

OPERATIONAL EXCELLENCE

Operational Excellence

TO NAVIGATE WITHIN THIS DOCUMENT:

- Click or tap blue linked text.
- To search, press **Ctrl-F** (or **Command-F** on a Mac) for Find. On a tablet or phone, choose **Find** from the menu of the browser or app.

Some links lead to items on FRESHnet, typically requiring login by a Franchise Owner or Store Manager.

Fundamental Rules of Operation	2
◆ Importance of Standardization	2
◆ Hours of Operation	3
◆ Emergency Close Procedures for Online Ordering	3
◆ Speed of Service	3
Product Flow Overview	4
◆ Purchasing	5
◆ Receiving	7
◆ Storage	9
◆ Preparation	11
◆ Holding	12
◆ Building	13
◆ Baking	13
Product Standards	14
◆ Approved Product	14
◆ Proprietary Product	14
◆ Private Labeled Product	14
Ingredient Do's and Don'ts	15
◆ Outside Ingredients	15
◆ Running Out of Ingredients	15
◆ Borrowing Ingredients	15

Fundamental Rules of Operation

Importance of Standardization

Standardization is at the core of any successful franchise system. There must be as much consistency from store to store and city to city as possible. By using a standard system as a group, we can operate, monitor, and improve the same system and exceed our customers' expectations.

This manual describes the systems and procedures to operate a Papa Murphy's successfully. The procedures outlined here are a resource to orient and train, as well as for ongoing reference.

- ▶ **Tip:** When in doubt, check this manual to verify the correct procedures, products, and systems. Updates to procedures or processes will appear in the *Bulletin* and *Ops Blast*.

This manual refers to items that are "required," or brand standards, as part of our operating system. These proven systems and processes ensure consistency and efficiency while protecting the brand.



- ◆ **Required items or Brand Standards** must be followed by all stores.
 - These are either critical to the brand or essential to the operating system. For example, all food safety and product preparation procedures are essential to our brand. Follow them without exception.
 - If a store has a situation where it is not able to follow a required item, it must get approval in writing from its Divisional Vice President and approval from the Sr. Vice President of Operations. (One example is if a local health department does not allow one of our standards.)
- ◆ **Optional items or Best Practices** may be used in a store's operation if the Franchise Owner/CSD Supervisor desires.
 - However, there may be required procedures *within* an optional item. For example, Classic Cheesy Bread may be an optional product. If you choose to carry it, you must make it correctly — and the entire DMA would be required to carry it as well.
 - Recommended best practices may also relate to staffing levels, store goals, and performance or development programs you want to offer.



Compliance with required items is necessary for Franchise Owners to remain in good standing. Failure to comply with any of the required items may result in legal consequences, including termination of the Franchise Agreement.

Hours of Operation

All stores must be open for business seven days a week. The only days stores may be closed are Easter, Thanksgiving, and Christmas.

- ▶ **Best Practice:** Consider opening from 2:00 p.m. to 8:00 p.m. on Easter.

Standard Hours of Operation are 11:00 a.m. – 8:00 p.m. seven days a week. Stores may choose to open earlier or close later.

- ▶ **Best Practice:** Closing typically follows sunset. During summer and Daylight Saving Time, consider staying open an hour later.

The standard closing time is 8:00 p.m. On the day before Thanksgiving, standard closing time will apply. On Christmas Eve, a store may close no earlier than 6:00 p.m.

On July 4, a store must open by 1:00 p.m. A store must stay open until 8:00 p.m. if the holiday falls on a Friday or Saturday. If the holiday falls on a Sunday through Thursday, a store may close no earlier than 6:00 p.m.



Emergency Close Procedures for Online Ordering

If closing due to weather or other emergency, call the PMI Support Center and request emergency close. The **Order Now** button will still appear on the website, but will show a message when clicked. When ready to reopen, call to end emergency close status.

- ▶ **Note:** Any request to the support center for an emergency close will be sent for further approval by the Division Vice President.



Speed of Service

Papa Murphy's service standard is an average of 3 minutes or less from when a customer enters the line to order until leaving with a purchase. Time begins when a customer engages in line, regardless of how many people are in line. Time ends when the order is presented — including giving baking instructions, thanking, and inviting the customer back. That means making a customer's pizza(s) in *less* than 3 minutes.

New stores will have 6 months to grow their skills before evaluation. A store should have no problem meeting this standard if it follows guidelines for planning, staffing choices, and follow-up.

- ▶ For more information, refer to the [Customer Focus > Customer Service](#) section of this manual on FRESHnet.



Product Flow Overview

This section of the manual covers the flow of our ingredients and products through purchasing, receiving, storage, preparation, holding, building, and then finally to the products our customers bake.

Because consistency is critical to the Papa Murphy's brand, all Franchise Owners, Store Managers, Supervisors, team members, and Papa Murphy's Corporate Field Staff receive training to handle our ingredients and products according to these guidelines. Your field staff representative will follow up and monitor store operations through the Operational Excellence Program (Store Audits) to ensure consistent execution of these procedures.



Papa Murphy's procedures are designed to meet or exceed HACCP requirements.

- **Note:** HACCP stands for Hazard Analysis and Critical Control Points – an FDA-defined management system addressing food safety through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement, and handling to manufacturing, and distribution of the finished product.



Purchasing

Our policy is that stores never run out of ingredients and that only fresh and approved ingredients are available at all times. Papa Murphy's Franchise Owners are required to purchase approved ingredients and materials from approved vendors and distributors. These vendors meet Papa Murphy's quality control and food safety standards. This enables us to maintain strict quality standards and ensure the health and well-being of our customers by minimizing potential food safety issues or responding promptly if an issue does arise.



To ensure quality, all Papa Murphy's locations are required to purchase **produce** at least twice each week. **Purchase all other food and paper items** once or twice a week, depending on the store's volume.

Never purchase produce from a grocery store.

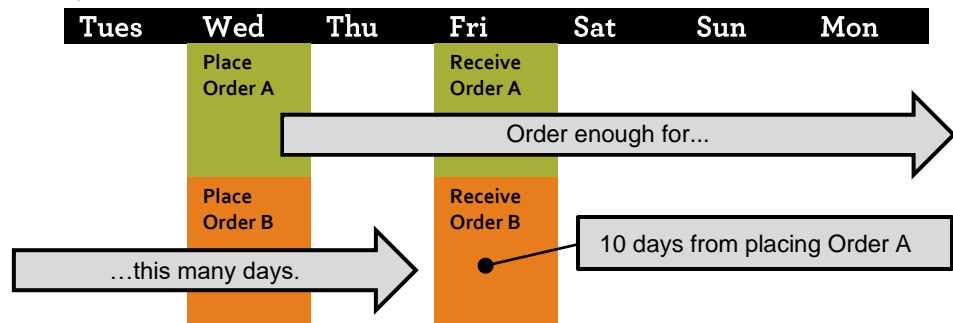
Understanding the ordering cycle is important. This ensures you have the items you need when you need them, and you use ingredients within the shelf life to ensure high quality and safe food. These criteria ensure a great product to the customer.

NBO/MenuLink calculates a Suggested Order based on the Forecast and physical inventory. It is up to the management staff to review the Suggested Order and adjust if needed to ensure enough product on hand between deliveries.



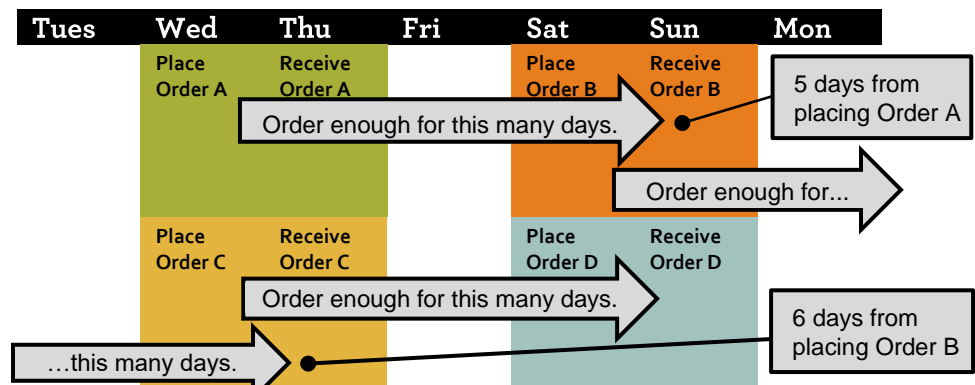
Shipping times vary by city. Check with your Regional Business Director/District Business Leader for details.

- ◆ For **once-per-week** distribution deliveries, the order cycle is 10 days. As shown in the calendar excerpt below, the number of days from when you *place* Order A until you *receive* Order B is ten.



Example of once-per-week delivery with a 10-day order cycle

- ◆ For **twice-per-week** distribution deliveries, the order cycle can be 5 to 6 days. That means the number of days from when you *place* Order A until you *receive* Order B is five or six.



Example of twice-per-week delivery with a 5- or 6-day order cycle



Upcoming specials, advertising, or special events may affect the ordering build-to amounts.

Holidays may affect your regular delivery schedule.

Stores will use the functions available in NBO/MenuLink, Papa Murphy's back-office system, to support the purchasing process. This includes forecasting, electronic ordering, and converting purchase orders to invoices.

- ▶ **Note:** NBO/MenuLink will adjust a Suggested Order for special events if you create an Event *before* completing the Forecast.
- ▶ For more information on NBO/MenuLink, refer to the **NBO/MenuLink Utilization** eLearning program accessible [through FRESHnet](#) and the BOH server, or to the **POS System Manual**.



Receiving

Papa Murphy's policy is to thoroughly check in and inspect all orders when received. Following the approved receiving procedures ensures the store receives the proper quantity and quality of the items ordered.



Only a trained Papa Murphy's team member should accept deliveries and check in items.

Some stores may receive *dark deliveries*, or deliveries when the store is closed and no team members are present. If you have a dark delivery, you must still follow the receiving procedures when you check in the delivery the following day. See page 9 for details.

- ◆ Your authorized distributor will make deliveries on a regular schedule. A set schedule allows the store to plan for receiving the goods. For example, you may choose to have an additional team member scheduled on delivery day to put away an order from a distributor and/or to make room for the items received.
- ◆ Papa Murphy's does not accept any deliveries between 4:30 p.m. and 6:30 p.m. Saturday through Thursday or between 3:00 p.m. and 8:00 p.m. on Friday. Eliminating deliveries during peak periods enables you to give customers your full attention.
- ◆ Whenever possible, receive deliveries through the back door. Always identify the delivery person before unlocking the delivery door.
- ◆ The delivery person should first present an invoice or delivery ticket.
- ◆ With the invoice, check off the items as they are delivered. Count everything brought in and check it against the order. Spot-check the weight of produce.
- ◆ Thoroughly inspect what has been delivered, checking items for the following:
 - No visible damage to boxes
 - Manufacture date on all items is within delivery shelf life
 - Packages are in good repair (no tears, rips, dampness, etc.)
 - Product shows no signs of discoloration, damage, or ice build-up
 - Items are at the correct temperature – frozen items at 0°F (-18°C) and refrigerated items at or below 41°F (5°C)

Confirm the temperature of at least two frozen and two refrigerated items and record their temperatures on the invoice. To check the temperature, hold a thermometer between two unopened bags until the temperature probe stabilizes.

- ◆ There are many reasons why you may reject an item. Some of the most common reasons include:
 - Leaking cans, containers, or packages
 - Products with compromised packaging (torn, no vacuum seal, dented cans, etc.)
 - Products with evidence of tampering, pest activity, or evidence of molding
 - Out-of-date product or shortened shelf life (such as cheese, produce, etc.)
 - Broken cases or torn dough bags
 - Frozen items not frozen or refrigerated items not cold
 - Weight of product not accurate (such as mozzarella cheese)
 - Wrong items received



Some stores may have **dark deliveries**, or deliveries made when the store is closed and no team members are present. This acceptable practice works well in the Papa Murphy's system. If you have a dark delivery, you must still follow the receiving procedures outlined in this section.

The driver should put refrigerated items in the walk-in refrigerator and dry goods in the designated area.

After arrival in the morning, immediately check-in deliveries. If there is a discrepancy or a problem with the delivery, call the food distributor before 3:00 p.m. on the day received. Calling by 3:00 p.m. assures the store will receive proper credit and have the problem resolved to their satisfaction. If a store is denied credit for any reason, contact Supply Chain for assistance.

UPDATE

- ◆ After inspecting the delivery, note any discrepancies on the invoice.
- ◆ Check the extensions on the invoice to ensure the store was charged the correct price and quantity. If charged incorrectly, contact the distributor for credit.
- ◆ If everything is correct, sign the invoice and keep a copy in the store. If you find a discrepancy, contact the distributor for an adjustment.
- ◆ **Date all products clearly with the date received.**
- ◆ Put the delivery away immediately, rotating inventory following a FIFO system — First In, First Out.
 - Carefully inspect perishable items such as produce to ensure they are fresh, within code date, and meet our quality standards.

Stores use the functions available in NBO/MenuLink, Papa Murphy's back-office system, to support the receiving process. This includes converting a Purchase Order (PO) to an invoice, entering manual invoices for produce and beverage, and reviewing the Exceptions Report.

- ▶ For more information on NBO/MenuLink, refer to the **NBO/MenuLink Utilization eLearning program** accessible [through FRESHnet](#) and the BOH server, or to the **POS System Manual**.



Storage

It is Papa Murphy's policy that all food, paper, and cleaning products are stored properly to comply with local health department regulations and building codes. Following proper storage procedures will ensure that the ingredients and our products are fresh and food-safe.



Check every piece of refrigeration twice a day: in the morning at 11:00 a.m. and in the afternoon at 3:00 p.m. Make sure the temperature is at or below 41°F (5°C). Record the temperatures on the Food Safety Checklist.

- ◆ Maintain storage at the proper temperatures.
 - **Dry storage:** Maintain temperature between 50 and 72°F (10 and 21°C).
 - **Refrigerated storage:** Maintain temperature between 34 and 38°F (1-3°C). In order to maintain the safety of the product, temperature should never exceed 41°F (5°C).
 - ▶ **Note:** Some local Health Departments require a 40°F (4°C) maximum refrigeration temperature. Check with your Health Department to find out what their requirements are.

Temperature is the single most important factor in maintaining and maximizing produce quality. Temperature abuse is the cause of most product or produce waste. For every 10-degree increase in temperature, a produce item could lose up to half its life and could be served in less than optimal condition.

- ◆ Keep all storage areas well ventilated. Store food at least six inches off the floor and away from walls. Regularly clean and sanitize all shelving in storage areas, and make sure it's National Sanitation Foundation (NSF) approved.
- ◆ When storing ingredients and other items, follow the correct procedures.
 - Store food items immediately after you receive them.
 - Clearly mark all stored items with the month and day they are received.
 - Rotate items in the storage area following a First In, First Out (FIFO) system specific to your store setup that has been communicated to all team members. Rotate older items forward in the storage area to ensure they are used first and the newest items are used last.
 - Store the heaviest items on the middle shelves. Do not store product in opened cans. All open food items should be stored in covered containers with dates, except some produce items.



Store cleaning supplies below and away from all food and food containers. Never store food or beverages in a restroom.

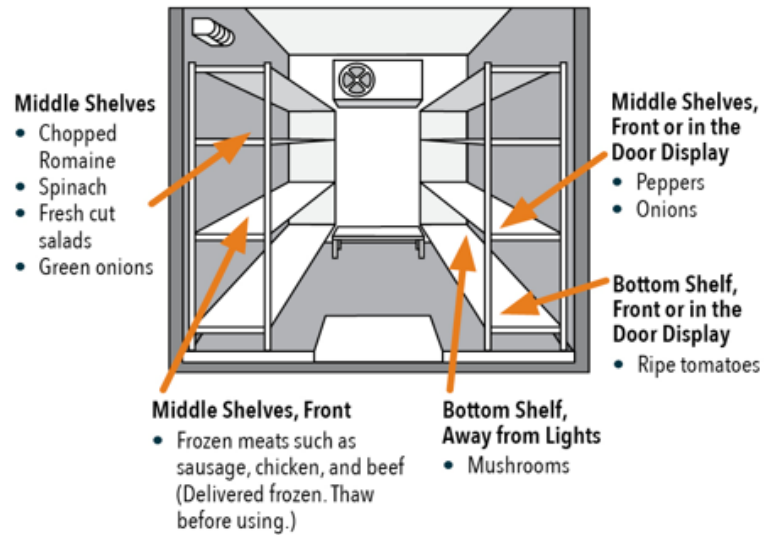


There should never be a freezer in the store, nor should products be stored in a freezer off-site.

Refer to the following walk-in refrigerator diagram, which identifies the most appropriate location for product storage based on the product type. This approach takes into consideration airflow, potential warm and cool zones within the walk-in refrigerator, and the importance of placing sensitive foods in cold zones.

- ◆ **Peppers, Ripe Tomatoes, and Onions** should be stored at the front of the walk-in refrigerator or in the door display.
- ◆ **Chopped Romaine, Spinach, and fresh cut salads** should be stored at the back of the walk-in refrigerator, or the cold part of walk-in since these items are the most reactive to temperature variations.
 - Temperatures above 36°F (2°C) may cause browning of lettuce.
 - Storage in this location minimizes temperature fluctuations.

- ◆ **Green Onions and Mushrooms** should be stored at the middle of the walk-in refrigerators. Mushrooms should also be stored on a lower shelf away from the lights.
- ◆ **Frozen meats** such as sausage, chicken, beef, etc. are delivered frozen, but stored in the walk-in refrigerator.
 - To ensure quality and food safety, Papa Murphy’s only carries pre-cooked meats.
 - Thaw ingredients delivered frozen before using them on pizzas.
 - Thaw frozen meats in the walk-in, never at room temperature or in warm water.





Preparation

Correct purchasing, preparation, and storage of ingredients are the keys to a quality pizza. Purchasing the approved high-quality ingredients from Papa Murphy's approved vendors assures the beginning of a great pizza. Proper preparation, in the correct amounts, is the next step. Storing and rotating the prepped product properly assures our customers the freshest and finest pizza around.



For each ingredient we use, there is a procedure for preparation, storage, and portioning. Following these procedures ensures we always serve the freshest toppings.

Prepare ingredients using Papa Murphy's-approved equipment, adhering to these guidelines:



When regulations differ between Papa Murphy's standards and your Health or Agricultural Department standards, follow whichever is strictest.

- ◆ Prep all ingredients on clean, sanitized, stainless steel worktables.
- ◆ Prep all ingredients using clean, sanitized utensils. Utensils should be in good condition to prevent foreign material contamination.
- ◆ Prep all ingredients into clean, sanitized NSF-approved containers.
- ◆ Prep all ingredients in limited quantities to minimize the time at room temperature.
- ◆ Cover, date, and refrigerate all ingredients.
 - ▶ **Note:** Don't cover Mushrooms until they have dried for 24 hours.
- ◆ Rotate all ingredients using the FIFO method to ensure shelf life.
- ◆ In the reach-in refrigerators under the Makelines, store all ingredients in covered containers.
- ◆ Don't store bulk products such as bags of sauce, meat, etc., or large bins of prepped items such as mushrooms or tomatoes, under Makelines.
- ◆ Allow remaining contents of an insert to be added to a full insert if the dates on both inserts are the same.
 - ▶ This allows high-volume ingredients such as sauce, cheese, and pepperoni to stay at high levels on the line, supporting our service standards while maintaining our high food-safety standards.



Holding

Adhering to proper holding procedures is another important step to ensuring a quality product for our customers.

Use Pull-Use-Toss tags to label racks of crusts and Fresh-makes.

Pull:	_____:	_____
Use:	_____:	_____
Toss:	_____:	_____

- ◆ **Crusts:** After removing crusts from the walk-in refrigerator, use them the same day. Therefore, label each rolling rack with the time the crusts are pulled to room temperature, the time they can be used, and the time they must be thrown away.
 - The total time an Original or Thin Crust may be at room temperature is 4 hours (1 hour to proof and 3 hours to sell).
 - Fresh Pan Crusts may be at room temperature for 2 hours (1 hour to proof and 1 hour to sell).
- ◆ **Fresh-make Pizzas:** Label rolling racks of Fresh-make pizzas and sauced and cheesed crusts with the time they are pulled to room temperature, the time they can be used, and the time they must be thrown away. The total time a Fresh-make pizza may be at room temperature is 2 hours (1 hour to proof and 1 hour to sell).
- ◆ **Ingredients:** Never leave ingredients at room temperature longer than the minimum amount of time required for prepping or stocking. All prepped ingredients are stored in clean, sanitized, NSF approved containers, dated to maintain quality and freshness, and refrigerated immediately at or below 41°F (5°C).

Limit the time that ingredients are out at room temperature, not to exceed 30 minutes.



Check with your Health or Agricultural Department for local standards.

Use a Dissolvable Label to monitor holding times. These labels are required on all prepped ingredients **with the exception of sheeted crusts** and are available through your designated distribution center. Use these labels on dough totes, inserts, and any container of prepped ingredients.



Dissolvable Labels have a shelf life of 9 months.

The label contains the following information:

- Item: _____
- Prep Date: 11/17
- Use By: 11/19
- Empl.: JC
- Day of week: FRI (circled)

- Item**
Not required except for items that can't easily be identified by sight (such as spices and flour).
- Prep Date**
The date prepped
- Use By**
Based on the shelf life of the ingredient
- Empl.**
The employee's initials. (The Franchise Owner/Store Manager's initials are not needed unless that person did the prep.)
- Toss**
Circle the discard day of the week.



Building

Store Makeline ingredients in clean, sanitized, NSF-approved containers or inserts.

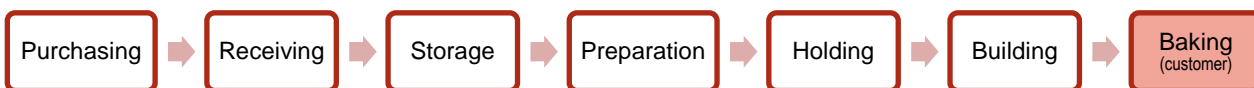


Make pizzas only on proofed crusts, except Fresh-makes done ahead for the rush. Crusts may be out at room temperature for a total of 4 hours (1 hour to proof, 3 hours to sell.)

Assemble all pizzas according to the following guidelines:

- ◆ Fresh-make pizzas in accordance with the procedures outlined in the *Product Preparation* section of this manual.
- ◆ Make call-in or online pizza orders within 30 minutes of scheduled pickup time. Refrigerate them after 60 minutes at room temperature.
- ◆ See online ordering for additional information on auto-release.

Our pizzas are prepared on a disposable tray that goes right into the oven, wrapped in food-grade approved cling film, and given to the customer with both verbal and written baking instructions.



Baking

One of the benefits of a Papa Murphy's pizza is that it is fresh and hot right out of the customer's oven when they want it. That is because we do not bake pizzas at the stores. The customer bakes the pizza at their convenience.

- ▶ **Note:** It is important to review the baking instructions with each customer and to review any special instructions such as baking Fresh Pan pizzas, reheating pizzas, or baking the next day.

Product Standards

Approved Product

Papa Murphy's International (PMI) LLC is committed to ensuring the products served at every Papa Murphy's location meet the highest standards for quality and food safety. We have a responsibility to our brand and to our Franchise Owners to ensure that our suppliers are compliant with the laws governing food processing and handling.

PMI provides a list of approved items that conform to the specifications or standards established by PMI. Only approved ingredients and supplies from approved vendors and distributors are to be used in the preparation or production of products sold and cleaning at Papa Murphy's stores.

▶ For more information on procedures, refer to the [Customer Focus > Ingredient Preparation](#) and [Customer Focus > Product Preparation](#) sections of this manual on FRESHnet, and the [Quick Reference Guide](#) (available on the [PMI Marketing Center](#)).

PMI updates approved product specifications to reflect any additions or changes, and distributes via regular system communications and on [FRESHnet](#).

Proprietary Product

Any product or ingredient manufactured by a formula owned by PMI is subject to specifications established by PMI and must be used. Dough Mix and Papa Murphy's sauce are examples of proprietary products manufactured for PMI and its licensed Franchise Owners.

Substitution of these products is strictly prohibited. Failure to comply can result in legal consequences, including termination of the Franchise Agreement.

Private Labeled Product

Any product bearing the private PMI label meets the specifications established by PMI. For contract buying and price considerations, PMI may approve private labeled product for use by its Franchise Owners.

The use of non-private labeled product when a private labeled product is available is prohibited.



Franchise Owners can use only suppliers and distributors approved by PMI. Any Franchise Owner seeking such approval must notify PMI of their intent and receive written approval from PMI before doing business with that supplier or distributor.



If borrowing an ingredient from another store, make sure it's labeled with received date and use-by date. Maintain time and temperature standards during transport.

Stores within the same ownership group complete transfers in/out through the Transfer function. Stores outside the ownership group handle transfers through the Manual Invoice function.

Ingredient Do's and Don'ts

Outside Ingredients

Papa Murphy's policy is to ensure food safety and product quality at each store to preserve the safety of our customers and provide them with a positive experience.

Our primary focus is to meet our customers' expectations and requests. However, as a whole, we must ensure that meeting one customer's expectations and requests does not place that customer, the store, other customers, and/or the brand at risk.

Outside crusts, ingredients, packaging materials, baking stones, and/or other materials brought into the food preparation areas of the stores greatly increase risks for undeclared allergens and potential contaminants (biological, chemical, and/or physical). Therefore, these items are not permitted in our stores.

Papa Murphy's requires all stores **purchase only approved ingredients, cleaning tools and chemicals from approved suppliers and distributors.**

In the event of an approved substitute ingredient, stores will be notified by Papa Murphy's Support Center. Otherwise, do not purchase ingredients or other items outside of approved vendors.

Running Out of Ingredients

Papa Murphy's policy is that stores never run out of ingredients and that only fresh ingredients are available at all times. However, if your store should ever run out of product:

- [1] Call a store in your area to see if you can borrow enough to get you through until your next delivery.
- [2] Call the Franchise Owner/Store Manager for direction on what to do.
- [3] If your store is near your distributor, your Franchise Owner/Store Manager may have you do a "will call" (pick up product at a distributor).

Borrowing Ingredients

If another Papa Murphy's store wants to borrow ingredients and you have enough, they may do so. To manage your food cost, be sure to document all transfers in and out through NBO/MenuLink.

- ▶ For more on transfers, refer to the *Inventory Management* and *Food Cost Troubleshooting* modules of the **NBO/MenuLink Utilization** eLearning program accessible [through FRESHnet](#) and the BOH server, or to the **POS System Manual**.

Competitors may never borrow ingredients or products.