restaurants (Figure 7.3-1b).



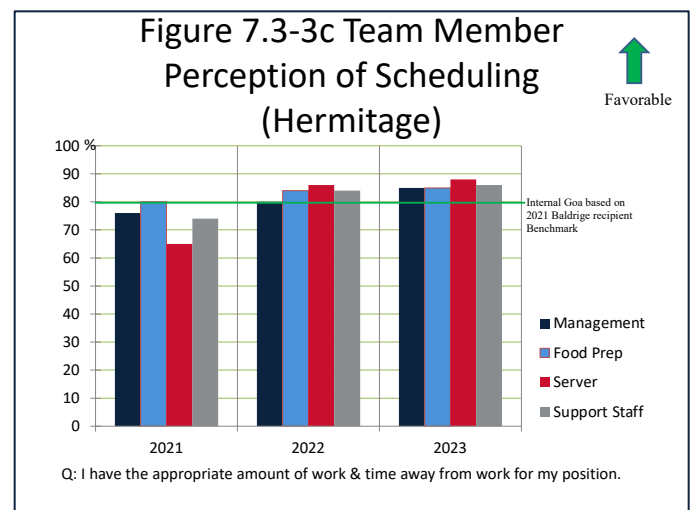
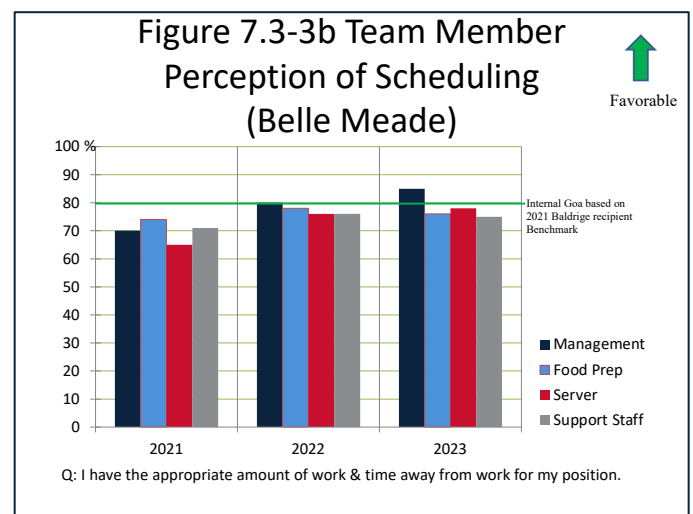
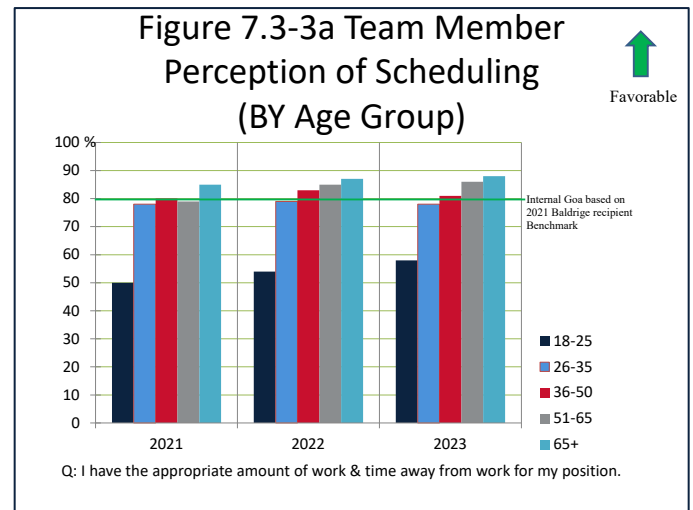
Performance evaluations of team members identify their ability to perform an assigned role. KPIs for capability do not take cross-trained capabilities that exist due to the impact that would have on our staffing models. While cross-training enables each restaurant to operate beyond its capacity and

capability, it is not considered to be sustainable (Figures 7.3-2a and b).



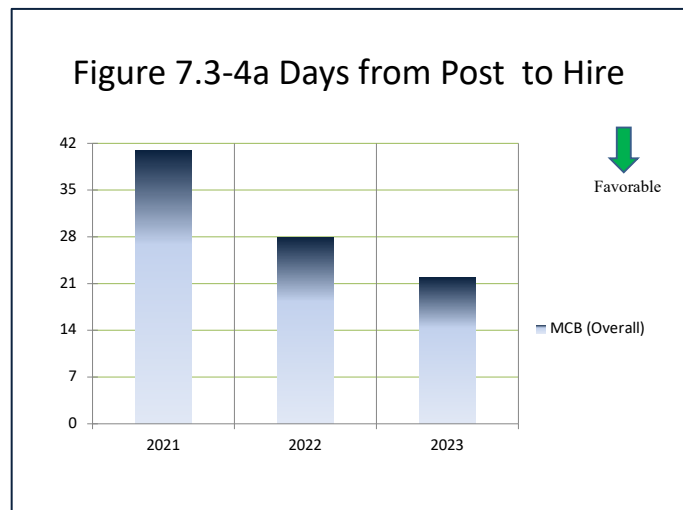
MCB asks questions in its team member survey to better understand the stresses that capacity and capability has on team member perception (Figure 3.3-3a). Increased overtime at the Belle Meade restaurant has impacted this KPI as displayed in Team Member Perception of Scheduling (Figure 7.3-3b) when compared to Hermitage in Figure 7.3-3c. We acquired this KPI and the benchmark while reviewing 2021 Baldrige Recipients' award applications and began using in 2022.

Days from Post to Hire (Figure 7.3-4a) is a KPI that helps MCB identify support processes that impact capacity and capability. The hiring process is managed at the corporate level, and this is an aggregate KPI, representing the number of days from posting a job to an individual accepting the position. There are many factors that impact this KPI which are often reflected in other KPIs.

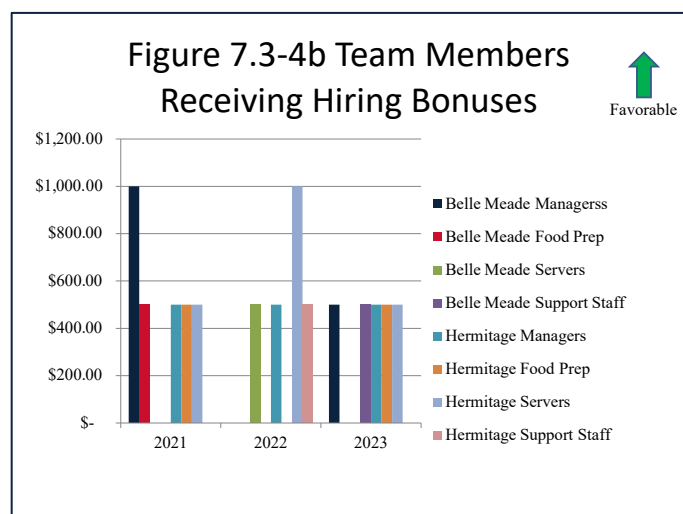


We make every effort to promote part-time team members to full-time positions, which significantly impacts this measure. We seek to hire team members with restaurant experience and often the best applicants are difficult to schedule for interviews. Drug testing often adds a three-day delay. We are

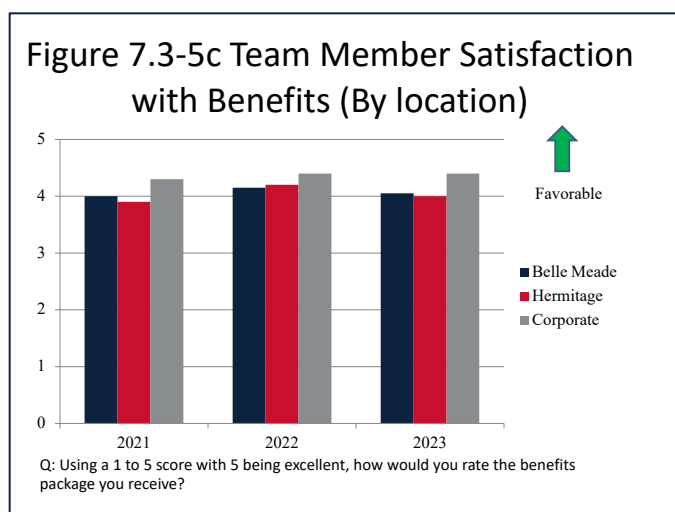
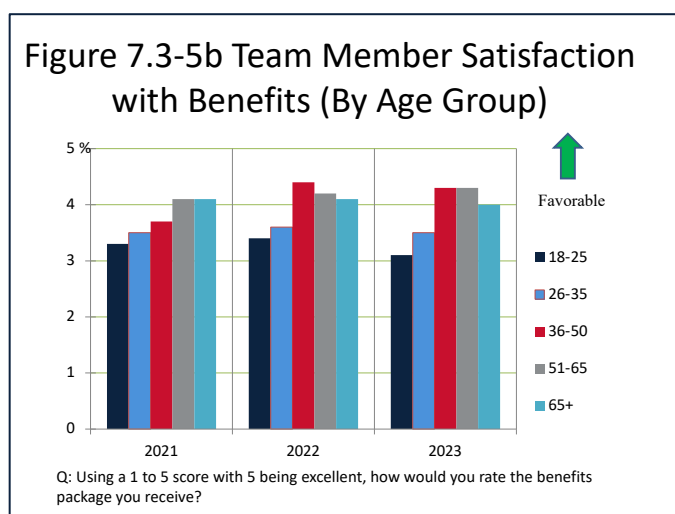
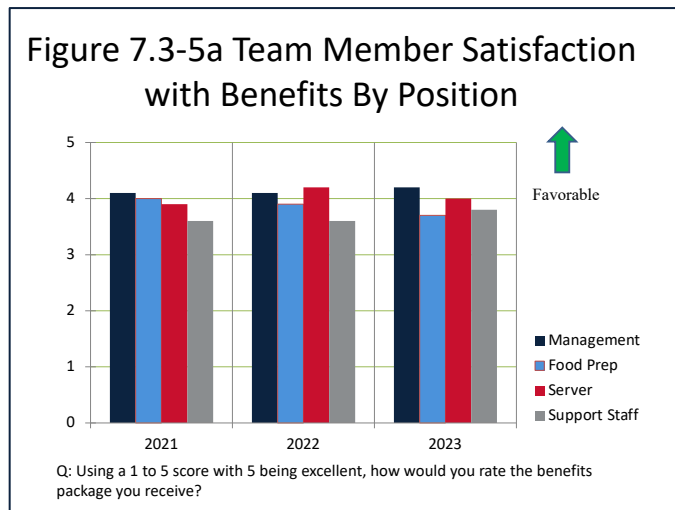
currently filling positions in 23 days (Figure 7.3-4a). Prior performance for this measure was much higher (post covid) when many experienced workers were reluctant to return to the restaurant environment.



Employees Receiving Hiring Bonuses (Figure 7.3-4b) reflects results related to our program used to recruit new team members. Segmented by restaurant, these results also provide additional insight into employee engagement.

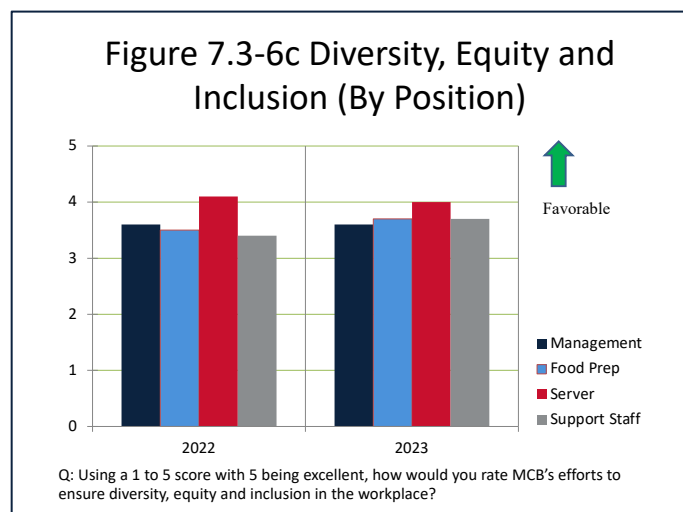
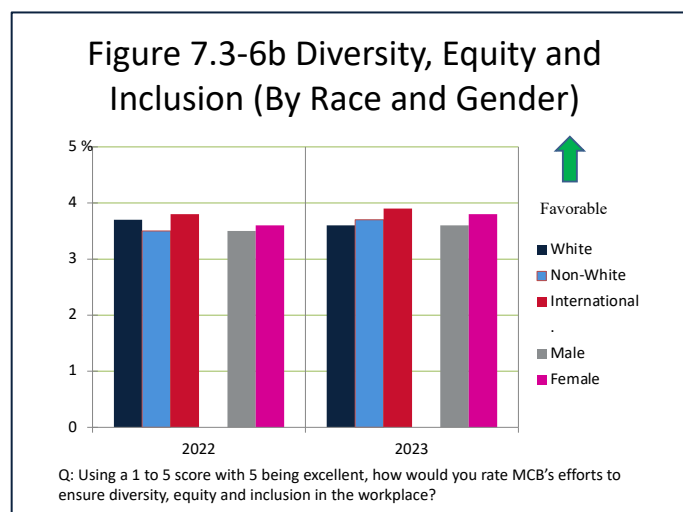
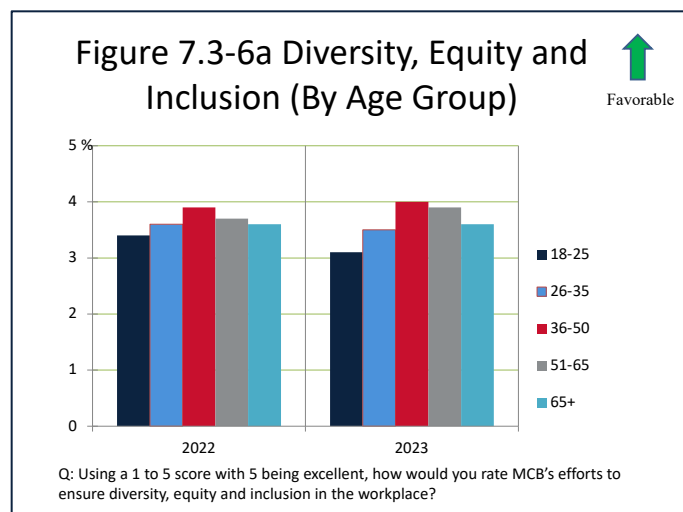


**7.3a(2) Workplace Climate:** The results within Team Member Satisfaction with Benefits (Figures 7.3-5 a-c) reflect segmentation of team member satisfaction with benefits by role, age group, and location.



Diversity, Equity, and Inclusion (Figure 7.3-6 a-c) identifies results from employee survey questions related to DEI. While MCB has a very diverse workforce, KPIs for DEI were not developed until 2022. The figures that follow reflect the level

of segmentation we have developed to ensure the KPI provides insight into team member perceptions of this effort.



Safe Team Member Environments (Figure 7.3-7a) is segmented by location and role. Improper PPE / work environment reflects a documented incident with no accident where managers notify the team member that they are not wearing proper footwear for the task or did not use appropriate techniques or tools to work safely to perform a task.

**Figure 7.3-7a Safe Team Member Environments**

Types of Events by Year	Belle Meade				Corporate		Hermitage			
	M	FP	S	SS			M	FP	S	SS
<b>2021</b>										
Workers Comp Incidents	0	2	1	0	0	0	0	1	0	0
Accidents	0	16	9	8	0	0	0	18	9	6
Improper PPE/Work Environment	0	16	24	4	0	0	0	15	18	6
Workplace Violence Incidents	0	0	0	0	0	0	0	0	0	0
<b>2022</b>										
Workers Comp Incidents	0	1	1	0	0	0	0	0	1	0
Accidents	0	7	7	3	0	0	0	7	9	2
Improper PPE/Work Environment	0	8	12	3	0	0	0	6	10	4
Workplace Violence Incidents	0	0	0	0	0	0	0	0	0	0
<b>2023</b>										
Workers Comp Incidents	0	0	0	0	0	1	0	0	0	0
Accidents	0	6	8	6	0	0	0	6	6	4
Improper PPE/Work Environment	0	5	14	2	0	0	0	4	8	2
Workplace Violence Incidents	0	0	0	0	0	0	0	0	0	0

DART and TCIR (Figure 7.3-7b) represent our rates of TM days away and injuries requiring treatment with comparisons to industry average rates.

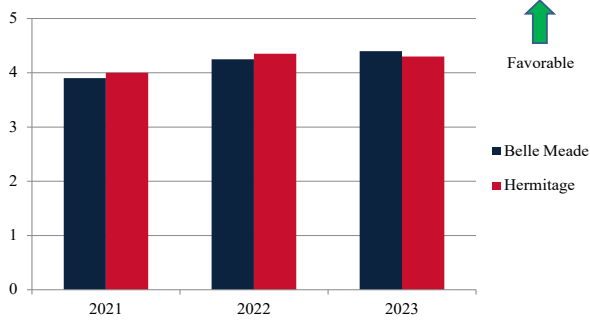
**Figure 7.3-7b: DART and TCIR**

Employee DART Rate	2020	2021	2022	2023
Overall	1.30	1.20	1.50	1.65
Industry Compare (OSHA)	4.6	3.1	3.2	3.1
Employee TCIR	2020	2021	2022	2023
Overall	1.55	2.90	2.50	2.15
Industry Compare (OSHA)	7.6	6.1	6.5	6.1

DART is a normalized calculation of the total number of employee incidents which resulted in lost work time or restrictions as a function of the total number of hours worked at the facility during that time period.  
 TCIR is a normalized calculation of the total number of employee incidents where the employee was injured and required treatment above and beyond first aid as a function of the total number of hours worked at the facility during that time period.

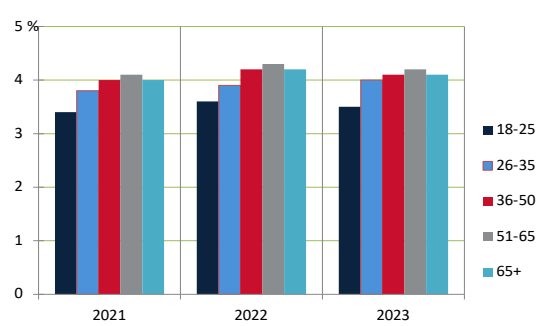
Our team members perspective on safety within their work environment is an critical factor we measure to ensure we are meeting their needs and expectations in the workplace (Figure 7.3-8).

**Figure 7.3-8 Team Member Perception of Safety (By location)**



Q: Using a 1 to 5 score with 5 being strongly agree and 1 being strongly disagree, how would you rate the following statement: "MCB cares about the safety of team members."

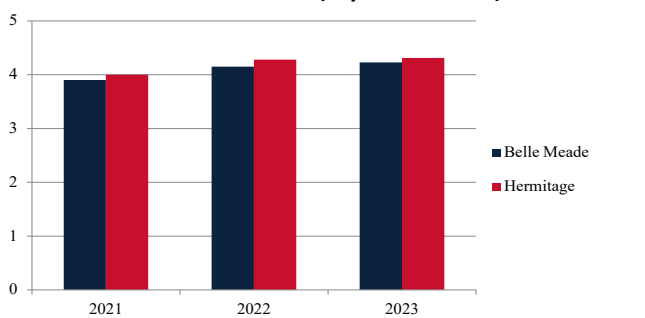
**Figure 7.3-9c Team Member Satisfaction (By Age)**



Q: "On a scale from 1-5, with 5 highly likely, how likely are you to recommend MCB as a place to work to a friend or colleague?"

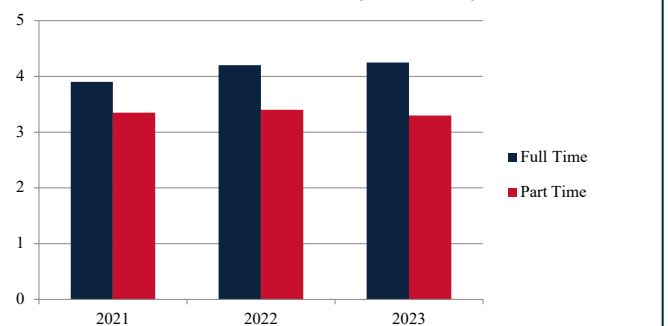
**7.3a(3) Workforce Engagement and Retention:** Team Member Satisfaction (Figures 7.3-9 a-d) is determined through the analysis of team member surveys. Not all survey questions are appropriate for all team members; however, part-time members are polled for this KPI. While MCB strives to achieve fives for this result, measures of four or greater are considered as favorable.

**Figure 7.3-9a Team Member Satisfaction (By location)**



Q: "On a scale from 1-5, with 5 highly likely, how likely are you to recommend MCB as a place to work to a friend or colleague?"

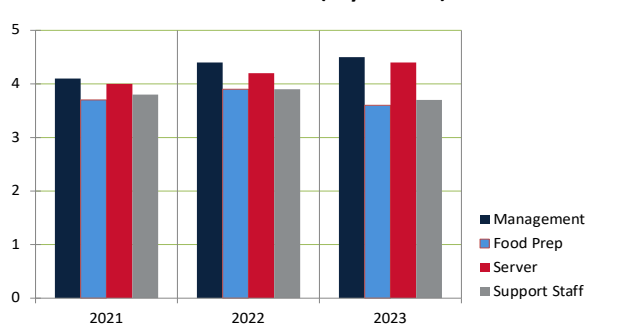
**Figure 7.3-9d Team Member Satisfaction (FT / PT)**



Q: "On a scale from 1-5, with 5 highly likely, how likely are you to recommend MCB as a place to work to a friend or colleague?"

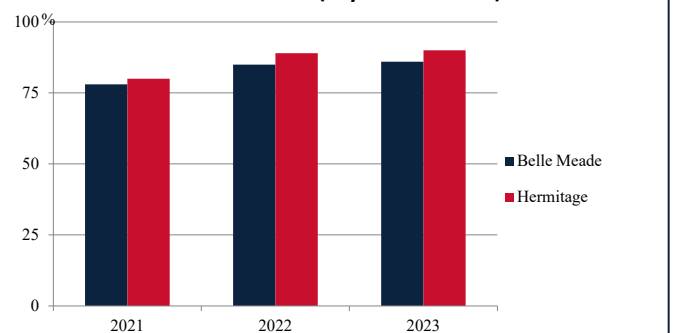
Team Member Retention (Figures 7.3-10 a, b) is a KPI that is critical for MCB. This KPI is segmented in the same ways as Team Member Satisfaction; however, for the purposes of presentation, additional segmentation is AOS.

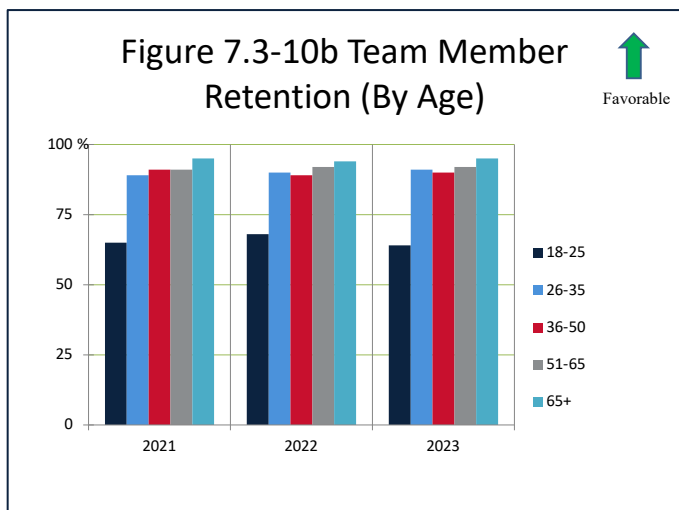
**Figure 7.3-9b Team Member Satisfaction (By Role)**



Q: "On a scale from 1-5, with 5 highly likely, how likely are you to recommend MCB as a place to work to a friend or colleague?"

**Figure 7.3-10a Team Member Retention (By location)**



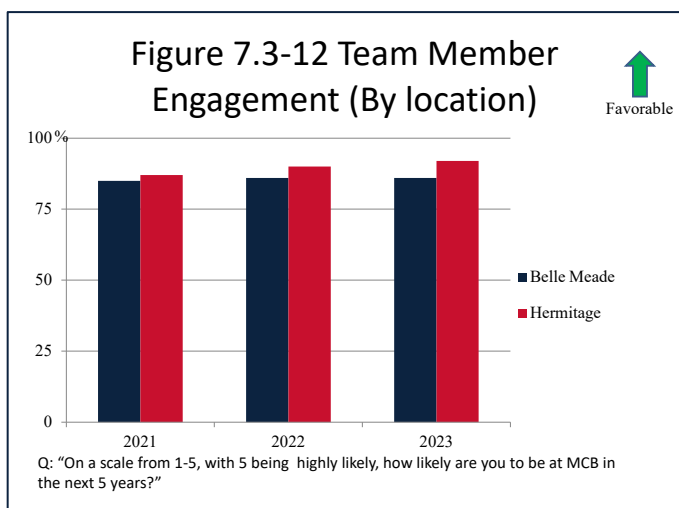


Reasons for Team Member Dissatisfaction (Figure 7.3-11) is a KPI based on team member survey results with a free form comment line asking team members: “What areas need to be addressed at MCB to increase your willingness to recommend MCB as a place to work to a friend or colleague?” Part-time team members are included in this survey.

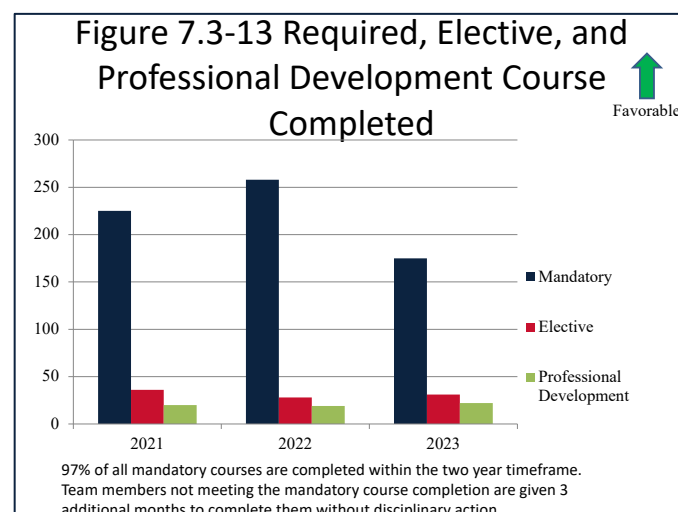
**Figure 7.3-11 Reasons for Team Member Dissatisfaction**

Reasons for Dissatisfaction	Belle Meade	Hermitage
Schedule Flexibility	X	X
Promotion Opportunities	X	X
Transportation Issues	X	
Overtime Requirements	X	
Benefits	X	X

Team Member Engagement (Figure 7.3-12) demonstrates overall favorable performance for MCB. Results for the past three years indicates favorable trends indicating increasing levels of engagement among team members. Additional segmentation is AOS.



**7.3a(4) Workforce Development:** MCB has both required and elective educational programs available to team members on Music City U. MBC’s SL and managers actively encourage all employees to go beyond the mandatory educational programs and acquire additional elective courses as part of the MCB benefits package. Professional development courses, which are required for advancement to management positions, are also included on this platform. Mandatory programs vary based on role. Management is required to take six courses within the first two years in that role. Servers and Support Staff are expected to complete three courses in the first year and team members working in Food Prep roles are expected to complete four courses in two years. One of MCB’s KPIs that reflects team member development outcomes are shown in Required, Elective, and Professional Development Course Completed (Figure 7.3-13). Results indicate 97 percent of mandatory courses are completed on time and many elective courses are taken to enhance personal and professional growth.

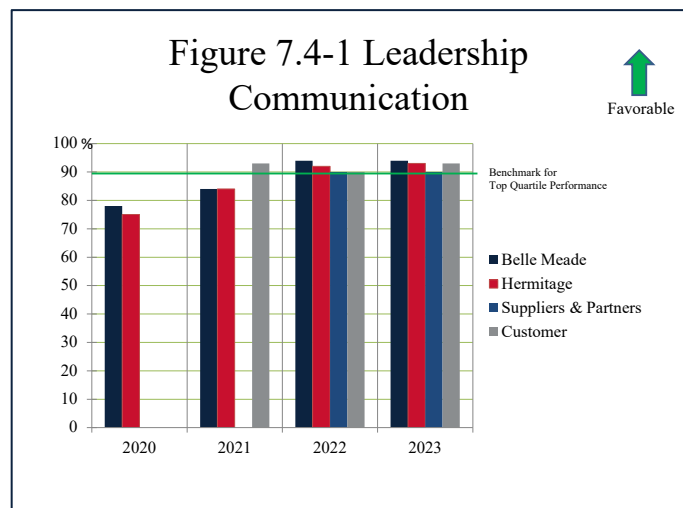


## 7.4 LEADERSHIP AND GOVERNANCE RESULTS

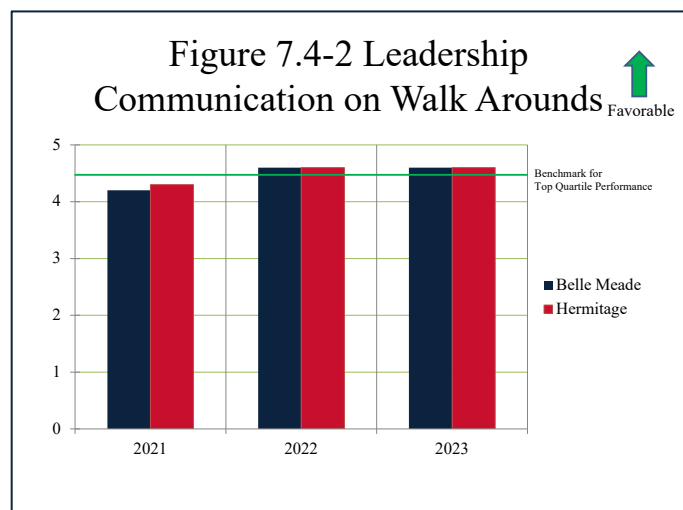
### 7.4a Leadership, Governance, Ethics and Societal Contributions Results

**7.4a(1) Leadership:** Leadership Communication (Figure 7.4-1) reflects SL communication with the team members, suppliers, and the community. Team member satisfaction related to SL communication increased substantially in 2021 and sustained high levels in both the 2022 and 2023 team member surveys.

MCB added questions related to SL in 2021 and suppliers' satisfaction with SL communication was added in 2022 as we developed our supply chain evaluation efforts.



SL can be found at both restaurants on a regular basis, and they ask team members to evaluate their interactions during walk arounds. After the walk arounds, managers encourage team members to complete surveys evaluating the SL's willingness to answer questions, and how they felt after the interaction about MCB's values. Leadership Communication on Walk Arounds (Figure 7.4-2) demonstrates consistently high levels and results that match top quartile benchmark performance.



MCB SL survey customers, employees, suppliers, and partners to ask them how effectively MCB's SL communicate the MVV, promote ethical behavior, and demonstrate a focus on action. This is a KPI for all SL's performance (Figure 7.4-3).

**Figure 7.4-3 Leadership Communication**

	Customer Surveys	Employee Surveys	Supplier Surveys	Partner Surveys
<b>2021</b>				
Communicate the M, V, V	4.7 / 5	4.7 / 5	5 / 5	5 / 5
Promote Ethical Conduct	4.8 / 5	4.8 / 5	4.9 / 5	5 / 5
Focused on Continuous Improvement	4.5 / 5	4.5 / 5	4.4 / 5	5 / 5
<b>2022</b>				
Communicate the M, V, V	4.7 / 5	4.7 / 5	5 / 5	5 / 5
Promote Ethical Conduct	4.8 / 5	4.8 / 5	5 / 5	5 / 5
Focused on Continuous Improvement	4.5 / 5	4.5 / 5	4.5 / 5	5 / 5
<b>2023</b>				
Communicate the M, V, V	4.8 / 5	5 / 5	5 / 5	5 / 5
Promote Ethical Conduct	4.7 / 5	4.7 / 5	4.85 / 5	5 / 5
Focused on Continuous Improvement	4.6 / 5	4.6 / 5	4.65 / 5	5 / 5

**7.4a(2) Governance:** Audit Findings (Figure 7.4-4) show outcomes for MCB since 2020. MCB conducts internal audits annually and follows with an independent (external) audit in the following quarter. Our internal audits use the same standards as those used by external firms and, although our internal team's report may develop a finding from time to time, we have never had an audit finding arise from an external financial audit.

**Figure 7.4-4 Audit Findings**

Financial Audits		
Year	Internal	External
2020	0	0
2021	1	0
2022	1	0
2023	0	0

**7.4a(3) Law and Regulation:** MCB views legal and regulatory compliance as an essential element of operating a restaurant and an extension of the organization's values. Strict adherence is a baseline expectation for performance. MCB has maintained its certifications since inception. While we have received a few visits from Metro Police related to investigations of the sale of alcohol to minors, we have a strict bar access and card inspection policy that includes video surveillance. Despite a handful of investigations, no MCB restaurant has ever had an incident.

Legal and Regulatory Compliance (Figure 7.4-5) depicts a strong record of adherence to legal and regulatory practices.

Figure 7.4-5 Legal and Regulatory Compliance				
Location by Year	Metro Nashville Fire Inspection	State of Tennessee ABC Violations	Metro Nashville Noise Violations	Local Restaurant Health Inspections 2nd Qtr / 4th
<b>2020</b>				
Belle Meade	0	0	0	98/100
Hermitage	0	0	0	98/100
<b>2021</b>				
Belle Meade	0	0	0	99/100
Hermitage	0	0	0	100/99
<b>2022</b>				
Belle Meade	0	0	0	100/99
Hermitage	0	0	0	100/100
<b>2023</b>				
Belle Meade	0	0	0	98/100
Hermitage	0	0	0	99/100

**7.4a(4) Ethics:** MCB has multiple means for customers, suppliers, and team members to report any perceived ethical violation. MCB's SL team treats this matter seriously and performs an internal investigation into any grievance. While we are infrequently made aware of potential ethical issues, MCB has never identified a verified occurrence that violates MCB's ethical policies or any incident that would confirm unethical treatment of any customer, team member, supplier, or member of the community.

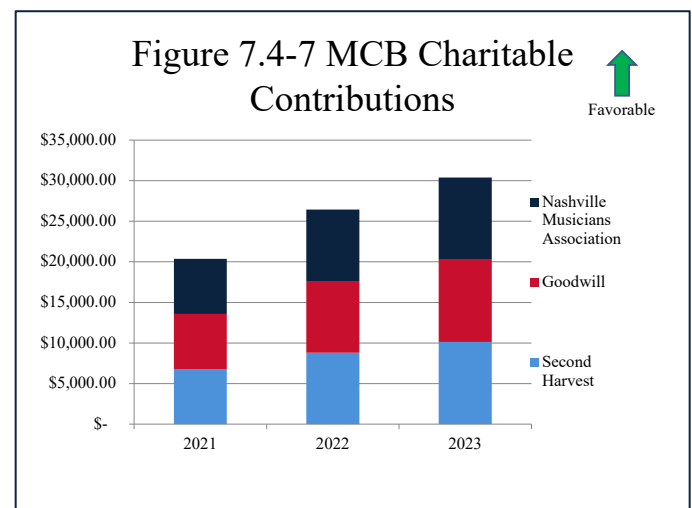
Figure 7.4-6a Ethics Complaints Reported				
Year	Complaint Hotline	Team Member Reported	Supplier Reported	Online Complaint
2020	2	1	N/A	0
2021	1	1	N/A	0
2022	1	0	0	0
2023	0	0	0	0

TM are surveyed annually to determine their perception of the

SL team's ethical conduct, Just Culture, and workforce Climate. SL Set the Example (Figure 7.4-6b) shows the results of questions related to team members' agreement with statements that SL set the example for legal and ethical behavior, support a Just Culture, and encourage frank communication.

Figure 7.4-6b SL Set the Example			
Senior Leaders set the example:	2021	2022	2023
for legal and ethical behavior	4.84 / 5	4.65 / 5	4.82 / 5
to support a Just Culture	4.6 / 5	4.73 / 5	4.73 / 5
to encourage frank communication	4.8 / 5	4.75 / 5	4.85 / 5

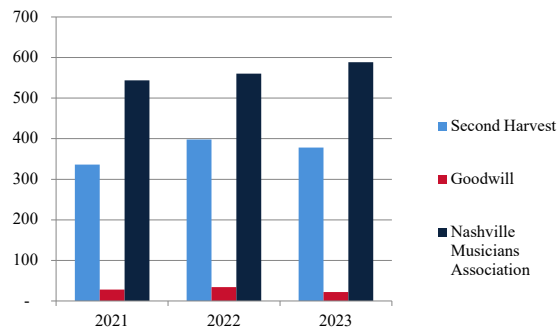
**7.4a(5) Society:** MCB's key communities include the Second Harvest Food Bank, Goodwill Industries, and the Nashville Musicians Association. MCB sets aside 1 percent of gross revenue to support these organizations financially and encourage team members and suppliers to participate in these charitable organizations support activities.



MCB Volunteer Hours (Figure 7.4-8) shows that the organization's charitable commitments are shared by MCB's team members through their participation in voluntary service events. While MCB has not been able to determine an accurate process for capturing supplier participation, MCB coordinates support activities and captures the hours of all team members.

MCB has made significant strides in lowering our waste footprint at the landfill, which is shown in Waste and Food Pickup (Figure 7.4-9). Through a series of BB initiatives, MCB has decreased food waste and subsequently diminished the number of dumpster pick-ups from four per week to once per week.

Figure 7.4-8 MCB Volunteer Hours



Both Second Harvest and Nashville Musician Assn. have quarterly events  
Goodwill Industries only holds one event during the holidays which limits participation.

Figure 7.4-10 Compost

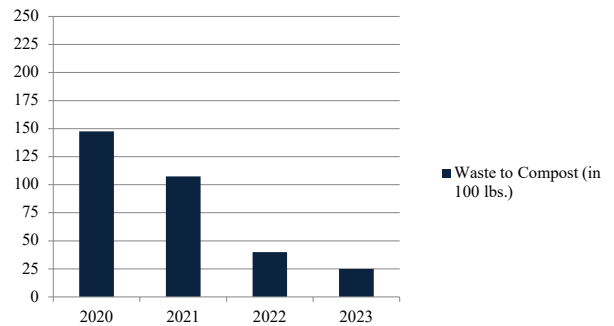


Figure 7.4-9 Waste and Dumpster Pickups

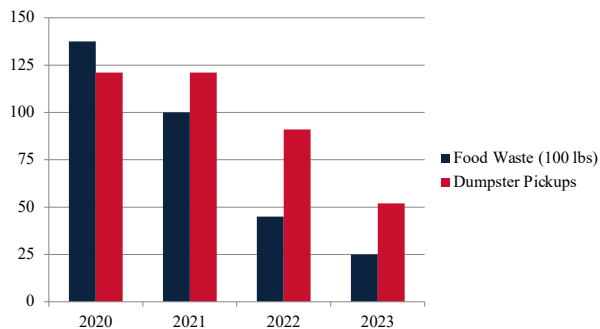
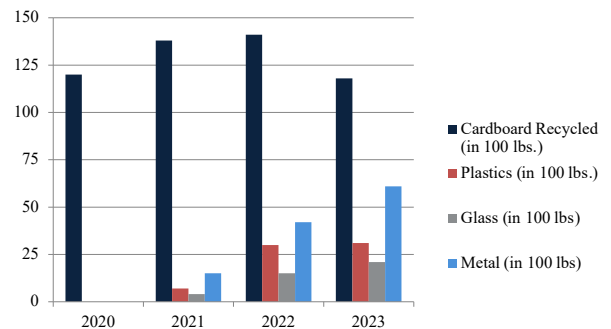


Figure 7.4-11 Recycling



Due to MCB's efforts to diminish food waste, we have seen significant impacts to our waste disposal processes. Although overall food purchases have increased significantly since the pandemic, the amount of compost from MCB's waste has only slightly increased as demonstrated in Compost (Figure 7.4-10). MCB continues to make every effort to support conversion of food waste to reusable products such as compost and other recyclable materials and believes that this strategy has helped to improve the community by diminishing waste that is disposed of at the landfill and increasing the amount of compost produced.

Recycling (Figure 7.4-11) showcases MCB's expanding efforts in recycling cardboard, plastics, glass, and metal waste. MCB has been recycling cardboard for years and added plastics, glass, and metals in the 4th Quarter of 2021. Decreases in the volume of cardboard recycled in 2023 is directly correlated with our joint efforts with suppliers to decrease waste in packaging.

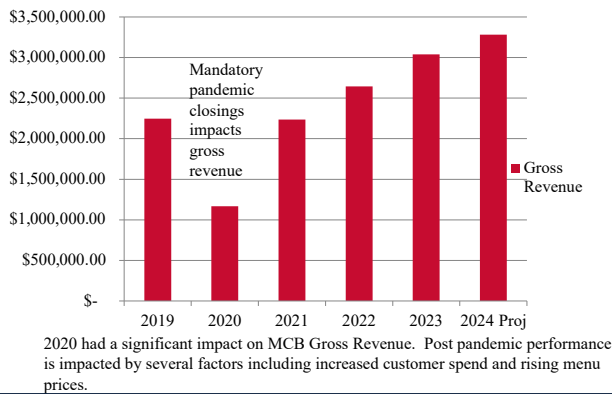
## 7.5 FINANCIAL, MARKETPLACE, AND STRATEGY RESULTS

### 7.5a Financial and Marketplace Results

**7.5a(1) Financial Performance:** Gross Revenue, Corporate Only is trending favorably as compared to local competitors (Figure 7.5-1).

The pandemic significantly impacted the restaurant industry. Prior to the pandemic, MCB often posted gross margins that exceeded 40 percent. Increasing costs of labor, food, supplies, and utilities' consumption has effectively lowered margins to 30 percent, although food costs have benefited through collaborative purchasing with local restaurants. MCB is currently projecting gross margins of 29 percent for 2024.

### Figure 7.5-1 Gross Revenue



Capital Management (Figure 7.5-4) is a measure of SL's effectiveness. The benchmarks provided reflect performance in the top 10 percent of the restaurant industry.

### Figure 7.5-4 Capital Management

Capital Management	2021	2022	2023	2024 Proj.	Benchmark
Prime Cost	55%	62%	68%	64%	55%
Working Capital Ratio	0.89	0.98	1.08	1.17	1.25
Debit-to-Equity Ratio	0.85	0.82	0.78	0.75	0.75
Inventory Turnover	6	7.5	9.5	11	12
Cash Reserves (months)	1.5	2.3	3	5	6
Return on Assets	6.9%	7.2%	8.4%	9.5%	10.0%

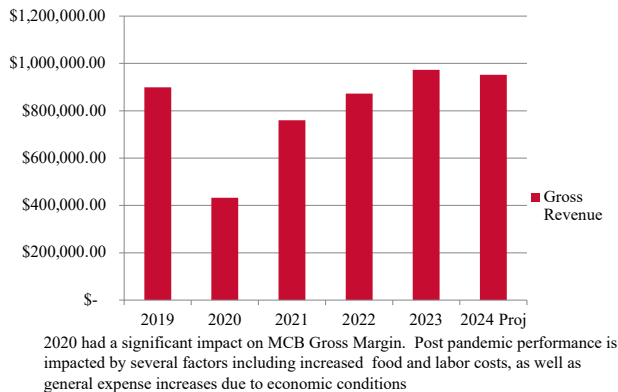
Financial to Budgetary Performance (Figure 7.5-5) shows a few KPIs that depict variable costs and increases MCB has experienced, mostly due to economic conditions.

### Figure 7.5-5 Financial to Budget Performance

	2021	2022	2023
Food Costs	7.5% inc.	5.2% inc.	3.3% inc.
Benefits	8% inc.	N/Chg.	N.Chg.
Training	12% inc.	N/Chg.	3% inc.
Service Providers	9% Inc.	4.2% inc.	1.8% inc.
Marketing (BM)	N/Chg.	N/Chg.	25% inc.
Labor & Overtime (BM)	15% inc.	21% inc.	N/Chg.
Utility Costs (BM)	7% inc.	3.4% inc.	2.7% inc.
Marketing (H)	N/Chg.	N/Chg.	25% dec.
Labor & Overtime (H)	N/Chg.	12% dec.	N/Chg.
Utility Costs (H)	7% inc.	3.4% inc.	2.7% inc.

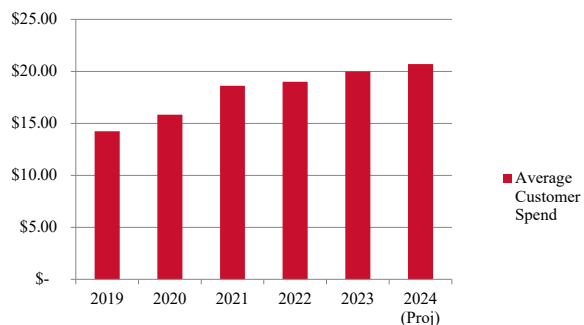
MCB manages accounts payable effectively to derive maximum benefit on discounts and ensure the key supplier requirement of timeliness of payment is met. Accounts Payable Process Effectiveness (Figure 7.5-6) demonstrates the operational effectiveness of our accounting department.

### Figure 7.5-2 Gross Margin

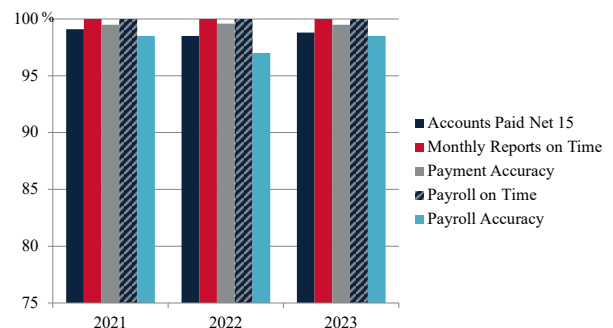


Spend per Customer (Figure 7.5-3) is trending favorably; however, a significant amount of this change is based on increasing food costs and that KPI's impact simply reflects the average of the overall customer bill.

### Figure 7.5-3 Spend per Customer

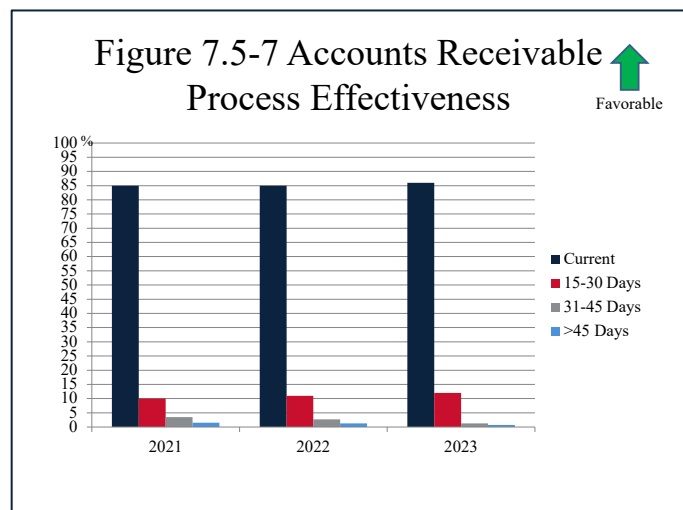


### Figure 7.5-6 Accounts Payable Process Effectiveness

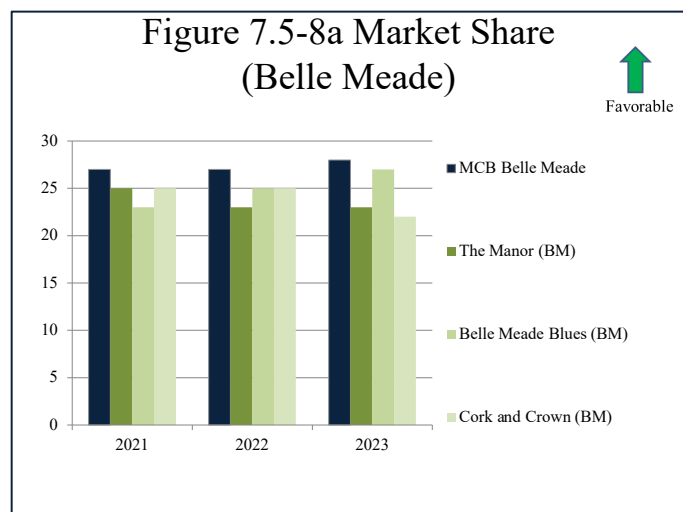


Accounts Receivable, Process Effectiveness (Figure 7.5-7) demonstrates the consistent methods we use to collect receivables. Over the past three years, MCB has maintained 85

percent or more of receivables at a current status and have diminished the percentage of accounts greater than 45 days old.



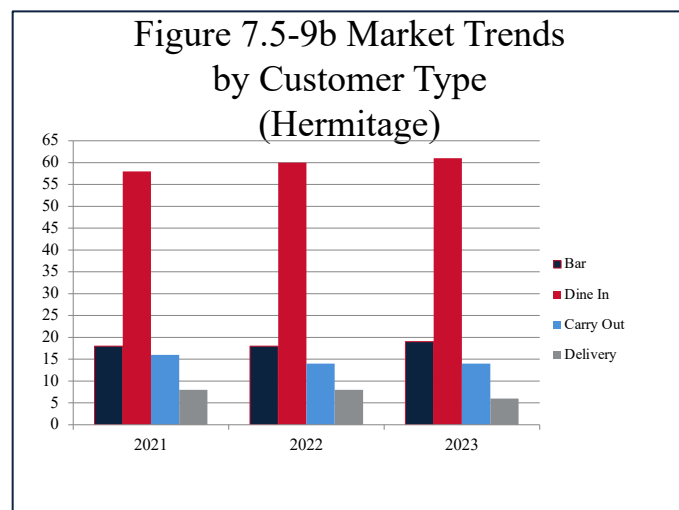
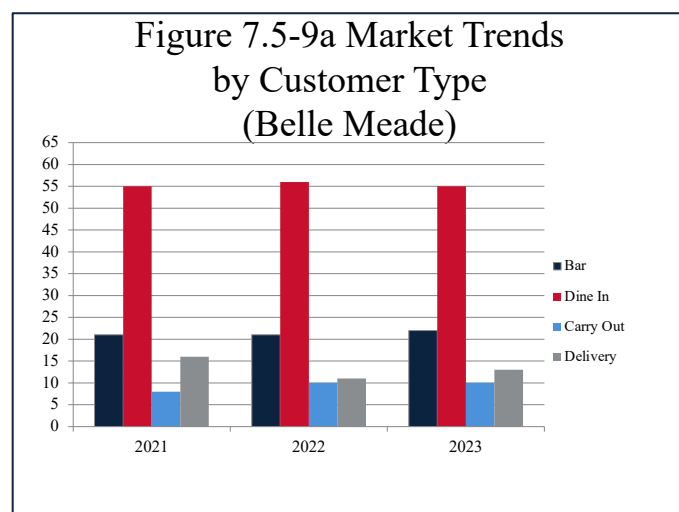
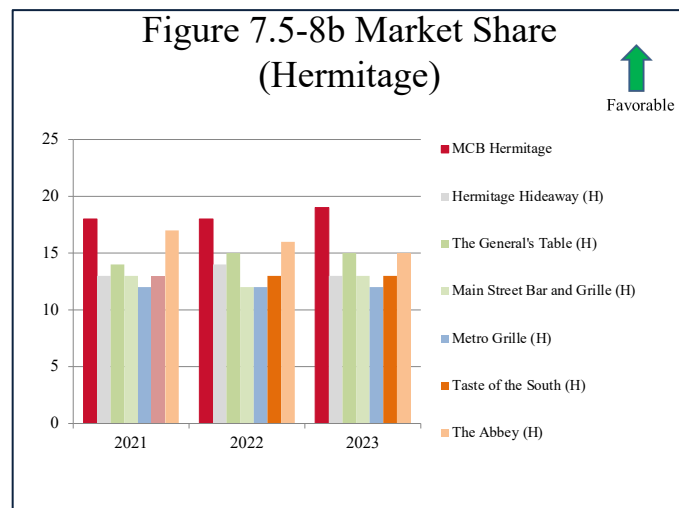
**7.5a(2) Marketplace Performance:** MCB's market position only reflects post-pandemic performance due to the significant changes in the business that occurred in the restaurant industry, closing many locally owned restaurants, and making past performance irrelevant. Market Share (Figure 7.5-8a) is reflected in the Org. Profile and has been steady for the past three years with a single competitor trending rapidly to challenge Belle Meade for top position.



Market Share (Figure 7.5-8b) is reflected in the Org. Profile and has improved slightly over the three-year period. No significant challenge is reflected among Hermitage's competitors.

Market Trends by Customer Type (Figure 7.5-9a, b) for both Belle Meade and Hermitage demonstrate fairly stable patterns with the exception of a shifting customer preference from

delivery to dine-in for customers at the Hermitage restaurant, which we believe will occur over time as customers modify their post-pandemic preferences.



## 7.5b Strategy Implementation and Innovation Results

Action Planning (Figure 7.5-10) demonstrates MCB's focus on action by maintaining a line of sight on short-, near-, and long-term action plans. All of the short-term plans are currently on schedule and some of the two-year plans have already started to be executed.

Figure 7.5-10 Action Planning			
Action Plans (1 & 3 Year)	Time Horizon	Progress	
Increase ROA to 9% (On Average Comparison) from 7.9% in 2023 (SC1, CC3)	1 Year	On Schedule	
Increase Dine In Revenue by 5% (P.1-1, CC1)	1 Year	On Schedule	
Create food allergy and sensitivity awareness in menus, food preparation, and front-of-house staff communication (SC2).	1 Year	On Schedule	
Invest in excellence training program for staff and suppliers (SA1, SA2, SA4)	1 Year	Focus Groups Developed	
Invest in excellence training program for staff and suppliers (SA1, SA2, SA4)	1 Year	In Talks with Content Provider	
Switch from Pepsi to Coke products, find a higherbrand coffer supplier and increase prices. (SC1,CC2)	1 Year	In Talks with Supplier	
Consider secondary capital to fund tech advancement to mitigate staff shortages, marketing efforts, food delivery costs. (SC1, SC5, CC1, CC3)	3 Years	Developing Financial Documents	
Develop performance or incentive plans for employee tenure and attendance (SC6,8)	3 Years	Acquiring Data	
Consider AI opportunities for marketing assistance (SC5)	3 Years	Not Started	
Reevaluate supplier delivery processes to evaluate improvement opportunities (SA1, SA2, CC3)	3 Years	Not Started	

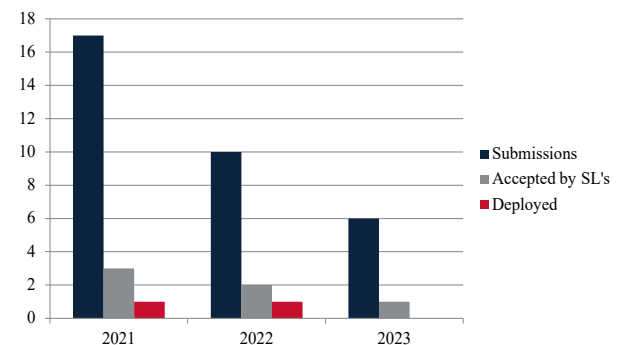
Big Bites / Little Bites Dashboard (Figure 7.5-11) is a screenshot of the dashboard that SL use to maintain visibility on BITES activities. The Dashboard uses stoplight visual cues that indicate green as on track, yellow as project may be in danger of going past due or over budget, and red as project is seriously past due or over budget.

Figure 7.5-11 Big Bites/Little Bites Dashboard (Improvements)				
Project	Deadline		Budget	
BB Delivery Service Options		On Time 2nd QTR		In Budget
BB Benchmark Data Proj.		> 15 Days Past Due		OVER Budget
Little Bite Customer Rewards Prog.		On Time 2nd QTR		85% of Budget
Little Bite Improving Benefits Proj.		> 30 Days Past Due		In Budget
Little Bite Overtime Reduction Proj.		On Time 2nd QTR		85% of Budget

Figures 7.5-12 and 13 depict the results associated with the Music City Composers Circle Innovation Program which is used to foster team member engagement and drive innovative ideas that can be used in our continuous improvement efforts. Although submissions have declined since the program's inception, we attribute this to the large number of ideas we had when the program began and the limited number of projects that we can effectively push through in a year.

Figure 7.5-12 Music City Composers Circle Innovation Program				
Composers Circle Innovations	Deployed		Cash Award	
Handheld Devices		Deployed		\$12,000 Awarded
Small Sharable Menu Tapas		Deployed		\$6235 Awarded
Flexible Seating Solutions		On Hold		No Impact to Date
Improve Carry Out Supplies		No Schedule Date		No Impact to Date
Customer Reward Program		No Schedule Date		No Impact to Date

Figure 7.5-13 Music City Composers Circle Innovation Program Activity



Among the many awards and recommendations MCB has received over the years, those listed in Awards and Recognitions (Figure 7.5-14) demonstrates the respect we have earned among industry professionals, businesses, peers, and, most importantly, the customers we serve.

## Figure 7.5-14 Awards and Recognitions

- Best Places to Work
  - Restaurant, Southern Region 2022
- Metro Nashville Chamber
  - Business of the Year 2023
- Southern Life
  - Must Visit Locations 2022
- Nashville Star Reporter:
  - Customer Favorite's Restaurant 2023



Figure 7.5-15 Action Plans depicts annualized strategic efforts and the measurable impacts they have had on KPI's since 2019. Long-term action plans that were created in the 2019 Strategic Plan had to be redeveloped in 2020 as the pandemic radically changed the industry. While MCB develops and deploys plans with 1-, 3- and 5-year time horizons; this table illustrates annual activities that are directly aligned to the year they were to be executed. The corresponding Strategic Plans are AOS. To successfully survive the pandemic and achieve many of these action plans, required a level of innovation uncommon to local restaurants and the corresponding results are a testament to MCB's focus on action which leads to continuous improvement.

Figure 7.5-15 Strategic Goals by Year and Associated Measures					
Strategic Goals and Measures					
Pillars	2019	2020	2021	2022	2023
Financial Perspective	Evaluate expansion into North Nashville	Modify Financial projections to reflect business model chg.	Eliminate Food Waste	Evaluate and redefine benchmarks	Increase Dine-in Revenue by 5%; Increase ROA to 7.9%
	AOS	Figures 7.1-1 thru 7.1-5	Figures 7.4-9 thru 7.4-11	Throughout All Results	Figure 7.5-3 and AOS
Customer Perspective	Develop Focus Groups and Mystery Shopper Programs	Launch Delivery and Carry Out Options	Evaluate and redesign menu offerings	Improve Mobile App	Create food allergy and sensitivity awareness in menus.
	Figures 7.1-1 thru 7.1-12 & 7.2-1 thru 7.2-18	Figures 7.1-3, 7.1-12, 7.1-13, 7.1-14, 7.1-15, 7.1-21, 7.2-9, 7.5-9a,b	Figures 7.2-1, 1a & 1b	AOS	Figures 7.2-1, 1a & 1b
Internal Perspective	Analyze and prioritize TNCPE Feedback to modify processes: Formalize approaches for SL Communication	Identify Team Member support needs	Deploy Team Member Referral Program	Develop & deploy DEI Program	Invest in TNCPE training for staff
	Throughout all results: Figures 7.4-1 thru 7.4-3 & 7.4-6b	Figures 7.3-9a thru 7.3-12	Figure 7.3-4b	Figures 7.3-6a, 6b, & 6c	No Measures Established
Learning & Growth Perspective	Train Team Members to use new technology: Launch Music City U	Train Team Member Healthy Svc.Practices	Deploy Music City Dashboard	Deploy Supply Chain Evaluation Process	Develop training on food allergies
	No Measures Established; Figure 7.3-13	No Measures Established	Figures 7.1-2, 7.1-7, 7.1-11, 7.1-13, 7.1-14, 7.5-3 and others AOS	Figures 7.1-21 thru 7.1-24	No Measures Established
Supplier Perspective		Acquire Suppliers for Delivery Services and Carry Out Containers; Support Nashville Musicians Assoc.	Develop Purchasing Agreement with Local Restaurants	Work w/Suppliers to cut packaging waste	Invest in excellence training for suppliers
		Figures 7.4-9 & 7.4-11; Figures 7.4-7 & 7.4-8	AOS	Figures 7.4-9 & 11	No Measures Established