

EAT MOR CHIKIN

And Truett Cathy, the CEO of Chick-fil-A, will steer some of his company's profits into foster homes, summer camps and college scholarships.

The most valuable thing that grew out of the poverty of his youth is S. Truett Cathy's abiding interest in the well-being of children.

The string of nonprofit ventures that Cathy, founder and CEO of Atlanta-based fast-food giant Chick-fil-A, has initiated over the years actually look more like a full-fledged conglomerate than a business: a charitable foundation, 10 foster homes, a summer camp, two separate scholarship programs

and a number of one-on-one involvements with children whom he has either taken into his own home or helped get jobs or an education.

Fueled by its ad campaign featuring cows painting billboards with the slogan "Eat Mor Chikin," Cathy's chain of 720 restaurants has seen double-digit sales increases for four straight years, which proves that a company can do good and do well at the same time.

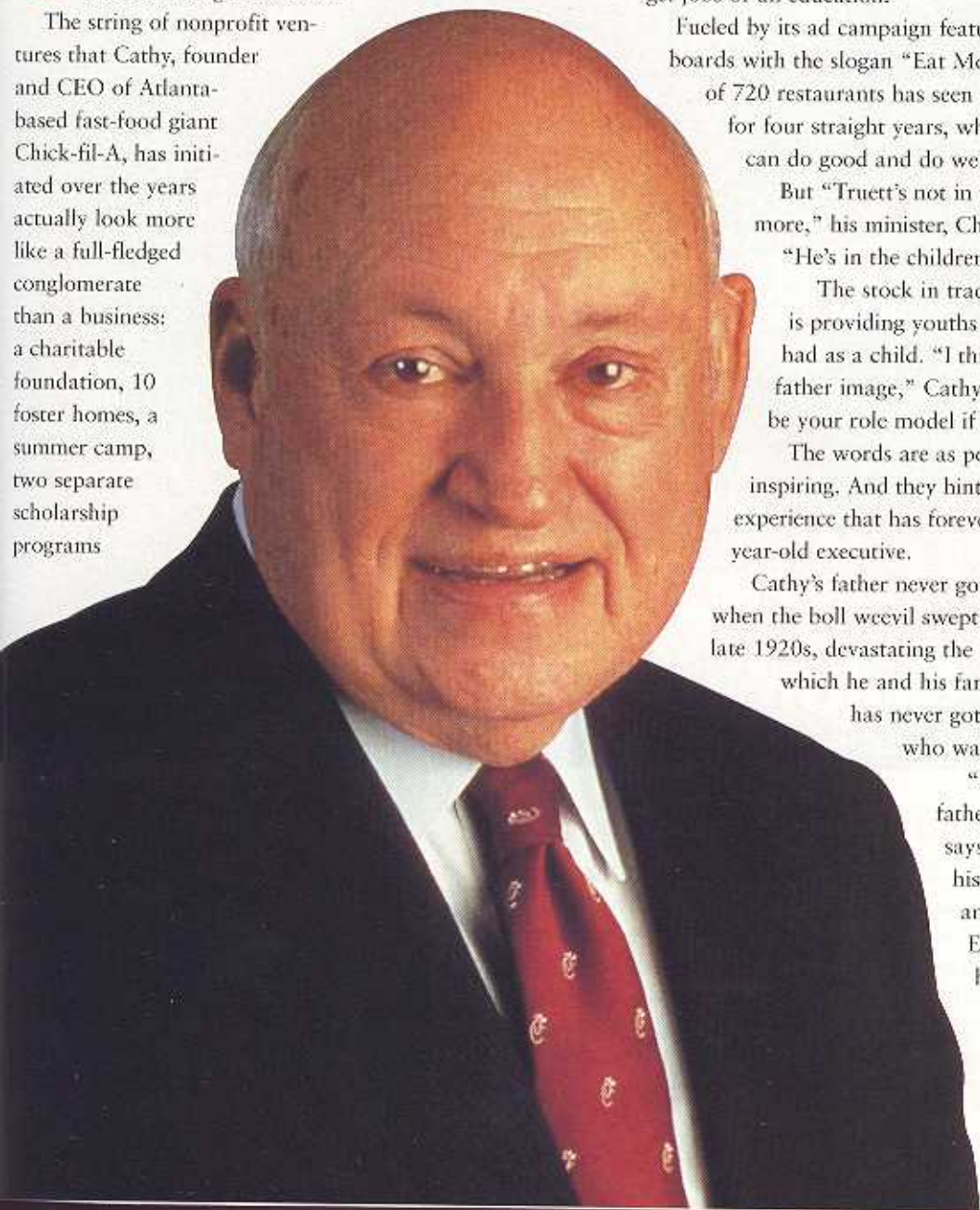
But "Truett's not in the chicken business anymore," his minister, Charles Carter, says of him. "He's in the children business."

The stock in trade of Cathy's conglomerate is providing youths with advantages he never had as a child. "I think I have taken on a father image," Cathy says. "I tell people, 'I'll be your role model if you'll be my role model.'"

The words are as poignant as they are inspiring. And they hint at the childhood experience that has forever after shaped the 76-year-old executive.

Cathy's father never got over losing everything when the boll weevil swept through Georgia in the late 1920s, devastating the agricultural economy on which he and his family depended. And Cathy has never gotten over having a father who was a broken man.

"He was not the kind of father I'd like to have had," he says, more than 70 years after his family had to pick up and move to Atlanta from Eatonton, Georgia, where his father had handled rural real estate. "He ruled the house with a leather strap, and he didn't mind using it."

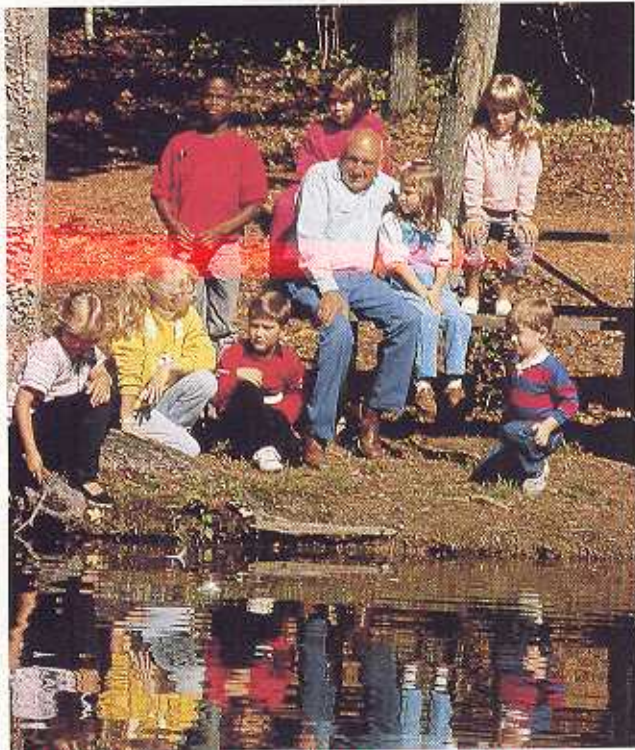


In Atlanta, where his father sold insurance door-to-door, Cathy's mother took boarders into the house they rented in the city's Southside neighborhood. "I'd never seen my mother with her eyes closed," Cathy recalls. "She was the first one up in the morning and the last one to go to bed." But all the hard work took its toll on his mother's health, so the family moved into Techwood Homes, America's first subsidized housing project.

There, the family's fortunes went from bad to worse. Despite the government subsidy, "we were not able to make it there," Cathy recalls. "I used to help my father with his books on Thursday nights, and it was always a bad experience. We'd count out all the money he had, and he just didn't have the money he owed the company.

"Things were so bad when I was a kid, the only thing I had to play with was a loose tooth," Cathy says today with rueful humor, "and that wasn't even mine; it was my brother's."

Cathy can make light of his adversity now, because he has turned the hardships of his childhood into life lessons. Take, for instance, the years he got up at the crack of dawn to deliver newspapers. "Those seven years were far more valuable to me than a degree at Harvard," he says, "because I learned the value of taking care of that customer." That attitude, coupled with an intimate familiarity with hard work, later helped him turn a small suburban Atlanta restaurant (so tiny, he named it the Dwarf Grill) into a franchise with annual sales that were projected to top \$570 million in 1996. Along the way, he became a seminal figure in fast food in his own right. Last year, *Nation's*



Ain't nobody here but us chikins: "Truett's not in the chicken business anymore," Cathy's minister says. "He's in the children business."

Restaurant News named him to its hall of fame for being the inventor of the breast-of-chicken sandwich and a pioneer in mall counter service in the days before food courts, and for his chainwide policy of remaining closed on Sundays. (That policy, Cathy says, will stand as long as he's in charge.)

Cathy's interest in foster children began while he was teaching Sunday school at First Baptist Church in Jonesboro, Georgia. For 40 years, Cathy has taught the 13-year-old boys while his wife, Trudy, taught the 13-year-old girls. One morning a neighbor brought a visiting youth, who told the class that after his parents were divorced and his mother subsequently killed in an automobile accident, he had been sent to Jonesboro to live with an aunt and uncle he hardly knew.

The Cathys, whose own three children had grown up and were attending college, took an interest in the boy and invited him to spend some time in their

home and on their 262-acre farm. With Cathy's help, young Woody Faulk went on to graduate from the University of Georgia and then earned an MBA from Harvard. The investment proved to be not purely philanthropic: Faulk went on to work for Chick-fil-A and is now the company's vice president of operations.

"I'm motivated in what I see in our young people," Cathy says. And he sees a lot of them; most of the 35,000 Chick-fil-A employees are high school or college age. "We've found lots of young people who have a high desire to please and achieve," he says. That's why he has set up one of the most generous scholarship programs in the fast-food industry. Since 1973, Chick-fil-A has awarded some 12,000 scholarships of \$1,000

each to promising employees. In a separate program subsidized by Berry College and Cathy's WinShape Foundation (the name is a word play on "shaping winners"), more than 500 students have attended Berry on full scholarships in the past 12 years.

Some of them become involved with Chick-fil-A during their college years. "We get acquainted with them, and they get acquainted with us," Cathy says. "If they choose to make a career with us, this pays great dividends." About one-third of the 250-person staff at Chick-fil-A headquarters, which is on a wooded expanse a few miles south of Atlanta's Hartsfield International Airport, have gone to school on these scholarships.

Cathy still puts in long hours at Chick-fil-A and delivers an average of two speeches a week on the road. That would be enough to occupy most executives, but he insists on spending time with the 85 foster children in his

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homes because he believes that others can triumph over circumstances just as he did.

One such home is Doug and Julie Bowling's, located on the Berry campus, some 75 miles northwest of Atlanta. It's a late fall afternoon, and the discordant tones of someone in the very early stages of learning how to play the piano echo through the house. In the living room, various children are telling the Bowlings how their school day went. One 17-year-old is getting ready to go to his job in a nearby mall, and Doug is his designated driver. It's a typical day, that is, in a very atypical home. The Bowling family numbers 15—including nine foster children.

On average, Cathy visits each foster home about once a month. When Cathy stops by, several of the younger children in the Bowlings' care call him "Grandpa." "He has a vision for children and is a very involved person," Julie Bowling says. "We have a meeting every month, and he wants to know how each of the children are doing."

"The stories they tell us, and the things they've seen, I'll probably never see in my entire life," Doug Bowling says. "To know you can take a child out of that situation and you can introduce them to a whole new way of life while teaching them morals and values is truly rewarding."

Cathy himself is still very much involved in the chicken business. "My friends call me T.C.," he likes to say. "That stands for Tough Chicken." But ask him what he'd like to be remembered for and you'll get this response: "I think my relationship with foster kids has been more meaningful to me than my business. You have an opportunity to know people will grow up to be somebody."

Russell Shaw is a business journalist based in Marietta, Georgia.