

# **Grinding It Out Study Guide**

## **Grinding It Out by Ray Kroc**

(c)2015 BookRags, Inc. All rights reserved.



# Contents

<a href="#">Grinding It Out Study Guide.....</a>	<a href="#">1</a>
<a href="#">Contents.....</a>	<a href="#">2</a>
<a href="#">Plot Summary.....</a>	<a href="#">3</a>
<a href="#">Chapter 1.....</a>	<a href="#">4</a>
<a href="#">Chapter 2 and Chapter 3.....</a>	<a href="#">5</a>
<a href="#">Chapter 4 and Chapter 5.....</a>	<a href="#">6</a>
<a href="#">Chapter 6.....</a>	<a href="#">7</a>
<a href="#">Chapter 7 and Chapter 8.....</a>	<a href="#">8</a>
<a href="#">Chapter 9.....</a>	<a href="#">9</a>
<a href="#">Chapter 10.....</a>	<a href="#">10</a>
<a href="#">Chapter 11.....</a>	<a href="#">11</a>
<a href="#">Chapter 12.....</a>	<a href="#">12</a>
<a href="#">Chapter 13.....</a>	<a href="#">13</a>
<a href="#">Chapter 14.....</a>	<a href="#">15</a>
<a href="#">Chapter 15.....</a>	<a href="#">17</a>
<a href="#">Chapter 16.....</a>	<a href="#">18</a>
<a href="#">Characters.....</a>	<a href="#">19</a>
<a href="#">Objects/Places.....</a>	<a href="#">23</a>
<a href="#">Themes.....</a>	<a href="#">25</a>
<a href="#">Style.....</a>	<a href="#">27</a>
<a href="#">Quotes.....</a>	<a href="#">28</a>
<a href="#">Topics for Discussion.....</a>	<a href="#">29</a>



## Plot Summary

Grinding it out is the story of how a man named Ray Kroc took a small restaurant and made it into the largest fast food chain restaurant in the nation. Kroc begins by writing about his humble beginnings and his obsession with business and making good deals. This character trait was his saving grace, and his demise at the same time. Though his knack for business was great for the corporation, it was awful for his personal relationships. Throughout the course of his life, Kroc adapted his business sense into his only sense, and only those strong enough to endure his passion for business would remain in his life. With Ray Kroc, it was all or nothing, and his all turned out to make him a fast food giant.

Ray Kroc was always good at business. He knew a good idea when he saw it and was an amazing salesman. He started his business career selling paper cups. He knew how to get restaurants, soda shops, and even hot dog stand owners, to buy his paper cups and knew how to keep them in business with him. Kroc never sold anyone a cup he didn't think they would not need. He was always very honest and prided himself in providing a tool to business owners that would improve their business and increase their customer and cash flow.

After making a series of bad mistakes, including working as a piano player for a bar that was selling illegal liquor, and then selling bad real estate, he decided to go back to selling paper cups. One day, he stumbled upon an invention called the Multimixer, which was a milkshake machine. This machine changed his life, the life of Americans, and the American culture forever. When he started getting calls from restaurant owners who wanted the mixer that a pair of brothers had out in California, he visited the guys that were providing him so much business. These men were the McDonald brothers. When Kroc saw the original McDonald's store in action for the first time, he knew that he could turn it into something bigger, something greater and special.

Kroc was in his fifties when he started the McDonald's empire. It took a lot of time, energy, and personal sacrifice to make the restaurant into the giant it is today. This book recalls those hard years and the effort that Ray Kroc put into living out his dream and going off on a businessman's whim. McDonald's was more than just a restaurant that sold 15 cent hamburgers; it was a way of life for Ray Kroc, and soon enough he made it a way of life for the majority of Americans.



# Chapter 1

## Chapter 1 Summary and Analysis

Ray Kroc was a modest man selling paper cups and giving piano lessons for a living. Then one day, he stumbles upon an incredible invention called the Multimixer, a six-spindle milkshake machine, which later evolved into a five spindle machine. Kroc decides to sell the Multimixer to every soda shop and dairy bar in the nation. Restaurants all over the country say they want the same mixer that the McDonald brothers have in California. Kroc goes to San Bernardino, California to learn about the McDonald brothers. The McDonald's fast food place opened at 11 am; just before then, workers all dressed in white shirts, trousers, and white paper hats, moved the supplies into the restaurant from the outside shed. Suddenly, the parking lot was filling up with cars, and people were forming lines while others were marching back to their cars with their food in paper bags. There were eight Multimixers churning out milkshakes. Customers tell Kroc that McDonald's makes the best hamburgers for the best price. Kroc realizes that this is the best merchandising operation he had ever seen. Kroc and the brothers make a dinner date to talk about their operation.



## Chapter 2 and Chapter 3

### Chapter 2 and Chapter 3 Summary and Analysis

Kroc and the McDonald's brothers formed a partnership and by 1954, Kroc was ready to work. He had numerous physical ailments, but ignored them. Everyone called him Danny Dreamer while he was growing up because of the different schemes and ideas he thought up. To Kroc, work was play. He could turn arguments around to favor his position. He even convinced his father that by getting a sales job with the Lily paper cup company, he was ready to marry his girlfriend, Ethel, in 1922. Kroc worked hard, using his evenings to play the piano for extra money. His wife complained about his long hours. His cup sales with Lily were increasing and his customers appreciated his sales pitches. He never pushed a sale nor tried to convince people who did not need paper cups to buy them.

When his daughter, Marilyn, was born in 1924, he worked even harder. Soon, he was well on his way to the prosperous life of which Americans dreamed. He bought a new Ford Model T Ford. Kroc takes a five-month hiatus from Lily and moved his family to Florida after hearing about a new real estate boom. The real estate venture went bust, but he got a job playing the piano at a club that sold illegal alcohol and a few simple foods. He admired the operation. They had a fixed price drink menu and no food menu, since they only served lobster, steak, and roast duckling. The simplicity of the operation later lent itself to Kroc's vision for McDonald's restaurant, KISS, or Keep It Simple, Stupid.



# Chapter 4 and Chapter 5

## Chapter 4 and Chapter 5 Summary and Analysis

Paper cup sales skyrocketed for Kroc. Sales had gone up drastically for paper cups because America had turned into an ice cream society after prohibition. Kroc convinces ice cream and soda shop owners to increase revenue by selling their sodas and ice cream on a to-go basis. In the Great Depression, his pay was cut ten percent, so he quit his job. He was given his job back, without a pay cut, and he knew he would have to work harder to prove their trust. He had so many sales that he hired a male secretary, Marshall Reed, that could handle complex business issues. When Kroc landed in the hospital for a few minor surgeries, Marshall was the perfect man to have by his side.

Earl Prince of Prince Castle ice cream, invents the Multimixer. Kroc knew this was an incredible invention and Lily became the main distributor of the Multimixer. Earl Prince wanted Kroc to work solely for him, so Lily gave Kroc the Multimixer contract but Lily retained sixty percent of the company, which Kroc named Prince Castle Sales. It was a necessary step for him to gain his freedom, but the deal was not one in his favor. Kroc bought out Lily over a five-year payment plan. However, they had to stop producing Multimixer's because copper was limited to the war effort. Kroc was out of business for a while. When Multimixer's could be produced again, he started selling them quickly. He hired June Martino, who was a hard worker and who becomes an incredible asset to him and to the future McDonald's corporation. This was when Kroc investigated the McDonald brothers' business.

# Chapter 6

## Chapter 6 Summary and Analysis

The drive-in restaurant started in Southern California in the 1930s. Maurice and Richard McDonald invented their "take" on the drive-in, selling only Hamburgers, fries, and drinks that were all prepared on an assembly line. Kroc offered to help them franchise, and the three drew up an agreement. All buildings would have golden arches coming out of them. Though this clause was trivial, and later a pain to execute, Kroc was not too worried. The McDonald brothers offered Kroc 1.9 percent of the gross sales from the franchisees. The franchise licenses would run for twenty years, and his contract was for ten years, which later turned into a ninety-nine year contract. Kroc's first franchise was in Des Plaines, Illinois and was a headache to open because they were trying to adapt a desert-style restaurant business in the cold of Illinois. Kroc's lawyer quit because the brothers were not being cooperative, or sticking to the protocol they set up themselves. Kroc hired his friend's son-in-law, Ed MacLucky, to manage the first store.

Even though Kroc watched and memorized the process for making the delicious French fries that the McDonald brothers made out in California, he could not get the fries to come out the same. An expert figured out that the dry desert air cured the potatoes, so Kroc had to create his own way to duplicate the process.



# Chapter 7 and Chapter 8

## Chapter 7 and Chapter 8 Summary and Analysis

Harry Sonneborn came into Ray's office soliciting a job and was persistent though Ray said he had no jobs. Kroc needed help because he was on his own and needed to keep his head start and momentum. Harry and June turned out to be wonderful workers. All Ray could give them was more stock, which paid them back over and over once McDonald's took off. With more stores opening, Ray needed someone to manage operations and commit to the "Quality, Service, Cleanliness, and Value" or "QSC and V" that Ray Kroc knew was the secret to build the McDonald's corporation. Ray chose Fred Turner for the operations position. He would eventually become the president, then board chairman, of the corporation. That year, they opened twenty-five new stores around the country. Turner helped round the clock, even helping sweep up at construction sites to make sure everything was perfect.

Ray could tell who and who wouldn't succeed. One of his executives, a man named Bob Frost, hounded Ray to hire a man for a position. Ray knew he wouldn't work, but hired him for Frost's sake. Kroc was eventually proven right. Ray, Harry, and Fred were all three completely different personalities, but they all worked together well. Fred was a great operations manager and was very good at making every store run as efficiently as possible. He designed packaging that was easy to open quickly and figured out the most efficient way for the food to be served. Whenever a new store would open, Fred would find bakers who were willing to serve McDonald's, feeling satisfied with the figures Fred created as part of his sales pitch. Every bakery that participated with McDonald's grew exponentially and continue to prosper. The purchasing system Fred created was amazing and served as a way to perform inventory checks. Whenever Fred came up with another idea, Ray made sure it was implemented right away. After the buns, the next thing they focused on was the hamburger patty. The patty is 100% meat, with no fillers, and has a nineteen-percent fat content. Each pound of meat could make ten patties, and each patty would be separated by a thin wax paper that made it simple to plop down on the griddle. The purpose of all the details was to make the most efficient use of the griller's time.





# Chapter 9

## Chapter 9 Summary and Analysis

Kroc in trying to increase profits and control, sold a percentage of his stock to several insurance companies to finance a privatization of some of the McDonald's franchises. The idea took off and soon, many people who applying to become owners of a McDonald's business. As the cash came in, so did philosophical differences between Harry and Ray. Ray was very much in the hamburger business by this point, but Harry was more into the real estate side of things. Harry had set up every store with a ten-year mortgage, so when the ten years were up, the money the money allotted to the mortgages would be pure revenue. They had twenty-year leases on all the buildings, and when the twenty years were over, then the corporation would take over the stores. Ray didn't like this idea at all because he never wanted to own more than thirty percent of the stores. The McDonald's slogan that he believed in was "In business for yourself, but not by yourself," and taking a store back from an operator would be unfair. Operators had to be very detail oriented to succeed, although they didn't need to have any significant aptitude or intellect level. Sometimes forces outside of their hands, such as bad locations, meant lower sales.

There are two attitudes towards advertising and public relations, and Ray was a promoter. He was always willing to spend money to make money. The other attitude was that of a begrudger, who thinks that any money spent on advertising is a pure expenditure that will never create a return on investment. A begrudger was also willing to fudge on morals and give his competitor a bad reputation just to steal business away. Ray was never into trashing his competitors and opted to always stay positive and stressing his QSC and V theory.

# Chapter 10

## Chapter 10 Summary and Analysis

Ray met a married woman named Joni, with whom he fell head over heels in love. He offered to divorce his wife, Ethel, if Joni would marry him. She, at this time, declined his advances.

The most important thing on his agenda was to cut off ties with the McDonald brothers because they were doing nothing to help him or the company. They only wanted to run their San Bernardino shop and didn't care about expanding or helping Ray expand. The brothers wanted \$2.7 million dollars, and Harry got the loan from a man named John Bristol. They took the loan out in 1961, and based on the sales of that year, they projected they could pay the loan with the added interest by 1991. However, because sales were so good in the years that followed, they paid it off by 1972. With the additional financing, the total loan came out to \$14 million dollars, but it was pocket cash compared to the millions they made thereafter.

Ray eventually set sights to opening more stores in California. Art thought he was crazy for looking west. He opened a store in Glen Ellyn, California, and had a man named Luigi Salvaneschi run it. Luigi didn't like the way the window men talked to the customers, so he set up classes at night to teach his employees how they should address customers. The idea of holding classes for employee etiquette really impressed Ray, and this led to the creation of Hamburger University, where employees could earn a BA in Hamburgerology, with a minor in French fries.

McDonald's corporation was growing at a very fast rate. People were impressed by the success and everyone wanted to know the McDonald's story. However, what people did not know was that despite booming stores, there was no real cash flow. This was because all the money they made went towards the rent of buildings they didn't yet own, and buying up more land. Their accountant suggested switching the pay period to a bimonthly schedule instead of a weekly schedule, and eventually money started flowing in and Ray started to feel the sweet taste of success. The only thing still missing in his life was Joni, and she had officially turned down his offer to marry him. With that said, he moved to California to get things really rolling.



# Chapter 11

## Chapter 11 Summary and Analysis

In 1959, Ray made Harry president and chief executive officer of McDonald's after he made the \$1.5 million dollar loan with three insurance agencies. Ray took the position of chairman of the board, and while Harry focused on the financial and administrative side of the corporation, Ray continued on with the retail end. Ray was sure Harry thought Ray gave him the position so he could go off on a "fool's errand" while Harry had to do the hard work. They didn't see eye to eye on many things, and June was the only one that could keep the diplomacy between them. Ray and Harry's strained relationship started affecting the morale in the office and people started categorizing themselves as Ray or Harry people.

When Ray started the California project, he ran into several obstacles. The first was the meat cartel that was being run by corrupt distributors, wanting kick-backs. Because McDonald's was fairly new in California, it was hard to get in with the distributors, especially getting them to distribute meat the way McDonald's needed it. He found his meat with a man named Bill Moore, who owned Golden State Foods. At first he wanted Ray to buy his company, but Ray didn't want to go into the distribution business. He asked Bill to be patient and wait for the money to start rolling in, assuring him that it would. His patience paid off and in two years he was processing 300 million hamburger patties a year for McDonald's alone. This story was the same for a lot of McDonald's suppliers. Lou Perlman was Ray's paper supplier; Ray knew him from his Multimixer beginnings. He went to him to create a McDonald's logo, and with a handshake his small company became a subsidiary of Martin-Brower corporation and retired as chairman of the board.

Soon all the supply problems in California were solved, but things were still too slow in the state. Ray asked one of his workers, Nick Karos, to come up with a television ad campaign to present to Harry. Harry reluctantly accepted the proposal, and McDonald's became a hit almost over night in California. In addition, the corporation started to reap the benefits of their real estate investments, Hamburger University was thriving, and they even added a research and development unit. June's husband had also invented a fryer that took all the guesswork out of making the fries, which had to be fried twice and everyone always did it a little bit differently than the other guy. But Ray was still miserable because he didn't have his Joni. He ended up meeting a really nice woman named Jane and married her after only two weeks. When Joni found out about his marriage, she called to see if he was really happy. He said he was and slammed the receiver down.



# Chapter 12

## Chapter 12 Summary and Analysis

Ray and Jane moved to a new house in Beverly Hills. Operations were expanding very quickly and he found himself traveling back and forth between LA and Chicago every two weeks. The heads of the corporation were taking the steps towards making the company public. They had a lot of decentralization to do within the corporation since they had 637 stores, and they could not manage them all from the Chicago office. Ray wanted someone that was close to the stores to make decisions for them, instead of having decisions made from headquarters. Ray said that the authority should remain with the operators because if people are micromanaged they will walk. Ray's solution was to divide the country into regions.

In addition to organizational changes, there were new changes to the McDonald's menu. The introduction of frozen potatoes was a big change. It was better to have frozen fries that were already prepared because it was faster and cleaner. Also, the Filet-O-Fish was introduced to the menu, which was a cod sandwich with a half slice of cheese and tartar sauce on a regular bun. They added the Filet-O Fish to appeal to large Catholic populations that couldn't eat meat during lent and on Friday's. In 1964, Art Trygg passed away from cancer. He was Ray's most trusted friend and his death struck him very hard. He thought about the times he would talk to Art about Joni and how he loved her. He knew he would always love her; he was still in love with her, even though he was married to Jane. Luckily, 1964 was a very busy year and he was able to drown himself in work as usual.

The company went public at \$22.50 a share. Before the first month was over, the stock price went up to \$50 a share, and finally, June, Harry, and Ray were wealthier than they could have ever imagined. The corporation was accepted in the New York Stock Exchange and, to celebrate, Harry and his new wife, June, and Al Golin ate McDonald's hamburgers on the stock floor. June and Harry's wife were the first women ever allowed on the floor of the exchange, and the papers went nuts over it. That same year, they had hit the two-billion number of hamburgers sold. They also introduced Ronald McDonald, were part of the Macy's Thanksgiving Day parade, and were accepted as a new American institution. With all of these changes came structural changes to the McDonald's buildings. They were eyesores and they needed a change.



# Chapter 13

## Chapter 13 Summary and Analysis

Ray lost a lot of friends traveling to the top. One he never thought he would lose was Harry. They had one final confrontation, and Harry resigned. Harry was falling ill all the time and he could not endure the constant traveling. Another reason was the division of loyalties into Ray's and Harry's people. Harry's conservatism towards real estate, and the original disagreements about where and how the company should go finally caught up to everyone. Some people believed that Harry leaving McDonald's would be detrimental to the corporation, especially since he was the genius behind finance. But things kept going like a well-oiled machine. Harry was to be paid \$100,000 a year and he had a lot of stock in the company, but he was so sure that McDonald's would die without him that he sold his stock. It was a costly mistake on his part, because it was worth well over \$100 million a few years later.

Ray made Fred president of McDonald's a year after Harry resigned, and during that year Ray focused on recapturing some old territory that they no longer owned. John Gibson and Oscar Goldstein owned all the restaurants in the DC area and parts of Maryland and Virginia but weren't using the area to their advantage. Harry didn't want to pay their asking price for the properties, so he gave up. Ray finally paid the \$16.5 million dollar asking price. While it was a lot of money, both sides ended up winning because one side got their asking price, and Ray doubled business in the DC, Virginia, and Maryland territory.

McDonald's had operated for twelve years serving a fifteen-cent hamburger, and it was time for a price increase. Even by keeping costs down, inflation was hurting the corporation, and they needed to raise prices. Ray wanted to increase the price to eighteen cents, though people argued he should raise it to twenty cents because people did not want to fumble around with pennies. Past experience led him to believe that there would be an initial increase in revenue because of faithful customers, then a decrease as people went to competitors, then a rise again as they came back knowing that the McDonald's burger was better. That is exactly what happened, and the rise in price to eighteen-cents was no big deal and brought more revenue to the company.

Ray and Fred's marketing campaigns were going well. Paul Schrage was hired to head the advertising and promotion department, which he turned into the Operators National Advertising Fund (OPNAD) and they launched into television campaigns. At the same time, Fred had managed to regain the reigns for the Canadian market, which Harry had left dangling. When Fred took over, the Canadian stores all reached a minimum revenue of a million dollars a year, which was more than the American stores. The last thing Ray wanted to do while he was restructuring the corporation was to ask June Martino to retire. She was part of the old regime and the approach was no longer efficient. She was given \$100,000 a year to retire, and she held onto her original stock, which was the best choice she could have made. She became an honorary director of the corporation



and moved down to Florida, where she did a lot of good for the Palm Beach McDonald's. Fred had done a great job in his short time as president. He added the Big Mac and hot apple pie to the menu, created a new uniform and a new McDonald's building style. He also opened a new Hamburger U campus. Ray was asked to give a talk at the new campus and he was thrilled. But he was also nervous because one of the attendees at the opening was Joni.



# Chapter 14

## Chapter 14 Summary and Analysis

Ray had not seen Joni for almost five years but his love for her was as strong as ever. After a convention party, Joni stayed to talk to Ray. He had given a speech about how he had achieved everything he wanted in life, except one thing. That thing was Joni as his wife, and she knew that. He and Joni talked afterwards and she said she was ready to leave her husband for him. They arranged to get double divorces and get married as soon as they could in Las Vegas. He set Jane up with a good amount of alimony and the Beverly Hills home. Ray and Joni were married on March 8th, 1969, and his life was finally complete.

Though Ray's life was complete, he could not stop working at his business, and Ray still had a lot of input in the business as chairman of the board. He handled real estate acquisitions and new product development. Ray was always looking for new items for the menu, and ways to improve operations and McDonald's image. He wanted to make McDonald's as livable and relevant as possible, making sure it morphed with the social and economic trends of the majority of Americans. For example, in the 1960's, McDonald's stepped up and created a minority working program, and encouraged African American women to apply and take jobs with the company. The company also started focusing on energy conservation.

Though change was good and necessary, some operators were not very open to it. Some were only interested in their own stores and couldn't see the big picture that slight changes would be better for the company as a whole. As the company became more decentralized, people missed the days they could call and talk to Ray or Harry themselves, if they any issues. So a few anonymous operators created the McDonald's Operators Association (MOA), which was an organization that put out "vicious gossip" about the company. Their theory was that the company would take over individual stores once franchise licenses expired, which was absurd because Ray only wanted to control thirty percent of the stores, not all of them. Ray had to reassure many operators that they would not be taken over. The company relied on good operators and was nothing without them. The MOA died down after a few years because the operators finally got disgusted with the negativism of the organization, something that was completely unlike the McDonald's philosophy.

Ray never would have thought such an organization would be created, nor did he know that a single operator could own twenty-five to thirty stores at once. He never thought things would get so large, and he never thought further than his basic philosophy of making the best product he could. He didn't stop to think about what would happen to his operators after their franchise licenses were up, and wanted everyone to know that they would be protected because they had the best product out there. McDonald's was and always would be an organization of small businessmen, and by helping them succeed, the corporation as a whole was prospering.



Part of the reason McDonalds was so successful was because of Ray's liberal take on everything. He always wanted to switch things up, make them better, add things to the menu and find a new product to sell. It was part of his personality that made the more conservative leaders of the corporation nervous. Creating the Egg McMuffin opened even greater doors for the corporation because they could add breakfast and expand marketing, and make the company a bit more complex and intriguing. It also meant longer hours, more revenue, and more work to please customers.

One of the things that intrigues Ray the most is finding locations to put the restaurants. He seeks out a place, mingles with the people in the area and gets a feel for whether or not they could benefit from a McDonald's and a McDonald's from them. Yet things were getting hard for Ray because he was aging and the arthritis in his hip was catching up to him. There was still so much he wanted to do, such as own the Chicago Cubs, but so little time. Instead he set his eyes on the San Diego Padres.





# Chapter 15

## Chapter 15 Summary and Analysis

Everyone was shocked when he wanted to buy the team in San Diego. One day he just grabbed the microphone at a game and announced over the speaker that the Padres were playing horribly. He wanted them to step up and win games, try harder. He gave them a huge pep talk out of sheer anger due to their losing streak. After he bought the team, it started showing signs of life, but when they started playing lousy again, he yelled at them once again over the microphone and said that they owed it to their fans to play well. There was a lot of controversy with his outbursts. The players were offended; the coaches were upset, but he did it all to help the team. Ray says that owning that team was one of the best investments. But it was an investment that was heavily scrutinized. People often accused him of being money hungry and not caring about anything else but finding where he was going to make his next dollar.

Writers often said that when McDonald's hands out coffee and burgers during natural disasters it is only to get more publicity and more money for the company. They have also written that Ray Kroc doesn't care about anything but the site of a new McDonald's and that he had a historical landmark torn down just so he could build a restaurant there. They never mentioned that the building was a wreck and that the city didn't even want it as a landmark and refused to designate it as such. Ray still has never admitted to doing anything wrong, and wouldn't take back any of his steps, except for one. That was his \$250,000 donation to the Nixon campaign. People accused him of making the donation to try to get in with the Federal price commission. At a conference, someone asked Fred if he felt compelled to agree with Ray politically. He said that he didn't and he had voted for McGovern when Ray had voted for Nixon. Ray said that they "were both wrong," and believed that when two executives think alike, it makes for poor growth because dissonance is needed for innovation.



# Chapter 16

## Chapter 16 Summary and Analysis

Ray had a few health problems and knew that if it wasn't for the advancement of science, he would never have gone so far with the company. He was given an extra shot at life and he was thankful for that. So thankful that he created the Kroc foundation. He was skeptical at first because he didn't want people thinking that he set up the foundation just to get a tax deduction. He didn't believe in such things. Another thing that people didn't know about him was that he never had an expense account with McDonald's. He didn't even take a salary. All his income came from Prince Castle Sales and the Multimixer. He did however have a company credit card, but even that he paid off with his own money.

He made his brother president of the Kroc foundation because he had a PhD and was the head of the physiology department at the Warner-Lambert pharmaceutical institute. He talks the "language of science" and was the best man for the job. The Kroc foundation does research for diabetes, arthritis, and multiple sclerosis. Ray Kroc chooses these diseases because they affect young people and diminish their abilities to succeed in the future. Robbing someone of his or her vitality is a horrible thing. The foundation expanded in 1976 to include alcoholism and domestic abuse, and Joni was very active in this cause. Ray donated a lot of money to organizations throughout his years, and he always felt very good about his donations. However he never donated a penny to any university because he didn't agree with teaching children about liberal arts, then sending them off into the world without any real experience. He said that unless universities added trade schools, he wouldn't donate. People often accused him of being anti-intellectual as a result, but that was his personality from the very beginning. He was a person that needed to work and stay active and didn't have time to sit in a class and learn about the ancient Greeks when it had no purpose in his life.

Ray always believed that the success of McDonald's didn't have to do with any level of education, rather it all depended on each of the operator's determination. If they were determined to make their store the best store in the corporation, then it would be. If they all worked the same way, then the corporation would grow bigger and more successful by the day. People just need to learn to enjoy their work and work hard at it. The more someone likes their work, the harder they will work at it and the better they will become as people and workers. Ray believed that too many young Americans don't ever get a chance to enjoy their work, and more and more of American philosophy is geared at reducing risk and making life easier. If Ray lived by this philosophy of taking it easy, then he would not have gotten far in life at all. To achieve at something, you have to accept the fact that you could fail. But a byproduct of succeeding at something you set your mind to is happiness. Happiness is gained only by taking risks, as is economic freedom. Economic freedom is the only way to happiness.



# Characters

## Ray Kroc

Ray Kroc is the narrator of the book. He is a Bohemian man, and attributes his success to the strictness of his culture and the way he was brought up. His father was a very influential man and taught him the meaning of hard work. Ray was the happiest when he was working and never liked to waste time. He thought of school as a waste of time and dropped out before finishing high school to join the war effort. He never actively served because the war was over before he got a chance, but his diligence would have paid off as a paramedic, which is what he signed up for. He was a skilled pianist and played in a lot of night clubs to make money. He found his passion for business working for the Lily brand cup company. He became their very best seller, outselling all the other salesmen. He found it intriguing to make business plans, and his passion was sticking to the plans and watching his personal team grow. Kroc was an honest business and salesman and never pushed a product on his clients. He only proposed products that he knew would be beneficial for his clients.

Ray Kroc was always looking for the next best thing and knew that he had impeccable business sense, though he could never explain why. When he was introduced to the Multimixer, he chased the business opportunity, completely cutting off his relations with Lily brand cups and risking everything. When he started McDonalds corporation, his only goal was to sell more Multimixers, not to make a fast food chain. It wasn't until he saw the amazing operation that was already created by the McDonald's brothers and he starting to branch out, that he knew he had something really big. He worked himself to the bone, making sure that every store was perfect and efficient. He coined the phrase "QSC and V," which stands for "Quality, Service, Cleanliness, and Value," and this was the base for his success with McDonald's. Ray was an extremely hard worker that believed more in honest work than education. He thought it was a shame that the education system only taught theory and not practicality or trades. He believed that the way to better society was to have every person enjoy their work. He sincerely loved business and loved to work, which is why it was so easy for him to build the McDonald's corporation. He loved doing it. And in the end, he never received one paycheck from McDonald's and was never on a salary. He devoted his life to the company, and made all of his money through the McDonald's stock that he owned and through his trusty Multimixer sales.

## Harry Sonneborn

One day a man named Harry Sonneborn came into Ray's office soliciting a job. Kroc told him that he didn't have a position available, but Harry was persistent. Ray really did need the help and knew he could benefit from Sonneborn's past experience at Tastee-Freeeze. Kroc knew he had to hire Harry because of his experience and because he had to start generating some cash flow and needed help since he was at the forefront of the



fast food industry. He was out there all his own and needed to keep his head start and momentum.

Harry was a very scholarly man and always analyzed and over analyzed every step he and everyone else took. While Kroc was an intuition person, Harry needed management theory and economic principle analyses. Harry was responsible for making the business deals that skyrocketed the McDonald's name. However, Harry was less interested in the restaurant operation and more into the real estate aspect of the operation. This is where he and Ray clashed. They lasted for many years tearing at one another's throats. Harry got increasingly ill and the demands of the corporation were too hard to keep up with. He had one last fight with Ray and he resigned. He was quitting with \$100,000 per year of retirement and his original McDonald's stock. He was so sure that McDonald's and Ray would fail without him that he sold all of his stock. His lack of faith was very costly, because a few years later the stock he had was worth well over \$100 million. Harry and Ray's dissonance is one of the reasons Ray believes McDonald's turned out to be such a great company—because both he and Harry wanted the best, and neither could agree on what it was.

## June Martino

She was initially Ray Kroc's personal secretary when he was just selling Multimixers. June was a married woman, and even though her husband evaded being drafted for the WWII war effort, she was sworn into the WACs. While enlisted, she studied electronics at Northwestern University. No challenge was ever too big for June, who was the daughter of a prominent German family in Chicago. She had two children towards the end of the War, and after her parents died, she and her husband were nearly fourteen-thousand dollars in debt. She went out looking for a job and that is how she wound up working for Ray Kroc. She was very charming, and business oriented. She was always the peace keeper in the McDonald's corporation and kept things civil between Ray and Harry when things between them started getting rough. She worked hard as a secretary and as a friend. June had a womanly intuition that balanced the office, and Kroc was always careful to listen to her suggestions because they were always good ones.

Kroc often said that she was often overworked and underpaid. She spent endless hours in the office, managing Kroc's schedule and even making corporate decisions herself. Her work paid off in the end when McDonald's corporation took off. She was the person that made the office a happy place and was often called "Mother Martino." When Kroc gave up the reigns of the corporation, he knew that it was time for June to retire, too. He gave her a permanent seat on the board of the corporation. He knew that as McDonald's was evolving, June's direct work wasn't needed anymore, but her presence on the board was very important. She retired with the same deal that Harry got, \$100,000 a year and her original stock. June was always true to McDonald's and kept her stock, making her a very wealthy woman.



## McDonald Brothers

The McDonald brothers were very difficult men but were the creators of the first McDonald's restaurant in San Bernardino. They never wanted to expand their restaurant and made it difficult for Ray to expand, too. They thought that what they had was good enough, and at several points made it hard for the restaurant to legally progress. When McDonald's was already big, and Ray wanted to officially own the San Bernardino store, the brothers sold it to him for a very expensive price. Both brothers lived good lives after selling, thinking they made the better deal. If they had cooperated, they would have been much better off.

## Fred Turner

Fred was hired to be the operations manager. He was a man that was very detail oriented and was constantly looking for ways to improve the daily McDonald's operations, down to the type of wax paper that should be placed between hamburger patties. He was a good businessman and was made president of the corporation after Harry quit. When he took over the company, he expanded it further than Ray had anticipated. He conquered the Canadian market and aided in overseas operations. Fred and Ray were also very different people, much like Harry and Ray, but Fred believed whole heartedly in McDonald's and its possibilities. He worked alongside Ray to make sure the corporation could keep growing and prospering. One of the reasons he was chosen to be the next president was his youth and energy and because of the hard work that he enjoyed doing. He was the perfect person to carry McDonald's through years of social change and knew how to work through the punches of society.

## Marshall Reed

Marshall was the secretary that Ray hired when he was a salesman at Lily. He needed someone that would not only take messages and write letters for him, but someone that could take the reigns if he needed a break. He never needed a real break, but someone to watch things for him when he had a few surgeries.

## Paul Schrage

Paul Schrage was hired to head the advertising and promotion department, which he turned into the Operators National Advertising Fund (OPNAD); they launched into television ad campaigns. Paul was a detail-oriented man and knew how to get the job done. He helped make McDonald's into an all-American company, which had a huge impact on the way American families ate out.



## **Art Jacobs**

Art Jacobs was the friend on whom Ray always counted. He was hired to write a newsletter for the McDonald's operators and then became Ray's chauffeur and valet as well.

## **Joni Smith**

Also known as Joni, this is the woman with whom Ray fell in love. Her husband was a successful McDonald's operator, and she was a good wife to him. She fell in love with Ray as well, but it wasn't until he left two wives that she decided to leave her husband and finally marry Ray.

## **Ethel Kroc**

Ethel was Ray's first wife. He fell in love with her before he was eighteen and got a job to convince his father he could marry her. They had a daughter together and were seemingly happy until Ray got too obsessed with work and spent less and less time at home. They divorced when Ray fell out of love with her.



# Objects/Places

## San Bernardino

This is the location of the first McDonald's restaurant. It was an octagonal store, with a storage space in the back for storing potatoes. People would drive up to it and order their burgers and fries at the counter, where they could return to their cars and enjoy a 15-cent hamburger and the best fries ever.

## Tulip Corp

This was the first company for which Ray Kroc worked. Lily brand distributed paper cups of varying sizes, and the paper cup company benefited a lot from employing Ray Kroc.

## Multimixer

The Multimixer was an invention that made colder, smoother, and less caloric milkshakes. It started with six spindles, then later evolved to having only five. It was the product that introduced Kroc to the McDonald brothers and their quaint, but successful, restaurant in San Bernardino, CA.

## McDonald's French Fries

The french fries that the McDonald brothers made were pure heaven to Ray Kroc. They had a very strict way of making them, which included housing them outside, where the desert air could cure them. They were peeled with just a bit of skin left on for flavor, and then soaked in water to release the starch. They were then fried twice to give them a golden brown and delicious texture.

## McDonald's Buns

They were first made to perfection by Mary Ann Baking Company. They started out as semi-cut, connected buns, and then were sold separately, completely cut, and shipped in special waxed boxes that could be used multiple times to decrease costs. A lot of detail and attention was put into the making of these buns



## **Hamburger University**

A school that Luigi Salvaneschi helped create where operators and workers were taught about the standard procedures for working at a McDonald's. It started out small, then was made into a real school with a research and development department.

## **Filet-O-Fish**

This is the first fish sandwich that McDonald's created. They made it in order to attract the Catholic population while they were fasting during lent and on Fridays. Ray added a half slice of cheese with the fish and tartar sauce.

## **Big Mac**

The most popular burger after the simple hamburger. It has two beef patties instead of one and is served with a sesame seed bun.

## **Chicago**

This is where Ray Kroc was born and started working. He started his first McDonald's just outside Chicago; this is where the McDonald's headquarters is located.

## **Waukegan, Illinois**

The site of the first McDonald's that Ray ever created. It was the beginning of the empire.





# Themes

## Salesman Intuition

Ray Kroc knew that he had a salesman intuition that helped him make great decisions. Many of the people that he worked with had degrees and advanced degrees and held high positions in other companies. Ray never graduated from high school and found school a waste of time because he knew that he did not need to be trained to make the kind of decisions that would make him rich. He knew how to make a successful plan and stick to it. He studied his market and knew what the public and his clients would benefit from. He never sold anything that he didn't believe in, except for the Hula Burger, which was a complete flop, even though he often enjoyed them in his own house after they were rejected by the public. Ray also had a great intuition about people and their capabilities. He knew what he wanted, how to get it, and he never lost sight of his goals or himself. This is why he was such an amazing salesman and businessman, and it is revealed through the chapters that he always knew what he was talking about.

The message of the book is to foster any kind of intuition or gift that a person has. Ray thought it was a shame that American education was geared more towards teaching theories rather than trades. The university system didn't teach its students how to do anything, other than examine the great things that other people have done. It supposes that through example students can learn to do great things themselves, but Ray never believed that. He was great because he worked hard at what he did, and if everyone did that, it would be a better society. People need to go out and take advantage of the freedom of enterprise, and that was exactly what he did.

## Positivity

Ray was a very trustworthy man, and he expected the same type of honor system from the people with whom he worked. When he met the McDonald brothers, he wanted to continue on with their contract in good faith but was advised to use a lawyer. They were very screwy, and were the first to take advantage of Ray's eagerness to succeed. Many of the major deals he made with Harry and Fred were all with handshakes. He believed in people and their ability to work honestly. He made several other deals with people and was taken advantage of several times for trusting them. But in the end, he never gave up on his dreams, and his goal of making McDonald's a fast-food giant became a reality. He always stayed positive, even when times were rough, and he always believed in himself and his abilities.

Even people within the company wanted to bring Ray down. A few operators created the McDonald's Operators Association, which was a clandestine association that met to talk about conspiracy theories. They believed McDonald's was going to steal away their franchises once their leases were up. These rumors could have potentially jeopardized the corporation because enough operators protesting change could topple any weak



establishment. But Ray was so on his game and so connected with his operators that he was positive nothing bad would come of the MOA.

Other franchises also tried to hurt McDonald's by playing dirty games. Instead of setting out to make a better product, they used shady tactics such lowering prices in their stores whenever a new McDonald's was in town to keep customers away. In the end, customers went to the McDonald's anyways, and the shady store lost out on a lot of money, and a lot of class by being negative and trying to spread negativity. Ray's strategy was always to stay positive and not react negatively or abruptly to any negative action by competition.

## Money Hungry McDonald's

McDonald's corporation is viewed as a company that only cares about making money and not about the well being and health of its customers. When Ray Kroc began the corporation, it was a time where little attention was paid to the nutritional value of food. He simply wanted to make the best hamburger for the best price. In order to make the best tasting hamburger, it had to be a certain fat percentage, and if it wasn't at the percentage he wanted, then it couldn't be served. Ray did care about his customers, and that is why McDonald's has been so successful. Ray was always criticized about being money hungry and only caring about where he would make his next dollar. But he argued that this was unfair to him. He made money because he worked hard at his corporation, and the money was just the result of doing what he loved. In fact, he never even earned a salary from McDonald's. All of his money came from the Multimixer and Prince Castle Sales. That is proof enough that McDonald's originated with the best intentions of making its customers happy. Money was just a perk.

People associate corrupt corporate America with McDonald's and the arches are now a symbol of obesity, exploitation and corruption. However, upon reading this book, that idea is simply not represented. Never once does the reader get the impression that Ray Kroc was out to conquer the world, one burger at a time. All the reader ever feels is the passion that one man put into a company and the fruit of his labor. If McDonald's has evolved from those values that Ray Kroc established, it was never the intention of Kroc for that to happen. The company is successful because he made it so, and its symbolism is only a result of its success.



# Style

## Perspective

Ray Kroc is the only person who could have ever written such a sincere and humble story about his business. He is the creator of the McDonald's corporation and wanted to tell his story to the world. This book was written for the general population and perhaps those skeptical about the intentions of the McDonald's corporation. Ray Kroc wanted a successful hamburger business, not a company that would take over the world, as some cynics believe. The reader should see McDonald's in a new light, a shining positive light that reveals what hard work can achieve and reveals that the strength to pursue an idea is sometimes the hardest thing to come by and can never be bought with money.

## Tone

The tone of the book is very casual and positive. Kroc is a great storyteller and his writing is very modest, considering the scale of the business that he created. The tone makes the reader proud of Ray Kroc and his accomplishments. It throws out an image of the McDonald's corporation that is positive and humbling, not at all overbearing. It creates a sense of pride in the corporation and in the end should really make the reader want a burger and shake. Ray is very passionate, yet humble in his writings, and the reader cheers on all his accomplishments without feeling that McDonald's is presently a corporate giant that faces charges of exploitation and making people fat. The tone is entirely sincere and reveals that the McDonald's corporation was a warm and pleasant company with the most modest of beginnings.

## Structure

The book is divided into sixteen medium length chapters. The beginning is an introduction to Ray's early life. As the book evolves, the reader learns about Ray's personality and how he grew into a billionaire by staying positive and never giving up on a dream. The book has a few chapters where Ray Kroc writes about a mental snapshot, which is a memory within the memory of the book, and these are often tangents where the reader can get lost. However, everything usually ties up nicely towards the end of each chapter. The main problem with the writing is that he often foreshadows too far into the future, and the reader pretty much knows where the story is going before he or she is halfway through the book. Perhaps this is the problem with reading about something that is so common and well known. There is no surprise or great revelation, other than how the restaurant began.



## Quotes

"No self-respecting pitcher throws the same way to every batter, and no self-respecting salesman makes the same pitch to every client." Chapter 2 pg. 19

"One man's famine makes another man's feast." Chapter 3, pg. 34

"KISS — which meant keep it simple, stupid." Chapter 3, pg. 35

"There's almost nothing you can't accomplish if you set your mind to it." Chapter 5, pg. 59

"A salesman without a product is like a violinist without a bow." Chapter 5, pg. 62

"There's many a slip twixt the cup and the lip." Chapter 6, pg. 73

"An astute judgment can seem arbitrary to everyone except the man who makes it." Chapter 8, pg. 98

"A well run restaurant is like a winning baseball team, it makes the most of every crew member's talent and takes advantage of every split second opportunity to speed up service." Chapter 8, pg. 99

"I was an overnight success all right, but thirty years is a long, long night." Chapter 8, pg. 101

"Sit on them and they will be stifled." Chapter 12, pg 143

"If laid end to end, two billion hamburgers would circle the earth 5.4 times." Chapter 12, pg 150

"Business is not like painting a picture. You can't put a final brush stroke on it and then hang it on the wall and admire it." Chapter 14, pg 167

"Nothing recedes like success." Chapter 14, pg. 166



## Topics for Discussion

What would have happened to Ray Kroc if he would have never discovered the Multimixer? How would the world be different without him?

Ray was a very passionate man, yet all the money in the world was no match for love. Would he have accomplished more if he had his "Juni" earlier?

June and Harry stayed with Ray for years, June until the end. At first, they hardly made any money. What was it about McDonald's corporation that made them stay?

The timing of the end of the War had a lot to do with the evolution of Ray Kroc. Had he been able to serve, he wouldn't have worked for Lily brand when he did. What other circumstances led to his success?

Did Lily brand corporation help or hamper Ray's creativity?

Would McDonald's corporation have survived if Ray didn't get rid of the McDonald brothers? Was it unethical to get rid of the McDonald brothers?

What were the people in the McDonald's Operators Association (MOA) trying to achieve by establishing the MOA? Were they a pressure group trying to get something out of Ray?