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HIST 225 Section 36 - American Dreamscape Entry

RISKY BUSINESS

Ray Kroc (October 5, 1902 – January 14, 1984) was an American entrepreneur best known for expanding McDonald’s. Living a rough half of his first life, Kroc found a way to turn his struggles into success through hard work, dedication, and a calculated series of risks.

It is hard to accomplish the “American Dream” without having to risk it all. Time and time again, Ray Kroc (October 5, 1902 – January, 14 1984) risked it all to propel McDonald’s to the fast-food empire we know it as today. Born at the start of the 20th century, Ray Kroc’s early life was riddled with adversity. After a slew of jobs and experiences during the midst of the Great Depression, Kroc found himself selling milkshakes for 15 years starting in 1937[[1]](#endnote-1). On one of his sales trips for the milkshakes, he came across the original location of what we know today as McDonalds. Through Kroc’s hard work and calculated risks, he built McDonald’s to where it is today.

In 1954, Kroc traveled to the original McDonald’s brothers location for a sales trip. He was intrigued because although it was a small store, they purchased 4 times the usual amount of milkshake machines. In his 15 years of sales experience, he had seen a lot of operations, but none run quite like this[[2]](#endnote-2). He immediately wanted to become a partner and expand the business. He started by taking a huge risk, keeping the franchisee license a low cost and taking on most of the financial burden[[3]](#endnote-3). While this was a big risk, it allowed McDonald’s to rapidly open new locations across the country, boosting its growth astronomically.

Next, in the early 1960’s, Kroc seized the opportunity to buyout McDonald’s from the McDonald brothers. Kroc’s relationship with the brothers strained over the years, as their franchises were poor performing and they opened a franchise close to Kroc’s own. Kroc and the company took on massive debt buying out the franchise, but he saw it fit to complete his vision. Kroc strived for consistency across all locations, so that a burger and fries tasted the same no matter where you were in the country. He also changed sought to change the stigma of a burger joint from a rebellious hangout to a family friendly experience.

Only a year after his reveal, Ronald McDonald was recognizable to 96% of American Children[[4]](#endnote-4). Nobody had taken the assembly line approach and applied it to food, but Kroc took the risk and proved it could work at a large scale. Between the fast service and enforcing cleanliness and friendliness at every establishment, McDonald’s quickly became a brand people could trust. By the time Kroc died in 1984, McDonalds had thousands of locations in the U.S. and locations around the world.

In his 2008 paper, *Fast Food- Ray Kroc and the Dawning of the Age of McDonald’s*, James Tillotson attributes McDonald’s success due to “The Right Person, the Right Vision, the Right Product, and the Right Time.”[[5]](#endnote-5) Fast food places had previously tried to expand via franchising before, but always failed due to inconsistency in food quality or service. Ray Kroc was the right person, with decades of sales experience to back his decision making and risks. McDonald’s was the right product, as it provided a low cost convenient meal at a time cars were becoming more popular. Combined with the rapid expansion early in the life of the franchise, meeting the American consumer’s demands allowed Kroc’s empire to explode.

Today, Kroc’s legacy continues. There are tens of thousands of McDonald’s locations in over 119 countries. His quotes can still be found across McDonald’s websites, and his standards are still enforced in every McDonald’s location. Kroc would not have been able to accomplish building this fast-food empire if he didn’t seize the chances to take risks and grow. Even though he was 53 years of age when he first stumbled across McDonald’s, Kroc was able to channel his experience and dedication to achieve the American Dream. He turned his decades of adversity into hundreds of millions in fortune.

1. Roberts, Chris, Linda J. Shea, and Stephen J. Sasso. “Ray Kroc: A Visionary CEO Who Reshaped An Industry.” *Journal of Hospitality & Tourism Education* 17, no. 1 (February 2005): 5-6. [↑](#endnote-ref-1)
2. Kroc, Ray, and Robert Anderson. 1977. *Grinding It out : The Making of McDonald’s*. Chicago : H. Regnery, c1977. [↑](#endnote-ref-2)
3. Roberts, “Ray Kroc: A Visionary CEO,” 6-7. [↑](#endnote-ref-3)
4. Roberts, “Ray Kroc: A Visionary CEO,” 8. [↑](#endnote-ref-4)
5. Tillotson, James E. “Fast Food—Ray Kroc and the Dawning of the Age of McDonald’s.” *Nutrition Today* 43, no. 3 (May 2008): 107–13. [↑](#endnote-ref-5)