

I. GROWTH OBJECTIVES

A. *BECOME THE RESOURCE CLEARINGHOUSE FOR THE INDUSTRY IN GOVERNMENTAL, MARKETING, GENERAL BUSINESS, AND EDUCATIONAL ISSUES AND SERVICES*

1. We increased member access to information and services when we established a series of web sites to increase member access to information. The restricted "members only" site with its information on legislation, regulations, business operations, marketing tips and much more is very popular (10,942 hits in most recent month).
2. We have become the recognized leader in Sanitation and Responsible Alcohol Training in Maryland. The number of people trained annually in our sanitation courses increased from 600 in 1996 to 9750 in 1999. County liquor boards recommend our "Responsible Alcohol Training" programs to their licensees. These programs are now also being offered in Spanish and Korean languages.
3. We have become recognized as the preferred source of hospitality training in Maryland. A wide variety of educational institutions, including two-year and four-year colleges and high schools, have sought us as partners in developing curricula in providing hospitality training.
4. We have become the best source for reliable data on hospitality industry subjects, national and local trade press, as well as the main stream media, turn to us for information on the industry. State and local governments depend on us for reliable data.
5. We have become a source for trained hospital industry employees. With our three-year apprenticeship program, our "school to career" programs for high-school juniors and seniors, and our "welfare to work" training programs, we are able to refer trained hospitality industry employees to our RAM members.

B. INCREASE MEMBER PARTICIPATION IN EXISTING AND EXPANDED PRODUCTS AND SERVICES

1. We have successfully marketed membership products and services to the extent that income from these endorsed programs increased from \$55,000 in 1997 to \$110,000 in 1999.
2. We have increased promotion of and participation in services offered by the NRA. Particularly popular with RAM members are the periodic NRA publications and their excellent research library.
3. We have increased member participation in the RAM "gift certificate" program from 500 restaurants in 1997 to over 750 in 1999. Every month we send checks to hundreds of participating member restaurants.
4. We have increased member participation in RAM's free electronic "Dining Guide." Every member benefits from a free listing and a free menu page. Allied members are listed free in RAM'S Buyer's Guide."
5. We have increased participation in our Workers Comp Self-insured Fund. Although the workers comp. insurance market has been soft for the past three years; we have managed to maintain our share of the market, even increasing it slightly, by offering competitive rates, quality service and dividends.
6. We have increased member participation by offering new member services and expanding membership benefits. In the past year we added payroll processing programs and a cell phone service to our already impressive list of programs. We are in the process of positioning RAM to further increase services when electric energy deregulation hits Maryland later this year. In '99 we took two new programs to our members when we rolled out our free "Marketing 101" and NRA's "Member of Management" seminars.

C. SEEK GREATER PARTICIPATION BY AND FINANCIAL SUPPORT FROM ALLIED MEMBERS

1. We added 80 new Allied members in '98 and 102 in '99. These new members and our 400 existing members are participating in many more RAM member services since we opened participation in most of our endorsed programs to allied members. Twenty-five Allied members have signed up for our new cell phone program with projected annual savings of over \$45,000.
2. We increased retention rates among Allies from 66% in '98 to 79% in '99.
3. We improved existing Allied member services and added new ones including advertising discounts, free web site listings, advertising discounts and a bi-monthly Allied newsletter.
3. We have increased income from Allied sponsorships through the development of our annual sponsorship program that allows Allied members to plan their annual sponsorship of programs and events that best meet their own company's marketing and corporate goals. Now that we no longer solicit them for each separate event, we are generating about five times the amount of sponsorship contributed before we developed our "Partnership Opportunities" program and hired a Development Director to administer the program. Restaurant Associations across the country are now using RAM's program as their model.

D. INCREASE RAM'S MEMBERSHIP TO INCLUDE 50%-100% OF ALL RESTAURANTS IN MARYLAND

1. We expanded our membership direct marketing efforts the past two years. We doubled the number of annual new member sales in '98 when we doubled the size of our membership sales force. We added approximately 400 new members a year for the past two years. We were aided in this effort by the design and publication of our first membership services brochure.
2. We have developed new ways to recruit members. Our endorsed programs are now our membership sales partners as are our Allied and Chapter members. Each group has now been trained to actively promote RAM membership. In the past three years, we have found effective strategies for driving students of our MHEF educational programs into the arms of our membership sales staff. One of our greatest new aids to membership recruitment has been our comprehensive public relations program overseen by our VP of Marketing and Communications that has greatly heightened RAM's and MHEF's visibility and acceptance by the Industry.
3. We have maintained higher-than-average retention rates among our restaurant members (87% in '99). Our focus in enrolling new members in at least one of our money saving member services plays an important role in our retention efforts.

E. DEVELOP A STRONG NETWORK OF CHAPTERS

1. We have established seven chapters and are looking at the possibility of two more in 2000.
2. We hired a chapter director two years ago and held focus groups in various regions to assess chapter needs and develop programs to serve them. We have taken service to the local level through seminars and workshops offered at chapter meetings; providing legislative representation on county and city issues, representing the members' concerns to local regulator agencies and by providing administrative support for a wide variety of chapter events and projects.

F. EXPAND THE MID-ATLANTIC FOODSERVICE, LODGING AND BEVERAGE EXPO TO BECOME THE PREDOMINATE HOSPITALITY TRADE SHOW IN THE MID-ATLANTIC REGION

1. We have increased the amount of paid exhibit space at EXPO from \$404,332 in '97 to \$486,892 in '99. The merger with the Liquor Store Association in '97 and the Mid-Atlantic Food Dealers Association (retailers) in '99 added to the total amount of exhibit space sold.
2. We have increased attendance at the show every year for the past five years. In 1997 we pre-registered 18,000 attendees from 6,000 different companies. By 1999 we had refined our marketing and registration techniques and pre-registered 27,000 attendees from 13,900 different companies. Exhibitors at EXPO '99 said that this was the most "qualified" group of buyers ever to attend EXPO and were particularly pleased to see increased representation from the military and institutional segments of the market. The addition of "Cafe 2000" in 1999 was a big hit with attendees.

II. IMAGE/MARKETING OBJECTIVES

Two years ago, RAM hired its first marketing and public relations specialist and dedicated resources to a marketing budget. Since then, promotion of the Industry, the Association and RAM's members has taken off like a rocket.

A. PROMOTE THE INDUSTRY

1. We have worked hard to improve the image of the foodservice industry in Maryland and to judge by newspaper headlines and television news stories, we have been successful. We worked closely with the National Restaurant Association to develop their "Restaurant Good Neighbor" award that will annually highlight the many contributions of restaurateurs to their local communities. At the end of this document you will find a sample of just a few of the scores of favorable items about our industry and its contributions to society that RAM has placed in the media.
2. We have improved the image of careers in foodservice by developing accurate data about rewarding careers with competitive salaries available in our industry and providing that information to high school and college guidance counselors, government agencies and the mainstream media. We are working with the NRA to develop a presentation on careers in foodservice that can be made by operators to schools and service groups. For years our annual "Service Classic" has spotlighted the rewards of careers of servers and brought positive attention to the Industry.

B. PROMOTE THE ASSOCIATION

We have developed and implemented a systematic marketing and public relations plan to promote RAM to the general public, the Industry and our members. Please see the Columbia Flier article in the appendix to judge the effectiveness of this strategy. Every commercial channel in Maryland covered the positive story on RAM exposing a mail fraud targeting Maryland restaurants.

C. PROMOTE MEMBER RESTAURANTS

RAM's online dining guide to hundreds of thousands of hungry diners. In 1999 alone our dining guide got over 2 million "hits." Our newer Meeting Planners site and Caterer's site are beginning to take off too. Increased promotion of RAM's Gift Certificate Program has steadily increased the traffic in participating member restaurants. In '99 almost \$154,000 of RAM gift certificates will be redeemed. Our numerous cooperative advertising buys, allow even RAM's smallest member to get more "bang" for their advertising buck. Because of the work of MHEF and RAM's p.r. staff, only RAM member chefs are now booked on Baltimore area food and entertainment shows.

D. PROMOTE MARYLAND CUISINE

We have succeeded here, too. Thanks to our work with Maryland's Office of Tourism Development and Maryland Public Television, John Shield's "Chesapeake Cooking" show is in its second year of national broadcasts. We continue to promote Maryland's unique cuisine by supporting cooking contests featuring Maryland specialties and Maryland chefs. Our Chapters annual "Taste of ..." promotes not only their local restaurants but also their local cuisine. RAM's newly instituted "Maryland Hospitality Hall of Fame" is sure to boost Maryland's reputation for outstanding restaurants with out-of-this-world menus.

E. PROMOTE ALLIED MEMBER BUSINESSES

Recently, RAM has increased its efforts to promote its Allied members through our electronic buyers guide and its predecessor, the annual "Buyers Guide." We now hold monthly meetings of Allied members to share leads and tips for marketing to restaurants and caterers.

III. GOVERNMENT RELATIONS OBJECTIVES

A. ENSURE A STRONG ECONOMY AND HEALTHY BUSINESS CLIMATE THROUGHOUT MARYLAND AND NATIONALLY

1. We have established a unified industry-wide political voice at all levels of government. RAM has assumed a leadership role within the industry and the general business community. RAM has been successful in identifying industries that share legislative interests and developing coalitions to address these issues.

2. We have worked to elect a more "business friendly" government. Through the efforts of RAM's Political Action Committee (RAM-PAC), we have made substantial contributions to political candidates who have pro-business leanings. Our support has resulted in an increase in pro-industry legislators.

B. INCREASE POLITICAL CLOUT

Because of our support of recent victorious candidates and our membership's increased involvement in the political process, RAM has become a preeminent political force in the State of Maryland. In many counties RAM members are advisors to their county executives and they are active campaigners for county council candidates. Increasingly, RAM members are seeking elected office to advance the industry's agenda. Because of RAM's efforts, RAM members have been named to a wide variety

of state and county boards and commissions. One of the elements of our growing political influence is the increased participation of national chain restaurants in RAM's government relations efforts.

C. BROADEN RAM'S INFLUENCE WITHIN MARYLAND'S CORPORATE COMMUNITY

RAM has become a major player in determining Maryland's "small business" agenda. We have spread RAM's influence by attracting to our Board men and women who are actively involved in a variety of influential business, civic, and professional organizations. RAM's senior staff are recognized leaders within the community of trade associations and chambers of commerce. Because of this, the Industry's issues gain wide circulation. RAM's influence inside the general business community has grown, in part, because of our successful efforts to publicize the economic importance of the food service industry.

IV. MEMBERSHIP OBJECTIVES

A. IMPROVE COMMUNICATIONS WITH AND AMONG MEMBERS

We survey member preferences to develop alternative times, locations, and agenda for meetings; this awareness of member needs results in greater, more enjoyable participation by members, their guests and clients.

In our new home, RAM plans to offer "industry round table discussions" of special interest topics within the food service Industry (e.g., Human Resource Directors, CFO'S, or staff with marketing responsibilities). RAM has plans to develop its web site to host "chat rooms" in which members can share problems and solutions. In brief, we are opening new avenues for the exchange of professional information and for the latest in the development of technological applications for industry improvement.

B. IMPROVE TWO-WAY COMMUNICATIONS BETWEEN RAM AND ITS MEMBERS

RAM is actively searching for new ways to keep our membership updated on the latest in industry developments. We are investigating and adopting state-of-the-art polling techniques so that our members can tell us exactly what their interests are and what they want our organization to direct its efforts towards. To support that effort, we have purchased improved computer software that will allow the speedy transmission of broadcast faxes to the membership.

C. INCREASE MEMBERSHIP IN UNDER REPRESENTED REGIONS

RAM has successfully increased the diversity of its membership in recent years. We have targeted Asian and Latin restaurants for membership through special recruitment efforts; for example, we have developed training and marketing materials in Spanish and Asian languages. As a result more minority and diverse ethnic populations are now represented on the RAM Board and its membership.

D. NEW MEMBERSHIP CATEGORIES

We are also aware of the need to keep abreast of ways to serve newer elements within the industry. We are investigating the development of new membership categories. Some interest has been expressed by students and employees in the foodservice, industry for opportunities that would allow them to develop professionally. We are currently assessing these needs as they are reflected throughout the industry.

E. IDENTIFY OBSTACLES TO MEMBERSHIP ENROLLMENT AND PARTICIPATION IN RAM PROGRAMS AND SERVICES; DEVELOP ALTERNATIVE WAYS TO COMMUNICATE BENEFITS TO PROSPECTIVE AND CURRENT MEMBERS

RAM conducts membership "needs assessment" surveys to learn what our members care most about. We have developed and refined our membership brochure and we have designed an ad campaign as an alternative means to make known our services.

V. AFFILIATION OBJECTIVES

A. DEVELOP COOPERATIVE AFFILIATIONS THAT ENHANCE MEMBERSHIP VALUE AND PROVIDE LEADERSHIP IN A COALITION OF HOSPITALITY RELATED INDUSTRIES IN THE STATE WITHOUT COMPROMISING RAM'S CONTROL OF ITS OWN AFFAIRS OR LOSING RAM'S IDENTITY

RAM is strategically determined to maintain its strong identity and to control its own affairs. At the same time we recognize that there is potential benefit in examining issues of mutual concerns with other associations. Over the past five years RAM's efforts to bring more organizations into our sphere of influence has met with success. By working with other organizations such as other trade associations, chambers of commerce, the NFIB and other small business groups on issues of common concern, we have formed relationships that advance RAM's and MHEF's cause. We have effectively utilized cross association directorships to broaden RAM's sphere of influence either appointing to seats on the RAM board members who also hold seats on other powerful boards. Today, RAM board and staff members serve on: The Governor's Tourism Development Board, the Governor's Workforce Investment Board, the Maryland Stadium Authority, the Maryland State License Beverage Association board, the Maryland Hotel Motel

Association board, and both the Maryland Business for Responsive Government and the Maryland Chamber of Commerce legislative committees, among others. We added permanent seats on the RAM board for representatives of the Maryland Hospitality Education Foundation and the Maryland Restaurant and Hospitality Self-Insured Fund board.

We also have increased the scope of our influence by co-sponsoring events and projects with other organizations who share our interests including the Chefs and Cooks Association, the Central Atlantic Sanitarians Association, Baltimore County Licensed Beverage Association, Maryland Tourism Council and the Maryland Hotel/Motel Association.

B. BUILD ALLIANCES WITH PUBLIC AND PRIVATE EDUCATIONAL INSTITUTIONS

We have networked with college and secondary schools in the development of curricula, scholarships and apprenticeships and engaged in mutually supportive relationships with other hospitality education organizations. We have placed RAM members and RAM/MHEF staff on the boards of many other hospitality education organizations including Morgan State, Southwestern Academy of Travel and Tourism Board, University of Maryland Eastern Shore, the University of Maryland University College Hospitality program, the National Restaurant Association Education Foundation board, the Hospitality Business Alliance board, the board of the Chesapeake Center for Youth Development and the advisory committee to the Anne Arundel Community College Foodservice and Hotel Management programs.

C. DEVELOP STRATEGIC AFFILIATIONS WITH NATIONAL ORGANIZATIONS

We have developed useful affiliations with several national organizations by placing key RAM members and/or staff on their Boards. Kaplan, Cricchio and Harris serve on the National Restaurant Association board of directors. Harris serves on the board of the NRA's Education Foundation, the International Society of Restaurant Association board and the Women in Foodservice board. Harris also serves on the membership committee of the Multi-cultural Foodservice and Hospitality Alliance.

VI. ORGANIZATIONAL/OPERATIONAL OBJECTIVES

A. PROVIDE THE HUMAN RESOURCES TO SECURE ASSOCIATION SUCCESS

We have focused on providing the human, financial and physical resources to secure the Association's success. RAM is renowned within the association management

community for attracting, training and maintaining one of the finest professional association staff's in the country. At the RAM/MHEF groundbreaking ceremony on December 22, 1999, Steve Anderson, president and CEO of the NRA singled out RAM's president and her staff for special recognition for their skill and dedication. We are fortunate that for the past two years RAM's management team has remained intact with 0% turnover. Each RAM/MHEF staff member is vital to our continued success. During the past three years we have established a 401 k plan and an employee incentive plan to keep our outstanding staff with us and have maintained a corporate environment that supports success. Association goals are shared annually with all RAM staff and each staff member is accountable and takes responsibility for fulfilling the Associations mission and achieving our goals.

B. PROVIDE THE FINANCIAL RESOURCES TO SECURE ASSOCIATION SUCCESS

With the guidance of RAM's finance committee and the approval of the RAM board, we have developed and implemented a revenue generation/cost control strategy that has steadily improved RAM/MHEF's financial picture in the past few years. Today, we have total assets of \$1,082,000 with liabilities of only \$128,000 with income collected in `99 but earned in 2000 accounting for all but a few thousand of `99 liabilities. Even though we are well into construction of our new headquarters building and training facility, we have so far avoided tapping into our construction line of credit. We have diversified our income sources and no longer rely exclusively on our two-day trade show for operating income. Grants and sponsorships now cover much of the operating costs for MHEF while income from classes and textbook sales continues to grow.

C. PROVIDE THE FACILITIES AND EQUIPMENT TO SECURE ASSOCIATION SUCCESS

During the past 2 + 1/2 years RAM has invested heavily in the equipment and facilities required for our continued success. Our computer network is in a constant state of update and our Information Technology manager is making sure that we get the most out of our investment. Our telephone system is state-of-the-art. And, as noted elsewhere, our new headquarters facility will allow us to expand services and offer some new training programs for the first time. The commitment of our Building Fund campaign committee and the generous contributions of our members, it appears that we will soon have pledges to cover the cost of our new home.

D. DEVELOP NEEDED PLANS, POLICIES, AND PROCEDURES TO ACHIEVE ORGANIZATIONAL OBJECTIVES

Over the years RAM has developed the needed plans, policies, and procedures to achieve its organizational objectives. Legal counsel reviews all of our documents. Our complete “action plan” is a comprehensive document used by staff daily to prioritize and initiate strategies designed to “get us where we are going.” In `99 we focused on putting the finishing touches on a personnel manual and developing “charges” for each standing committee and task force. The only documents currently needed are written crisis management plans for various potentially difficult situations.

E. USE TECHNOLOGY TO IMPROVE THE QUALITY AND QUANTITY OF RAM PRINTED MATERIALS AND RAM/MHEF PROCEDURES

With the help of RAM's new Director of Information Technology, staff is learning how to use existing technology to produce professional looking materials in-house including the Gala program, and our Chapter, Allied and Expo newsletters and the monthly “Board Briefing.”

In the past 12 months, we employed technology to offer Expo exhibitors state-of-the-art lead retrieval. We upgraded the accounting software used to keep RAM's and MHEF's books. And, thanks to technology, we can now bill for dues on the anniversary of joining, which should improve membership retention. And, with the help of our IT Director, RAM and MHEF staffs have increased their abilities to use “Office `97” products.

VII. BOARD OBJECTIVES

A. ENSURE THE ASSOCIATION MAINTAINS THE HIGHEST CALIBER OF VOLUNTEER LEADERSHIP

RAM and MHEF have attracted the “Best and Brightest” to service on their respective boards by developing and implementing long-range leadership development within the Association. We strive to make the work of the board meaningful and rewarding. We have developed and maintain a tradition of honest, professional commitment from our volunteer leadership that naturally attracts similarly dedicated individuals. All new board members receive a thorough orientation to our mission, policies and their responsibilities. Our “Code of Conduct” and “Standards of Performance” are key elements in our board manual.

B. ENSURE BOARD IS REPRESENTATIVE OF THE INDUSTRY

Every effort is made to recruit a diverse board that reflects the composition of our Industry. Directors are sought from all regions of the State and all segments of the Industry. In the past two years, we have recruited our first board members from national chain operations. Without them, our board would not mirror the Industry. We “take the pulse of the Industry” via an annual membership poll and compare results to board opinions to ensure that we are in sync with the membership.

C. ENSURE THE MOST EFFICIENT AND EFFECTIVE OPERATION OF BOARD AND COMMITTEES

RAM has developed working relationships among task forces, committees, staff and Board that facilitates the action agenda of the Association. Every year we review current board and committee structures and functions and review and revise as required to maintain efficient and effective workings of the Board and its committees. Every effort is made to provide the Board with adequate information on which to base sound decisions. “Board Briefings,” the monthly update, keeps the Board current on Association activities and progress on our action plan. We have adopted bylaws, policies and procedures that allow and encourage efficient and effective operation.