Ramp Up for Recovery Action

Best-Bet Resource

April 2020

This information is offered as a resource to Owner/Operators. Owner/Operators are exclusively responsible for complying with all applicable statutes, laws, and regulations applicable to their restaurant(s). For any legal issues affecting their business, Owner/Operators should consult their own legal counsel.

Introduction

The NFLA People Team, in partnership with McDonald's, would like to share with you the **Ramp Up for Recovery Action Best-Bet Resources** guide. The resources shared in this document are best-bets collected from Owner/Operators and is intended to provide options to assist Owner/Operators during this pandemic on topics like training, delivery services, and social distancing guidelines.

As you know, McDonald's-brand restaurants are in a critical position. As essential businesses in this pandemic, we are providing warm, delicious food at a value to some of our frontline healthcare workers, emergency responders, and other workers in lifesaving businesses. Because of these unprecedented moments, we have the opportunity to remind ourselves of the things we've always known to be true; we serve each other, our communities and the entire McFamily. This means:

- The safety and security of our people is our top priority
- We support each other—embracing the good times and lifting each other up in the hard times
- We empathize and understand
- We take pride in serving our customers
- We are family...we all belong

Thank you for your commitment. - Your NFLA People Team.

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Building Employee and Customer Confidence

Safety & Security

From an operations perspective, we know that we have to maintain our focus on the QSC that our customers expect from us, and with the new consumer mindset and the heightened awareness of cleanliness, this is going to be more critical than ever to gain customer trust and maintain loyalty. At the same time, it is equally important that our employees see us as leaders in the industry, and believe that we have their best interest at the center of everything that we do. We have to instill confidence that their restaurant is a clean and safe environment to work in, and that we are taking every precaution to minimize any risk to them or their families.

Taking the time to ensure that every crew person has the proper <u>Personal Protective Equipment</u> (<u>PPE</u>), and knows how to use it effectively is the first step to building confidence with our employees and customers, but also adjusting our procedures and focus to the areas of the restaurant that our customers are using the most, is also extremely important. Over 90% of our business is coming through the DT. We should take this opportunity to ensure that the DT meets our customers' expectations, not only from a service perspective, but that it is clean and inviting. Our customers will form their opinion based on what they see and experience in the Drive-thru, so it's more important than ever that we look for opportunities to ensure that windows are clean, stickers or signs are professional with current messaging, and that DT lanes and landscaping areas are clean and inviting.

Do-It-Yourself (DIY) Face Masks

In light of recent current CDC guidance, we highly recommend that all restaurants provide non-medical grade masks to restaurant employees. Given current supply limitations, we are prioritizing providing disposable non-medical grade masks based on legislative requirements and for hot spot locations. The rest of the system will be receiving masks beginning April 26.

Franchisees that do not yet have masks for your restaurants, may wish to consider providing cloth masks to your employees or permitting employees to wear their own masks consistent within the guidelines provided below (see Guidelines for self-provided masks). Where a franchisee decides to implement a policy requiring masks for their employees, they should be sure to consult with their own legal counsel as any such policy may have legal implications including, but not limited, to wage-hour implications.

Operating Procedures

- Mask procedures both disposable and re-usable (+ Spanish)
- Self-provided masks:
 - o Guidelines for self-provided masks (+ Spanish)
 - How to make your own face mask

- o CDC guidance on cloth face coverings and how to make them
- Managing mask inventory within your restaurant (+ Spanish)

Signage

- Masks required: **Only** to be used when required by government. 3 scenarios:
 - o Sign 1: Mask required for inside and outside service
 - o Sign 2: Mask required inside, but drive-thru and mobile/curbside permitted
 - Sign 3: No entry permitted

Talking with crew about masks

- Owner/Operator Restaurants
- McOpCo Restaurants

Grow the Business

Staffing for Growth

Staffing to 10% DT GC growth at lunch

When we talk about staffing, we mean both staffing to the recommended conditions and to drive anticipated growth. The majority of our freestanding traditional restaurants have reached a point of GC stabilization, and **as of last week, 66% are starting to see growth in the DT - especially at lunch.**

We know right now that the current conditions require we staff with Social Distancing in mind. We also know our customer patterns have changed and that given the Shelter-in-place restrictions, **they are visiting us during the lunch peak more each week.**

However, we need to anticipate growth in Drive-Thru over the next 4 weeks. We are starting to see **stabilization and early signs of growth at breakfast**, but not to the same extent as lunch.

This is a critical time for us to **focus on the lunch peak**. As Joe always says, we need to skate to where the puck is going. **What we do now and for the next 6 to 8 weeks will change the trajectory of the business for the rest of the year.** Knowing what we know and based on our projections, we are recommending staffing to 10% DT GC growth at lunch.

We are currently running with an average of 7 crew at lunch, which is 1.5 less than the VLH recommendations. Those that have added labor during lunch in the past week have grown on average 2 GCs each hour across all days of the week and that number is trending up.

Hiring to replace turnover resources McHire

- McHire is the McDonald's recommended hiring platform
- It is a **candidate-centric** solution built specifically for McDonald's

- McHire is powered by Olivia, the virtual assistant who screens, schedules interviews, and fast-tracks the onboarding process
- Learn more on the McHire Resource Page

Rapid Response Staffing Guide

- The <u>Rapid Response Staffing Guide</u> contains best practices to help restaurants prepare for accepting applications and retain employees during crisis
 - Will be expanded to include best practices during recovery and link to the staffing calculator
 - Pulls many resources into one place each section includes links to @mcd and resources located in the appendix of the guide
 - o Key best practices are in the front of the guide and look similar to a checklist
 - o Located on the US People Page and Coronavirus Resource Center.

Virtual (Phone) Orientation and Training Playbook

- **WebEx Virtual Interviewing** McDonald's recommended free platform in which live virtual interviewing occurs outside of McHire or ATS to replace in-person interviews
- McHire Virtual Interviewing Integrated video interviewing solution that provides ondemand and live interviewing options at a cost of \$75 per year, per restaurant
- Interview Resources
 - The <u>Interview Guide</u> is part of the <u>Recruitment and Retention Toolbox</u>, found on the U.S. People Page on @mcd
 - Includes tips for selecting the best candidates, hiring manager interview prep,
 best practices in conducting & concluding interviews
 - Has **printable sample questions** for crew, GEL, and manager roles, examples of strong answers, and a place to take notes
 - Also includes an Applicant Comparison Tool
 - o Phase I: Virtual/ Phone Orientation
 - Provides tips on topics to cover during a phone or virtual orientation with a new employee
 - COVID-19 Update
 - Employee Success Guide / Employee Handbook review
 - Discrimination and Harassment
 - Benefits
 - McDonald's Works for Me
 - Includes example scripts
 - Offers guidance on I-9 completion if the new employee will not physically be in the restaurant within 3 days of orientation
 - Available end of April
 - o Phase II: TBD
 - Currently evaluating what Phase II entails
 - Possibilities include:
 - In-person orientation with social distancing
 - Cover content that was not reviewed in Phase I
 - Employee appreciation
 - Post-COVID check-in

Targeting availability for mid-May

Hiring or Referral Bonus

- Referral programs and competitions can help increase applications and retention.
 - Current employees want to work with other motivated people, and may be looking for additional incentives. They are more likely to refer employees who will stay.
 - Example: Host for 2 weeks. Award the employee with the highest number of hired referrals a cash prize of \$50/100/200/\$250 plus an additional \$50/100/200/\$250 for employees who stay at least 90 days. Provide referrals a \$50 bonus to start.

Recruitment marketing (POP, digital ads, job board sponsorships, etc.)

- New POP from Altrua, Bowman, and S2K with community-based hiring messaging
- Corresponding digital ads that can be used for digital ad banners
- Targeting first week of May
- Updates to the Rapid Response Staffing Guide
 - Step-by-step guide for setting up Google Ads
 - Information on programmatic campaigns through Indeed and Glassdoor
- Upcoming Brand work: cross-functional team including Global Brand, Global People, US People, US Marketing, US Comms, and NFLA People Team members
 - Late May / June (tentative)

Scheduling

Here is some guidance related to how many Crew should be on hand during the lunch peak. Please take this as guidance only and adjust for your restaurant's unique conditions. It is also **very important that you follow the social distancing guidelines for crew positioning** that can be found on the <u>Coronavirus Resource Center</u>.

We are seeing **increases in the sandwiches and fries per order**, so making sure you have people **positioned in the grill and fry areas** will enable you to keep the wheels moving and not have to park as many cars.

Our service speeds continue to be better than last year, and while we have lost a bit of ground over the last few weeks, we are seeing OEPE times stabilize across all 3 DT types. Those restaurants that have the recommended amount of crew are providing our customers with a 13 second faster experience, with less waiting prior to the cash booth and at the present window.

We will continue to monitor our operating conditions and provide guidance as to how best to get through this uncertain time so that we all emerge stronger with each upcoming phase and into our new reality.

Employee Experience

Paid Time Off (PTO)

Paid time off can be provided in many different ways for many different purposes. Here are some potential options that you could continue to consider implementing beyond the COVID-19 pandemic (*Please refer to your state/local law as they may have legal requirements*):

- Sick time
- Paid Time Off (PTO) -beyond what is mandated by state/local legislation
- Vacation Time
- Short-Term and Long-Term Disability
- Sympathy Leave/Bereavement
- Holiday Pay
- Volunteer Pay

Please consult with your Employement Law / EPLI Attorney to identify what program is best for your organization.

Appreciation Pay

Provides an employer with the opportunity to express appreciation and gratitude to employees for their commitment to supporting McDonald's during an unprecedented time. Ultimately leading to employee retention and more employee engagement to ensure sufficient staffing to run the restaurants.

Potential Options:

- Provide a per hour premium for hours worked payable each pay period.
- Provide a % lump sum bonus at the end of a defined time period

Additional Benefits

WHY: In this ever-changing environment, filled with uncertainty, one thing is for certain...our PEOPLE are more essential than ever. Every week, we continue to hear stories about keeping the health and safety of our people as top priority, and it's extremely important to maintain those efforts through our words and actions.

WHAT: Below you will find potential benefit recommendation that Owner/Operators are currently offering and plan to offer in light of the Families First and Cares act or could start offering to restaurant employees:

- Extended Leave to care for a child (10 weeks at 2/3 pay)
- Penalty Free withdrawals from Retirement Accounts
- COVID- 19 Paid Time (up to 2 weeks)
- Comprehensive health (Medical, Dental, Vision)
- Paid medical leave
- Paid sick time
- Additional Pay per hour (%)
- Bonus Pay per hour (%)
- Retention Pay (lump sum \$) for a core set of workers
- Free Meals for employees during shift
- Restaurant Closure Pay

McD Bravo!

An easily adoptable, cost-effective, and immediate on-the-spot rewards program to create a culture of hospitality in your restaurant(s).

By offering the McD *BRAVO*! restaurant employee recognition program, administered by PerkSpot, you're helping provide on-the-spot recognition for your restaurant employees for all they do to support a better customer experience in your restaurant(s). It's a great way to drive employee engagement and create excitement among your employees while providing immediate recognition for Customer Obsessed behaviors. As with all benefit and program decisions, this program is optional, and you may choose whether or not to offer it. If you do choose to offer McD *BRAVO*!, please click here for more information and how to get started.

Owner Operator McD BRAVO! - 3 steps Get Ready Checklist

Learn about the program	Complete Ourlounge GAM	Customize your program
a) Read the Owner Operator Playbook	a) McD <i>BRAVO</i> ! is currently only	a) Complete the Perkspot
b) Reward Giver Playbook	accessible through Ourlounge	agreement
(English / Spanish)	b) Be sure you have completed the	b) Select the number of
c) Employee Guide (English / Spanish)	Ourlounge GAM before you get	restaurants to participate
d) Employee Handout	started	c)Designate your reward-givers
(English / Spanish)		d)Choose the value of your
e) McD <i>Bravo</i> ! - <u>Training</u>		rewards
<u>Presentation</u>		e) Determine a monthly budge to
		fund the program

What does McDBravo cost?

- Monthly maintenance fee: There is a maintenance fee of \$10 per restaurant per month paid to PerkSpot to offer the program
- **Monthly Restaurant Budget**: Owner/Operator can decide how much you want your monthly budget to be for each of your restaurants. If your full budget for the month is not used, the balance is applied to the next invoice.

McDPerks





U.S. People Team

How Can Your Employee Discount Program Serve You During COVID-19?

There is no question that COVID-19 and its impacts have hit us all incredibly hard. For the brave McDonald's Crew and Managers who are supporting communities nationwide by continuing to prepare meals, we want to remind you that you have access to numerous discounts to assist during these times.

Whether you're seeking a discount on convenience items, products that help keep you and your home clean, a way to stay healthy, or something else, make sure to visit your **McDPerks** and browse through the tens of thousands of discounts available to you.

Where Can You Find These Savings?

Head to the McdPerks COVID-19 Resource Center to check out relevant and useful discounts that can help you save on essentials during these difficult times. Looking for grocery coupons specifically? Visit the Grocery tab.

Head to

mcdperks.perkspot.com

to start saving!

Uber | Business Programs and Discounts

Now, as Franchisees, you can assist your employees and their families with commuting alternatives and meal delivery programs through **Uber for Business**.

What is it?

We have expanded our partnership with Uber for Business to bring you three ways to support your employees: Uber gift cards, ride and meal programs, and ride vouchers. Utilizing one or more of these programs allows you to cover your employees' commute and meals through Uber for Business. Uber is also extending a special offer just for McDonald's: First- time users get up to 10\$ off their first order on Uber Eats.

How can I start?

Enrolling in one of the programs below will unlock a new user promo code that gives first-time users up to \$10 off their first order on Uber Eats. Read on to learn more about each of the ways you can help your employees, then simply fill out this form to get started.

	UBER GIFT CARDS	RIDES AND MEAL PROGRAMS	RIDE VOUCHERS
WHAT IS IT?	Say 'thank you' to employees with digital gift cards that help them commute to & from work or get a meal from Uber Eats.	Create an Uber for Business account to simplify rides and meals for your employees. Set up custom programs that allow you to control usage and track spend.	Cover the cost of rides at scale. Easily customize terms and distribute a Voucher to employees that they can use on their Uber app.
HOW DO I GET THEM?	Fill out the form linked above and let the Uber for Business team know how many gift cards you need (minimum \$500 USD). Distribution is simple and you'll get clear visibility for tracking who gets a gift card. Learn more about gift cards.	Fill out the form and tell the Uber for Business team what you'd like to sponsor (rides and/or meals), and share an employee list. You'll get access to the dashboard to set restrictions on coverage, location, spend allowance and usage. Choose between payment by credit card or via ACH/wire transfer, billed monthly. Learn more about business travel and business eats.	Get in touch with the Uber for Business team and you'll be on your way to distributing up to 10K codes at once. You can easily set restrictions on coverage, location, and spend. Then, distribute the Vouchers via SMS, email, or QR code, allowing employees to switch payment methods and directly bill rides to your account. Learn more about Vouchers.
TIMELINE	Estimated turnaround time: 5 days	Estimated turnaround time: 1-2 days	Estimated turnaround time: 1-2 days

Training Resources

Training resources that have been developed to support our current business strategy. It is important to note that this training is all **optional** and intended to give **each O/O complete choice and flexibility** on how they use this resource within their organization. We believe these virtual platforms will be very impactful for our restaurants given the current environment.

As part of your employees training and development, there are four different training resources to support the growth and development of your talent during this time.

1. Online Learning Available on FRED, Campus and on @mcd

Great ways to train and develop your talent right now include completing My McDonald's courses, continuing with development connected to Year of the Shift Leader, focusing on Food Safety training, watch the Coronavirus Takeout Precautions video and completion of the first two levels of the OTP program.

2. Social Distancing Training Guidelines

We also know the importance of our in-restaurant training, much of which occurs "shoulder-to-shoulder" for a trainee and trainer. To support everyone's health and safety during this training, guidance is available on how to leverage social distancing guidelines while training.

3. Onboarding New Hires

Leverage a virtual version of Orientation and a new US Training playbook to onboard new crew members and Shift leaders. These resources will go live on May 4^{th} .

4. A new 10-week National Virtual Training Series

A series of training sessions facilitated virtually in order to help you continue to invest in your employees. There are 8 individual classes (60 minutes each) and two multi-sessions series available (Virtual Shift Leadership Transitions and English Under the Arches). All classes will be delivered via WebEx to give you flexibility for how your team participates.

For more details visit the People tab on the Coronavirus Resource Center.

Food Delivery to Front-Line Responders

In efforts to provide the best customer service, the following guidelines are recommendations to safely deliver food to first responders and health care workers. These individuals are at the front-line of your local hospitals, fire fighter stations and police departments responding to the needs of our communities.

McDonald's delivery partners are not involved with our '<u>Thank you Meal</u>' promotion, so this is an opportunity to have our brave employees carefully connect with other individuals providing service across the country.

What is needed?

- Company-insured vehicle, to be used for the sole purpose of food delivery to and from the designated locations
- Restaurant Crew and Managers must have a valid U.S. Driver's License
- Insulated thermal bag (recommended)

Personalized Notes

Instead of a providing a toy in the iconic Happy Meal box, we encourage you to have employees personally write the notes of appreciation intended to be included along with the meals.

Crew and managers can spend some time writing the notes of appreciation during their shift time. These notes will add a human element reflecting the connection much needed across our community during these times.

Delivery

Employees delivering food to front-line responder facilities should follow all safety procedures and guidelines. This includes wearing PPE and working with the right person to deliver any meals ordered.

- Use thermal bags to keep meals warm from the counter to the customer
- Assign roles for different employees to prep or load large orders
- Plan ahead and configure a driving route to the location
- Contact the person expected to receive the delivery prior to arrival to discuss parking and social distancing plan. Inquire if there is a designated drop-off location.
- Avoid having two people deliver to comply with social distancing guidelines
- Sanitize the steering wheel and throw away gloves when appropriate

Running Great Restaurants

Cleanliness & Sanitation

When we think about what cleanliness during recovery will look like to us, we have to look through a new customer lens. While cleanliness has always been part of our DNA, it's going to be even more critical in how customers perceive a brand and how they reward brands with their loyalty.

We should take advantage of the closed dining rooms to do extra detailed cleaning & sanitation – high touch surfaces, lobby for reopening, walk-ins, restrooms, and even back of the house areas that could use more attention. There is a team putting together an entire plan on recommendations for reopening dining rooms, and there will be some valuable cleanliness guidelines in those documents as well. This would be an ideal time to use some of these funds to ramp up for that next step in the recovery.

Reliability

And lastly, quality. We know that our food quality is better when our equipment is properly maintained, so a focus on planned maintenance as a PPP action is one of our recommendations. That means taking the appropriate time to clean those grills, fryers, HVAC, ice machines, Self-Serve Beverage station, toasters, etc.