It didn't use the wood-fired stoves to give the pizza an old-world taste. And it didn't offer in-store dining.

Each of the ingredients in Monahan's formula was aligned around its value proposition of fast delivery—a strategy that worked well for Domino's for decades. This strategy and a franchise model helped the company grow by leaps and bounds. Today there are over 10,000 Domino's pizza stores, which are located in 70-plus countries around the world.

Over time, however, Domino's competitive environment changed. Other companies began delivering pizzas in about 30 minutes, and consumers began wanting more than fast pizza: They wanted good pizza. The problem was that Domino's wasn't delivering on that score. In taste tests, customers complained Domino's pizzas tasted like cardboard. At one point, the firms' customer-satisfaction scores in terms of its food and service were lower than any other pizza chain. Perhaps not surprisingly, the firm's stock price reflected as much.

To turn things around, the company had to rethink its value proposition. That included revamping not only its food but its HR strategies and policies. One problem Domino's suffered from is rampant in the fast-food industry: employee turnover. Domino's turnover rate was 158 percent annually. In other words, for every employee hired during a year another 1.5 employees quit.

Domino's CEO at the time, David Brandon, wasn't convinced that higher pay for hourly-wage employees was the solution though. "If we could have increased everybody's pay 20 percent could we have moved the needle a little bit to buy some loyalty? Maybe, but that's not a long term solution." Moreover, because most of Domino's stores are individually owned rather than corporate owned, it is the individual owners of the stores who have to decide for themselves whether to increase hourly wages.

Instead, Brandon focused on the quality of store managers—choosing better ones, finding ways to retain good ones, and coaching them to train and motivate employees by being respectful and polite. The company also began offering managers stock options for growing their store revenues.

It's store managers who cause employees to stick around—or not, said Rob Cecere, a regional manager for Domino's. Employees can go to McDonald's or Pizza Hut and make as much as they make at Domino's. "You've got to make sure they are happy to come to work for you," Cecere explained. Domino's also worked harder to promote a culture of "fun" via its World's Fastest Pizza competition and other initiatives. Brandon thought employees were so crucial he actually renamed the company's HR department the "People First" department.

Human resources wasn't the only part of the recipe Domino's had to change, though. It also had to create a new value proposition for its food. In 2009, it embarked on an effort and associated marketing campaign it dubbed the "pizza turnaround" to do precisely that. As part of the effort, the company developed a new recipe for its pizza crusts; began using fresher, gourmet types of ingredients; and began offering new products, such as artisan pizzas, pasta, and desserts. It also remodeled stores and added in-store dining.

Domino's chief strength still lies in its systems and technology. The biggest department at the firm's headquarters in Ann Arbor, Michigan, is its technology department. The department has built novel applications over the years, such as an online ordering application that allows customers to "build" their pizzas online and track their preparation, cooking, and delivery times. The department has also developed mobile apps for 95 percent of the smartphones on the market. Computer and mobile ordering now make up 40 percent of all Domino's sales. In 2011, technology employees built a popular game called *Domino's Pizza Hero,* which challenges players to learn the demanding job of pizza making and do it fast. Players who are good at the game are then prompted to apply for jobs with Domino's.

Is Domino's new recipe working? By most accounts, yes. Turnover dropped by more than 100 percent following Brandon's initiatives. Customer satisfaction scores have jumped up too. On this score, Domino's is now tied for the lead among its competitors in the pizza business. Wall Street has noticed and rewarded the firm with an all-time stock price high.

Still, strategy changes and their implementation are continually evolving challenges for firms, and Domino's is no exception. The company still faces issues with its HR piece of the puzzle and ensuring its strategy is aligned all the way down the food chain. In 2011, the company received a raft of negative publicity after two Domino's workers posted a YouTube video of themselves deliberately contaminating a