McDonald's

- The brother's drive-in
  - kitchen is visible
  - no sitting inside
  - Studied data — concluded that 80% was hamburger
  - Strategy
    - based on speed
    - lower prices — but high quality
    - volume
  - Attract families
- Early operations
  - Kaizen principle — continuously improve the process
  - Tools to produce
    - uniform product
    - at a higher volume
  - Fewer operations
    - Paper cups, bags, wrappers
    - process streamlining
    - one size
    - no choice in content of the hamburger
  - process discipline — division of labour
  - franchising
    - the brother did not understand that business
    - did not want to make a chain
    - copy-cats were around
- Mr Kroc
  - New franchise system
    - help the entrepreneur
    - small fee
    - assured that control was maintained
      - no pyramid
      - direct reporting
      - only on store for each
      - territorial control
  - focus on
    - quality
    - speed
    - cleanliness — maniac obsession
    - value ideas
    - uniformity
  - pure operational model — no technological breakthrough
  - No supplier integration yet
  - Bought the brothers out — run them into bankruptcy
- Operations
  - significantly affected food processing industry
  - Study potato
    - uniform
    - frieing automation
  - Tools
    - right volume
    - Fool-proof
  - standards
    - statistical approach
    - control suppliers
    - QSC-V: Quality, Service, Cleaness, Value
  - SOP: Standard Operating Procedure
    - Everything is documented
    - in a manual
    - even price
  - real state
    - Lease deals
      - part of franchise package
      - earns them the money
    - mid-block sites
    - long term secure
- Marketing
  - complete freedom in marketing
  - Egg McMuffin — indoor dining
  - Big Mac — New products from franchises
  - find new locations — Trip Pattern Survey
- Suppliers
  - Flexibility
  - loyalty
  - shared secrets — ask to develop product
  - added value logistics operations
    - reduce suppliers
    - reduce weekly shipments