

TRUETT CATHY'S FIVE-STEP RECIPE FOR BUSINESS SUCCESS

Chick-fil-A, the second-largest quick-service chicken restaurant chain in the country, gives all employees Sunday off to spend with family, to relax and to express their faith if they choose to do so. Yet, Chick-fil-A generates more sales in six days than most national chains produce in seven. Closing on Sunday is just one of the "principles before profits" ingredients in founder Truett Cathy's inspiring recipe-for-success. Following – in his own words* – are five basic principles upon which Cathy successfully built the Chick-fil-A chain.

1. CLIMB WITH CARE AND CONFIDENCE

"Every day, a framed poster of a mountain climber given to me by my daughter Trudy reminds me to 'climb with care and confidence.' I wholeheartedly believe in this philosophy, which is why in all my years in the restaurant business, I have never tried to overextend. I'm satisfied stepping from one plateau to the next, making sure we're doing everything right before moving on. That way of thinking has allowed us to grow steadily into a 1.98 billion-dollar business with more than 1,240 restaurants, while responding to the needs of people around us. I know the best way to grow our business is to climb with care and confidence."

- **With 1,240-plus Chick-fil-A restaurants in 38 states and Washington, D.C., Chick-fil-A is the second-largest quick-service chicken restaurant chain in the nation, based on annual sales.**

2. CREATE A "LOYALTY EFFECT"

*"Our people are the cornerstone of all that we do at Chick-fil-A. As a chain, we believe that attracting great people helps create an unforgettable experience for our customers. It requires a lot of time and effort to make sure you have the right people working the right jobs, but we believe this is time well spent. The bottom line is that our people, from our restaurant Operators to the team members they hire, enjoy their work. **Fewer than five percent of our franchise Operators leave the chain in any given year.** The more we can foster the feeling that we are a group of people working together, depending on each other, the more likely we are to be loyal to each other."*

Customer satisfaction is the payoff for spending the time to search for the best employees. Our restaurant team members have proven time and time again that going out of your way to make sure our customer has a pleasurable dining experience will build customer loyalty."

- **"This loyalty effect, the full range of economic and human benefits that accrue to leaders who treat their customers, Operators, and employees in a manner worthy of their loyalty, is at the core of most of the truly successful growth companies in the world today. And there is no clearer case study of the loyalty effect than Chick-fil-A."** –Fred Reichheld, Harvard Business Review and author of *The Loyalty Effect*.

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* Exerpts adapted from Truett Cathy's Second Book: ***Eat Mor Chikin: Inspire More People*** (2002 Chick-fil-A, Inc.)

3. NEVER LOSE A CUSTOMER

"Ever since I was a teenager delivering newspapers (for seven straight years), I have tried not to lose a single customer. I treated each one like the most important person in the world and delivered each paper as if I were delivering it to the front door of the Governor's mansion. The key to succeeding with a paper route and the restaurant business, I would later learn, is to take care of the customer. Whether on the paper route or in my restaurants, I have found that the most effective way of promoting my business didn't cost me anything but a little kindness to my customers."

- **In 1935, at age 14, Truett delivered the *Atlanta Journal* newspaper to residents of America's first public housing project, Atlanta's Techwood Homes and developed his "people first" business philosophy.**
- **Chick-fil-A's commitment to this principle is reflected in its mission statement to "Be America's Best Quick-Service Restaurant at Winning and Keeping Customers."**

4. PUT PRINCIPLES AND PEOPLE AHEAD OF PROFITS

"I'd like to be remembered as one who kept my priorities in the right order. We live in a changing world, but we need to be reminded that the important things have not changed. I have always encouraged my restaurant Operators and team members to give back to the local community. We should be about more than just selling chicken, we should be a part of our customer's lives and the communities in which we serve."

- **Through the WinShape Centre Foundation, Truett operates foster homes for more than 150 children and sponsors a summer camp for more than 1,800 children each year; in addition, he provides college scholarships for Chick-fil-A restaurant employees (more than \$20 million awarded since 1973).**
- **Chick-fil-A partners with nearly 1,200 elementary schools nationwide by providing the Core Essentials Character Education Program, which teaches students one value trait each month. Additionally, Chick-fil-A restaurants are involved in the local community with activities such as blood drives, school fundraisers, family nights and children's sports sponsorships.**

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5. CLOSED ON SUNDAY

"I was not so committed to financial success that I was willing to abandon my principles and priorities. One of the most visible examples of this is our decision to close on Sunday. Our decision to close on Sunday was our way of honoring God and of directing our attention to things that mattered more than our business."

- **Chick-fil-A is the only major fast-food restaurant chain to be closed on Sundays, one of the busiest days of the week in the restaurant business. Despite being closed on Sundays, Truett Cathy has led Chick-fil-A on an unparalleled record of 38 consecutive years of sales increases, with its core free-standing restaurants achieving higher sales per unit in six days (with shorter operating hours) than most major chains in the industry.**

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