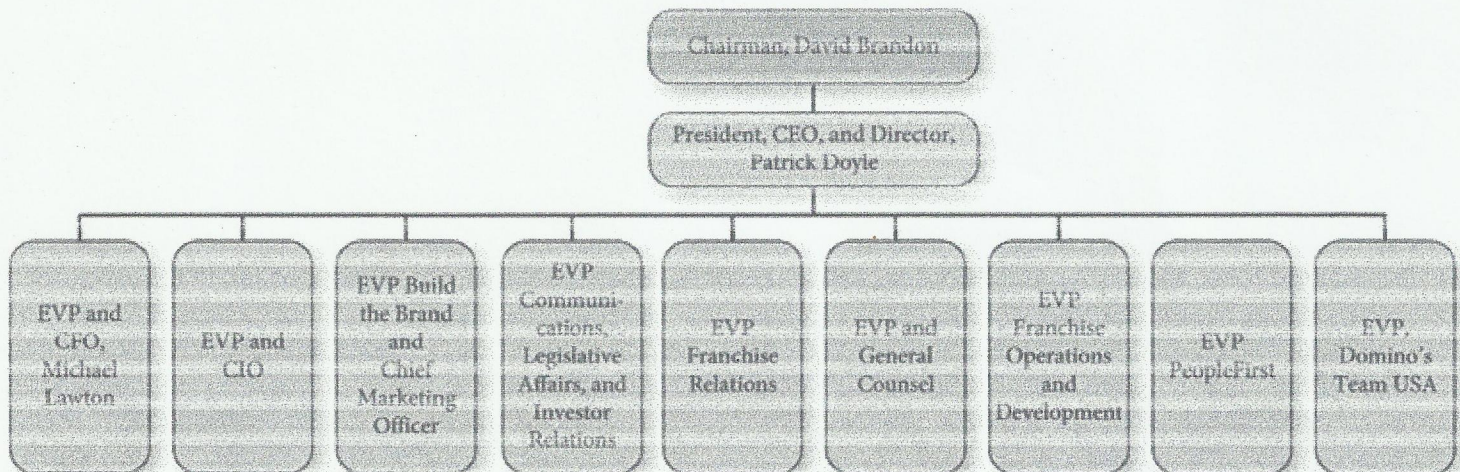


- • striving to make every customer a loyal customer;
- • delivering with smart hustle and positive energy; and
- • winning by improving results every day. (2012 Annual Report)

## Organizational Structure

As indicated in Exhibit 1, Domino's has 11 top executives, mostly executive vice-presidents (EVP's). It appears that Domino's operates from a functional organizational structure with Doyle being "where the buck stops," although for a firm of this size, a divisional or strategic business unit type structure by region (or by franchised versus company owned) may be more effective in promoting delegation of authority, responsibility, and accountability.

### EXHIBIT 1 Domino's Organizational Chart



## Business Segments

Domino's provides financial information for four key business segments: (1) domestic company-owned stores, (2) domestic franchise stores, (3) domestic supply chain, and (4) international. Note in Exhibit 2 that the largest revenue-generating segment is the domestic supply chain with more than 50 percent of all revenue. Note also the large revenue numbers for the relatively few company owned stores, because each Domino's domestic franchisee owns his or her own store(s) and reports their revenues on their own personal financial statements rather than Domino's. From franchisees, Domino's reports only the royalties and advertising fees it receives from franchisees as revenue. The financial data for the international supply chain centers are included in the international division, not under the domestic supply chain division. Also note in Exhibit 2 the slight revenue decline in 2012 for domestic company-owned stores.

Exhibit 3 reveals that for 2012, Domino's international stores had the highest growth in revenue, followed by U.S. company-owned stores. However the sales growth among all three segments slowed in 2012.

Exhibit 4 reveals that Domino's growth in number of stores is highest outside the USA, with the actual number of company-owned stores in the USA falling to 388. About 10,000 employees work for Domino's, but counting all workers for all franchisees, this number is closer to 205,000.

### EXHIBIT 2 Finances by Segment (in millions)