Overseas still good for business despite war, boycotts

By Gregg Cobrants

Former U.S. Sen. Wyche Fowler Jr. warned restaurant operators that they should proceed with caution when expanding overseas but that they should not stop doing business abroad. "The picture's pretty bleak right now," said Fowler, who also won the U.S. Ambassador to Saudi Arabia from 1996 to 2001. During the National Restaurant Association's Hospitality Show, he spoke at a seminar designed to shed light on doing business in the Middle East and Europe.

As a result of the wars in Iraq and Afghanistan, anti-American feelings are running high, he said, and U.S. businesses, if unprotected by friendly forces, can become "soft targets" for terrorists.

Nonetheless, U.S. businesses that open new operations overseas or that "cut and run" from existing operations will tend to benefit in the long term because of the huge need for products and services, said Fowler, who now is chairman of the board of the Middle East Institute in Washington, D.C.

"The opportunity is great; the danger is there," he said. "The danger stems from perceptions by foreign citizens that U.S. businesses are extensions of U.S. foreign policy, opening them up to political reprisals by anti-American activists.

At the least, these reprisals take the form of boycotts of American businesses. Such companies as Taco Bell, McDonald's and KFC have to one degree or another been part of a boycott simply because they're American," Fowler said.

The boycotts, in large part, are initiated by impressionable children and joined by the rest of their families, he said. "The children watch war and political coverage on local TV stations, which play in bands of specific religious groups and generally depict the United States in a bad light, and then they "pull the Coke out of the refrigerator and say they won't go to Burger King again," Fowler said.

"Over the last two years, American companies had to be extremely defensive in their strategies," he said. "They're on the defensive, trying to maintain market share." The citizens who boycott U.S. firms end up hurting themselves, Fowler said, because the franchises are local people, and they're the ones who end up losing money.

"Unfortunately, our world is not always rational," he said. "Restaurant operators who want to do business overseas must remember that they are 'true ambassadors' of the United States, Fowler said, and their behavior reflects the nation's foreign policy.

To succeed in the Middle East and elsewhere, he said, they have to respect the local culture, particularly now when "trampant anti-Americanism" prevails. "Until understanding unfolds and how they view Americans is not as easy as it seems, he added.

Using an analogy to make his point, Fowler said that American businesspeople and policy makers are good at opening windows to see other countries, but "we lack mirrors to see how others see us.

One troubling perception among Middle East nations he said is that the United States launched the war in Iraq to seize oil fields and become an occupying force in that country, and not for the U.S. government's stated reason of destroying what it called weapons of mass destruction.

The feeling that the United States wants control of Iraq is high because it is almost alone in reconstructing the nation and has not asked other countries to participate in rebuilding.

Fowler said that the rebuilding effort "is proceeding by fits and starts" and that "I don't know why the United States has not moved more quickly to invite other countries to help in the rebuilding."

In light of how U.S. foreign policy can affect doing business overseas, and the ramifications of that policy on businesspeople, Fowler told audience members that when policy "is having an unintended consequence in the countries where they do business, you have a responsibility to make that known to Congress and other federal officials."

Chick-fil-A founder inspires crowd with insights, truisms

By Milford Prewitt

Faith in God, altruism and a willingness to embrace hard work may be inadequate management qualifications in a world that worships MBAs. But those attributes were all S. Truett Cathy needed to create a billion-dollar chain based on nothing more than homemade chicken sandwiches.

Cathy, founder and chief executive of the Chick-fil-A sandwich chain based in Atlanta, gave an alternately folksy, humorous and sobering overview of his life, career and company's growth during a standing-room-only breakout session titled "Eat Mor Chikin... Inspire More People" at the National Restaurant Association Restaurant, Hotel-Motel Show.

At least 300 people stopped their convention activities to pack a seminar room at McCormick Place, where Cathy delivered his one- and-a-half-hour address, recalling how his faith and a belief that hard work could conquer all helped him overcome adverse circumstances as a youth. Cathy's speaking style is an enduring combination of homespun aphorisms, quick-witted rebuttals and unimpeachable truisms, which he honed over a 60-year career in fast food and through reading the Bible.

One of the few living fast-food legends, Cathy started his restaurant career around the same time as such pioneers as Ray Kroc, Dave Thomas and Carl Sanders. He remains active in his $1,000-m unt chain, which boasts more than $1.4 billion in sales last year.

"I liked working, worked more than I did going to school," Cathy said. "I was drafted right into the Army after high school, so I never got a chance to go to college. "But that's all right. I never liked going to school anyway. I'd rather be working," he added.

To hear Cathy discuss his life and career is anything but a straightforward, start-to-finish narrative. It's a wide-ranging scattershot of anecdotes and description, all laced with valuable lessons for his attentive audience.

Cathy said he was so poor growing up in Georgia that the only toy he had to play with as a kid was a "hooch tooth, and even that belonged to my brother."

As a young man, he sold newspaper subscriptions with great success, discovering that he was a natural salesman.

After a stint in the Army, he sold his car in 1946 and, with additional cash from a brother, bought a piece of land on which he opened a southern-style diner.

Later, they would open a second unit, about which Cathy said he had mixed feelings.

"Oftentimes, I wished I had just one restaurant, 0/2. I never came over a period of time you realize it is difficult to concentrate when you have two units," he said. "But you know, the Lord took care of that for me! He burned the first place down about 10 years later!"

After years of experimenting and tinkering with chicken sandwiches, Cathy hit on the boneless bread version and launched Chick-fil-A in 1967. All of the spices and seasonings he used to flavor the patties were products he happened to have on his shelves. He tweaked the recipe over the years.

"My friends would say to me, 'You know, Truett, there is no great secret to taking a bone out of chicken breast, grilling it and then putting it between two slices of bread,'" Cathy recalled. "And I told them, 'I know that. That's why I did it.'"

Cathy also shared some other insights:

On borrowing money: "I always believe it's better to pay off what you owe before you take on new debt."

On what he told mail orderers who were concerned about the smoke, storms and papers trashed associated with fast food: "I'd tell them, if you want to keep the place clean, then why don't you lock the doors."

On why he never switched careers: "Being in the restaurant industry is a divine calling. You have the privilege of serving people, just as it is taught in scripture."

On why Chick-fil-A never went public: "I enjoy what I'm doing. If we went public, I'd be fearful I'd lose my job. How many times have we read about companies that went public and lost the board that fired the founder?"

On his commitment to God after having taught Sunday school to teenage boys for 41 years: "We intend to put two bibles in every public school [library in Georgia]."

On his hopes for the future of the company: "That we never go public and always close on Sunday."

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