Failure IS An Option

Patrick Doyle, President & CEO – Domino’s
“How to Transform a Legacy Company into a Technology-Enhanced, Nimble, Category-Disrupting Machine”
What’s Needed?

An *appetite* for risk

And more importantly:

The *stomach* for it
Let’s face it:

Taking risks is…well, risky.
Why are we afraid to take risks?

**Omission Bias**
(Inaction is less blame-worthy than action)

&

**Loss Aversion**
(Playing not to lose vs. playing to win)
At DPZ…

We play to win.
What does that mean?

Very different approach to the budget process.
How much do we think we will grow?

How much can we afford to spend?

Can we try some new things?
Our Approach

We look at the **expected value** of projects, including the risk, and will place lots of **bets**.
Risks and Big Bets

Early Risks:

• Founding the company in the first place
• Going all-in on delivery model
• Creating, then eliminating, the 30 Minute Guarantee
Recent Risks:

- Apologizing for our product taste on national TV
- Opening pizza restaurants in Italy
- Revamping virtually our entire menu
  - *Chicken with pizza toppings*?
Big Bets in Technology:

- Developing virtually everything in-house
- Ordering pizza via emoji
- Creating ‘Dom’ for voice ordering
- Introducing ‘zero click’ ordering
- Going all-in on our ‘Anyware’ platform
Risks and Big Bets

Big Bets in Delivery:

• DRU
Risks and Big Bets

Big Bets in Delivery:

• Drones
Risks and Big Bets

Big Bets in Delivery:

• DXP
• 7 consecutive years of positive U.S. sales growth
• 1,000 new stores in trailing 12 months
• Fastest-growing Quick Service Restaurant brand
• Share price: $4.97 (2009) to $155.01 (2016)
Is It Working?

• Amazon asked us to be part of Echo
• Microsoft CEO showcased a Domino’s-ordering bot on stage at developers conference
• Most importantly: our approach has attracted the best talent around
Conclusion

• Embrace risk! Think like investors, not managers
• Get ahead of the curve, even if it doesn’t work right away
• Providing ‘permission to fail’ is energizing
• Energy creates positive momentum
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