



Lovin' It All Over

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Oak Brook, Ill. -- To gauge this pell-mell nation's velocity, visit here with Jim Skinner, chief executive of a company on pace to have net income for 2007 of \$3.46 billion, up 12.7 percent, on revenue of almost \$23 billion. The evolution of McDonald's mirrors that of the nation in which it serves 27 million customers a day.

Americans commonly say this or that distinction is "as clear as night and day." Americans, ricocheting around the country around the clock, are erasing the distinction between night and day. Breakfast, the meal most apt to be eaten at home, now accounts for more than 25 percent of U.S. business for McDonald's. More than 90 percent of its restaurants have extended hours -- beyond the regular 6 a.m. through 10 p.m. -- and almost 35

percent are open 24 hours a day, seven days a week, up from less than 10 percent just five years ago.

America is in the third era since its meals began to mirror its mobility. First came the Steak 'n Shake Era. That restaurant chain began downstate in 1934, in the perfectly named town of Normal, Ill., as Americans were getting used to eating out. They were leery of food that came from a kitchen they could not see, so Steak 'n Shake put its grills behind glass in full view of the dining area and adopted the slogan "In sight it must be right."

In 1955, when Ray Kroc launched the McDonald's Era, Americans were doing what Dinah Shore urged them to do, seeing the USA in their Chevrolets, seeking novel experiences -- but not in food. When they

got out of their cars for nourishment, they wanted no surprises. Hence the rise of franchising -- the same food here, there and, eventually, everywhere.

Now we are in the Snack Wrap Era. Last year McDonald's started selling chicken and other stuff wrapped in tortillas. This product was a response to consumer appetites for something to eat between meals and with one hand on the steering wheel. More and more Americans do not want to get out of their cars: Most of America's McDonald's have drive-through windows, and most of these restaurants sell most of their food through those windows.

McDonald's exemplifies the role of small businesses in Americans' upward mobility. The company is largely a confederation of small businesses: 85 percent of its U.S. restaurants -- average annual sales, \$2.2 million -- are owned by franchisees. McDonald's has made more millionaires, and especially black and Hispanic millionaires, than any other economic entity ever, anywhere.

McDonald's has 14,000 restaurants in America and an additional 17,000 in 117 other countries. The company will add 1,000 others in 2008, more than 90 percent of them abroad. Such is the power of the McDonald's brand, 48 percent of the people of India were aware of McDonald's before it opened its first restaurant on the subcontinent.

Skinner's job is to maximize shareholder value. Shareholders should

be pleased. The value of their stock has more than doubled during his three-year tenure. McDonald's stock will have either the best or second-best (if second, only to Merck & Co.) gain among the Dow industrials this year.

The food fascists are not pleased. Pursing their lips and waxing censorious at the mere mention of McDonald's, they blame it for fat people. But although it might seem peculiar to cite McDonald's customers as evidence of Americans' increasing health consciousness, consider this: Red meat has become suspect and McDonald's now sells as much chicken as beef -- 150 percent more chicken in dollar volume than just five years ago.

Do the arithmetic, says Skinner. Americans eat 90 meals a month. In a nation with 900,000 restaurants, the average American eats three of those meals at McDonald's. Surely the other 87 meals are more of a problem. Even McDonald's core customers, who eat there 50 times a year, consume more than 1,000 meals elsewhere.

Asked if McDonald's now offers salads because they sell well or to silence those who think McDonald's is causing the nation's obesity epidemic, Skinner candidly and succinctly says: "Both." Still, although its core products remain hamburgers, fries and milkshakes, it sells a lot of salads to the 52 million customers it has every day worldwide. Kroc, who died in 1984, once said he did not know what his company

would be selling in 2000 but knew it would be selling more of it than anyone else. He was right.

Kroc and Walt Disney -- the inventors of the Big Mac and Mickey

Mouse, respectively -- were born in Chicago 10 months apart and served in the same Red Cross unit in World War I. Quite a state, Illinois.

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