

Domino's Pizza

- Domino's Pizza, Inc. is the number one pizza delivery company in the United States, based on reported consumer spending, and has a leading presence internationally.
- On average, over one million pizzas are sold each day throughout the system, with deliveries covering approximately ten million miles per week.
 - Domestic stores.
 - 4,461 franchise stores; 466 Company owned stores
 - revenues of \$493.6 M ; income from operations \$121.5 M
 - Domestic supply chain.
 - supplies to all Company owned stores and over 99% of our domestic franchise stores
 - revenues of \$763.7 M ; income from operations \$57 M
 - International.
 - 4,072 franchise stores outside United States
 - revenues \$146.8 M ; income from operations \$66.8 M

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- Incident: 16 aprile 2009
- video (Dominos1)

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- **Short term effects**

- Visualizations of video on YouTube (17/4)

- 8am: 562,627 views
 - 11am: 636,000 views
 - 1pm: 690,000 views
 - 3pm: 728,816 views
 - 5pm: 745,679 views
 - 9pm: 930,390 views

- stock quotation

- Volume exchanges : da 476M (16/4 gio) a 1.005M (21/4 mar) a 1449M (22/4 mer)
 - prices 7.25 \$ (16/4); 6.65 \$ (20/4); 7.92 \$ (23/4)

- Wide information on media network US (ABC, NBS, CBS) and Newspaper (NYT) and also in international networks

- **Effects on short term**



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- Discussion – role playing
 - How do you consider risk management and internal control system of Domino's Pizza at the time of the incident ?
 - What are the action that should be taken in order to reduce the impact of the incident ?

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ACTIONS IN ORDER TO REDUCE IMPACT OF THE INCIDENT :

- CEO VIDEO - (in order to apologize to all customers)
- two employees fired
- Health and safety : increase of control
- New policy in recruitment
- More frequent audits in each point of sales
- Promote dialogue and communication with customers
- THANKS TO PEOPLE THAT INFORMED THE COMPANY BY VIDEO DIFFUSION (THEY GIVE THE CHANCE TO IMPROVE COMPANY PERFORMANCE)

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- Lessons learned :
 - Lack in operational control can have high impact on reputation and value of a company
 - Taking right and quick actions on time can reduce in a significant way the impact of incidents occurred
 - Improve ERM and ICS is the best way to avoid future incidents and consequent trouble