

**RESTAURANT ASSOCIATION OF MARYLAND
REQUEST FOR PROPOSAL
FOR STRATEGIC PLANNING**

BACKGROUND

Founded in 1936, the Restaurant Association of Maryland (RAM) is the leading business association for the restaurant industry in Maryland. Together with the Maryland Hospitality Education Foundation (MHEF) and their respective national partners the National Restaurant Association (NRA) and the National Restaurant Association Educational Foundation (NRAEF), RAM carries out its mission to promote, protect and improve a rapidly growing industry that is comprised of 9,600 restaurant and foodservice outlets employing great 170,000 great people. In 2008, restaurant industry sales in Maryland will reach a record high of \$9 billion.

Restaurant Association of Maryland

RAM works closely with their national partners in support of a variety of issues, ranging from developing effective grassroots networks to dealing with state and local industry impacting legislation to educating the public on industry-related state ballot initiatives and referendums. When a restaurant joins RAM they also become a member of the NRA. Both associations take responsibility for enrolling all other restaurant members.

Member restaurants qualify for a variety of benefits such as credit card processing, electronic marketing solutions, workers compensation insurance, discounts on educational products and job boards.

Each association is organized as a separate 501C (6) organization with separate bylaws, boards of directors and finances. Governance of each association is independent. The foundations are 501C (3) organizations also with separate by-laws, boards and finances. Governance is also independent.

For additional information on the Restaurant Association of Maryland - www.marylandrestaurants.com
For additional information on the Maryland Hospitality Education Foundation - <http://www.mhef.org/>

National Restaurant Association

The NRA represents more than 380,000 member restaurant establishments. The membership base consists of many different facets of the industry such as:

- Table-service and quick-service restaurant operators, chains, franchisees and independents.
- Allied members, including suppliers, distributors and consultants.
- Students and faculty.
- International membership, allowing companies outside the U.S. to take advantage of the Association's resources.

The NRA has primary responsibility for executing the first two components of the organization's overall mission – representation and promotion.

Representation: Restaurants need a powerful voice before Congress and federal regulatory agencies. The NRA – ranked among the “Power 25” lobbying organizations by Fortune magazine – pursues a pro-restaurant agenda on critical restaurant issues such as the minimum wage, immigration reform, food and

alcohol service issues, and IRS tip audits. Through the NRA-PAC and Save American Free Enterprise Fund, the NRA works to help elect pro-restaurant candidates and battle anti-restaurant initiatives.

Promotion: The NRA promotes dining out, encourages restaurant careers, publicizes the industry's commitment to food safety and responsible alcohol service, highlights the restaurant industry's impact on the economy and local communities, and conducts outreach to the media.

It also produces comprehensive and credible research reports and publications in support of the organization's mission and to help restaurateurs manage their businesses better.

In addition, the annual *NRA Show*, the foodservice industry's biggest convention, attracts over 2,000 of the industry's leading suppliers and 70,000 attendees for networking, education, and an extensive exhibition area.

For additional information, please refer to www.restaurant.org.

National Restaurant Association Educational Foundation

The NRAEF is a not-for-profit organization dedicated to fulfilling the third component of the mission – education. Focusing on three key strategies of risk management, recruitment and retention, the NRAEF serves the public good by providing best in class educational resources, materials and programs geared toward attracting, developing and retaining the industry's workforce. Examples include:

- ServSafe® Food Safety training and certification program, the most widely accepted food safety certification program among local, state and federal agencies.
- ServSafe® Alcohol responsible alcohol training and certification program, a practical and comprehensive approach to responsible alcohol service and training.
- ProStart program, curriculum which introduces high school students to career opportunities in the restaurant and foodservice industry.
- Scholarships and Mentoring Programs which encourage students to pursue careers in the restaurant and foodservice industry.
- NRAEF Manage First Program, a post secondary management certificate program designed to develop qualified restaurant, hospitality, and foodservice managers and prepare them to begin or advance their careers in the industry.

Products produced by the NRAEF that are purchased directly from the Foundation or through key distributors including state restaurant associations help fund outreach and scholarship activities on the national and state level. There is also an important fund raising and special events effort that raise funds for scholarships and other activities that enhance NRAEF image and provide additional program funding. This current business model allows the NRAEF to offer best-in-class products and programs that meet the educational needs of the industry.

For additional information, please refer to www.nraef.org and www.ServSafe.com

PROJECT OBJECTIVES

Current Environment Maryland

The industry's steady and on-going growth creates opportunities for the Restaurant Association of Maryland as well as challenges, including growing its membership and revenue base, maintaining its relevance in a rapidly changing business and legislative environment, serving a diverse industry and membership base, and using resources effectively. For the last 20 years the association was run by Marcia Harris, their president & CEO. Her energy and style got the association to where it is today. With her passing in September of 2007 a nation wide search was undertaken with the finalist being Paul Hartgen, then the president & CEO of the Nevada Restaurant Association. 2008/2009 will be transition years for the organization. The current Board of 40 and staff of 22 is a very dedicated and passionate group. Their budget is at \$2 million.

RAM is actively examining a new "brand value/relevance" proposition wanting to take the current economic situation globally and locally and the transition to lay the course for the next 3 -5 years. A Strategic Planning Steering Committee is in place to guide the process.

The Maryland Hospitality Education Foundation (MHEF) currently manages 85 high school culinary programs in 12 jurisdictions/counties. Last year they trained over 4,000 people in food safety. MHEF's budget is currently at \$1 million. They too will be developing a strategic plan.

Current Environmental National

The industry's steady and on-going growth also creates opportunities for the National Restaurant Association as well as challenges, including growing its membership and revenue base, maintaining its relevance in a rapidly changing business and legislative environment, serving a diverse industry and membership base, and using resources effectively. Like in the state of Maryland the current economic climate demands for associations to be at their best.

As a result, the NRA has been examining a new "brand value" proposition and business model in order to operate more effectively and efficiently. A Task Force was established in 2006 to develop and recommend a business model to change the paradigm for providing programs and services to the restaurant industry.

Members of this Task Force include top executives from the NRA, the NRAEF, and select state restaurant associations. Highlights from the January 2007 Report of the Task Force to the Boards of the NRA and NRAEF include the following recommendations:

- NRAEF licenses ServSafe® and other NRAEF educational products and programs to NRA to develop and distribute on their behalf.
- NRAEF retains ownership of the licensed educational products and programs under a licensor- licensee relationship with NRA.
- NRAEF is paid a licensing fee for the licensed educational products and programs, and NRA generates an income stream as exclusive developer and distributor of all the licensed educational products and programs.
- NRA and state restaurant associations collaboratively market ServSafe® and offer programs and services to the industry.

In addition, the NRA also launched an intensive and comprehensive search for a new President and Chief Executive Officer whose responsibilities include leading the Association's upcoming strategic planning initiative. Last year, the NRA announced the selection of Dawn Sweeney, then the President of AARP Services, Inc., as NRA's incoming CEO. Ms. Sweeney joined the NRA officially on October 1, 2007.

Consequently with the current work of the Task Force and a new President/CEO to be in place, this is an opportune time for the NRA, NRAEF and SRA's to engage in a comprehensive long range strategic planning initiative.

At the national level they worked with Oliver Wyman to develop their strategic plan. The plan was approved on September 23, 2008 at the September Board meeting in Washington, DC.

Expectations

The firm selected will be expected to develop a vision and strategic roadmap of *where* and *what* RAM, in its entirety (including the NRA, the NRAEF, and SRA's) could aspire to be in the next three to five years, as well as a set of corresponding strategies, to ensure that the organization retains and expands its leadership position in the foodservice industry.

To conduct the study and preparing the strategic plan, the company selected should consider a number of issues, including:

For RAM:

- Define key short term and long term priorities of the industry and the Association and how to apply proper resources against these priorities to assure continued growth and health of the industry and of the Association.
- Define financial resource requirements both short and long term to adequately address identified industry priorities from the Association standpoint. Help align legislative needs against relevant revenue sources that contribute to a well rounded, vibrant brand plan.
- Understand and define the Restaurant Association of Maryland's brand value proposition across all stakeholder audiences and determine how to leverage that brand value to drive membership and revenue.
- Define the path and resources necessary to make the Association one of the top three business associations in the eastern region in terms of influence on public policy and public opinion.
- Define what drives the decision to become a RAM member and how to achieve higher penetration across all member classes including chain restaurant organizations. As of July 1, 2008, the RAM had about 20% market penetration. This plan should provide compelling insight to help remedy this situation.
- Examine and provide strategic insight into "member benefits" for RAM and analyze them to determine how they could be improved, what lessons can be applied from other industries, and what additional opportunities exist for "affinity" membership and membership offerings.

Identify opportunities to diversify and augment RAM's revenue stream, including key areas of member "need".

- Independent restaurants represent the largest portion of the membership. At the same time, chains are growing at a significantly faster pace than are independents. Does this shift in growth affect the overall RAM brand strategy and member focus? Identify what drives membership decisions and how to achieve greater penetration within this independent restaurant sector of the industry.
- Identify ways to ensure the Association and SRA's represent the entire restaurant industry so that all their interests are protected in policymaking and other matters.
- RAM founded Maryland Restaurant & Hospitality Self-Insurance Fund is a best in class program that is a great "membership hook". Identify opportunities to strengthen and leverage the workers compensation program, determine future strategies to help grow and build this partnership.
- Identify the best structure and resources necessary to produce high quality industry research that supports needed Association public policy, communications, education and other missions.
- Determine how RAM should measure its performance overall, as well as that of its various initiatives. Recommend categories of key performance indicators (KPI's) over the three to five year period.
- Identify how RAM might further enhance the perception of the restaurant industry as a career opportunity.
- Define how to most effectively and efficiently go to market with MHEF educational products and services.
- Consider outside, modern best practices for aligning advocacy with business needs of an association. To this end, how do these organizations weigh priorities that have a mission return on investment vs. a monetary return on investment?
- Help define the right board and staffing governance structure to deliver on the strategic plan. A Board Assessment was completed in September of 2008 by BoardSource.
- Help determine how best to work within the NRA's Strategic Plan while at the same time delivering value to Maryland restaurant industry.

For MHEF:

- Consider how to position MHEF so that it offers the most fruitful opportunities to harness its resources and talent for the benefit of the public and industry.
- Redefine and clarify the mission and overarching purpose for MHEF based on short and long term industry and public priorities.

- Develop a long term strategic plan and roadmap for the Foundation to help address identified industry and public priorities.
- Define financial and human resource requirements both short and long term to adequately address identified priorities from the Foundation standpoint. Help align industry and public needs against relevant revenue sources that contribute to a well rounded, vibrant Foundation brand plan.
- Understand the MHEF brand value proposition across all stakeholder audiences and determine how to leverage that brand value to drive public and industry support and fund raising, philanthropic and sponsorship revenue.

Expectations:

The resulting strategic plan and recommendations are expected to be:

- Objective, fact/data-based, comprehensive, realistic, achievable and oriented toward the future. Merely soliciting and re-presenting the opinions of Board members and staff will not constitute an acceptable process.
- Focused on the three key components of RAM’s mission – promote, protect and improve.
- Responsive to the needs of current and potential members of RAM and the stakeholders of MHEF, taking into consideration the diverse nature of the industry, in terms of business size and structures, workforce requirements, and markets.
- Reflective of the many stakeholders, their contributions to RAM, MHEF and their expertise.
- Cognizant of the impact that advocacy at the local, state and federal level has on the organization and its members.

PROPOSAL REQUIREMENTS

Deliverables

The company selected will be required to:

- Deliver a strategic plan for RAM and MHEF that:
 - Defines a clear and persuasive vision and brand value proposition for both RAM and MHEF.
 - Defines the key short and long term strategic priorities of the industry, RAM and MHEF that directly support the vision and addresses the expectations above.
 - Define the action plan and roadmap to deliver the strategic priorities—this should include:
 - Defined success criteria (ROI) for delivering strategic priorities.
 - Defined budget requirements to deliver the priorities for the Association and the Foundation.
 - Defined relevant lines of business aligned with strategic priorities that can deliver needed financial resources.

- Organization and governance approaches for RAM and MHEF (staffing, board and volunteer leaders) best suited to deliver strategic plan.
- Conduct periodic meetings with RAM and MHEF leadership to keep them apprised of the project's status and provide interim findings.
- Prepare a final presentation for RAM and MHEF leadership and other constituencies (date to be determined).
- Submit all presentations and written materials both in hard copy and electronic versions.

Submission Requirements

1. Detail your firm's experience in providing strategic planning services to companies in the not-for-profit sector; and foodservice industry firms/suppliers.
2. Provide information on whether you provide services to any related industry associations or groups.
3. Discuss the firm's independence with respect to the Restaurant Association of Maryland
4. Identify the partner(s), manager(s), and staff who will be assigned to the study if your bid is successful, and provide biographies.
5. Describe how your firm will approach the project and the areas that will receive primary emphasis. Also, discuss the communication process used by the firm to discuss issues with the management and officers of RAM and MHEF.
6. Include your fee proposal for the project and a detailed timeline.
7. Provide the names and contact information for other, similarly sized clients of your firm.
8. Describe how and why your organization is different from other strategic planning firms, and why the selection of your firm is the best decision.

Completing the RFP

All proposals shall become the property of RAM and shall not be returned to Respondent.

All proposals must be signed by an officer or duly authorized representative of the Respondent.

The Respondent is expected to furnish RAM with any supplemental information as may be reasonably required by RAM during the selection process.

Respondents will be expected to deliver a comprehensive presentation for RAM and MHEF leadership, which details the proposed approach to this project. This presentation will be an essential element of the selection process and will occur in _____.

RAM and MHEF agrees to hold an individual question and answer session in late October 2008 to help clarify the scope of the assignment and provide additional information you may require to craft your proposal. The interviews of the final three will be held on the morning of November 5th, 2008.

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RAM will not reimburse respondents for costs associated with the preparation, submission, or requested clarification of any proposal.

RAM strictly prohibits discrimination by any party under this engagement as to race, sex, color, creed, national origin, or handicap.

Please send both an electronic (soft) copy of your proposal by 5:00 p.m. on October 31st, 2008, and six paper (hard) copies by 5:00 p.m. November 4th, to:

Mr. Paul Hartgen
President
Restaurant Association of Maryland
6201 Hillside Court
Columbia, MD 21046
phartgen@marylandrestaurants.com

If you have questions about the RFP, submit them via email to Mr. Paul Hartgen who will coordinate the responses by the RAM and/or MHEF.

The Restaurant Association of Maryland and the Education Foundation will evaluate proposals on a qualitative basis.