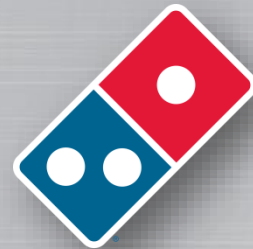




# Failure IS An Option

Patrick Doyle, President & CEO – Domino's



Or...

***“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.**

# Typical 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

# Risks and Big Bets

## Recent Risks:

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



# Risks and Big Bets

## 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





# Is It Working?

- 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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