Chick-fil-A on doing unto others

By <u>Lisa Landoe</u> April 26, 2011

CEO Dan Cathy of the Chick-fil-A company has a <u>new</u> service model: the Sermon on the Mount.

"Here's the deal," Cathy announced recently at the second annual Imagination Summit in California:

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of us were created in God's image. Because we are created in God's image - [which] is to be treated with honor, dignity, and respect - we desperately in our deepest part of who we are...desire to be treated respectfully... And so any business person that has that insight retools their whole service experience around honor, dignity and respect...and will [have] people tweeting, facebooking...and you can have a cult brand.

Despite the recession,

Chick-fil-A has reported double-digit sales increases in the last four years. According to Cathy, the company's business strategy is predicated not on maximizing end profits but on a desire to glorify God by being good stewards of their customers. Whatever else it is, this religious take on business isn't *just* a hindsight application of the

prosperity gospel--for years, Chick-fil-A has been the only national fast-food chain that observes the sabbath.

Still, the faith rhetoric smacks

of utilitarianism. "You don't have to be a Christian to work at Chick-fil-A," <u>said</u> company founder

S. Truett Cathy (Dan's father) in 2007. "But we ask you to base your business on biblical principles *because they work*."

In 2002, Dan Cathy admitted that

the never-on-Sunday policy, which was implemented back when his dad was also running

the Dwarf House diner in Atlanta, soon became "the single best business decision [my father] ever made."

Describing the company's

policies in terms of the family's Christian faith sounds like savvy business. But S. Truett Cathy grew up in America's first public-housing project, and he used to work as the (24-hour) Dwarf House's only cook. You can see why he might place a premium on treating people with dignity. By staying closed Sundays and giving everybody the day off, Chick-fil-A franchises miss out on an estimated \$500 million of revenue annually.

The company's management employees receive impressive

benefits, including access to extensive training and development programs.

Headquarters even invites

<u>any employee</u> interested in franchise ownership to visit and learn about the company. Employee turnover rate is only <u>3 percent</u> among staff and unit operators.

These are impressive facts,

but they might not be enough to earn Chick-fil-A top marks on labor issues. And earlier this year, a franchise operator's sponsorship of a marriage seminar led to accusations

that the company is antigay. (Dan Cathy released a <u>video statement</u> on the matter.) Ethical-food

advocates might argue that Chick-fil-A's carbon footprint, <u>animal treatment</u> and nutritional profile make it hard to argue that the company does well by either the environment or human beings.

But Chick-fil-A is ahead of

its competitors. Last month, Environmental

Leader issued a report lauding the company for piloting

green building techniques. And the chain's advertising tactics are <u>commendable</u>: it scores points by amusing its viewers but not by defacing the competition. On the whole, I'd say Chick-fil-A is doing a pretty good job.