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McDonald's

An exciting story of growth, innovation, and resilience began in 1948. It started with two brothers, one restaurant, and a Multimixer salesman from Chicago. One restaurant turned to more than 31,000 and became a global phenomenon in more than 100 countries. This organization sharply and strategically grew its business and became the world's most recognized brand. After being in business nearly 50 years, McDonald's experienced some tough times near the turn of the new millennium. It took a bold plan—and a trifecta of operations excellence, leadership marketing, and financial discipline—to turn the ship. And the plan worked. The ship turned.

This was the story of growth. It was the story of a turnaround that many said could not be done. It was the story of McDonald's Corporation.

McDonald's Growth in the Early Years

In 1948, brothers Dick and Mac McDonald opened a hamburger stand called McDonald's. Their concept featured a streamlined menu and walk-up service only. In spite of serving only eight items—hamburger, cheeseburger, three varieties of soft drinks, milk, coffee, potato chips, pie, and milkshakes—it was wildly successful, and a man named Ray Kroc took notice.

In 1954, Multimixer salesman Kroc flew from Chicago to California to visit and observe the McDonald brothers. He wanted to understand how this one restaurant could possibly need to run four of his Multimixers at a time. He sat and watched while cars flocked to McDonald's for this limited menu. He and the McDonalds discussed the idea of franchising their concept. He returned to Chicago and said he would be the man for the job. Kroc was 52 years old at the time.

In March 1955, Kroc returned to Chicago and founded McDonald System, Inc.¹ He opened his first McDonald's restaurant one month later in Des Plaines, Illinois—a northwest suburb. Kroc recorded in his sales log that first day's sales were \$366.12, and it was cold and cloudy.² First-year sales were \$193,772.³ Kroc's attention to detail, like the weather and its impact on sales, would later prove to be brilliant as he constructed the organization. In July, the second Kroc franchised restaurant opened in Fresno, California, and by 1958 there were 79 restaurants cumulatively exceeding \$10 million in sales.⁴

Professor John Quelch and Assistant Director Kerry Herman, Global Research Group, prepared this case. Many thanks to Julie Schaefer and Susan McBride, both of McDonald's, for their assistance in the preparation of this case. HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

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While Kroc franchised the concept, he also brought something new and powerful to it—the operating tenets of quality, service, cleanliness, and value, or QSC&V. These tenets set the stage for what would become decades of operating philosophy for the company.

Kroc embodied this philosophy. He could often be seen picking up trash for several blocks surrounding his restaurants. He always told restaurant employees, “If you have time to lean, you have time to clean,”⁵ and he took part in the cleaning. Kroc took pride in the service he offered his customers, and he expected the same from his people.

In 1961, Hamburger University—a training facility dedicated to teaching important operations skills and knowledge—opened in a restaurant basement. Kroc knew that every successful business was rooted in good, trained, skilled employees. He also believed in investing in his employees so he could help them achieve personal and professional success. Hamburger University—or H.U., as it was called—awarded its first “Degree in Hamburgerology” the same year it opened. In 2007 these prestigious degrees were still given at seven worldwide H.U.s and equated to college-level accreditation at many institutions.

Another of Kroc’s beliefs was that marketing and public relations played an integral role in the success of any business. From the beginning, Kroc gave back to the community. He supported local sports teams, schools, and charities. It was important to him to give something back to the communities in which McDonald’s did business.

On the marketing front, McDonald’s began to tell its story in 1959 with its first billboard advertising. The year 1960 featured the debut of the “All-American Meal” in magazines—hamburger, fries, and a milkshake. In 1961, McDonald’s launched the “Look for the Golden Arches” and, in 1962, the company debuted its quality campaign, “Go for the Goodness at McDonald’s.” Ronald McDonald made his television debut in 1963, played by Willard Scott.

The story began to unfold. And it helped launch another decade of rapid growth and change for the company.

Going Public and Further Growth

By 1963, Kroc had served the billionth McDonald’s hamburger and the company tested its first menu addition, the Filet-O-Fish sandwich—a franchisee creation. This menu expansion was noteworthy because it responded to a growing consumer need for a nonmeat menu item for Catholic customers who would not eat meat on Fridays. Kroc had tapped into an important success factor—staying ahead of customer tastes and demands. In addition, the Filet-O-Fish illustrated Kroc’s encouragement for franchisees to be entrepreneurs and business partners. He appreciated that they were closest to the customers, serving them day in and day out at the front counter, so he wanted to hear their thoughts on consumer insights.

At this time, another important operating philosophy was born—the three-legged stool. It spoke to the strength of the elements that made up the McDonald’s system—company employees, franchisees (or owner/operators), and suppliers. The visual of the three-legged stool illustrated the significance—if one of the legs was not stable, the entire stool might topple. Strength, and success, depended on all aspects of the business excelling.

In addition, he began referring to franchisees as “owner/operators” to depict his expectations of how this leg of the stool would work within their own restaurants. He expected franchisees to not

only own the restaurant but to operate it—be hands-on, involved, and present. He firmly believed that this ownership strategy would serve McDonald's customers and employees the best.

In 1966, McDonald's made its first offering of stock on the New York Stock Exchange. In 1985, McDonald's was added to the 30-company Dow Jones Industrial Average.⁶

McDonald's served its 2-billionth hamburger in 1966, and the Golden Arches crossed borders in 1967, entering Canada and Puerto Rico with restaurants. Also born was the framework for how Kroc and the company would work internationally. They decided to partner with local businesspeople who would invest in the business and run it. In much the same way that Kroc believed owner/operators needed to serve as a local face to their communities, he believed that local businesspeople could help ensure success in new cultures and countries. It proved to be a winning model.

On the entrepreneurial front, two additional franchisee inventions launched nationally in 1968 and 1973 respectively—the Big Mac and Egg McMuffin. Pittsburgh owner/operator Jim Delligatti invented the Big Mac, and Santa Barbara owner/operator Herb Peterson created the innovative hand-held breakfast sandwich, which would ultimately create a new way to eat breakfast on the go for the world.

As the company grew, so did its menu and innovations. At the same time, Kroc remained true to the need for marketing these unique offerings. As such, America first met Ronald McDonald at the Macy's Thanksgiving Day Parade in 1966. TV advertising coincided. In addition, the corporation partnered with its franchisees to launch the Operator National Advertising Fund (OPNAD), a national co-op advertising fund to which franchisees and company-owned restaurants contributed based on a percentage of their annual sales. This partnership laid an important foundation for active marketing for years to come.

In 1968, in a bold public relations move and an effort to generate global exposure, McDonald's airlifted hamburgers to U.S. athletes competing in the Olympic Games in Grenoble, France. It was the company's first entrée to the Olympics.

The next two decades featured growth, expansion, and additional innovation for the company. Notably, the 1970s opened with growth in Germany, Australia, Japan, Holland, and Panama. It concluded with McDonald's serving its 30-billionth hamburger and reaching annual sales for a restaurant open 12 months or longer of more than \$1 million.

McDonald's saw a need for good, quality, wholesome food on the go and responded with drive-thru convenience and hand-held sandwiches, like the Quarter Pounder. The first McDonald's drive-thru opened in 1975, changing the way people dined in transit and marking a worldwide innovation in food service. Within four years of its debut, half of all U.S. restaurants offered this convenience.

The company saw a need to cater to young customers, and it responded with Happy Meals and McDonald's Playlands to make their visits more special. The Happy Meal debuted in 1979, offering young customers a reason to visit and feel special.

The McDonald's system stayed true to Kroc's initial belief that giving something back to the community is a cornerstone of success and in 1974 launched the Ronald McDonald House program as one way to help. The collaborative brainchild of former Philadelphia Eagle Fred Hill, owner/operators, suppliers, and the company itself, the first Ronald McDonald House opened in Philadelphia, Pennsylvania as a way of offering families of ill children a home away from home while receiving treatment at nearby hospitals.⁷

In addition, many noteworthy marketing campaigns were launched—including “Nobody Can Do It Like McDonald’s Can,” “You Deserve a Break Today,” and “It’s a Good Time for the Great Taste of McDonald’s.”

And in 1976, McDonald’s became an official sponsor of the Olympic Games in Montreal, Ontario, Canada, marking the beginning of three decades of involvement at the Games. McDonald’s was innovating, connecting with customers, and talking about its activities, and it was not even 1980.

By the 1980s, McDonald’s restaurants were located in 27 countries worldwide. The menu had grown, and the system had grown in size and complexity. By 1985, systemwide sales surpassed \$10 billion, and a new McDonald’s opened somewhere in the world every 15 hours or so. By 1986, McDonald’s was serving one in four away-from-home breakfasts in the United States.

Menu expansion also continued throughout the 1980s with the addition of freshly tossed salads to its U.S. menu, the McChicken Sandwich, and Chicken McNuggets. In 1989, the company served its 75-billionth hamburger and reported sales of more than \$17 billion.⁸

Additionally in the 1980s, McDonald’s began some landmark customer relations activities. Notably, it became the first quick-service restaurant chain in the U.S. to provide the public with a complete food product ingredient listing and nutrition information. To assist customers with special needs, it also launched Braille and picture menus and diabetic exchange nutrition information wallet-size cards.

In addition, customers were becoming increasingly interested in the environment. Some might have said that the environment had become a sensitive issue, and McDonald’s was targeted as a company that could do better. Specifically, the polystyrene container used for most of the sandwich packaging was in question.

McDonald’s took decisive, proactive steps and eliminated polystyrene packaging. It introduced paper-based packaging for its sandwiches instead and received public accolades. In addition, to be more proactive, it entered into a 10-year partnership with the Environmental Defense Fund. Through their partnership, McDonald’s invited the EDF into the company to recommend actions that would benefit the environment.

Recommendations were embraced into operations—and recycling, reducing, and reusing became part of the operations standards. Moreover, McDonald’s donated trees as part of the U.S. Earth Day celebrations, and it created a “You, Me, and Ecology” program for Ronald McDonald to take into schools in the U.S. and international markets. It also developed a Happy Meal that featured rain-forest activity booklets.

In 1989, McDonald’s announced its rain-forest policy, which stated that the company did not and would not purchase beef from those who destroyed rain forests. It also launched “McRecycle USA,” a program that committed to purchase at least \$100 million in recycled materials per year. McDonald’s showed by its actions that it took environmental sustainability seriously in all purchasing and operations activities.

The 1990s—Increasing Pressure

The 1990s brought increasing attention to the environment among other consumer interests, and McDonald’s was prepared with a variety of programs and tactics.

The company introduced recycled napkins, carryout bags, and a restaurant constructed of virtually all recycled materials. It also established a board-level corporate responsibility committee and issued global animal welfare guiding principles.

With its environmental practices in order, McDonald's focused again on the subject of health and nutrition. It developed public service announcements featuring "Willie Munchright," a claymation character aimed to teach children about healthy eating habits. McDonald's also worked with the American Dietetic Association to develop a variety of nutrition-education materials to help consumers understand how to balance McDonald's fare into their diets. "McDonald's Today" was a groundbreaking brochure featuring U.S. RDAs for menu items. Sample menu combinations helped consumers select appropriate meal combinations. At the same time, McDonald's continued to offer dietetic exchange information in wallet-size format for ease of use.

The decade also marked geographic expansion and increasing competition. McDonald's opened its first restaurants in Russia and China. It began serving Happy Meals on United Airlines flights, on the Swiss Railroad, in hospitals, Wal-Mart retail stores, airports, and cobranded locations with oil stations for expanded customer convenience. It continued to support the Olympic Games and branched into NASCAR, World Cup Soccer, and PGA events as well.

By 1995, new restaurants were opening in the U.S. at a rate of 1,130 per year. At the same time, competition increased with additional casual dining experiences in the U.S. and growing choice internationally as well. While McDonald's continued to grow, the \$74 billion U.S. quick-service restaurant industry was projected to expand only in line with inflation.

In addition, in what some would call a departure, McDonald's acquired new restaurant brands, including Boston Market, Pret A Manger, and Chipotle Mexican Grill.

In 1998, McDonald's launched a uniform operating platform for all its U.S. restaurants, "Made-for-You," which aimed to help restaurants serve special orders with greater ease. It was more ergonomically pleasing for employees and sped up service, allowing greater accuracy. Nevertheless, as with any new operating system, there were challenges, including implementation cost and system buy-in. Over time, however, efficiencies became very clear.

Changing Tide at the Turn of the Millennium

At the turn of the millennium, the University of Michigan published a survey that ranked McDonald's last behind its national quick-service restaurant competitors. In addition, McDonald's' fast-track survey—a tool that gave the company direct feedback from its customers—reaffirmed that restaurants were not delivering the kind of service that customers expected.

At the same time, analysts criticized the company's responsiveness to consumer needs, noting in 2002 that McDonald's was "not doing enough to fix what customers complain about most: rude service, slow service, unprofessional employees, and inaccurate service."⁹ McDonald's' new "We Love to See You Smile" ad campaign did not generate the interest, buzz, or sales as expected. Sales were flat while competitors such as Wendy's experienced growth.¹⁰

It was clear that McDonald's needed a consistent form of measurement for its restaurants. While the company had always used measurement systems to assess its operations and customer satisfaction effectiveness, processes and accountability varied among restaurants.

As a result, in March 2002, the company took decisive action and put a process in place to consistently measure restaurant operations. The company worked with owner/operators to define the elements and called it “restaurant operations improvement process”—or ROIP. ROIP was multifaceted and included training for every restaurant. It also featured an incentive process for owner/operators, a mystery shop program facilitated by third-party experts, and a common set of expectations and accountabilities so that every restaurant had a clear picture of what it was striving to achieve. In addition, ROIP included an expansion plan to include all areas of the world. In 2007, it was in nearly every country around the world.

At the same time, operating results were not as strong as they had been in previous years and, in January 2003, the company released 2002 results and reported its first quarterly loss. A combination of extraordinary charges and performance contributed to the quarter, including restaurant closures, impairment charges, restructuring charges, and technology write-offs.

Nevertheless, the quality of earnings was slipping. McDonald's stock, once trading above \$48, fell below \$13. It was time for a change.

Revitalization and the “Plan to Win”: A Turnaround

In 2003, McDonald's senior leadership—Jim Cantalupo, Charlie Bell, and Jim Skinner—decided it was time for a new course of action. Cantalupo, then CEO, had come out of recent retirement to manage the company. Cantalupo had joined the company in 1974. Throughout his career, he oversaw a sixfold increase in the number of international restaurants. He understood the need for a balanced focus on operations, marketing, and financial discipline, and he carried on Kroc's mantra of QSC&V with great intensity.

The board named Bell president and COO of his team. Bell started his career as a 15-year-old crewperson in Australia. At 19, he was the country's youngest store manager. A vice president of the company's Australian subsidiary at 27, he joined the McDonald's Australia Board of Directors at 29. He served as managing director of McDonald's Australia, president of McDonald's Asia/Pacific/Middle East and Africa Group, and president of McDonald's Europe before taking his post.

Skinner, the vice chairman and now current CEO, was named to the new management team and was an integral part of the company's efforts to right the ship and reverse the declining profits. Skinner also began his career in the restaurants and was an operations leader whose career literally spanned the globe. He was ideal for the executive team.

The team devised the company's revitalization plan in a three-day huddle. It was a plan that focused on being “better, not just bigger.” Skinner recalled the three-day strategy meeting like this:

Basically, we sat in this room and talked about how the growth story was problematic. We had contributed \$4 billion to capital expenditures and building new stores over four years, and yet we didn't have any corresponding incremental operating income growth. So we decided to focus on our existing restaurants. Those of us that were hard-core restaurant people, which I am, were saying, “Look, we've got to do a better job of delivering QSC&V on a daily basis at our restaurants. It's that simple.”

Setting Financial Goals

The team identified specific financial goals, to be achieved during a specific time frame, and then held the business leadership in each area of the world (Asia/Pacific/Middle East/Africa, Europe, Latin America, U.S., and Canada) accountable for reaching these goals. The team knew that key to restoring financial strength was taking a more disciplined approach to capital expenditures, paying down debt, and building margins and returns. Resources needed to be reallocated to the areas where they would have the biggest impact on customers.

The team's financial goals included targets that remained in place by 2007:

- To grow top-line sales by 3%–5%
- To achieve greater than half of sales growth from comparable sales
- To improve margins 35 basis points per year on average
- To grow op income 6%–7% per year on average
- To achieve return on incremental invested capital (ROIIC) in the high teens

Specifically, McDonald's imposed a new discipline around capital expenditures to support the core strategy of "Being Better, Not Just Bigger." It focused its energies on building sales through the core business and moved partner brands into a separate entity. It also lowered restaurant openings to reduce capital spend and focused leadership on helping existing restaurants improve their operations. This focus was intended to help build comparable sales and restore margins.

In addition, it began redirecting its spending toward initiatives that would help the company be "better." As such, it invested in measurement programs, including a mystery shop program that had been used in various markets from time to time—and which was now deployed globally. It began reimagining programs to update existing restaurants with new, pleasing, comfortable décor. It invested in premium menu items, such as chicken and coffee. It drove new conveniences in markets around the world, with double drive-thrus to speed up service and delivery in markets where it made sense.

And, at the center of its success was a trifecta of operations excellence, leadership marketing, and financial discipline, which became the core of what is still known as the company's "Plan to Win." With everyone focused on the same strategy, senior management sharply directed their capital spending toward those initiatives that would have the greatest impact in their particular marketplaces. It was a winning approach.

Developing Five Ps

The team also carved the "Plan to Win" into five Ps that would represent the primary areas of focus for any market: people, products, place, price, and promotion. The Ps were organized around an operating mission to "Become our Customer's Favorite Place and Way to Eat." And it retained Kroc's operating philosophies of QSC&V.

For the first time in the company's history, McDonald's had a global business plan centered on the three pillars of operations excellence, leadership marketing, and financial discipline, with all areas of the world focused on driving success. All markets agreed that the five Ps would drive the business, so it was full-steam ahead on the plan.

Reinventing Operations

Restaurant operations began moving in a direction to be more relevant and successful.

McDonald's' U.S. business began a reimagining campaign at its restaurants. New restaurant designs featured comfortable seating, hip music, great colors, and décor to soothe. It was a new experience with a marketing campaign to match, and it was a winning combination. As reimagining continued, the company saw positive sales increases of 5%–7% per restaurant. The effort caught on globally, with reimagining taking place in every area of the world. New restaurants were constructed using new décor and architecture that communicated a different McDonald's experience.

Moreover, new food products proved to be relevant for customers. The company introduced white meat Chicken McNuggets, Premium Chicken Sandwiches, Apple Dippers, McGriddles, Fruit and Walnut Salad, Premium Coffee, and the Big Tasty, among other hits. Premium Salads featuring Newman's Own salad dressings also excelled, and the company launched a full line in 2003. One executive explained, "We insisted on high-quality fresh greens such as mesclun, romaine, red and green leaf, and iceberg. We are passionate about quality and freshness."

McDonald's also announced its "Balanced Active Lifestyles" platform, which informed customers about the benefits of balancing activity and diet and encouraging children to lead a more balanced, active lifestyle. "Go Active" Happy Meals were introduced for adults, featuring a choice of four premium salads, bottled water, and a pedometer. Bob Greene, Oprah Winfrey's personal trainer, promoted the meals. The company's Web site offered nutritional information and fitness tips. McDonald's China began promoting fruit and yogurt in marketing materials, and McDonald's Australia enrolled all of its employees in an online fitness program.

Key to success was a strategy that focused on introducing "premium products" that were sustainable versus short-term, promotional items. As a result, the company increased its return on marketing spend since consumers received more consistent messages, and it brought more guests to the restaurants time and time again.

It was, in fact, driving more customers to visit its restaurants more often.

New products aimed at meeting customer demands became a priority. As Kroc had always said, "The customer is the boss." And so the "Plan to Win" was framed around the customer's every need and desire.

Measuring Success

McDonald's also introduced its "restaurant operations improvement process"—or ROIP. Launched in some markets in 2002, ROIP gained momentum and was implemented around the globe by 2004. Specific metrics, ranging from speed of service to quality of food and overall experience, were created to measure performance around each "P." Owner/operators who implemented ROIP saw positive sales impact, and they were asked to talk with their colleagues about the success. "There is nothing more powerful than operators talking to operators," then USA President Mike Roberts said. Operators found ways to motivate their crews to speed service, be friendly with customers, and ensure clean restaurants.

In addition, country scorecards that tracked quarterly performance and "fast-track" scores were standardized, providing a first-ever globally consistent version for easier review. Leadership met

with country executives to review scores and take action. If scores were low, action plans were developed to change course.

Operations initiatives were sequenced and bundled so that managers could focus on operations. The focus on operations became so important that McDonald's commissioned a new team to concentrate solely on restaurant execution. Dubbed NABIT (Nuts and Bolts Integration Team), this group's role was to establish consistent deployment approaches for all new initiatives. As each initiative was rolled out, stores were staffed with trainers and store managers from the region who helped with a half-day, on-site training. The information was then cascaded to their respective management teams over the next two weeks. The previous schedule involved launching new products every few weeks. This new approach featured two to three national rollout trainings per year. It was a big change that allowed the restaurant managers and teams to focus on their daily business, customers, and employees.

In addition to training, managers were rewarded with a visit to "The Peak Experience," a meeting in Las Vegas, Nevada aimed at rewarding and developing store managers. The unique meeting was about competition, fun, rewards, and learning.

Reinventing Marketing

Marketing was also a center of debate, and the newly hired global chief marketing officer, Larry Light, launched a global competition for the next campaign. This next campaign would be a first of its kind—it would be global, and it would cross borders with its impact. It would mirror the approach of the "Plan to Win" in global relevance and reach.

Light and all of senior management believed that McDonald's needed to develop a single campaign that could circle the world, support the global business plan, and restore the brand to its rightful position of leadership in the eyes of multiple, diverse consumer segments.¹¹

The winner was a surprise. Heye & Partner German Agency President Jurgen Knauss developed the catchy concept of "i'm lovin' it"TM and won the hearts and votes of the McDonald's world. The creative direction featured "i-stories," in which the brand was communicated in terms of the local customer and voice. And the implementation of the campaign was staged for a three-year rollout of "rolling energy." "The campaign was not just about marketing," Cantalupo noted. "It was about motivating a million and a half people. It wasn't about getting people to do something. It was about being relevant to their lives."¹²

At a February 2003 leadership summit, Bell had stressed that operations and marketing were going to work together as partners. He said, "It's no secret that for much of McDonald's history, our marketing and advertising have been the best in any business. We have been the yardstick by which others have been measured. That is why we possess a brand that is one of the world's most valued, most recognized, and most respected."

Light began by restructuring his marketing department and set the Global Marketing Team on a mission to serve as an in-house consulting group that could advise each market. The local markets held the responsibility for implementing and executing. The Global Marketing Team concluded that McDonald's needed to regain relevance in the eyes of consumers, so it articulated a new brand essence, "Forever Young." This essence provided a new marketing direction that communicated the McDonald's brand as relevant and modern. It would coincide perfectly with McDonald's' recently re-imaged restaurants, its better service, and new offerings.

By September 2003, “i’m lovin’ it”TM was in every country with a McDonald’s restaurant in a campaign that featured sports, entertainment, music, and fashion. Pop icon Justin Timberlake was central to the campaign, along with a new look for Ronald McDonald that included more physical fitness attire. A partnership with pop group Destiny’s Child capitalized on Beyoncé’s international profile and on the group’s scheduled 72-city concert tour.

The combination of a powerful, focused plan and measurement to correct course proved a success. Results began to turn. In 2004, CEO Cantalupo said, “Our performance last year proved one thing: operating better restaurants is a strategy that delivers growth. Better-run restaurants, better-tasting food, better value, and better marketing drives comparable sales, profits, and margins.”¹³

In April 2004, McDonald’s suffered a tragic loss when Cantalupo died on the eve of the company’s global convention. It would have been a celebratory gathering of more than 15,000 owner/operators, suppliers, and company employees, a time to revel in the success the organization had achieved in the past year. Instead, it quickly became a time to mourn the loss of a leader who was in the right place at the right time and a time to quickly plan to move forward.

At an emergency meeting held just hours after Cantalupo’s death, the board named Bell as CEO and Andy McKenna, longtime member of the company’s board of directors, as nonexecutive chairman. The seamless transition and continued business momentum earned McDonald’s much praise.

In the brief time that Bell led the organization, he carried on the “Plan to Win” with vigor and charisma. People gladly followed his calls to action and took joy in celebrating the company’s continuing renaissance. However, his leadership was also brief. In another unexpected turn of events, Bell was diagnosed with cancer soon after taking the helm. Deteriorating health caused Bell to resign in November of that same year, and he passed away in January 2005. Again, solid succession planning eased the transition when Skinner was named CEO.

Skinner’s commitment to the “Plan to Win,” and his in-depth understanding of the global business and brand, ensured a consistent direction for the years ahead. By 2004, U.S. same-store comparable sales increased 9.6% for the year—the highest annual performance in 30 years.¹⁴ In Europe, comparable sales increased 2.4% for the year. Guest counts grew, and restaurant managers reported seeing new customers in their restaurants.

Recent Results

McDonald’s held its annual meeting of shareholders on May 24, 2007. There, shareholders learned that the first quarter saw same-store sales in the U.S. increase 4.4%, in Latin America 14.7%, in Asia-Pacific/Middle East and Africa 8.5%, and in Europe 8%. One headline read, “McDonald’s All Smiles.”¹⁵ As Skinner said, “It’s a great time for McDonald’s, and I’m confident it can get even better.”¹⁶

As of July 24, 2007, the company had achieved 50 consecutive months of positive comparable sales, and growth continued. The “Plan to Win”—and the combination of operations excellence, leadership marketing, and financial discipline—continued to drive results. Moreover, Kroc’s fundamental philosophies of QSC&V remained embedded in the “Plan to Win” and McDonald’s approach to business.

Endnotes

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¹⁴ *Marketing Week*, February 2005.

¹⁵ *Chicago Sun Times*, Business Section, p. 1, May 25, 2007.

¹⁶ Ibid.