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Ray Kroc and the Advent of Fast Food - I

Lead: Born at the dawn of the twentieth century, master salesman Ray Kroc helped transform the way the world consumed food.

Intro: *A Moment in Time* with Dan Roberts.

Content: After brief service as an ambulance driver trainee in World War II, Kroc began his professional life and gradually absorbed the craft of salesmanship. After nearly two decades with cup manufacturer Lily-Tulip, rising to mid-western sales-manager, Kroc became fascinated with the multispindled milkshake

maker. He eventually bought the company, Prince Castle, and in the post-World War II business revival the company prospered.

In the mid-1950s Kroc began to notice a deterioration in the market as the soda fountain business began to decline - that is, with one notable exception. One of his best customers was a small restaurant operation based in San Bernardino, California. The drive-in used more milk-shake mixers than any eatery in the United States. Operated by Richard and Maurice McDonald, the diner was doing a box-office business selling only burgers, fries and a lot of milkshakes. Kroc was impressed that it took the McDonald brothers less than a minute from order to delivery. Ever the salesman, he saw an opportunity and returned the next day to explore the question of expansion, but the brother's initial experience with the

franchise business had been disappointing and decidedly unprofitable.

Kroc's enthusiasm, experience and obvious sales proficiency impressed the McDonald's and when he offered to market their name and operating scheme under license they agreed. The problem was that the agreement left Kroc with less than 2% of gross sales and he had to copy their method and restaurant design exactly. He built his first outlet in Des Plaines, Illinois and soon had seven additional franchises, but quickly realized that because McDonald's was on the low end of the restaurant business his net income was going nowhere. Next time: Kroc finds the key to profits.

Research assistance by Colleen Egan, at the University of Richmond's School of Continuing Studies, I'm Dan Roberts.

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