

Business or Ministry?

In 1968, Jim was a retail consultant specializing in facilities design. One of his clients was a man named Sam—a forty-seven-year-old energetic entrepreneur.

Jim and Sam built a relationship of trust by working together on several projects. The men were drawn together not only through business but also because of their common faith in Christ. Soon Sam realized that he needed to focus on running the business and needed a trustworthy person to manage the business expansion. Sam considered numerous people but could find no one better than Jim.

Sam made the offer, but Jim was uncertain. Sam was a great client, but what would he be like as a boss? Would Sam micromanage? Also, Sam's business was nascent and he was trying to expand in the area of retail malls, an unproven concept in the late 1960s. Would Sam's business idea even work? Furthermore, Jim was considering leaving his five-year-old consulting practice to enter the ministry. So an even more vexing question for Jim was the call of God on his life. Was he called to business or ministry?

As Jim pondered his decision, he looked very closely at Sam. Who was Sam? What was Sam called to do? And was Jim called to work for Sam? To answer these questions, Jim had to know Sam, and know him well.

Sam was born in Eatonton, Georgia, in 1921. He was one of seven children (four sisters and two brothers) born to Joe and Lilla.

In 1925, Joe and Lilla moved the family to Atlanta. Joe engaged in the real estate business until the stock market crashed in October 1929. Then, unable to support his family in the real estate business, Joe sold life insurance to poor rural people during the Great Depression. He made a meager living and never fully recovered from this setback.

At the age of eight, Sam found his first job—selling Cokes in the neighborhood. He bought six for a quarter at a local store and then sold them for a nickel each. This experience was a harbinger of his future career.

Also at the age of eight, Sam met Jeannette McNeil, who later became his wife.

Joe and Lilla were godly parents who faithfully taught their children the way of the Lord. At the age of twelve, Sam accepted Christ and began his walk with God.

By 1933, Sam had discovered his three *M*'s—his mission (selling), his mate (Jeannette), and his master (Christ). The clarity and reality of these three *M*'s would develop over time.

Growing up in the Great Depression was difficult. Sam's parents were poor. His mother took on boarders in the home. For a dollar a day, a boarder got dinner and a bed. Sam and his

siblings helped their mother prepare the meals each evening. Sam developed skills in the kitchen that would serve him later in his mission.

After graduation from high school, Sam and his brother Ben were drafted into the army to serve during World War II. In 1944, Sam was scheduled to be deployed to the South Pacific but discovered that he had a strange reaction to sunlight. He was so sensitive to sunlight that he nearly fainted. The doctors were perplexed about the condition and did not know how to treat it, so Sam was discharged and returned home to Georgia.

After the war, Sam and Ben wanted to start a business together. They considered a grocery store and a restaurant. While pondering their decision, they went to work for a revered restaurant owner in Atlanta who promised to train them and then give them each their own restaurant to manage. The training went well, but the owner reneged on her promise. So Sam and Ben quit. They decided to open their own restaurant.

To open a restaurant, they needed a plan, capital, and a facility.

The plan was simple. Find a location close to where people worked and be open 24/7. The brothers would alternate twelve-hour shifts.

They raised \$10.6K in capital—\$4K in equity from their combined savings and \$6.6K in debt from a local bank. This was woefully inadequate, so they had to execute their plan on a very tight budget.

They found a lot 50 feet wide by 150 feet deep, located close to the new Ford Motor Company plant in Atlanta. Workers from the plant gave the restaurant a potential base of business. The brothers purchased the land for \$2,500 and began construction.

Immediately after World War II, building materials were in short supply. Priority was given to established contractors. To save money, Sam and Ben served as their own general contractor. Since they were not established contractors, they were unable to procure the requisite building materials from suppliers. Instead they had to scrounge to find used materials. They performed much of the manual labor themselves. Also because of their tight budget, they had to buy used kitchen equipment. In spite of the many challenges, the brothers opened their restaurant on schedule in May 1946.

The menu was simple:

1. Hamburger . . . 15 cents
2. Bacon and tomato sandwich . . . 25 cents
3. Steak sandwich . . . 30 cents
4. Bacon and eggs . . . 30 cents
5. Fried ham . . . 25 cents
6. Pie . . . 10 cents per slice
7. Coca Cola . . . 5 cents

Sales on the first day were only \$58.20, but the brothers remained confident and the business grew.

One of Sam and Ben's early practices was to test food ideas with customers by offering free samples. This proved to be very successful both by providing feedback from customers and building goodwill.

Sam finally married his childhood friend Jeanette in 1948. They had three children, all of whom grew up working in the business.

In July 1949, Ben was killed in a private plane accident. This left Sam to run the restaurant by himself—something he had never envisioned. A year later, he bought Ben's interest from his widow.

In 1951, Sam opened a second restaurant. For the next decade, he enjoyed the challenges of working hard and starting a family.

In the late 1950s, the airlines started serving chicken breasts on their flights, but the chicken had to fit into the small compartments on the serving trays. Because of the size specifications, the chicken producers were left with a quantity of product that was too bulky. Sam saw an opportunity to buy chicken breasts at a discounted price.

To his delight, the chicken cooked quickly and uniformly. He then began to experiment with seasonings and cooking techniques. Customers were given free samples. From these "taste tests," he learned how to season and cook the chicken, and he learned his customers loved it served on a bun with a little butter and two pickle slices. Thus was born his chicken sandwich.

He began successfully selling the simple chicken sandwiches at his restaurants and other restaurants wanted the product. Sam was happy to accommodate them until he discovered that many of the restaurants precooked the chicken, which impaired the quality of the product. Sam's recipe required a little more than four minutes to prepare a fresh chicken sandwich. A fanatic on quality, Sam could not tolerate licensees not following his specifications for preparing the chicken sandwiches, so he discontinued allowing other restaurants to sell his chicken sandwich.

In February 1961, Sam experienced another major setback: his second restaurant was destroyed by fire. The fire began in the early morning hours and burned the restaurant to the ground. Sam's insurance only covered \$25K, which was woefully inadequate, so he had to borrow money to rebuild.

But before he could rebuild, Sam experienced another setback: health issues. Within a few months, he had two colon surgeries that required months of recovery time. Sam finally recovered and was able to rebuild his restaurant. He decided to try self-serve fast food, which seemed to be a coming trend. The restaurant opened to mixed reviews and he soon realized that the new self-service approach was probably ahead of its time.

While pondering his options, he talked with a man who wanted to open a Kentucky Fried Chicken (KFC) franchise, which would be open seven days a week. This brand seemed to have wonderful potential. Sam was offered a partnership in a local franchise, but accepting would mean violating one of Sam's cardinal principles of business. Since opening his first restaurant in 1946, his policy was to close on Sunday so that he and his employees could rest and participate in their local churches. Sam was unwilling to compromise, so he declined the opportunity, but decided to close his new restaurant and lease the property to the KFC franchisee. The restaurant enjoyed financial success. Sam took note.

For the first time in more than ten years, Sam had only one restaurant. He thought he would enjoy a lighter workload but soon became bored.

Needing something to challenge him, he began to think about his new chicken sandwich. Noting the success of the KFC franchise, he was inspired to think about expanding with a focus on the chicken sandwich but on his own terms. He would not be open on Sunday and his food would be prepared fresh.

In 1963, Sam sought a name for his chicken sandwich that could be trademarked. His lawyer said that the name "chicken sandwich" could not be trademarked because it was not unique. After much searching and brainstorming, he concluded that "Chick-fil-A" would be a good name. He liked the A at the end of the name because he viewed it as representing a grade "A"—high quality—product.

Sam did not wish to focus his current restaurant, the Dwarf Grill, on the chicken sandwich; instead, he decided to develop a new restaurant brand. He noted a retail concept that was being developed—the retail mall. A retail mall would provide a flow of business similar to the business the Ford Motor Company plant provided for the Dwarf Grill.

In 1967, the first Chick-fil-A restaurant opened in the new Greenbriar Mall in Atlanta. The restaurant was a self-serve fast-food facility that became a rapid success. The success of his proof-of-concept store emboldened him to open more stores. To do so, he needed help designing and building the stores. Sam (Samuel Truett Cathy known as Truett) called on his old friend Jim who had helped redesign the restaurant that burned down. Now Jim would help design the first Chick-fil-A store.

Soon Truett realized that he did not have time to both develop new stores and oversee the operations of the existing stores. He needed a trustworthy person to handle the expansion program. Jim was his choice, but Jim was not sure. Jim enjoyed Truett as a client, but didn't know what it would be like to work for him. Also, both Truett's retail store idea and the retail mall concept were nascent. Furthermore, Jim was considering leaving the business world to move into ministry. So Jim was perplexed about the decision. Should he take Truett's offer or not? Should he continue in business or move into ministry?

I am sure Jim spent considerable time in prayer and soul searching. In the end, however, Truett was the consummate salesman and overcame Jim's concerns. But more importantly, Jim joined

Truett because he felt a divine call. Jim did not choose business or ministry; he chose both—he recognized that his business was his ministry. The key to his decision was discerning the will of God.

In 1968, Jim became the third employee of Chick-fil-A.

Twenty years later, Jim became CEO of the company. Truett and Jim would work together for a total of thirty-three years and build one of the outstanding companies of the twentieth century.

Jim Collins (known as Jimmy Collins) was the perfect partner for Truett. They were truly equally yoked and demonstrated the power of working in equally yoked relationships. They worked together tirelessly and faithfully to develop the Chick-fil-A brand into one of the great biblically based businesses in America—a company on par with Service Master and the J. C. Penney Company.

From 1970 to 2000, the consumption of beef dropped 15 percent while the consumption of poultry increased by 100 percent. Chick-fil-A took advantage of this trend and expanded both the number of locations and their product offering. The company introduced chicken nuggets in 1982, chick-n-strips in 1995, and cool wraps in 2001. The company also pioneered its unique waffle potato fries.

As with the development of any business, there were challenges. The 1974 oil crisis led to inflation that increased the cost of building new stores from \$75,000 per unit to \$100,000 per unit. This squeezed the company's already tight cash flow. Consequently, to complete the fourteen new units scheduled to open in 1974, Truett had to borrow \$600,000. He was always uncomfortable borrowing money and did it very conservatively. But in this case, he was forced to borrow to cover commitments he had made and because of the unexpected inflation of the time.

Then in 1982, another crisis hit. For the first time in company history, sales dropped. This came as a surprise and again put the company under financial pressure. Truett sought the Lord in prayer, but the financial challenges continued. He began to doubt himself. Had he failed God in some way? Had he missed God's will? In October, the company held an off-site management meeting. Truett's eldest son, Dan, raised several questions: *Why are we in business? Why are we here (i.e., on earth)? Why are we alive?*

Though tempted to dismiss these questions as irrelevant, Truett and his management team engaged the questions. From this discussion came clarification of the company's Corporate Purpose based on the two greatest commandments—to love God and to love people (Matthew 22:36–40). The statement reads as follows:

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.

The company had long practiced the reality of the Corporate Purpose, but had never formally stated it. The crisis of 1982 refocused the company's leadership on what was truly important.

Truett's son Bubba offered another perspective. He said that the bottom line at Chick-fil-A is a commitment to people; the restaurants are simply the vehicles for fulfilling that purpose.

Also at the 1982 retreat, the management team realized that being the best was a way to practice their Corporate Purpose. Some practices that contributed to being the best were quality, service, and cleanliness, known as "QSC." The QSC mantra was strongly emphasized throughout the company.

Initially Chick-fil-A did not franchise; all the stores were company owned. Jim and Truett sought operators with whom they could be equally yoked. Though perhaps unwittingly, they used the C4 principle (calling, character, capability, and commissioning) presented in my book, *Beyond Babel*. They sought store operators who desired to be in business for themselves but not by themselves. These qualities reflect a passion for the business, which is the *calling* aspect of C4. They sought people who shared the Chick-fil-A goals and values, which is a reflection of their *character*—the second element of the C4 principle. Their operators must also have the ability to lead and influence others, have a strong entrepreneurial spirit, be results oriented, and be self-starters. These traits refer to *capability*, the third element of the C4 principle. And finally, for those who have the calling, character, and capability, Chick-fil-A must empower them, that is, *commission* them by setting a context for them to succeed through a sound business model, thorough training, efficacious processes, and faithful support.

Jim and Truett knew the importance of finding the right operators; therefore their screening process took time. They looked for operators who had a long-term commitment to the franchise. They wanted to know the operators well and they wanted the operators to know the company well. In this way, everyone could properly count the cost and make wise decisions.

The operator screening process is now well developed and effective. The turnover rate is only 3 percent in an industry that averages 50 percent. One of the keys to success with operators is that 70 percent are homegrown, they come from within the company. Growing this way is slower, but is more solid.

Capital for business growth came mostly from profits. Truett has always been averse to debt, so debt is used very sparingly and conservatively.

Chick-fil-A focused on keeping stores open. Therefore when the company began franchising, they adopted a partnership model that would facilitate success for their partners. Their upfront franchise fee was very modest, only \$5,000. The company charged 15 percent of gross sales for licensing and services, and shared the profits 50/50.

Sales for Chick-fil-A now exceed \$2B per year. However, money has never really been the driving agenda of the company. If Truett had wanted to maximize his wealth, going public would have been the route. But as a public company, Truett would lose a level of control and his ability to operate biblically could be compromised. So the company has remained privately held. Now the third generation of the Cathy family is moving into management. This new

generation committed to the first and second generations to keep the company private to insure the ability to operate biblically.

A clue to Truett's enduring legacy can be found in his name. He was named Samuel after a pastor who was a friend of his parents (Joseph Benjamin and Lilla Kimbell Cathy), and he was named Truett in honor of the redoubtable Baptist evangelist George W. Truett, the pastor of the First Baptist Church in Dallas for forty-seven years. Being named after godly men portended Truett's destiny. Truett was and is a godly man called to the workplace. He is a model for many who have similar callings.

One Chick-fil-A's most noted practices is to close on Sunday. Many have criticized this practice, but it has long been Truett's conviction that workers need a day of rest, that is, a Sabbath. He has faithfully practiced that conviction since opening his first restaurant in 1946.

But there are other biblical traits that shaped Truett. For example, he always believed in working hard and doing his best, and at the same time he always trusted God. He had great ability to focus and he displayed outstanding people skills. His interaction with people of all types was always genuine and loving. He reminds me of Herb Kelleher, the former CEO of Southwest Airlines. Herb was known for his sincere ability to relate individually with any person—a skill he developed under the tutelage of his mother who faithfully taught him the Golden Rule. I suspect that Truett developed his people skills in the same way under the tutelage of his godly mother and, like Herb, he, too, practiced the Golden Rule.

Truett knew the importance of people. He was never in business by himself. Even when his brother Ben died in 1949, Truett had workers and a wife who surrounded him in the business. He also recognized that a person needed to work with the right people. He recognized the truth expressed by King Solomon in Proverbs 22:24–25, which warns against friendships with hot-tempered people because you will learn their ways. Truett understood that to succeed biblically he must be associated with people who knew how to succeed biblically.

Truett recognized the importance of good character as a predicate for success and always sought to work with people who reflected great character. For him, character trumped capability; he would select a person with good character and less capability over a person with more capability but less character. Dress, shoe care, haircut, reputation, eye contact, and handshakes are important indicators of character. He recognized that these are outward manifestations of the hearts of people. A person with a heart inclined to the Lord would be neatly and appropriately dressed, wear polished shoes, be well groomed, enjoy a good reputation, give eye contact, and have a firm handshake. A person who displayed these traits was self-managed. The ability to manage oneself and one's family well is the predicate for managing others well. These are traits that Truett displayed and he wanted to work with like-minded people.

A key to building quality workers is education. Truett always stressed education and invested heavily in this area. The company has a scholarship program for workers. Also, the company

invested \$18 million in the WinShape Retreat Center as a venue for marriage seminars and ministry based on the philosophy that to be a good worker one must have a good family life.

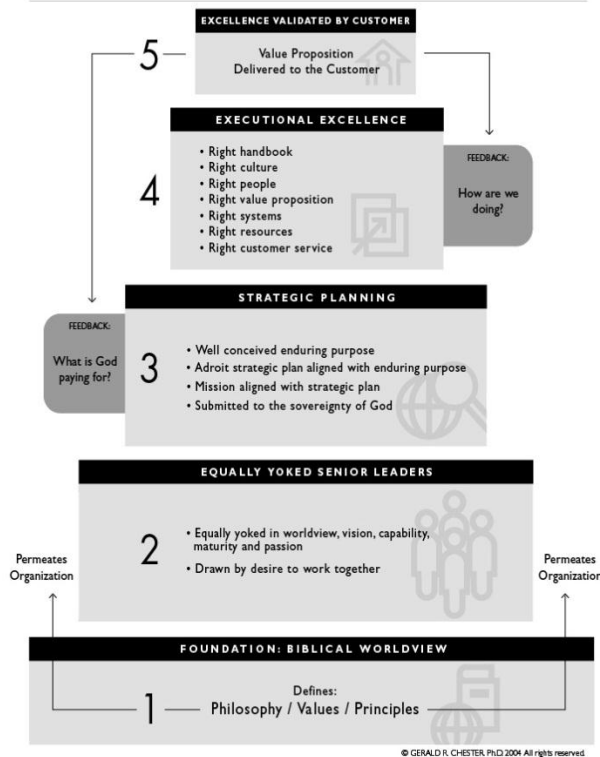
Truett's "Eleven Dos and Don'ts of Proven Success" are listed below.

1. Don't be burdened with personal debt (car payment and house payment). Establish a nest egg and live simple.
2. Start early as a teenager. Concentrate on what brings you happiness in your career. Have a tremendous "want to"—determination.
3. Sacrifice material things. Reward yourself later.
4. Shortcut to success: Observe what is working in the lives of others. Teenagers, observe mature individuals.
5. Don't try to please all people.
6. Set priorities in the proper order.
7. Expand cautiously. Grow your business cautiously.
8. Franchising may or may not be good for your particular business. Use it cautiously.
9. Be prepared for disappointments. Many successful individuals experience failure.
10. Be kind to people. Courtesy is very cheap but brings great dividends.
11. Invite God to be involved in every decision. God gives us a brain to use—common sense. You can do it if you want to. God has given each of us talent. Maybe yours is yet to be discovered. We honor God with our success. He designed us to be winners.

(How Did You Do It, Truett? 94–95)

I enjoy analyzing organizations against what I believe is a biblical model for building organizations. The following is a simple analysis using the Beyond Babel Model. This is a helpful tool with which to view some of the biblical philosophy, values, principles, and practices of Truett and Chick-fil-A.

Beyond Babel Model



Committed to serving and listening to his customers

Committed to executional excellence in dealing with people, product, and purpose

Committed to goals and to stewarding and blessing all

Committed to building based on equal yoking with management and operators

Committed to biblical philosophy, values, principles, and practices

Truett is certainly one of the outstanding Christian business leaders of the twentieth century. There is no doubt that his success provides a pragmatic argument for the efficacy of a biblical worldview of business. But even more importantly, his success is rooted in his obedience to the revelation that God gave him. To live according to the light that we have is the responsibility of each human being.

The simple Beyond Babel analysis above confirms, on a rudimentary level, the alignment of the Chick-fil-A operation with a biblical worldview. Their focus on people, products, and purpose is admirable. But notwithstanding this, there is always room to improve. May I offer some thoughts for consideration?

The people-centric focus of the company is laudable, but one must consider how to truly help people. Is it enough to simply give people jobs and ask that they agree with the company's values? If true blessings, both individually and organizationally, flow from alignment with God and true disciples of Jesus Christ are marked by alignment with God, then management must seek to disciple workers.

Everyone loves fresh tasty food. There are many tasty food items, however, that we now know are unhealthy. Fried foods, foods based on simply carbohydrates, and foods containing processed sugar are known to be unhealthy. Most of Chick-fil-A's menu items contain one or

more of these items. People are not blessed by food that is potentially unhealthy even though it may be fresh and tasty.

There should also be more thought given as to how the culture in the United States is influencing the company, specifically, “politically correct” issues such as pluralism. I know these are very delicate issues that can cause much clamor, but these are also issues where Christians can be salt and light, if we are prepared and committed to stand true to biblical values and principles. The company should consider how to make a stand for biblical truth and be prepared to suffer the consequences. If truth is more important than money, the company needs to reflect this in its practices.

The company needs to develop a long-term strategy in light of the meta-narrative of Scripture, that is, the overarching plan and purpose of God. Every individual and organization exists because of the sovereign pleasure and will of an intentional and purposeful God—the Creator of the universe. Therefore it behooves us to seek to discern the purpose for which he creates each person and organization. Accordingly each person and organization must seek alignment with the will of God.

These are just a few areas that management should consider studying to gain more insight into a biblical perspective and to facilitate better alignment with a biblical worldview of business.

Gerald R. Chester, Ph.D.
President
Strategies@Work, LLC
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