

NEXT GEN:

SETTING A COURSE FOR THE FUTURE

Originally founded as a subcommittee of the Franchise Advisory Group (FAC) in 2015, Next Gen started as a hand-picked group of second generation owners and operators who could provide the brand with a millennial's point of view, while helping them become better, more engaged owners and future leaders.

Next Gen is growing and evolving with a clear plan for the future and has transitioned from a subcommittee of FAC to a standing committee of the Wendy's Franchise Association.

"As we were forming our committees, we recognized the need to support Next Gen in a bigger way," said Mike Zak, chairman of WFA. "We see a need to develop future leaders of the brand, and by elevating the committee we move toward achieving that goal."



LOOKING BACK: THE "A-HA" MOMENT

In 2015, Wendy's was resonating very well with older customers, but not as well with younger customers and millennials. It was a challenge for the brand.

During conversations with FAC, Ed Anderson, franchisee and Hall of Famer, and Bob Wright, Wendy's former COO, talked about finding a way to tap into the minds of millennials with a goal of driving sales. Ideally, they would gather a group of millennials who understood the brand and could take a "what if" approach to operations...and that was the A-Ha moment.

Ed, who was on FAC at the time, took the lead as the first sponsor of the committee. As he looked at franchise organizations across the country, he realized many - including his own - had second generation family members working in the restaurants. He found a group of young, second generation leaders who were actively involved in their family business, operators that could think outside the box and provide a younger and different perspective on operations.

"The genesis of the group was to use our own next generation of owners and operators, to help us reach millennials by providing feedback on marketing, operations, and human resources," he explained. "We had an untapped resource that could have a positive impact on the brand, while developing future leaders in our franchise organizations."

Next Gen was born and became an initiative-based group that focused on people, operations efficiency, and ops-centric sales growth opportunities.

The original committee was hand-picked, and all were in their mid-20's to mid-30's. The first Next Gen group included: Eddie Anderson, Wen-GAP; Chris Haynes, LDF Food Group (now with Wen-GAP); Michael Rodriquez, JAE Restaurant Group; Tony Allegro, All Star Management Group; Jennifer Dominguez Suarez, Wendium of Florida; Brad Blankenship, Wendco of Western PA (now with Dave Thomas Family Restaurants); Brett Rozanczyck, SGR Restaurants; and Ryan Bridgeman, Bridgeman Foods.

For many, this was their first leadership role in the brand, and some have gone on to serve on FAC or WNAP.

In addition to Ed as the FAC advisor, Mike Gist and Deepak Ajmani facilitated projects on the brand side, and Bob Wright provided executive leadership and support. Next Gen regularly reported back to FAC, providing feedback on the work they were doing in collaboration with the brand.



The agenda was simple: help committee members learn about the business beyond what they knew about operating a restaurant. Most committee members didn't have experience working cross-functionally with brand departments or understand how operations decisions were made. Through their participation on the committee, they met and built relationships with multiple departments as well as brand leadership. Their focus, though, was always about how to improve operations and be better operators.

Wendy's leadership team has been supportive of Next Gen over the years, spending time with them during meetings, engaging in conversations about operations and other programs.

Wendy's suppliers have also supported Next Gen, offering a variety of programming and professional development opportunities. Coke was the first to get involved with Next Gen, stepping up to provide content during meetings and co-hosting development events. Coke has provided access to a variety of resources, sharing information about emerging brands and delivery. Next Gen is working with QSCC to identify other suppliers to partner with on future development programs.

TODAY AND POSITIONING FOR OUR FUTURE LEADERS

Next Gen meets quarterly with the brand, working cross-functionally with their brand

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Ed Anderson



"We are 'real people' who are brand evangelists committed to ELEVATING Wendy's to the world's most thriving and beloved restaurant brand."

Kelly Dunn

counterparts to provide feedback on a wide range of issues, such as:

- Restaurants: processes or projects related to restaurant operations, including new equipment
- IT: technology such as credit card payment system processes, kiosks, and how the POS works for our internal customer
- Menu: product development and launches
- HR & Training: streamline content in training videos to keep millennial employees' attention and the importance of training for multi-unit managers.

Kelly Dunn, Next Gen president and WFA board member, said, "Next Gen is committed to elevating Wendy's to be the world's most thriving and beloved brand. Our current focus is to evolve and enlarge the group. With a larger pool of young leaders, we can add more depth to the insights we offer."

The group has begun work on a project called the Future Leaders of Wendy's. A key component is to identify and engage with new or second-generation owners and operators

who can become the future leaders of the franchise system.

"We are just getting started on this project," Kelly said. "As a brand, we are losing more franchise leaders than we are able to replace. Our goal is to build bench strength for NextGen and create opportunities for members to gain experience on this committee and move on to leadership roles on WFA, WNAP and other franchise groups."

Kelly identified 'Future Leaders' as second generation owners or operators through succession, new franchise owners just joining the system, and operators who are stepping into a leadership role with their organization.

"We want to engage with young operators who are interested in taking a more active role in their development," Kelly said. "If you're starting a new career as a Wendy's franchisee, you need to learn about the brand as well as operations. It's a great opportunity to meet people at the DRSC and in the system, and a chance to get engaged in a different way, to elevate yourself with the brand, and to take your personal business hat off and work for the greater health of the brand."

We asked Ryan O'Malley, second generation operator of Wendy's of Bowling Green, for his thoughts on Next Gen.

Why did you get involved in Next Gen?

I got into Next Gen because I wanted to be more involved in the brand other than just operating the restaurants. I knew the company was headed in the right direction, but I felt it could be enhanced even further through feedback from younger franchise operators.

What do you get out of your time on the committee?

Being a member of Next Gen has provided me with tremendous growth. I have developed relationships with peer franchisees, met members at the DRSC that I didn't know, and developed as a leader.

What role does Next Gen play when it comes to the brand?

Wendy's and the franchise community are a team. It's necessary to work well together. Next Gen's job is to help advise the brand with our unique prospective. We are in the restaurants daily and may see things differently than the folks at the DRSC.

What does the future look like for Next Gen?

The future of Next Gen is a representation of the future of the company. The brand has tremendous franchisees that will help advise the brand for many years to come. The future looks very bright!

NEXT GEN



Kelly believes that the biggest benefit to being part of Next Gen are the relationships and camaraderie the committee members developed. "The time we spend at meetings and the convention catching up, talking about our business and getting advice from each other is by far, one of the greatest benefits of NextGen," she said.

When Kelly joined the group, she was a two-store franchisee. "I felt alone on my Wendy's island," she explained. "But meeting people who understand my world and do what I do every day changed my life and the way I look at the business. I'm a better operator and a better franchisee because of it. These connections alone are the best reason to get involved in Next Gen."

POTENTIAL: UNLIMITED

Franchisee John Hughes has been the Next Gen franchise advisor for several years. His role is to make sure Next Gen stays focused on operations and the impact they can have, and to ensure there is a good relationship between the committee and the brand.

"Our goal is to have a dialog and a sharing of information about what millennial customers want from the brand, and how to engage with our millennial employees," John said. "Next Gen committee members spend most of their time in restaurants working on the nuts and bolts, so they are definitely qualified to offer feedback on all things operations."

John sees Next Gen as being the next evolution of the brand. "Dave Thomas created Wendy's, and I think Next Gen is the next step in the evolution of the brand," he said. "Evolution is the unfolding of what was created – in our case, Wendy's. They are not doing something different or creating something new, they are trying to maintain, enhance and evolve what Dave created. There's no telling the impact Next Gen has had or will have on the brand or on the world."

"Next Gen has been unbelievably educational for me. Our job is to diagnose problems and brainstorm solutions. While that is a benefit for the Wendy's community, learning from the group and having them as a resource has proven invaluable for my growth."

Holden Capriotti

Brad Blankenship on Next Gen:

"My father told me about this Next Gen committee that FAC was forming and that he was approached about me possibly joining. I of course was interested and thrilled that I was even considered. I think I just fit the box that I was a millennial, a second generation Wendy's franchisee, and working in the operations part of the business. It also helped that he had been so involved with the brand and franchise committees. I ended up serving on Next Gen for almost four years and was elected the third President we had.

I couldn't have imagined what Next Gen would mean to me and my development, and how it would shape my view of Wendy's and the brand. It opened doors for access to the decision makers at the company headquarters, and a way to get answers if I had any questions. It gave me a chance to meet other second generation operators and discuss our similar upbringings and work situations. And it gave me a chance to contribute to Wendy's a younger perspective in the mind of the millennial employee and customer.

That's what the Next Gen committee was formed to do. Help the brand continue to move forward and stay relevant with the younger generation by connecting new technology and ideas. That's what Next Gen has done and will continue to do as our business grows and changes as fast as it does."