

DINO

CONTROL IS NOT ARCHITECTURE

A systems architecture analysis of Dino Polska's growth, operations, human capacity and information flow.

3,094

STORES / Q1 2026

€7.81B

2025, REVENUE

56,700

HEADCOUNT / Q1 2026

26

SECTIONS

MATEUSZ CHRZANOWSKI

SYSTEM OF SYSTEMS ARCHITECT



1. Scale, Standardisation and the Physical Machine



ARCHITECTURAL SIGNAL

Standardisation reproduces everything contained in the template.

Dino Polska is one of the most remarkable growth stories in modern Polish retail.

In 2010, the company operated 111 stores. By the end of March 2026, the network had grown to 3,094 locations. Dino generated €7.81 billion in revenue in 2025 and employed 56,700 people at the end of the first quarter of 2026.

Numbers of this scale do not happen by accident. Dino has built an exceptionally effective physical expansion machine.

Most of its stores operate on properties owned by the company or other entities within the Group. This gives Dino greater control over locations, construction schedules, operating costs and the long-term use of its buildings than retailers largely dependent on rented commercial space.

The stores follow a highly standardised format. Their size, layout, product range and equipment can be repeatedly reproduced without designing every new location from the beginning. Standardisation shortens the investment process, simplifies purchasing and allows the same commercial concept to be deployed across hundreds of towns.

A significant part of that construction process is handled by Krot Invest, a contractor related to Dino through the company's majority owner. Its framework agreement for the construction of new Dino stores has been extended until 2030. The relationship provides Dino with a repeatable mechanism for turning secured land into another operating store.

Behind those stores stands a centrally managed logistics network. At the end of 2025, Dino operated twelve distribution centres with a combined area of 561,000 square metres. According to the company's own planning assumptions, a single centre can support approximately 350 to 400 stores. As the network expands geographically, new distribution centres shorten transport routes and provide capacity for another layer of store openings.

Dino has also integrated a strategically important part of its food supply through Agro-Rydzyňa.

01 / CONTINUED Scale, Standardisation and the Physical Machine

Every Dino store operates a traditional fresh-meat counter staffed by employees. Agro-Rydzyna is the sole supplier of fresh meat and the principal supplier of cold cuts to those counters. Its entire production is sold through the Dino network, and its products generated 14.8% of store sales in 2025.

This gives Dino control over a category that is both operationally demanding and commercially important. The company does not merely place packaged products on shelves. It connects food production, refrigerated distribution, daily deliveries and staffed service counters inside thousands of relatively small stores.

Taken together, these components form a powerful physical system:

land → construction → standardised store → distribution centre → transport → integrated food production → customer

This system explains much of Dino's growth. It allows the company to reproduce physical retail capacity at a speed few competitors can match.

But standardisation is not the same as perfection.

A building can be constructed correctly and still be organised poorly for the work performed inside it. Reported functional limitations include backrooms that are too small for actual delivery volumes, insufficient working space and entrances without effective vestibules or air curtains protecting the interior from incoming cold air.

These are not necessarily construction defects. They are mismatches between the standardised physical format and operational reality.

Standardisation reproduces everything contained in the template. It multiplies efficiencies, but it also multiplies spatial constraints and technical omissions. A limitation repeated in one store is local. The same limitation repeated across thousands of stores becomes a structural feature of the network.

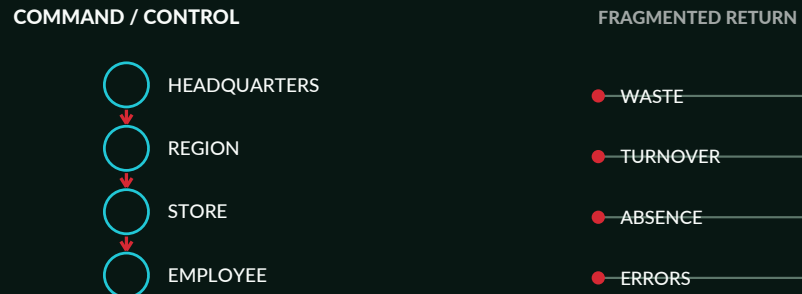
This is the distinction that matters.

Dino has built properties, construction capacity, logistics, food production and a mechanism capable of adding hundreds of new locations every year. It has created an exceptional machine for building and supplying stores.

That machine is not a complete business architecture.

Dino built the physical network. It did not build the coherent management, operational and human system required to make that network function as one organisation.

2. The Architecture of Control



Dino's physical network is supported by an equally distinctive governance model: concentrated ownership, centralised decision-making and leadership developed almost entirely inside the company.

Tomasz Biernacki founded Dino, opened its first store in 1999 and currently controls 51.16% of the company's shares and voting rights together with a dependent entity. He served as President of the Management Board between 2009 and 2010 and has chaired the Supervisory Board since 2010.

Biernacki's avoidance of interviews, public appearances and media exposure has made him one of the most enigmatic figures in Polish business. His privacy, however, is not the relevant architectural issue.

The relevant issue is the concentration of control.

Dino's own annual reporting describes its business model as based on centralised management supported by information technology. From its headquarters in Krotoszyn, the company controls expansion, finance, logistics, sales standards, internal reporting and the allocation of resources across more than three thousand stores.

The current Management Board consists of three people: Izabela Biadała, Marcin Jędraszak and Michał Krauze. There is no President of the Management Board or publicly designated chief executive among them.

All three joined Dino between 2002 and 2004, when the network consisted of only a small number of stores. Their entire development as senior executives took place inside the organisation they now manage.

Biadała is responsible for logistics and warehouses. Jędraszak oversees sales, marketing and the organisation of Dino stores. Krauze is responsible for finance, expansion, internal control and risk management.

This provides Dino with continuity and deep institutional knowledge. It also creates a structurally closed decision-making environment.

02 / CONTINUED **The Architecture of Control**

Every current Management Board member was shaped by the same company, the same period of expansion and the same operating assumptions. There is no visible external executive counterweight at the highest operational level. There is also no Management Board member whose publicly defined primary responsibility is the architecture of the company's human system.

The concentration extends beyond the formal Management Board.

Krot Invest and Krot Invest 2, contractors related to Dino through the majority owner, received purchases worth approximately €218.6 million from the Dino Group in 2025. Krot Invest remains responsible for constructing new Dino stores under a framework agreement extended until 2030.

The significance of this relationship is not an allegation of illegality. It demonstrates how much of Dino's expansion model is contained within a tightly connected ownership and decision-making ecosystem.

This structure was exceptionally effective while the company's primary objective was the rapid reproduction of an established format. Concentrated authority reduced organisational friction, shortened decision paths and allowed centrally defined objectives to be implemented throughout the network.

The same structure also created a one-directional management system.

Decisions, targets, staffing limits and labour-hour budgets travel downwards. Their consequences return upwards as separate indicators belonging to different departments.

Insufficient staffing is not a local anomaly that the Management Board may have failed to notice. It is a deliberately lean operating model created through centrally constrained staffing levels and labour budgets.

Understaffing is not information that failed to reach Krotoszyn. It is a decision that came from Krotoszyn.

What becomes fragmented is the cost of that decision.

A shortage of working capacity produces unfinished tasks, product losses, employee turnover, absences, safety problems, management conflicts and continuous operational improvisation. Yet these consequences do not return to headquarters as one connected system failure.

ARCHITECTURAL SIGNAL

Understaffing is not information that failed to reach Krotoszyn. It is a decision that came from Krotoszyn.

02 / CONTINUED The Architecture of Control

Product waste appears as a store-level loss. Absence becomes an HR statistic. An unfinished task becomes an employee performance problem. Turnover becomes another recruitment requirement. Operational disorder becomes a failure of the local manager.

Each consequence is classified separately, while the decision connecting all of them remains protected from challenge.

The Management Board can therefore see the immediate payroll saving and productivity ratio created by the staffing model without seeing its combined cost across the rest of the organisation. The dashboard remains internally consistent because the consequences have been separated from their common source.

This is how centralised control can produce operational blindness without concealing the original decision.

Management knows that staffing is lean. It designed the model that way. What it may not see, because its own reporting architecture divides the evidence into disconnected categories, is how much that model actually costs.

The people closest to those consequences have the least authority to change their source. Store managers cannot redesign staffing budgets. Employees cannot change workload calculations. Regional managers are expected to enforce centrally defined targets within the resources they receive.

The hierarchy can therefore continue demanding greater execution from the bottom without reconsidering whether the original assumptions remain physically achievable.

A closed leadership system can move extremely quickly while its assumptions remain correct. Once those assumptions become outdated, the same concentration that created speed begins to prevent correction.

Dino's architecture of control is highly effective at enforcing decisions. It is equally effective at preventing their consequences from being traced back to the decisions that created them.

ARCHITECTURAL SIGNAL

Understaffing is not information that failed to reach Krotoszyn. It is a decision that came from Krotoszyn.

3. Dino Standardised Concrete, Not Work

ONE REPEATABLE EXTERIOR

- building
- layout
- signage
- assortment

THOUSANDS OF LOCAL OPERATING SYSTEMS

- priorities
- training
- management style
- task execution

ARCHITECTURAL SIGNAL

The result is not standardisation. It is centrally constrained improvisation.

From the outside, Dino stores appear to form one highly standardised network. The buildings are recognisable, the sales floors follow a similar format, the product range is broadly consistent and every location contains the same core operational components: checkouts, shelves, fresh products, a staffed meat counter and a small backroom.

From the inside, they do not operate as one coherent system.

Physical standardisation should make operational standardisation easier. The same tasks are repeated in every location: receiving deliveries, moving products onto the sales floor, operating the checkout, serving customers at the meat counter, checking expiry dates, managing waste, cleaning the store and completing required documentation.

A properly designed network would define one tested method for performing those tasks. It would specify responsibilities, priorities, staffing requirements, time requirements, training, handovers, escalation paths and the conditions under which a task cannot be performed safely or correctly.

Dino has centralised the expected results without building an equally coherent system for producing them.

The company clearly possesses internal regulations, checklists, reporting tools and written procedures. Their existence, however, does not mean that work is standardised. A document becomes part of an operating system only when employees are trained to use it, managers apply it consistently, sufficient capacity exists to follow it and deviations produce corrective action.

When these conditions are absent, formal procedures are replaced by local interpretation.

Public employee reviews suggest that this failure extends even to basic training. Accounts from several locations describe employees being assigned duties before receiving appropriate instruction, in some cases for months. These reports do not establish the scale of the problem, but they expose the difference between a procedure existing and a procedure operating. Training delivered after an employee has already been exposed to the task is not prevention. It is delayed documentation.

03 / CONTINUED Dino Standardised Concrete, Not Work

Regional managers translate central targets into their own expectations. Store managers decide which tasks must be completed first, which can be postponed and how much pressure should be applied to the team. Every change of manager may introduce a different hierarchy of priorities, a different management style and a different interpretation of what is considered acceptable.

Employees do not operate inside one stable Dino system. They operate inside the temporary system created by the manager currently responsible for their store.

This explains how identical buildings can produce radically different working environments. One store may have a manager who protects the team, organises tasks and absorbs part of the pressure from above. Another may be controlled through shouting, threats and constant changes of priorities. The difference is not created by the building, product range or central IT system. It is created by the absence of a consistently implemented operating model.

Centralisation makes this problem worse rather than solving it.

Stores receive targets, delivery volumes, labour constraints and reporting requirements from above. At the same time, they must locally improvise the method of achieving them. Responsibility for the outcome remains centralised, but responsibility for resolving the operational contradiction is pushed downwards.

The result is not standardisation. It is centrally constrained improvisation.

This fragmentation also prevents organisational learning. A solution developed by one competent manager does not automatically become a network-wide standard. A failure in another store may be treated as a local performance problem rather than evidence of a defective process. Knowledge remains attached to individuals instead of becoming part of the organisation.

When those individuals leave, the knowledge leaves with them.

For customers, Dino presents one brand and one repeatable store format. For employees, it can function as thousands of different workplaces governed by local personalities, informal rules and changing interpretations of central expectations.

Dino standardised the buildings, signage and commercial format. It did not standardise the work. The result is one network on the outside and thousands of local operating systems underneath.

ARCHITECTURAL SIGNAL

The result is not standardisation. It is centrally constrained improvisation.

4. Human Endurance as Operational Infrastructure

<15

12,565

22.5%

1,505

AVG. STORE HEADCOUNT

DEPARTURES 2025

TURNOVER

ACCIDENTS 2025

Dino's stores do not operate with insufficient staffing by accident. Lean staffing is part of the company's cost model.

At the end of 2025, the Dino Group employed 55,856 people. According to its own reporting, 80.7% worked in stores. Across 3,033 locations, this represents an average headcount of fewer than fifteen store employees per location.

That number does not describe simultaneous staffing. It includes employees distributed across different shifts, days, functions, absences and contractual arrangements. Public accounts from employees and trade unions repeatedly describe situations in which an entire store is operated by only two or three people at a time.

Those employees are expected to operate checkouts, serve the staffed meat counter, receive deliveries, replenish shelves, manage fresh products, check expiry dates, maintain cleanliness, complete documentation and respond to customers.

The operating requirement does not disappear when the labour budget is reduced.

It is transferred to the people who remain.

Every retail system requires reserve capacity. Deliveries arrive late. Queues form unexpectedly. Employees become ill. Equipment fails. Fresh products require immediate attention. A task takes longer than predicted. A functional operating model must be capable of absorbing this variability without transferring every disruption directly into physical pressure on employees.

A system without reserve capacity uses human endurance as its contingency mechanism.

Workers move faster, perform several tasks simultaneously, postpone breaks, remain after scheduled hours or leave parts of the operation unfinished. The system continues to function, but only because employees compensate for the difference between centrally allocated labour and the actual volume of work.

From the perspective of a spreadsheet, this may look like productivity. The same revenue is generated with fewer labour hours.

From the perspective of the complete system, the missing capacity reappears as product waste, unfinished tasks, absence, mistakes, accidents, employee turnover and declining service quality.

04 / CONTINUED Human Endurance as Operational Infrastructure

Dino's own data show the scale of employee movement through the organisation. In 2025, 12,565 employees left the Group, representing an unadjusted turnover rate of 22.5%. That is an average of more than 34 departures every day. The company also states that turnover is highest among employees with less than three months of service.

The physical cost is also visible in the company's safety data. Dino recorded 1,505 workplace accidents in 2025, compared with 1,244 in 2024. The accident frequency rate increased from 17.1 to 18.5 per million hours worked, which means that the increase cannot be explained by workforce growth alone. Most accidents were classified as minor, but the direction of the indicator matters: as the network expanded, work became statistically less safe, not safer.

This is not merely a recruitment problem. It means that a significant part of the organisation's capacity is continuously consumed by finding, introducing and replacing people who leave before becoming fully integrated into the operation.

The model also communicates a hierarchy of value.

When operational targets are protected while human capacity is treated as flexible, the target becomes more important than the person expected to deliver it. When employees are repeatedly required to compensate for missing resources, their effort stops being treated as a contribution and begins to be treated as an unlimited system input.

Legal compliance does not change that architecture. A company may remain within many formal employment requirements while still designing work around permanent overload, minimal reserve capacity and the assumption that employees will continue crossing their own limits.

That is where cost optimisation becomes structural exploitation.

Dino did not eliminate the capacity required to operate its stores. It removed that capacity from the labour budget and transferred the requirement into the time, bodies and health of its employees.

The missing capacity still exists. Dino's employees are being required to supply it.

ARCHITECTURAL SIGNAL

A system without reserve capacity uses human endurance as its contingency mechanism.

5. Pressure Does Not Disappear. It Travels Downward



Pressure inside an organisation does not remain at the level at which it was created.

At headquarters, pressure appears as a target, labour budget, productivity ratio or deadline. At regional level, it becomes an expectation that every store must deliver the required result. At store level, it becomes a list of tasks that must be completed regardless of the available capacity. At the bottom of the hierarchy, it reaches employees as physical workload, urgency and personal accountability for conditions they did not design.

Store and regional managers cannot change Dino's operating architecture. They cannot increase staffing budgets, redesign central targets or reduce the volume of work arriving at the store. They are expected to produce the required outcome using the resources allocated to them.

A competent manager may organise priorities, protect the team and absorb part of that pressure. A manager without adequate preparation may convert it into shouting, blame, threats and humiliation.

The pressure remains the same. Only its form changes.

Publicly available employee reviews describe this pattern across different parts of Poland. Accounts from locations in the Lubuskie, Mazowieckie, Wielkopolskie, Zachodniopomorskie and Dolnośląskie regions repeatedly mention unrealistic workloads, insufficient staffing, constant urgency, intimidation, favouritism, humiliation and management through fear.

These accounts are anonymous and cannot establish what occurred in any individual case. Their significance lies in their consistency and geographical distribution. Similar descriptions appearing in unrelated locations indicate that the problem cannot be dismissed automatically as a conflict within one particular store.

The concerns have also moved beyond employee-review platforms.

OPZZ Konfederacja Pracy entered into a formal collective dispute with Dino. Its demands included a €209 gross salary increase, the establishment of a Company Social Benefits Fund and increased staffing in stores and warehouses. On 25 April 2026, employees conducted a two-hour warning strike. In May, the union organised a three-day protest outside Dino's headquarters in Krotoszyn.

The union also reported receiving information from across Poland about employees allegedly being threatened with disciplinary consequences for participating in the warning strike. These remain allegations made by the union, but they formed part of a conflict

serious enough for the Ministry of Family, Labour and Social Policy to request urgent supervision by the National Labour Inspectorate.

The findings of the National Labour Inspectorate provide a separate and more formal layer of evidence.

05 / CONTINUED Pressure Does Not Disappear. It Travels Downward

During its winter inspection campaign, the Inspectorate completed 461 inspections of Dino stores. Legal measures were issued in 367 of them, including 1,316 orders. Of those, 1,098 were oral orders implemented while inspectors were still present. A total of 136 decisions concerned temperatures that were too low in workplaces.

Reported deficiencies included insufficient heating in backrooms, inadequate protection against incoming cold air, obstructed passageways and improper storage of goods.

These inspections did not establish workplace bullying. They established that the concerns raised by employees were not limited to dissatisfaction, internet commentary or isolated interpersonal disputes. External inspections identified material failures affecting working conditions across a substantial number of locations.

Dino presents a very different picture in its corporate reporting.

The company states that it has an internal anti-bullying policy, a Management Board Representative for preventing mobbing, annual employee surveys and channels for reporting violations. It also reports that all 629 employee comments, questions and complaints submitted in 2025 were reviewed and addressed.

The existence of these mechanisms is not in dispute. Their effectiveness is.

A reporting channel cannot be evaluated by the existence of the procedure describing it. It must be evaluated by whether employees trust it, whether managers can be reported without retaliation, whether recurring patterns are identified across regions and whether information produces structural correction.

There are no publicly available proceedings or findings confirming workplace bullying at Dino. However, the volume, geographical spread and consistency of employee reports make it reasonable to suspect that it may be occurring in some stores.

A management model based on constant pressure while maintaining staffing below operational needs is a combination that often creates conditions in which workplace bullying can emerge.

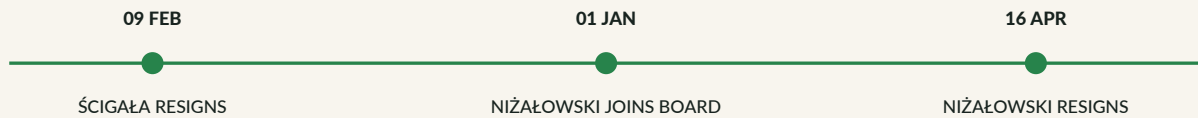
This does not require headquarters to instruct anyone to intimidate or humiliate employees. A defective architecture can produce abusive management without including abuse in any formal policy.

It is enough to impose requirements that cannot be met with the available capacity, hold local managers personally responsible for the result, deny them the authority to change the underlying conditions and provide no effective mechanism for correcting the behaviour that follows.

Pressure then becomes the primary management tool available.

Dino has designed a hierarchy that carries pressure downwards and a reporting system that separates its consequences on the way back up.

6. The Board Changed. The System Did Not.



Two Management Board members left Dino during the first four months of 2026.

On 9 February, Piotr Ścigała resigned with immediate effect after approximately 23 years with the company. Ścigała began as a store manager, later supported existing and newly opened locations and eventually became responsible for operational control and the quality of stores and distribution centres.

His departure was widely described as the loss of an experienced manager with unique institutional knowledge.

That interpretation requires examination.

Ścigała did not merely observe Dino's operating model. He spent years supervising it. He participated in the committees that developed the company and managed structures responsible for operational quality.

If Dino's current working conditions, control mechanisms and store-level disorder are products of the existing architecture, then long service inside that architecture does not automatically make someone part of the solution. It may equally make them one of the people responsible for preserving the system that created the problem.

Dino does not need more executives who remember how the company has always operated. It needs executives capable of questioning whether it should continue operating that way.

The second departure raises a different issue.

06 / CONTINUED The Board Changed. The System Did Not.

Sławomir Niżałowski joined Dino in September 2025 after thirty years at Mars, where he had managed operations across Central Europe. He became Dino's Director of Organisation and Operational Management and entered the Management Board on 1 January 2026.

He resigned on 16 April, after only 106 days on the Management Board.

The company attributed both resignations to personal reasons. There is no public evidence allowing their causes to be connected with the labour conflict, operational conditions or the company's financial performance.

The structural result, however, is visible.

At the beginning of 2026, Dino briefly had a five-person Management Board that included both a long-term guardian of its internal operating model and an executive bringing extensive experience from outside the company.

By mid-April, both were gone.

The Management Board returned to three people who have worked at Dino since 2002–2004 and whose careers were developed entirely inside the same organisational environment.

This does not prove a management crisis. It demonstrates that the company has undergone personnel changes without producing any visible change in its management architecture, operating assumptions or response to the problems emerging across the network.

An executive departure is not transformation.

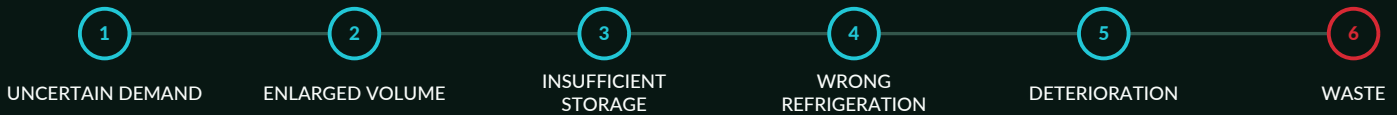
Replacing, removing or losing individuals changes nothing when the system continues to generate the same decisions, incentives and behaviour.

Dino's Management Board changed. The architecture that produced the crisis did not.

ARCHITECTURAL SIGNAL

An executive departure is not transformation.

7. How Dino Manufactures Its Own Waste



ARCHITECTURAL SIGNAL

Its management and logistics architecture actively manufactures it.

Dino's food waste is not merely the result of inaccurate forecasting or poor execution inside individual stores. It is produced by a conflict between ordering responsibility, centrally imposed volumes, insufficient storage capacity and the physical design of the stores.

Store managers place most fruit and vegetable orders. Formally, this makes them responsible for matching stock to expected sales. In practice, however, they do not control all the variables determining how much product reaches the store.

Demand cannot be predicted with complete accuracy. Orders small enough to match actual daily turnover may be operationally inconvenient for the distribution system. Some quantities are also imposed through centrally forecast or planned sales volumes. When distribution centres need to release warehouse capacity, additional stock can be pushed down into stores regardless of their current backroom capacity.

The manager therefore carries responsibility for stock levels without having full control over deliveries, customer demand or available storage.

Once excessive quantities reach the store, another structural problem appears. Fruit and vegetables cannot simply be stored in the same conditions as dairy products. They require appropriate, product-specific temperature ranges. Yet Dino's small backrooms do not provide sufficient dedicated storage zones. Excess produce may consequently be placed in a cold room operating at temperatures intended for dairy products.

07 / CONTINUED How Dino Manufactures Its Own Waste

That does not preserve the stock. It damages it.

Produce exposed to excessively low temperatures may suffer chilling injury even without literally freezing. The damage can remain partly invisible while the products are refrigerated. Once they are moved onto a warm sales floor, deterioration accelerates: products soften, discolour, lose quality and begin to decay.

The complete mechanism is structural:

uncertain demand → manager-generated order → centrally imposed or enlarged volume →
insufficient storage space → incorrect refrigeration → rapid deterioration after display →
markdown or disposal

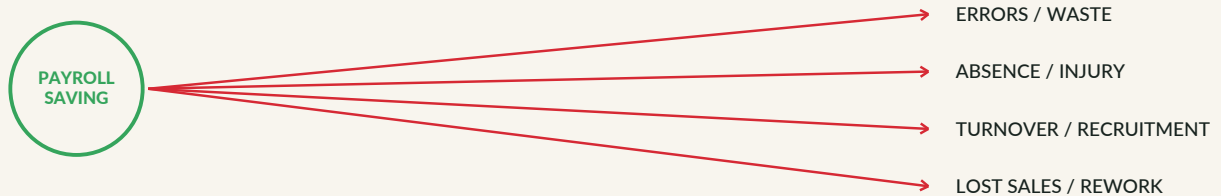
The resulting loss is recorded at store level and may be treated as an ordering or execution failure. But the store manager is being held accountable for an outcome created by variables the manager cannot control.

Dino has built an operating model in which the distribution system transfers its excess capacity problem into stores, stores transfer it into unsuitable cold rooms, and damaged products transfer it into financial waste. The company is not simply failing to eliminate food waste. Its management and logistics architecture actively manufactures it.

ARCHITECTURAL SIGNAL

Its management and logistics architecture actively manufactures it.

8. Every Saving Returns as a Larger Cost



The visible saving remains local. The displaced cost reappears elsewhere.

Dino's labour model is built around an accounting illusion: reducing scheduled hours produces an immediate, measurable saving, while the consequences appear later, across multiple budgets and operational categories.

A smaller team lowers the payroll cost visible in the store's monthly report. It also leaves fewer people to receive deliveries, replenish shelves, rotate stock, inspect fresh products, operate the meat counter, serve customers, maintain cleanliness and correct pricing errors. The workload does not disappear when staffing is reduced. It is either transferred to the remaining employees or left unfinished.

That generates a second layer of costs.

Overloaded employees make more mistakes. Products remain in unsuitable storage for longer. Shelf availability deteriorates. Queues grow. Fresh counters may operate below capacity. Damaged or expired goods increase. Tasks are completed hastily, postponed or documented as completed despite never having been performed properly.

Then comes the human cost, which returns to the company financially. Persistent overload contributes to sickness absence, injuries, exhaustion and resignations. Every departure creates another recruitment process, another incomplete team and another employee who must be trained by people who are already overloaded. New employees enter an unstable environment, receive inconsistent onboarding and often leave before becoming fully productive.

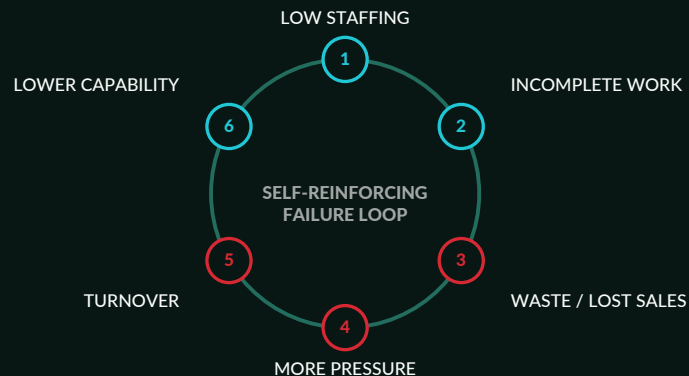
The company may therefore save money on one scheduled shift while paying for that saving through: waste, errors, absence, accidents, turnover, recruitment, lost sales, reduced service capacity and management time spent containing preventable disruption.

These costs are distributed across different reports, departments and accounting periods. Because they are not consolidated under the original staffing decision, the saving remains visible while its consequences become statistically fragmented.

This is not cost optimisation. It is cost displacement.

Dino removes capacity from the most visible expense line and allows the resulting losses to reappear elsewhere at a higher total price. The company is not operating cheaply. It is operating without calculating the full cost of its own decisions.

9. The Loop That Keeps Making the System Worse



ARCHITECTURAL SIGNAL

In reality, they are different outputs of the same architecture.

Dino's operating model contains a self-reinforcing failure loop.

It begins with staffing below the level required to execute all store operations properly. The remaining employees work faster, combine incompatible tasks and postpone anything that is not immediately critical. Deliveries take longer to process, shelves are replenished less consistently, stock rotation deteriorates and operational mistakes increase.

Those mistakes generate waste, lost sales and weaker store-level results.

Management then interprets the deteriorating indicators as an execution problem. Pressure increases. Managers are expected to enforce greater productivity, reduce losses and improve results without receiving the additional people, time or storage capacity required to do so.

The response therefore intensifies the original problem.

Greater pressure increases exhaustion, absence and employee turnover. Experienced workers leave, taking practical knowledge with them. Their replacements enter stores

09 / CONTINUED The Loop That Keeps Making the System Worse

where there is insufficient time for structured onboarding. The average operational capability of the team declines precisely when the company demands higher performance.

The cycle becomes predictable:

insufficient staffing → incomplete work and more errors → higher waste and lost sales → stronger pressure and tighter controls → exhaustion and turnover → less experience and lower capacity → even more errors

Because each stage is measured separately, the loop can remain invisible to management. Staffing appears as a controlled cost. Waste appears as a store problem. Turnover appears as an HR problem. Poor execution appears as a management problem.

In reality, they are different outputs of the same architecture.

Dino repeatedly treats the consequences of insufficient capacity as evidence that employees need to work harder. The system then uses its own failures to justify the pressure that produces the next round of failures.

ARCHITECTURAL SIGNAL

In reality, they are different outputs of the same architecture.

10. Responsibility Without Position, Knowledge Without Infrastructure



ARCHITECTURAL SIGNAL

This is not inventory control. It is negotiated reality.

Inside Dino stores, employees assigned to lead a shift take responsibility for processes extending far beyond ordinary shop-floor work. They may reconcile cashiers, count the safe, prepare cash for secure collection, conduct weekly stocktakes, close the store and assume operational responsibility whenever the store manager is absent.

These are not minor additional tasks. They involve money, inventory accuracy, security and formal responsibility for the store. Yet the employee may receive no permanent functional allowance for performing them. Dino acquires another layer of management without formally paying for another layer of management.

The company also fails to secure the knowledge required to perform these functions.

Training is conducted informally by whichever employee already understands the process. There is no consistently implemented training architecture capable of producing the same level of competence independently of the people currently working in a particular store. Knowledge is transferred from one employee to another, often during normal operations and under constant time pressure.

This creates a chain of dependency rather than a training system. One experienced employee trains another. The first leaves. The second becomes the store's only remaining source of practical knowledge. If that person also leaves, the process remains assigned, but the competence required to execute it disappears.

Frequent changes of store managers make the problem worse. A newly appointed manager may have the formal authority to supervise cash reconciliation, inventory control and store closure while understanding those processes less effectively than the employees being supervised.

10 / CONTINUED Responsibility Without Position, Knowledge Without Infrastructure

The weekly inventory demonstrates the consequences. A stocktake may formally exist, but limited time and staffing can reduce it to visual estimation. A pile of bananas is recorded as twenty kilograms when the actual quantity may be fifteen or twenty-five. Similar estimates are repeated across multiple product categories.

This is not inventory control. It is negotiated reality.

The store-level bonus system adds another distortion. Reported shortages and losses can reduce the bonus available to the entire team. Employees therefore carry both operational responsibility and a financial incentive to make the recorded stock position appear correct. Overstating the remaining inventory can postpone recognition of a loss, but it also corrupts the data used for subsequent ordering and performance analysis.

Dino may recover a small part of the reported loss by reducing a store's bonus. It does not recover the missing product, correct the inventory data or repair the process that created the discrepancy. Instead, it transfers part of the financial consequence onto already overloaded employees.

The deeper failure is architectural. Critical operational knowledge is stored inside individual workers rather than inside the organisation. Inventory data can become an approximation shaped by time pressure and financial incentives. Decisions are then made using information the system itself has made unreliable.

Dino has created responsibility without position, training without infrastructure and accountability without control. It depends on employees to preserve knowledge informally, then penalises them when the system built around that knowledge produces losses.

ARCHITECTURAL SIGNAL

This is not inventory control. It is negotiated reality.

11. The Quarter-Billion-Euro Blind Spot

AVERAGE UNRECOGNISED LOSS / STORE

ANNUAL NETWORK-WIDE VALUE

€23.3 / day

€26.3M / year

€116 / day

€131.3M / year

€233 / day

€262.6M / year

ARCHITECTURAL SIGNAL

Dino's current information architecture may be incapable of proving that it is not.

Dino operated 3,094 stores at the end of March 2026. At this scale, the economics of the network can be materially affected by losses too small to attract attention inside one location.

The annual sensitivity calculation is straightforward:

Average unrecognised loss per store Annual network-wide value

€23.3 per day €26.3 million

€116 per day €131.3 million

€233 per day €262.6 million

These scenarios are not estimates of Dino's actual losses. They demonstrate how little has to disappear inside each store before the aggregate value becomes significant.

The loss does not need to exist as one accounting entry. It can be divided between spoiled products, inaccurate inventory, unnecessary deliveries, markdowns, incorrect orders, unavailable goods, disrupted fresh counters, abandoned purchases, operational rework and time spent correcting preventable failures.

11 / CONTINUED The Quarter-Billion-Euro Blind Spot

Some of it may never be recognised correctly. If inventory is estimated rather than measured, a physical shortage can remain hidden inside an overstated stock figure. If employees lose their bonus because of a reported discrepancy, Dino recovers only a fraction of the value while creating an incentive to postpone recognition of future losses. If a customer leaves because a product is unavailable or a queue is too long, the missing revenue produces no waste report at all.

Each category remains small enough to be explained locally. Across more than three thousand stores, those explanations become tens or hundreds of millions of euros.

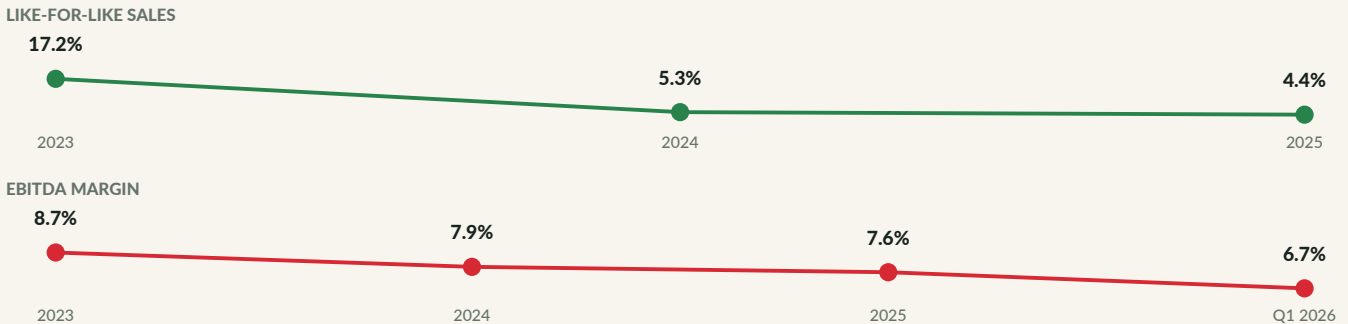
The central dashboard can therefore show controlled labour costs and acceptable reported waste while remaining blind to the combined economic effect of understaffing, unreliable inventory data, lost sales and operational disorder.

The calculation does not prove that Dino is losing roughly €233 million annually through these mechanisms. It exposes a more serious governance problem: Dino's current information architecture may be incapable of proving that it is not.

ARCHITECTURAL SIGNAL

Dino's current information architecture may be incapable of proving that it is not.

12. Growth Can Hide a Broken Operating Model



Dino's financial statements still describe a growing company. In 2025, revenue increased by 14.9% to €7.81 billion, EBITDA reached €593.0 million, and the network added 345 stores. At first sight, these figures appear to contradict the diagnosis of operational failure.

They do not.

Growth in aggregate revenue can be produced by adding new locations even when the economics of individual stores are deteriorating. Every new store contributes additional sales, employees, inventory and selling space. The consolidated result grows because the system becomes larger, not necessarily because it becomes better.

The indicators beneath the headline numbers already show this distinction. Dino's like-for-like sales growth declined from 17.2% in 2023 to 5.3% in 2024 and 4.4% in 2025. Its EBITDA margin fell from 8.7% to 7.9% and then to 7.6% over the same period. In the first quarter of 2026, revenue increased by 14.8%, but EBITDA rose by only 6.1%, net profit by 1.6%, and EBITDA margin declined from 7.2% to 6.7%.

Dino is still expanding. The expansion is simply requiring progressively more revenue to produce proportionally less profit.

More importantly, consolidated EBITDA cannot reveal whether stores are achieving their results through a healthy operating model or through chronic understaffing, unpaid functional responsibility, deteriorating working conditions and losses displaced outside the indicators being monitored.

A network can continue growing while consuming the resilience of its employees, weakening inventory accuracy and accumulating operational debt. New store openings may conceal that deterioration by continuously adding fresh revenue to the consolidated result.

This is why scale cannot be used as evidence of architectural quality. If the operating model contains defective staffing, training, ordering and information systems, every new store reproduces those defects.

Dino is not only expanding its network. Unless the underlying architecture changes, it is industrialising its own operational failures.

13. Dino Is Not Eliminating Costs. It Is Losing Sight of Them

ONE DECISION

REMOVE CAPACITY

- ABSENCE
- TURNOVER
- WASTE
- LOST SALES
- MANAGEMENT TIME

Accounting categories separate the consequences from the decision that created them.

ARCHITECTURAL SIGNAL

The company believes it is controlling costs because it can see the savings.

Dino's operating model does not eliminate costs. It moves them until the connection between cause and consequence disappears.

A staffing reduction appears as a payroll saving. The resulting overload returns as absence, turnover, errors and unfinished work. Insufficient storage appears as efficient use of floor space. The consequence returns as damaged stock and food waste. Informal training appears inexpensive. The cost returns through lost knowledge, inconsistent execution and managers unable to control the processes for which they are responsible.

Even part of the reported loss can be transferred onto employees by reducing store bonuses. That may improve one accounting line, but it does not recover lost sales, rebuild competence or correct unreliable inventory data.

Every local indicator can therefore appear explainable:

- payroll remains controlled;
- the store failed to manage waste;
- employees left voluntarily;
- the manager missed the target;
- inventory discrepancies reduced the bonus;
- another recruitment process began.

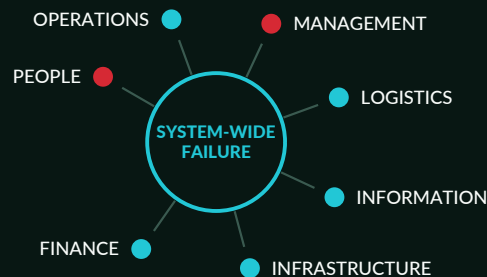
Individually, these events appear unrelated. Architecturally, they are one cost moving through the system.

Dino's central failure is not simply excessive expenditure, insufficient staffing or weak management. It is the absence of a system capable of tracing operational consequences back to the decisions that produced them.

The company believes it is controlling costs because it can see the savings. It cannot see the complete price of achieving them.

Dino is not operating efficiently. It is losing visibility faster than it is reducing expenditure.

14. This Is Not an HR Problem



ARCHITECTURAL SIGNAL

These are not separate failures. They are one architecture producing multiple symptoms.

It would be easy to describe Dino's crisis as a shortage of employees, weak management or a conflict over wages. That diagnosis would be incomplete.

Dino does not have one isolated human-resources problem. It has a failure spanning people, operations, management, logistics, information, physical infrastructure and finance. Each layer affects the others.

Insufficient staffing prevents procedures from being executed properly. Missing procedures force employees to improvise. Inconsistent training makes operational knowledge dependent on individual workers. Management turnover removes that knowledge. Unrealistic performance standards increase pressure. Poor inventory data distorts orders. Orders exceeding storage capacity generate waste. The resulting losses create further pressure to reduce costs.

These are not separate failures. They are one architecture producing multiple symptoms.

14 / CONTINUED This Is Not an HR Problem

Recruiting additional employees without redesigning management would place more people inside the same chaos. Increasing wages without creating clear responsibilities, training and promotion paths would improve compensation but not execution. Writing procedures without providing sufficient staffing would produce documents that employees still could not follow. Installing new software without correcting the information flow would only digitise unreliable data.

The repair must therefore operate across the entire system.

The direction of that architecture can already be defined: greater operational capacity, formal management roles, market-level compensation, structured training, uniform procedures, regional control, reliable feedback, measurable work standards and ordering aligned with physical store capacity.

Its final calibration would require direct operational analysis of 300 stores. That study would determine exact workloads, staffing requirements, process times and local variations across the network.

But the central conclusion does not require further research: Dino cannot repair a system-wide architectural failure by treating it as an HR problem. It must rebuild the operating system connecting its people, stores and central management.

ARCHITECTURAL SIGNAL

These are not separate failures. They are one architecture producing multiple symptoms.

15. Rebuild Capacity Before Demanding Performance



Normal shifts require reserve capacity. Three is exceptional; two abandons core functions.

ARCHITECTURAL SIGNAL

First provide the people, roles, compensation and authority required to operate the store. Then demand consistent execution.

The first intervention must be an increase in operational capacity.

Dino should employ an average of twenty people per store. This figure is a network-level design parameter, not a requirement that every location maintain an identical headcount. Precise allocation would depend on turnover, delivery volumes, customer traffic and the workload generated by the fresh counter. Full calibration would require the proposed analysis of 300 stores.

What matters is that staffing must be measured through people genuinely available for work. A nominal headcount that includes employees on long-term medical leave does not describe a store's operational capacity. A location may formally employ fifteen people while only thirteen remain available to cover its opening hours, deliveries, checkouts, meat counter, replenishment, cleaning and management duties.

Every normal shift should have at least four employees. Three should be permitted only as an emergency minimum in exceptional circumstances. Two people cannot operate a Dino store properly. One person becomes fixed at the checkout, another at the meat counter, and every remaining function is effectively abandoned.

Capacity also requires competitive compensation. The union demand for a €209 gross monthly increase is proportionate to the workload and should be implemented across the relevant store workforce. Employees should also receive a structured benefits package including private medical care or health insurance, a sports card and access to low-interest company loans.

15 / CONTINUED Rebuild Capacity Before Demanding Performance

Bonus rules must be explicit. Every employee should know how the bonus is calculated, which results affect it and which decisions remain outside the employee's control.

The store management structure must also be formalised:

- one store manager; • two deputy store managers; • at least three formally appointed shift leaders.

Each position must carry additional compensation corresponding to its responsibility. Based on publicly advertised 2026 rates at Lidl Polska, a Dino store manager should receive no less than €1,977 gross per month plus a transparent bonus. Deputy managers should receive between €1,663 and €1,884 gross, depending on location and experience, also with clearly defined bonus rules. These figures match the current compensation offered by a direct retail competitor rather than an abstract salary model.

A shift leader who reconciles cashiers, counts the safe, prepares secured cash collection, conducts inventory work and closes the store should receive a functional allowance of no less than €140 gross per month. Responsibility involving money, security and store operations cannot remain an unpaid extension of an ordinary position.

This structure also creates a real promotion path:

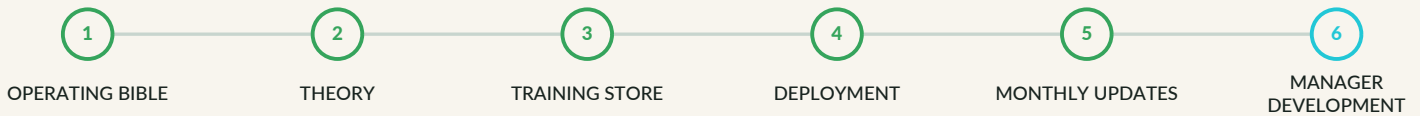
employee → shift leader → deputy manager → store manager → regional management

Dino currently demands performance from a system without giving it sufficient capacity. The sequence must be reversed. First provide the people, roles, compensation and authority required to operate the store. Then demand consistent execution.

ARCHITECTURAL SIGNAL

First provide the people, roles, compensation and authority required to operate the store. Then demand consistent execution.

16. Build the Human Operating System



ARCHITECTURAL SIGNAL

It should become capable of producing competent employees and managers systematically.

Increasing staffing will create capacity, but capacity alone will not create consistency. Dino also needs a human operating system: one architecture defining how work is performed, how knowledge is transferred, how managers are selected and how employees develop inside the organisation.

The foundation should be a complete operating manual: a Dino Operating Bible covering every critical store process.

It should define, among other areas:

- operation of the traditional meat counter; • checkout procedures; • cleanliness standards for the store and individual shelves; • receipt and unloading of deliveries, particularly refrigerated products; • required processing times for temperature-sensitive goods; • presentation and management of fruit and vegetables; • cash reconciliation, safe management and store closure; • inventory procedures and allocation of responsibility.

The final procedures should be calibrated through direct observation across the proposed sample of 300 stores. A procedure cannot be based on how headquarters imagines that work is performed. It must reflect the physical conditions, staffing and time actually required to perform it correctly.

These procedures must then become the basis of a completely redesigned onboarding process.

A new employee should first complete several days of theoretical training delivered by a professional training team, potentially in Krotoszyn or through the regional training structure. This stage should cover occupational health and safety, the organisation of the store, internal systems, employee responsibilities and the fundamental procedures governing everyday work.

Only then should the employee begin practical training.

Practical onboarding should take place in designated training stores containing experienced reference employees capable of teaching the work correctly. The new employee should learn under supervision in an environment selected for its operational standards, rather than being sent directly into an understaffed store and trained informally by whoever happens to be available.

After completing both stages, the employee can move to the intended location.

16 / CONTINUED Build the Human Operating System

The same principle must apply to management. Dino should first review the competence of its current store managers, deputy managers and regional managers. Future management candidates should initially be selected from existing store teams. Experienced employees

already understand the physical workload, customer patterns, deliveries, fresh counters and practical limitations of the network.

Seniority alone, however, is not enough. Selection should identify people who combine operational knowledge with the capacity to organise work and manage people. Dino can use structured analysis, assessment forms, training performance and psychological aptitude tests prepared with business psychologists. Positions that cannot be filled internally should then be recruited externally.

Training must also continue after appointment.

At least once a month, employees should receive structured updates covering new products, changes in shelf arrangements, current retail trends, modifications to operating procedures and changes in marketing or commercial strategy. These sessions should connect stores with the wider direction of the network instead of leaving teams to discover changes while trying to execute them.

Managers and deputy managers require a separate development programme covering business psychology, people management, work optimisation, conflict management and anti-bullying procedures. The objective is not merely to produce managers capable of enforcing targets. It is to produce managers who understand how to organise work, develop employees and recognise when pressure is becoming destructive.

Periodic assessments should also help identify employees with management potential and detect signs of burnout before they become prolonged absence or resignation.

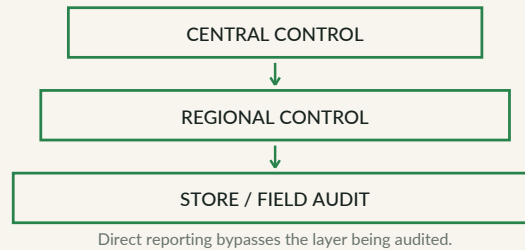
Dino currently stores too much operational knowledge inside individual employees. When they leave, the knowledge leaves with them. A human operating system transfers that knowledge into procedures, training structures and repeatable management standards.

The company should not depend on finding another employee who already knows what to do. It should become capable of producing competent employees and managers systematically.

ARCHITECTURAL SIGNAL

It should become capable of producing competent employees and managers systematically.

17. Control Must See the Store



ARCHITECTURAL SIGNAL

A headquarters that sees only numbers controls the report. A headquarters that can independently inspect how those numbers were produced controls the system.

Centralised reporting is not the same as operational control. A dashboard can show sales, payroll, waste and inventory discrepancies, but it cannot show how those results were produced, whether procedures were followed or what is happening inside the team.

Dino therefore needs a permanent regional control structure capable of observing stores directly.

A small office should operate alongside every distribution centre. It should contain two functions: a training team responsible for the competence of employees and managers, and an operational control team responsible for verifying how stores and regional structures actually function.

The operational control unit must sit above the regional management structure. Its reports should flow directly to a central control department at headquarters. Regional managers cannot be the final recipients of information concerning systems they are themselves responsible for managing.

Control should use several sources of evidence.

Mystery shoppers can assess queues, cleanliness, product availability, fresh-counter operation and the customer experience. These observations show the visible output of the store but not necessarily the internal mechanism producing it.

A deeper audit requires specially assigned people to enter selected stores as employees undergoing training. Such an auditor could spend five working days inside the store, observing the onboarding process, management behaviour, allocation of work, team atmosphere, procedural compliance and the difference between official expectations and actual execution.

This produces something that numerical reports cannot: an operational account of the store from inside the system.

17 / CONTINUED **Control Must See the Store**

Every inspection should result in a complete report submitted to the regional control unit and, where necessary, the central control department. The central department should have the authority to decide on corrective actions, rewards, promotions, formal warnings, financial sanctions, reprimands and dismissals.

Responsibility must remain individual.

There should be no collective punishment imposed on an entire store. If a location repeatedly fails to meet operational standards because work is being organised incorrectly, responsibility rests with the store manager and deputy managers. Where an individual employee has violated a procedure, the manager may initiate a sanction, but only through a documented report submitted to the operational control unit.

The same system must also recognise competence. A store operating correctly should produce a positive assessment for its manager and deputies. Consistently strong results should support promotion. The performance of stores within a region should similarly affect the evaluation and career progression of the regional manager.

The purpose of control is not punishment alone. When a deviation results from insufficient knowledge, the first response may be additional training and operational support. When the cause is repeated negligence, deliberate misconduct or failure to correct an identified problem, the response must escalate accordingly.

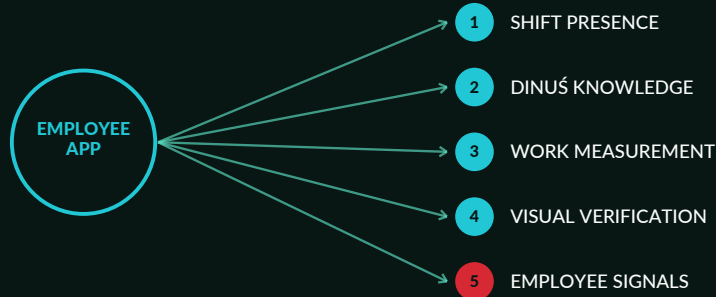
This architecture closes the distance between headquarters and the store. It gives Dino a direct method of verifying whether procedures exist in practice, whether managers can manage and whether reported results represent healthy execution or merely the temporary containment of chaos.

A headquarters that sees only numbers controls the report. A headquarters that can independently inspect how those numbers were produced controls the system.

ARCHITECTURAL SIGNAL

A headquarters that sees only numbers controls the report. A headquarters that can independently inspect how those numbers were produced controls the system.

18. Give the Network a Nervous System



ARCHITECTURAL SIGNAL

The application would not merely digitise communication. It would give the organisation a nervous system.

Dino's stores need a direct information channel connecting employees, regional control and headquarters. Information cannot continue travelling exclusively through store managers and regional managers because every additional layer can delay, filter or suppress what is happening below.

The solution is a dedicated employee application performing five functions: shift-presence registration, operational assistance, measurement, visual verification and communication from stores.

Use of the application would be mandatory for selected processes and would take place on employees' phones. Each store would receive shared access credentials. Inside the store account, employees would use anonymous identifiers such as Employee 1, Employee 2 and Employee 3. The system would allow no more active employee profiles than the number of people employed at that location.

It would therefore recognise the store and the anonymous profile, but not the person using it.

The first function would register the actual number of employees present on each shift.

At the beginning of the working day, every employee would log into the application using one of the numbered profiles. The active sessions would tell the system how many people were currently working without revealing their identities.

This would provide Dino with a live view of actual staffing instead of relying exclusively on schedules or nominal headcount. It would also allow the application to distribute requests only among people currently at work. If four profiles were active, the system could ask Employee 3 to photograph a selected area or measure the time required to unload and shelve a pallet.

The second function would be an operational knowledge assistant, provisionally called Dinuś.

18 / CONTINUED Give the Network a Nervous System

The assistant would contain the complete set of Dino procedures, current operational information, product data and network updates. Employees could ask how a process should be performed, what to do in an unusual situation or request the checkout code for a particular type of bread.

Every employee would receive immediate access to the same operational knowledge instead of having to search through documents or depend on whichever colleague happened to remember the answer.

Questions asked by employees would also reveal missing, unclear or impractical procedures. The system would aggregate knowledge from those conversations and submit it in reports to the training department. Any resulting information would be verified before being incorporated into the official knowledge base.

The third function would measure actual work.

The application could randomly select an active employee profile, a store and a specific task, such as unloading and shelving a particular delivery. The employee would start a timer when beginning and stop it after completing the work.

This function would not evaluate the speed of the individual employee. Its purpose would be to determine whether Dino's official performance standards correspond to reality.

A measurement request could be sent to employees in 500 stores on one day, another 500 the following day and successive groups until the entire network had been covered. Repeating the process at the beginning and end of the month would provide a current, network-wide picture of real process times.

The fourth function would provide visual verification.

The system could randomly indicate a particular shelf, department, display or operational area and ask one of the employees currently on shift to photograph it. These images would provide regional management with a current view of store conditions and allow the operational control structure to identify developing problems before they became larger failures.

ARCHITECTURAL SIGNAL

The application would not merely digitise communication. It would give the organisation a nervous system.

18 / CONTINUED Give the Network a Nervous System

A photograph showing a significant deviation could trigger a store visit, operational support, additional training or, where appropriate, a formal reprimand. The sequence should remain clear: first identify the cause and provide support; apply sanctions where the problem is serious or remains uncorrected.

The fifth function would give employees a structured channel for observations, ideas, complaints and critical reports.

The employee would select the type of message and describe the issue. The system would classify it, respond where possible and combine similar submissions into a consolidated report. Instead of headquarters receiving hundreds of separate messages about the same shelf arrangement, it could see one item marked, for example, 263 reports.

The categories could be visually separated:

- green for innovations and improvement proposals;
- yellow for operational observations and recurring problems;
- red for complaints, staffing risks, bullying reports and other critical issues.

Ordinary submissions would identify only the store number. The employee's identity would remain unknown.

For a workplace-bullying report or another critical matter requiring direct contact, the employee could provide identifying information. Those details would remain available exclusively to the central control department and would be anonymised for every other level of the organisation.

Repeated signals would reveal structural patterns. A single critical report would still require immediate attention.

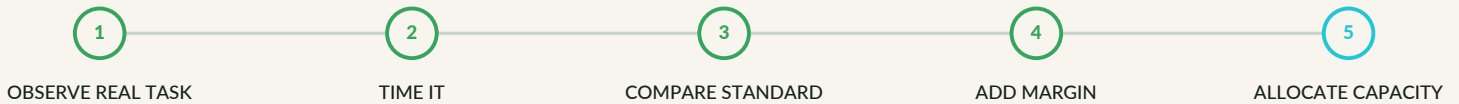
This application would turn thousands of isolated employees into a network capable of reporting what it sees. It would show how many people were actually working, provide immediate procedural support, measure real performance standards, verify store conditions and carry unfiltered signals directly towards the control structure.

The application would not merely digitise communication. It would give the organisation a nervous system.

ARCHITECTURAL SIGNAL

The application would not merely digitise communication. It would give the organisation a nervous system.

19. Measure the Work Before Setting the Standard



ARCHITECTURAL SIGNAL

First measure the work. Then allocate the people, hours and responsibilities required to perform it.

Dino cannot manage store performance using data that does not reflect the physical reality of the store.

The first requirement is an ERP system fully connected to checkout data. It must combine deliveries, recorded sales and inventory information so that the system can show what should physically remain in the store. Depending on Dino's existing technical architecture, this may require reprogramming an existing module, building an additional component or changing the relevant system provider.

The ERP must then be connected to a repeatable physical verification process.

Weekly inventory should be performed using a mobile device displaying the stock quantity recorded in the system. The employee would verify the selected products physically and enter the actual quantity. This would replace visual estimates with structured comparison between the digital record and the stock present in the store.

The entire store would not need to undergo a complete inventory every week. Fruit, vegetables and the traditional meat counter should always be checked because of their short shelf life, variable weight and direct exposure to waste. Other product groups could be verified selectively and rotated between successive weekly inspections.

The shift leader responsible for this process should receive an entire eight-hour shift dedicated to the inventory. It cannot remain another task performed between serving customers, reconciling cashiers, receiving deliveries and closing the store.

Reliable inventory would give Dino a stable information layer. It would reveal discrepancies earlier, improve subsequent orders and prevent approximated stock figures from circulating through the system as facts.

19 / CONTINUED Measure the Work Before Setting the Standard

The same principle must be applied to productivity standards.

Dino should not decide how long a task ought to take and then force the store to fit the assumption. It should measure how long the task actually takes under real operating conditions and build the standard from that evidence.

If an internal table allocates twenty minutes to unload and shelve a pallet while employees consistently require approximately seventy minutes, the table does not describe productivity. It describes a fictional store. A realistic standard should then provide approximately seventy-five minutes, including the necessary operational margin.

The application described in the previous section would allow Dino to verify these figures across the entire network. Random requests sent to active employees in successive groups of stores would produce an extensive set of real process times without turning the measurement into an assessment of individual workers.

At an average of eight pallets per day, a seventy-five-minute standard represents approximately ten hours of work. That workload alone justifies assigning one employee on the first shift and another on the second shift primarily to shelving goods and, where time permits, cleaning. Those employees should not simultaneously be treated as spare capacity for the checkout, meat counter or unrelated duties.

An organisation cannot optimise work it has never measured correctly.

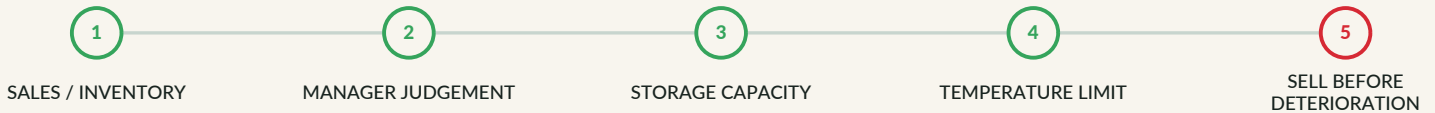
Dino must stop treating spreadsheet assumptions as operational standards. First measure the work. Then allocate the people, hours and responsibilities required to perform it.

ARCHITECTURAL SIGNAL

First measure the work. Then allocate the people, hours and responsibilities required to perform it.

20. Orders, Storage and the Physical Store Must Become One System

ORDER DECISION



Dino's ordering system cannot be separated from the physical conditions inside its stores. An order that appears correct in the ERP may become operationally destructive if the store has nowhere to place it, cannot maintain the required temperature or lacks enough people to process it.

This is why Dino should not transfer complete control over replenishment to an automated system.

Algorithms can process sales history, inventory records and promotional data. They cannot fully understand the practical conditions of an individual store. The store manager knows the local customer pattern, available backroom space, current stock condition and consequences of receiving another delivery.

That knowledge must remain part of the ordering process.

Weekly inventory, checkout data and telemetry should provide reliable information. The ERP should support the manager by displaying recorded stock, recent sales and expected demand. It should not replace the person operating inside the store.

The manager must retain control over both the products ordered and their quantities. The decision must reflect predicted sales, available storage and the store's ability to place the goods on sale before their quality deteriorates.

Distribution centres should have no ability to release their own warehouse capacity by pushing additional stock into stores. That does not eliminate the logistics problem. It moves the problem downstream and converts it into blocked backrooms, unsuitable storage, damaged products and store-level waste.

The only centrally imposed quantity should be an explicit minimum order for a defined product, for example an item covered by a promotion or deliberate sales campaign. That minimum must be displayed clearly inside the ERP ordering module. The manager should see which quantity is mandatory and which additional volume remains a local decision.

The system must also preserve this distinction when analysing losses. A quantity selected by the manager is a local decision. A mandatory promotional minimum is a central decision. Waste produced by those two mechanisms cannot be assigned to the store in the same way.

Storage conditions must become a hard constraint within this process.

Fruit and vegetables cannot be stored under the same conditions as dairy products simply because both categories may require refrigeration. When excessive produce is placed in a cold room configured for dairy, it may suffer chilling damage. Once transferred onto a warm sales floor, the products can soften, discolour and deteriorate rapidly.

Orders, Storage and the Physical Store Must Become One System

The correct response is to prevent quantities exceeding the store's safe storage and sales capacity from arriving.

But temperature control does not end at the cold room. Dino's standardised store format also contains a serious environmental weakness at the building entrance.

Without an effective entrance vestibule, every opening of the external doors creates a direct exchange between the sales floor and outside air. During winter, cold air enters the store repeatedly throughout the day. The heating system must compensate for an uncontrolled and constantly recurring loss, while employees and customers near the entrance remain exposed to temperature fluctuations.

This is not a minor comfort problem. It affects working conditions, energy consumption, customer experience and the stability of the store environment.

Every Dino store should therefore be equipped with an effective entrance vestibule and a properly dimensioned air curtain.

The vestibule creates an intermediate zone between the exterior and the sales floor. Instead of opening the store directly to outside conditions, one set of doors closes before the next fully exposes the interior. The air curtain provides an additional directed barrier, limiting the movement of cold external air through the entrance while customers pass.

These two elements perform different functions and should operate together. The vestibule reduces direct air exchange. The air curtain limits the remaining flow that occurs during repeated door openings.

Because Dino uses a highly standardised building format, this weakness is reproduced across the network. The same standardisation, however, also makes a coordinated retrofit possible. Dino does not need to invent thousands of individual solutions. It needs to redesign the entrance module and apply the corrected standard across its stores.

This should be treated as mandatory operational infrastructure, not an optional building improvement.

Ordering, storage capacity, refrigeration, entrance design, temperature stability and waste are parts of one product environment. Until Dino manages them as one system, goods will continue entering stores under conditions that can damage them, while the company pays simultaneously through waste, energy loss and unacceptable working conditions.

21. Dino Is Training Its Competitors' Future Workforce



Dino's labour model creates one asset that does not necessarily belong to Dino: a large workforce trained to operate grocery stores under extreme pressure.

An experienced Dino employee may already know how to operate a checkout, serve a traditional meat counter, receive deliveries, replenish shelves, rotate stock, maintain displays, support inventory work and respond to multiple operational problems during the same shift. Shift leaders may additionally understand cash reconciliation, safe management, secured cash collection and store closure.

These are not inexperienced candidates entering retail for the first time. They are employees who have learned to keep stores functioning despite insufficient staffing, inconsistent training and constantly competing priorities.

For a better-organised competitor, that experience has immediate value.

An employee accustomed to simultaneously covering checkouts, deliveries, fresh products and customer service does not require basic introduction to the realities of grocery retail. The new employer would still need to teach its own systems and procedures, but the underlying operational competence already exists.

Dino has carried much of the cost of producing that competence. It has provided the working environment in which employees learned retail operations, developed practical speed and became resilient under pressure.

At the same time, the conditions under which that competence was developed may give those employees a strong reason to leave.

This creates a strategic contradiction. Dino reduces labour costs by demanding more from smaller teams, but every additional responsibility makes its employees more valuable to competitors. The harder the environment becomes, the more experienced the people who survive inside it become.

Dino is therefore not merely operating with an exhausted workforce. It is financing the practical training of a ready-made recruitment pool for any retailer capable of offering better pay, clearer management and more humane working conditions.

The workers already possess the skills. What many of them still lack is physical access to an alternative employer.

22. The Labour Barrier Is Geographic



The principal barrier preventing many Dino employees from changing jobs may not be a lack of alternatives in the wider regional labour market. It is the inability to reach them.

Dino built much of its network in small towns and rural communities. In those locations, a nearby supermarket can become one of the few employers offering permanent, predictable employment within walking distance or a short local journey.

A better job may exist twenty or thirty kilometres away and still remain functionally inaccessible.

Poland's Ministry of Infrastructure reported in March 2026 that more than 10 million people, representing approximately 27% of the population, are affected by transport exclusion. The underlying national study mapped areas in which access to collective transport is insufficient to support normal participation in economic and social life.

For shift workers, the existence of any bus connection is not enough. The service must arrive before an early shift, remain available after a late shift and operate on the days when the store is open. A route requiring multiple connections, several hours of waiting or an unreliable return journey does not provide practical access to employment.

Without a private car, the employee may therefore face a false choice: continue working at the local Dino or accept a supposedly better position that cannot be reached consistently.

This gives Dino a geographic labour advantage. The company does not need to offer the best conditions available within the broader region if employees cannot physically access competing employers. Transport exclusion narrows the effective labour market until one nearby store begins to function as the only realistic option.

The employee remains not because the employment model is attractive, but because geography has removed the alternatives.

This is why Dino's staffing position may be more fragile than it appears. Its retention mechanism is partly located outside the company: in missing routes, incompatible timetables and the cost of individual transport.

Remove that barrier and the labour market changes immediately. The experienced retail worker does not need to move home. The competing employer only needs to make the workplace reachable.

23. Lidl Does Not Need to Enter the Village



Lidl does not need to open a store next to every Dino location to compete for its workforce. It only needs to make an existing Lidl store reachable.

Retail expansion is normally analysed through customer catchment areas: how many consumers live within a defined driving distance of a store. The same logic can be applied to employees. A Lidl location experiencing recruitment difficulties can expand its labour catchment area without building another supermarket.

The company can identify smaller settlements within a practical commuting radius, particularly those containing a Dino store but lacking reliable public transport. These locations already contain people with relevant retail experience. The missing component is not recruitment potential. It is mobility.

A shift-synchronised minibus changes that equation.

Instead of requiring employees to organise a car, combine multiple buses or wait several hours between transport and the beginning of work, Lidl can connect the village directly to the destination store. Employees can be collected near their homes, transported to work and returned immediately after the shift.

The store remains where it is. Its accessible labour market becomes larger.

This is significantly different from opening a competing location in the same village. A new store requires land, construction, permits, inventory, management and long-term capital allocation. Employee transport uses Lidl's existing retail infrastructure while solving a specific staffing constraint. It also allows the company to act selectively. Transport does not need to be introduced around every store. It can be deployed where a Lidl location has vacancies and nearby communities contain experienced workers who cannot reach it under current conditions.

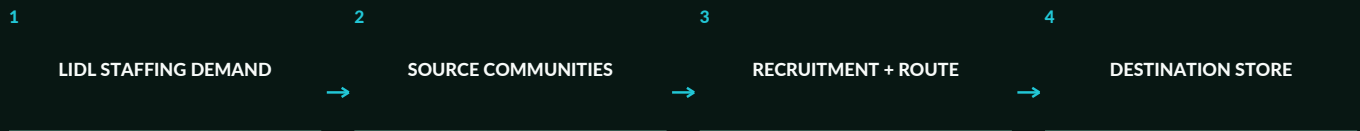
Dino's local advantage then disappears without Lidl selling a single product in that village.

The strategic principle is simple:

Lidl does not need to move the store closer to the workforce. It can move the workforce directly to the store.

A small minibus can cross a geographic barrier that has protected Dino's labour supply for years.

24. A Workforce Mobility Architecture for Lidl Polska



Demand-driven architecture: every route exists because it links identified people to identified staffing demand.

This should not be designed as an ordinary employee shuttle. It should be built as a demand-driven workforce acquisition system connecting recruitment, geography, transport and store operations.

The architecture begins with Lidl, not with the source village.

1. Map demand inside Lidl

The first layer is a current map of staffing demand across Lidl Polska.

Each store should indicate the number of employees required, the positions that need to be filled and the shifts creating the greatest staffing difficulty. This identifies the destination stores where additional recruitment would create immediate operational value.

The system then analyses the area surrounding each destination.

It identifies smaller towns and villages within a practical commuting distance, maps the Dino stores operating there and evaluates the availability of public transport. Priority should be given to communities where connections are missing, unreliable or incompatible with retail shifts.

The result is a direct relationship between a specific staffing requirement and a specific geographically isolated pool of potential candidates.

2. Recruit where mobility is the barrier

Recruitment should be designed separately for each selected source location.

Lidl can run geographically targeted digital advertising visible primarily to residents of that community. The campaign should be supported by physical banners positioned in the village, including locations close to the local Dino store.

The message should be direct:

- better working conditions;
- transparent compensation;
- structured training and development;
- guaranteed transport to work and back home;
- no need to own a car or depend on public transport.

The campaign does not need to mention Dino. Its location, timing and employment proposition will make the intended audience obvious.

24 / CONTINUED A Workforce Mobility Architecture for Lidl Polska

This is not merely recruitment advertising. It is the removal of the principal reason why an interested candidate could not accept the job.

3. Connect recruitment directly to transport

Candidates should apply for both employment and access to the transport system through one process. Lidl would therefore know not only who wants to work, but also where each employee must be collected, which destination store they will work in and which shifts require transport.

That information becomes the basis for route design.

Small Lidl minibuses should collect employees directly from their homes or immediately outside them, take them to the destination store before the shift and return them home after work. Routes must be synchronised with actual working hours rather than with a general public timetable.

Employees should not need to change vehicles, arrive two hours early or wait after closing for the next available connection. Where distance and local geography permit, the target should be approximately thirty minutes in each direction.

The vehicles must provide normal, humane commuting conditions: comfortable seating, heating in winter, air conditioning in summer and a safe professional driver.

Transport is part of the employment proposition. It cannot become another source of exhaustion.

4. Build routes around stores and shifts

Each route should connect a defined source area with a defined Lidl store and a defined shift pattern.

The architecture must therefore combine:

- the number of vacancies in the destination store; • the number and location of recruited employees;
- starting and finishing times; • required pickup order; • travel time; • vehicle capacity; • operating cost.

ARCHITECTURAL SIGNAL

It is a workforce mobility architecture built around Lidl Polska.

A Workforce Mobility Architecture for Lidl Polska

A store requiring additional employees for both morning and afternoon shifts may need separate transport cycles. Several nearby villages may feed one destination store where the route remains practical. The system is not based on running buses without a defined purpose. Every route exists because it connects identified employees with an identified staffing requirement.

Its economics should be evaluated against the complete cost of an unfilled position: repeated recruitment, overtime, insufficient shift coverage, employee overload, absence, turnover and operational capacity lost because the store does not have enough people.

The relevant comparison is not simply the cost of a minibus against zero. It is the cost of transport against the cost of continuing to operate without the required workforce.

5. Turn mobility into an employer-brand advantage

The campaign would allow Lidl to communicate something larger than a vacancy.

It would demonstrate that the company understands the reality of people living in transport-excluded communities and is prepared to create physical access to stable employment. Lidl would not be asking candidates to solve an infrastructure problem individually. It would solve that problem as part of its employment model.

That distinction has significant recruitment value.

The architecture can begin in selected locations where Lidl has a clear staffing requirement, nearby communities contain experienced retail employees and public transport is particularly weak. The operating model can then be extended across areas containing Dino stores and later into smaller communities where Dino is absent but experienced retail workers remain geographically isolated.

Dino's labour advantage depends partly on workers being unable to reach another employer. Lidl can remove that advantage by building a transport layer between existing stores and previously inaccessible communities.

This is not a bus service added to recruitment.

It is a workforce mobility architecture built around Lidl Polska.

ARCHITECTURAL SIGNAL

It is a workforce mobility architecture built around Lidl Polska.

25. A Direct Proposal to Lidl Polska

01 MAP STAFFING DEMAND

03 TARGET RECRUITMENT

05 MODEL ECONOMICS

02 IDENTIFY SOURCE COMMUNITIES

04 DESIGN ROUTES

06 SCALE THE SYSTEM

ARCHITECTURAL SIGNAL

Lidl Polska, this is a direct proposal.

Lidl Polska, this is a direct proposal.

I can design this workforce mobility system from the ground up, adapt it to Lidl's existing store network and build the operating architecture required to implement it.

The work would include:

- mapping staffing demand across selected Lidl stores;
- identifying source communities affected by transport exclusion;
- locating experienced retail workers within those communities;
- designing geographically targeted recruitment campaigns;
- connecting candidates with specific stores and shifts;
- designing door-to-door minibus routes;
- calculating transport and recruitment economics;
- preparing the operating model for selected locations;
- creating the architecture required to scale the system across Poland.

The first routes should connect Lidl stores experiencing recruitment difficulties with nearby smaller communities where experienced workers cannot access alternative employment. Once the system is operationally proven, it can be expanded across areas containing Dino stores and later into other transport-excluded locations.

The entire solution can be designed and implemented together with Lidl and under the Lidl brand.

The recruitment campaign would not need to name Dino. It would only need to appear in the right communities and communicate the difference clearly: better conditions, transparent compensation, respect for employees and guaranteed transport from home to work and back.

25 / CONTINUED A Direct Proposal to Lidl Polska

A banner placed close to a Dino store would not need to explain who the offer is intended for.

This is commercially rational for Lidl. It provides access to experienced retail employees, reduces the cost of persistent vacancies and expands the recruitment area of existing stores without requiring new retail locations.

But it should also carry a clear human message:

Let us give Dino's hard-working employees decent working conditions.

Let us give them access to normal, stable employment despite transport exclusion.

Let us show them that employers exist who respect their employees and recognise the value of their work.

Dino has spent years creating a workforce capable of operating under extraordinary pressure.

Geographic isolation has prevented many of those employees from taking their experience elsewhere.

Lidl can remove that barrier.

I am prepared to design the system, connect its recruitment, transport and operational layers, and turn this concept into an architecture that Lidl Polska can deploy and scale.

ARCHITECTURAL SIGNAL

Lidl Polska, this is a direct proposal.

26. Control Is Not Architecture

CONTROL IS NOT ARCHITECTURE

CONTROL CAN ENFORCE A SYSTEM. IT CANNOT REPLACE ONE.

ARCHITECTURAL SIGNAL

Its problem is that it has mistaken control for architecture.

Dino built an exceptional expansion machine.

It standardised construction, accelerated store openings, integrated logistics, developed its own meat-production capacity and created a retail format capable of reaching thousands of smaller communities.

But it did not build an equally mature system for the people operating that machine.

The missing capacity was supplied by employee endurance. Missing procedures were replaced by improvisation. Missing training was replaced by knowledge passed informally between workers. Insufficient staffing was compensated through overload. Inaccurate standards were enforced through pressure. Weak information flows allowed the consequences to disappear between stores, regions and headquarters.

Dino interpreted this as efficiency because the visible costs remained controlled.

The hidden costs returned as waste, absence, turnover, unreliable inventory, lost knowledge, operational disorder and declining trust. Employees were required to absorb the difference between what the spreadsheet assumed and what the store physically demanded.

That model cannot be repaired through greater pressure.

It requires sufficient staffing, formal management roles, competitive compensation, structured training, measurable procedures, reliable ERP data, regional control, direct employee communication and ordering aligned with physical capacity.

If Dino refuses to build that architecture, competitors can exploit the failure. The same employees who kept its stores operating under extreme conditions are experienced, resilient and immediately valuable elsewhere. Geographic isolation is one of the remaining barriers protecting Dino's workforce. A competitor capable of removing that barrier can remove the protection with it.

Dino's problem is not that it has lost control.

Its problem is that it has mistaken control for architecture.

A system run with an iron fist from headquarters is not architecture. It is a relic of a bygone era whose expiration date has just passed.

Its problem is that it has mistaken control for architecture.

Control can enforce a system. It cannot replace one.

Chrzanowski

MATEUSZ CHRZANOWSKI

SYSTEM OF SYSTEMS ARCHITECT