

Don't Have a Cow!

Editor's Note: *With Christians showing their support this week for Chick-fil-A and other companies that stand up for biblical values, we wanted to share a story we originally ran in 2004 about Chick-fil-A President Dan Cathy. We're glad that, more than eight years later, the fast-food chain's fundamental beliefs haven't changed.*

Chick-fil-A president Dan Cathy shares his recipe for success: Honor God, put people before profit ...and always choose chicken over beef

It's noon at Chick-fil-A's national headquarters in Atlanta. Lunch time.

Employees are lining up at the company's cafeteria. On today's menu, there's pasta in cream sauce, fresh salad and, of course, piping hot chicken sandwiches.

As you exit the line for hot food, there's a soft-serve "Ice Dream" machine. Take as much as you like because, after all, everything is free ... not just today, but every day of the workweek.

For Chick-fil-A's 475 corporate employees, it's a sweet deal. But that's just the topping on the sundae.

Chick-fil-A, the second-largest quick-service chicken restaurant chain in the nation, demonstrates a commitment to its employees—and its customers—that's rarely seen in today's marketplace. From modest beginnings in a tiny Georgia eatery 60 years ago, the company has grown into one of the largest privately owned restaurant chains in America with more than 1,100 restaurants nationwide.

The mainstay on the menu is the original Chick-fil-A Chicken Sandwich. The recipe's a tasty secret, locked up tight in a

safe on the first floor of company headquarters.

But the first priority for Chick-fil-A isn't just to serve chicken. It's to serve a higher calling. This is spelled out in Chick-fil-A's corporate purpose: "To glorify God by being a faithful steward of all that is entrusted to us and to have a positive influence on all who come in contact with Chick-fil-A."

That's why the company invests in scholarships, character-building programs for kids, foster homes and other community services. It's also why all of its restaurants are closed on Sundays.

This gives the employees at Chick-fil-A's restaurants time to worship, to rest and to spend time with their families. Some observers see this as a missed business opportunity. But Chick-fil-A president Dan T. Cathy sees it differently.

"We think our food tastes better on Monday because we're closed on Sunday," Cathy says. "We've got to take care of our people in order to serve great food. And that doesn't happen if people are working seven days a week."

Home Cooking

At Chick-fil-A, hospitality starts at the top. As lunch concludes, Cathy converses easily with employees and buses their food trays. He doesn't do it for show; he just can't help himself.

Cathy, 51, has been picking up after people since he was a boy. His father is S. Truett Cathy, 83, the company's founder and the undisputed "inventor of the chicken sandwich." It was Truett who, years ago, put Dan to work picking up trash in the parking lot of Truett's first restaurant in Hapeville, Ga.

To this day, whenever Dan visits one of Chick-fil-A's locations, he scans the parking lot for garbage.

"My wife won't let me hold her hand after I've been picking up all this stuff," he jokes in his Georgia drawl. "I wash up; I never have died yet from picking up cigarette butts."

This is what sets Dan Cathy apart from so many executives in this competitive industry. He isn't afraid to get his hands dirty.

"A lot of restaurants are not run by restaurateurs any more," Cathy notes. "It's one of the problems and struggles you see at Burger King and McDonald's and others: They're run by financial analysts; they're run by accountants that know a lot more about their financial statements than they do their recipes."

"This chain is still run by restaurateurs that spend a lot of time in the kitchen. I can go back there in the kitchen, and I can make any of our recipes. From the biscuits to the coleslaw to the carrot-and-raisin salad, I know them all."

Cathy is wide-eyed. He talks with his hands and displays childlike enthusiasm for his work. This isn't surprising, given the fact that he has been an active part of the company since he was a kid.

Cathy's nearly lifelong career at Chick-fil-A began officially at age 9, when he sang for his dad's customers wearing a "dorky, little dwarf costume," as Cathy tells it. An accomplished trumpet player (he still plays on Sundays for New Hope Baptist Church in Senoia, Georgia), Cathy kicked around the idea of becoming a professional musician back when he was a teenager.

He tabled that idea when one of his musical heroes began using drugs. Cathy explains: "I didn't want to go in that direction if it meant playing in honky-tonks, nightclubs and such as that. So, between where he was headed with his life and where Chick-fil-A was going, I made the decision to work with Dad."

Cathy went on to earn a bachelor's degree in business administration from Georgia Southern University. He then returned to Chick-fil-A, where he served as director of operations, opening more than 50 new restaurants throughout the country.

As Chick-fil-A continued to grow, so did Cathy's business acumen. He earned his stripes, rising steadily through the ranks as senior director of operations, vice president of operations, executive vice president, and, most recently, president and chief operating officer.

Truett Cathy, Chick-fil-A's founder and chairman, notes: "Dan is a natural leader. Not many fathers can feel comfortable leaving the business to their son, but Dan is even more excited about Chick-fil-A and its future than I am."

Not that Truett has taken a back seat in the organization.

"He [Truett] is still the CEO, absolutely. His schedule is as demanding now as it was 20 years ago," Dan says. "He's very focused ... very demanding in the way he handles himself. He sets the standard by model."

Truett has 12 grandchildren (two of whom are Dan's children). Several of them have expressed an interest in making their careers with the company, but they aren't being pushed toward this. In fact, all of the grandchildren are required to do something outside of Chick-fil-A for two years before they are allowed to come on board, Dan says.

He explains: "We're trying to deal with them like Mom and Dad did with us. And that is to obey what God called you to do."

The Cathy family is in the minority in terms of succession. Studies show that only 30 percent of family businesses are ever run by the children of the founders. And why is this?

"Oftentimes the entrepreneur is so caught up in his business

that he neglects his family, and he's not a positive role model as a parent," Dan notes. "The children grow up saying: 'I don't want to have anything like that. I won't have that kind of attitude in my home.' But in our situation Dad was a great dad for us."

Truett's example played a key role in Dan's decision to go into the family business. It's also the reason Dan is serving Christ today.

For 50 years, Truett has taught a Sunday school class to 13-year-old boys. When Dan was a boy, he would tag along when Truett would visit the kids from his Sunday school class at their homes. Dan sat and listened as his father shared the gospel with these boys. One day, something clicked.

"I'm sitting there as his son, and I knew I hadn't made a public commitment as a Christian. So God started really working on my heart," Dan remembers.

At the age of 12, Dan made a public profession of faith during a church service. He was baptized on the same night as his sister, Trudy, and his brother, Bubba, who now serves as Chick-fil-A's senior vice president.

"There was a lot of conviction that was deep in my heart," Dan says. "I committed my life totally and sincerely."

To this day, Dan is unabashed in his commitment to God. Even with the push for corporations to be "spiritually neutral," he isn't tempted to play down this aspect of his life.

"I think if you read the headlines today, to me it's an even stronger case for biblical principles to be applied in our personal lives," he says. "You read what took place with Martha Stewart and Ken Lay [at Enron] ... it wasn't because those folks didn't know how to read *The Wall Street Journal*. It's because they violated biblical principles that they find themselves in that situation."

He adds, “Even the world recognizes when you step over the line with greed and dishonesty and violations of personal integrity.”

Driven to Succeed

While Chick-fil-A isn’t the largest fast-food chain in America, it continues to raise the bar industry-wide when it comes to quality and customer service.

Last year, the company did more than \$1.5 billion in sales, making it No. 17 on the list of Top 50 chains ranked by *QSR* magazine, a publication that charts quick-service restaurant success. That may be chicken change compared to McDonald’s sales, which holds the No. 1 spot at more than \$22 billion. But read on.

Chick-fil-A is a nine-time recipient of *Restaurants & Institutions* magazine’s “Choice in Chains” Customer Satisfaction Award. The chicken chain also deep-fries its competitors when it comes to drive-thru service.

QSR ranks drive-thrus in four categories: speed, order accuracy, menu-board appearance and speaker clarity. Chick-fil-A finished in the top three in each of the four categories, making it the “Best Drive-Thru in America” two years running. By comparison, McDonald’s placed 12th in *QSR*’s rankings.

Dan Cathy has high expectations for his restaurants. And customers have taken notice.

When you make a mental list of brands that inspire fierce loyalty—Starbucks, Krispy Kreme—think of Chick-fil-A. At each new restaurant opening, the company gives away a year’s worth of free food to the first 100 customers who walk through the door. Chick-fil-A “fan-a-tics” come from throughout the country to win this coveted prize.

A group of college students in the Nashville, Tenn., area has traveled to several openings. One woman from Portland, Ore., cashed in her family's Delta SkyMiles to attend an opening in Mishawaka, Ind.

As Chick-fil-A expands into new territories, it finds new fans ... and old friends.

This year, the company recently opened its first stores in California, and Karin Dewey, who relocated this year from Florida to Los Angeles with her husband, is delighted. For her, Chick-fil-A provides more than just a good meal.

"Everyone [in California] is talking about it ... the fact they are closed on Sunday is causing quite a commotion," explains Dewey, whose favorite item on the menu is Chick-fil-A's original sandwich (hold the pickles). "A friend of mine asked me if a Mormon ran them, and when I said, 'No, a [born-again] Christian,' she was very intrigued and wanted to know more about the company. It's actually a great witnessing tool to tell non-Christians about why Chick-fil-A chooses to be closed on Sunday."

Ultimately, though, it's the food that brings people through the door. Bob Kyle, who runs a Chick-fil-A restaurant in Winter Springs, Fla., says, "If you've got bad food and you're a great Christian, you're probably not going to get a lot of customers.

"But we have a lot of [customers] whose loyalty is much deeper than it would have been just to a restaurant with good food. It's more like friends coming through the door, and they relate to you on a values level. They feel like spending money there [at Chick-fil-A] is doing good elsewhere as it's passed along through the corporate chain."

Dan Cathy compares winning customers to the voting process. People "vote" with their dollars, he says. He campaigns hard

for their business, attending nearly every store opening, often camping out with fans in the parking lot in a sleeping bag.

He also keeps a close eye on the competition. Don't be surprised if you catch Cathy in the drive-thru at Arby's, ordering a Market Fresh sandwich and a Jamocha shake. (Note: He still eats two to three Chick-fil-A sandwiches a week.)

Admittedly, Cathy's after more than dinner during these excursions. "I'm there as a customer, and I like to know how it feels," he explains. "If I get great service, I want to know how it makes me feel as a customer. If I get lousy service, I want to know how that feels as a customer."

Cathy recalls eating at one of his competitors (he wouldn't tell us the name) with Rhonda, his wife of 29 years. The tables were dirty and the service was slow. The result?

"Rhonda said, 'This is another restaurant that we will not be coming back to.' ... I'm starting to run low on inventory of restaurants that I can take my wife out to because several of them have been taken off the list," he says.

Cathy is an unusual executive—part Donald Trump, part P.T. Barnum and part Billy Graham.

"I'm a marketplace minister," he says without hesitation. "I get over 1,000 pulpits that are over 40-feet long that just happen to have cash registers on them."

Cathy is vocal about his faith, but he doesn't shove his beliefs down employees' throats. Cathy points out that a wide range of religious beliefs is represented among Chick-fil-A's ranks.

Kyle, who attends a nondenominational church, has witnessed firsthand Cathy's bold witness.

"If someone's uncomfortable with another individual being ...

verbal about his faith, then I think they would be uncomfortable around Dan Cathy. But he doesn't intentionally make them [uncomfortable.]," Kyle says.

Kyle notes that Chick-fil-A's values-based approach helps to attract new restaurant operators: "Most religions have basic tenets of honesty and hard work, and a lot of values that Chick-fil-A holds close. They [operators] may not all believe in Jesus, but they believe in being good people and doing a good job, working hard. And we see that in operators of other faiths."

Dan Cathy likes to joke that it's easier to get a job at the CIA than the "C-F-A." It's not far from the truth.

Chick-fil-A's unique operator agreement allows franchisees to sublease one of their restaurants for a financial commitment of only \$5,000. More than 10,000 apply annually to run a Chick-fil-A restaurant, but less than a 100 are selected. Cathy calls those who make the final cut his "1-percenters."

"While we have to grow, we don't want to grow so fast that we lose the ability to properly clone and replicate the philosophies of the business," Cathy says. "It's like going out into the yard and putting a lot of nitrogen out there. You can grow a lot of grass real quick, but it won't have the roots it needs to get through the dry spell."

So how fast does the company want to grow? "It's very simple," Cathy explains. "It's the number of chairs around my dining room table. I'm not going to open up a restaurant unless I've had an operator over to my house for dinner."

At those dinners, Cathy is a chef and a waiter. He grills ribs; he refills iced tea; he wins the respect of his team members.

The secret to great customer service, says Cathy, "is the retention of people. It's not technology, it's not having

reader boards [in drive-thrus] that talk back to you and all that sort of stuff, it's having a good, consistent team."

Which brings us back to the way Chick-fil-A treats its people. "The way you treat people internally is what drives the customers' emotional response back to the business," Cathy says.

Cash Cows

When it comes to marketing its product, Chick-fil-A doesn't clown around. Their spokespersons are bovine ... and a divine hit with the public.

Created by Dallas-based The Richards Group, Chick-fil-A's "cow" campaign was first introduced in 1995 as a 3-D billboard concept depicting a black-and-white cow sitting atop the back of another cow painting the words "Eat Mor Chikin."

These cash cows have beefed up sales for Chick-fil-A. They are now the focal point of the company's in-store point-of-purchase materials, promotions, and radio and TV advertising. Clothing and merchandise sales—including cow toys and annual cow-themed calendars—have exceeded \$32 million since July 1996.

But when it comes to growing the company, Dan Cathy is anything but cow-ardly. The chain is having its most aggressive expansion year ever, opening 90 new restaurants in 2004, including 73 free-standing units, two mall locations and 15 licensed restaurants.

Chick-fil-A is already a staple in the Southeastern United States; now Cathy's setting his sights on the West Coast. The chain anticipates opening up to 75 stores in California within the next five years.

Chick-fil-A operator Kyle says: "Dan operates on a different level than most of us. He's a big-picture thinker. He's

definitely very well-read and has a great feel for our industry and where its headed, and how we can enhance our position in the marketplace.”

Cathy is unyielding, both in business and in his personal life. Three years ago, his fortitude was literally tested by fire.

On April 29, 2001, Cathy was involved in a brush-fire accident while working on his property, putting him in the hospital for 10 days. Instead of leaving him bitter, the experience prompted personal and spiritual growth for the businessman.

During his recovery, Cathy listened to CDs of the Gospels. “I had so much fun listening to those CDs because I heard stories about Jesus that I had not heard in a long time,” he remembers.

“I became deeply convicted that I had become far more infatuated with ... business commentators as leadership models than Jesus Himself. [I’d been] taught all those Sunday school lessons and listened to all those sermons, but I had failed to appreciate Jesus as a leader as He went about leading people. So I have a much more practical, focused view of trying to lead like Jesus as a result of that experience than I would have otherwise.”

Cathy says that the experience “inaugurated the second half of my life.” He adds that the remaining scars remind him that “God doesn’t place nearly as much importance on our physical condition as He does our spiritual condition.”

He adds, “God can use those circumstances to teach us great lessons.”

Good Steward

Since the accident, Dan Cathy has made a point of reading Scripture every day. He carries a miniature Bible in his

pants' front pocket.

Today's key verse? Colossians 13:12: "Therefore, as God's chosen people, holy and dearly loved, clothe yourselves with compassion, kindness, humility, gentleness and patience."

"My wife ... and people that know me, they know I'm still living a long way from what's here [in God's Word], but this helps me square where true North is," Cathy says.

So what does it take to be a successful Christian and a successful businessman? Cathy says that it boils down to this: "Look for opportunities to serve."

"That's what the marketplace rewards," he explains. "Dig deeper the foundation for treating people with respect. ... When we operate in violation of that, we pay the consequences."

He practices what he preaches ...

Cathy just pulled in to one of his restaurants. As he makes his way across the parking lot, he notices a Styrofoam cup on the ground. He bends over to pick it up as he makes his way inside. He smiles and holds open the door for a customer.

"The Bible says 'to whom much is given, much is required,'" Cathy says. "I've got to uphold my dad's reputation. I walk in my own shoes—I feel like I'm my own person. But, at the same time, there's a lot we have to try to live up to here."

THE CHICK-FIL-A TIMELINE

1946

Truett Cathy opens his first restaurant in the Atlanta suburb of Hapeville.

1967

First Chick-fil-A in-mall restaurant opens in Atlanta's Greenbriar Mall.

1986

Chick-fil-A opens its first free-standing restaurant on North Druid Hills Road in Atlanta.

1997

Chick-fil-A corporate headquarters doubles in size.

2000

Chick-fil-A surpasses \$1 billion in system-wide sales.

2001

Chick-fil-A opens its 1,000th location.

2003

QSR magazine recognizes Chick-fil-A as the "Best Drive-Thru in America" for second consecutive year.

The Legend of 'The Original Chicken Sandwich'

In 1961, Jim and Hall Goode, owners of Goode Brothers Poultry, came to restaurateur S. Truett Cathy with a problem. An airline had asked them to provide a boneless, skinless chicken breast that would fit the plastic trays they used to serve meals on planes.

The Goodes met the request, but their process left boneless breast pieces that didn't meet the airline's size requirements. They asked Truett, who had toyed with the idea of adding chicken to the menu at his restaurant, if he could do anything with them. Truett discovered the recently introduced Henny Penny cooker, a pressure cooker that used oil

and could cook a boneless chicken breast in four minutes, start to finish.

Looking for the best way to serve the chicken, he put it on a buttered bun instead of on a plate all by itself. “But it still wasn’t exactly right,” he says. He worked for years on seasoning and breading for the chicken. Soon, he was up to more than 20 ingredients—twice as many as Colonel Sanders had in his recipe. Each time Truett changed the formula, he tested it on customers. He surprised them when he added two dill pickles, but they said it added just the right touch. Finally, after four years of experimentation and testing, customers said: “We like it. Don’t change it again.” The Chick-fil-A sandwich was born.

Why Chick-fil-A Succeeds

Following the example set by founder S. Truett Cathy, who opened the doors of his first restaurant more than 58 years ago, Dan Cathy and company have adhered to a few simple rules:

Honor God. Chick-fil-A’s corporate purpose is: “To glorify God by being a faithful steward of all that is entrusted to us. To have a positive influence on all who come in contact with Chick-fil-A.”

Listen to the Customer. Chick-fil-A is a nine-time recipient of Restaurants & Institutions magazine’s “Choice in Chains” Customer Satisfaction Award.

People Before Profit. All restaurants are closed on Sundays, giving employees time to worship, to rest and to spend time with their families.

Quality Over Quantity. Close relationships with its restaurant operators are key to Chick-fil-A’s success. New restaurant operators are trained personally by Dan Cathy. He frequently

invites operators to his home for dinner.

6 Things You Don't Know About Chick-fil-A

1. It began in 1946 in Hapeville, Ga., as a small coffeehouse with four refurbished tables and 10 counter stools that served (gasp!) burgers.

2. Sales in 2003 reached \$ billiona system-wide increase of percent over 2002.

3. Resting on 75 acres of wooded land, Chick-fil-A's corporate headquarters boasts glass elevators, a spiral staircase and a museum that features a life-sized model of S. Truett Cathy's first restaurant. A bell tower playing Christian hymns greets employees every morning.

4. Cars from S. Truett Cathy's personal collection can be found throughout headquarters, including one of the Batmobiles (there were seven) from the film *Batman*, starring Michael Keaton.

5. Since 1973, Chick-fil-A has awarded more than \$18.5 million in scholarships to its employees.

6. Chick-fil-A's WinShape Centre Foundation—created in 1984 by company founder S. Truett Cathy—consists of a children's summer-camp program, joint scholarships at Berry College in Rome, Ga., and 14 foster homes, which provide long-term care in a family environment for 125 children.

Robert Andrescik *is former editor of New Man.*