

Colonel sanders: innovation and entrepreneurship



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Harland David Sanders or more famously known as Colonel Sanders; was the founder of Kentucky Fried Chicken.

His devotion towards the development and commercialisation of his featured fried chicken recipe has enabled him to reach world-wide recognition.

Colonel Sanders has been taught to cook and look after his younger siblings at a very young age when his mother became the sole bread winner of the family (Sanders, 1974). When he left home at 12 years old, he had experienced different jobs ranging from farmer to insurance salesman. His business career in the food industry started off from a service station in Kentucky, where he served fried chickens and some simple dishes to travellers (Sanders, 1974); all along he have been improvising the recipe and cooking method for his fried chickens. His business expanded with increasing popularity and he opened The Sanders Court & Cafe.

The innovation by Colonel Sanders was so notable that he was designated as the ' Kentucky Colonel' by the governor. When the introduction of Interstate 75 significantly reduced his customer traffic, Colonel Sander was forced to close down his restaurant (Kovaleff, 2001). Sanders then travelled around the United States marketing his recipe to different restaurant owners. He travelled across the country, cooking batches of fried chicken using his " 11 herbs and spices" and invented cooking method.

His franchising fees were generated from each fried chicken sold in the restaurants. The reign of Kentucky Fried Chicken began when Colonel Sanders successfully franchised his fried chicken recipe to Pete Harman in South Salt Lake, Utah. Harman was already the operator of one of the largest

restaurants in the city. With Harman's business knowledge and Sanders' passion, they began expanding the recipe. They advertised and trademarked Kentucky Fried Chicken; also introducing the famous "Finger Licking Good" slogan. Sanders presented himself as the spokesperson of Kentucky Fried Chicken, using his image as the Kentucky Colonel.

By 1960, Kentucky Fried Chicken had more than 400 franchises. Although Sanders sold his interest to a group of investors in 1984, he still actively remained the spokesperson for Kentucky Fried Chicken until his death at the age of 90. Innovation The integration of innovation in several aspects during his career allowed Colonel Sanders' fame to grow so significantly that he still remains a legend in the fast food industry until today. Value Innovation As a whole, Sanders had applied value innovation in certain stages of his business career; the most notable being the "11 herbs and spices" recipe and cooking method.

Although the creation of his innovation was not rooted from competition, his innovation gained him recognition since it fitted in the total chain of buyer's solutions. His fried chickens focused on significant reduction of cooking time but he persistently maintained the taste and texture; to yield customer satisfaction through quality and waiting time. According to Kim and Mauborgne (1997), competitors always imitate a value innovation; and the innovator would be challenged. Many ended up in the trap of conventional strategic logic in order to emerge winner again.

Hence, the strategy of franchising the recipe throughout the United States was an appropriate decision made by Sanders. This can be supported by Kim

and Mauborgne (1997) who reported that companies with different value curve who embark on geographical expansion and operational improvement are able to achieve maximum economies of scale and market coverage. His actions prevented possible imitators to drag him into a competition. Besides, several safety measures adopted by him for the packaging and distribution of the “ 11 herbs and spices” further decrease possibilities of imitation.

That way, he could focus on other aspects in expanding Kentucky Fried Chicken. Product Innovation One of the most notable innovations employed by Colonel Sanders is his featured fried chicken. Although fried chicken itself is not worthy to be labelled as an innovation; but through value proposition, Sanders was able to create “ Finger Licking Good” fried chickens to be sold “ on the go”. Since Sanders’ service station mostly fed travellers, he realised that hungry customers would not want to wait 45 minutes for fried chickens; no matter how remarkably tasty, juicy and tender.

Through years of trial and error, Sanders successfully invented a method to cook his fried chickens for a short period of time; without giving up on the tenderness and juiciness achieved only through pan frying (Sanders, 1974) The incorporation of his method and recipe into franchising was a brilliant innovation in fast food industry as it catered to the needs of increasing Americans on-the-go in the 1950’s. Besides, the introduction of Sanders’ fried chicken recipe to Pete Harman in South Salt Lake was a good choice to begin his franchising. His innovation can be considered a blue ocean in the dining industry of the United States (Kim and Mauborgne, 2005); competition was irrelevant. The report by Pete Harman about the significant increase in his restaurant’s sales after using Sanders’ recipe is evident to this

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statement. According to Harman, 75% of the sales for his restaurant came from Sanders' fried chicken.

Firstly, the introduction of fried chickens from Kentucky is distinctive and aroused imagery of "Southern hospitality" (Kramer, 1996). This differentiated Harman's restaurant from his competitors in Utah. In addition, owning a secret method and recipe to produce high quality fried chickens within short period of time, created a path for only Sanders to venture into; which is the fast food industry. With these step ahead of the others, there would almost be no competition for Sanders with other restaurants producing fried chicken. Concept Innovation Pete Harman saw the potential of Sanders' fried chicken and began introducing them as part of his restaurant's menu. It was also Pete Harman who developed the "Kentucky Fried Chicken bucket" concept with Sanders into his first franchise.

The introduction of this concept was a breakthrough for Kentucky Fried Chicken because of the several aspects; timing and target market being the most significant. In the 1950's, more women was reported to join the US workforce causing them to have less time to prepare a proper meal at home (Toossi, 2002). Sanders and Harman took advantage of the situation and used "easy complete meal to the table"; working mothers was their main target market. Their featured advertisement focused on the "Kentucky Fried Chicken Bucket" and family concept.

In addition, their advertisement which never failed to emphasise on the "Finger Licking Good" fried chickens; was also able to reach the whole United States. Since media advertisement played an important role in consumerism,

Kentucky Fried Chicken was able to become famous in no time (Jayasinghe and Ritson, 2013). The growing prosperity in the United States at that time also increased willingness of the Americans to eat outside food. Hence, Kentucky Fried Chicken being a famous yet cheaper alternative to fine dining would be gladly welcomed by families, group of friends and couples. Image, Trademarking and Advertisement The fusion of image and advertisement could be the essence in distinguishing Kentucky Fried Chicken among other fast food restaurants.

It was Colonel Sanders who first incorporated an image into the food industry (Kramer, 1996). Colonel Sanders took pride in the development of his image as the Kentucky Colonel. He began building his distinctive appearance which included a white suit, string tie and a goatee around the time when his first franchise was secured. He had appeared in public with this image ever since (Kramer, 1996).

As compared to other fast food companies like Wendy's and McDonald's, Sanders' image was not developed by a marketing committee. Sanders was not any "fast food baron" that represented a successful company on television. His appearance and image for Kentucky Fried Chicken could have been deliberated as a living embodiment of his food. Although other fast food chains might be as famous, the lasting impression of the Kentucky Colonel and its association with "Finger Licking Good" chicken dinners has been seeded into the hearts of Americans who grew up around the second half of the 20th century. That could have been the reason why Kentucky Fried Chicken was a step ahead of the others. According to Kramer (1996), Colonel Sanders was a charismatic person who has a gift of earning people's

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interest in what he said and he was also famous for his “ extensive vocabulary of curse words”.

Moreover, Colonel Sanders have absolute faith in his own product. He was very meticulous and demanded perfection in the preparation for each of his featured fried chickens because he believes in the significance of delivering high quality food to all his customers. It could have been these traits that created an image of familiarity among the hearts of Americans; effectively portraying himself as the most suitable spokesperson who understands the life and needs of Americans. Researches by Hovland and Weiss (1951) found that effective advertisement by a spokesperson arose from two key components; the communicator’s expertise on a products and how the person appeal to the audience. Later, Kamins and Gupta (1994) indicated that characteristics related to persuasion are critical in effective advertisement. A more recent study by Stafford et al.

(2002) deduced that credibility is an essential component leading to audience reactions in advertising. All these findings supported the views on Sanders’ approach in making himself as the spokesperson of Kentucky Fried Chicken and the positive outcome associated with this mode of advertisement. It is also reasonable to argue that the impression and eventually sales outcome would have been significantly lower if his investors (i. e. Brown or Massey) were to appear as the spokesperson in advertisements because unlike the colonel; they do not have as much passion in the Kentucky Fried Chicken meals hence failed to portray the southern hospitality.

This opinion could also be reinforced by the reported sales increase of at least 10% for Kentucky Fried Chicken each time the colonel appeared on the television. Opportunity Recognition An innovation, no matter how exclusive or brilliant will have no value if there is no opportunity for establishment, development and most importantly sustainability. Hence, the ability of an entrepreneur to recognise an opportunity for the introduction of an innovation is essential in determining the success or failure of it all. In the case of Colonel Sanders, there were two ideal example of opportunity that spawned the recognition of his fried chicken as well as the fame of Kentucky Fried Chicken in the fast food industry. Even with the excellent fried chicken recipe, Sanders' Fried Chicken might only be a famous dish around the neighbourhood of Corbin if he has not taken hold of the mentioned opportunities that existed.

The history of Sander's fried chicken meals began in a small service station in Corbin, Kentucky. Colonel Sanders was always actively looking for ways to enhance sales for his station; so he grabbed the opportunity when an out-of-town customer complained that decent places to eat in his area were scarce. Adding a small table and some chairs to the storeroom of his service station, he began serving fried chicken along with some small dishes he learnt to cook as a boy. When his popularity grew, he opened Harland Sander's cafe across the street.

Over the next few years, he began improvising his featured fried chicken. His restaurant was so famous for quick and juicy fried chicken meals; that he was entitled the " Kentucky Colonel" by the governor. In Sander's case, the acknowledgement of a need by potential customers and attending to this

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need could be the reason for the success of Harland Sander's cafe's operation; also the recognition of his featured fried chickens. Although it might not be totally practical to judge the whole market potential based on a single comment, it was advantageous in Sanders' instance considering the numbers of customers visiting his station as compared to others in the same area.

He might have taken into account the calculated risk for this new business which can be supported by the use of the existing storeroom and simple home furnishings as the initial setup. This judgement can be supported by Macko and Tyszka (2009), claiming that expert entrepreneurs are good at risk evaluation and management. They are no greater risk takers than novice entrepreneurs. Sanders could have been aware of the risk he was willing to take and explored the economic opportunities to maximise his returns. The introduction of Interstate 75 significantly reduced travellers' traffic to Sander's restaurant because it bypasses Corbin (Kovaleff, 2001). Sander's closed down his restaurant when he realised that the profit was half of his expectation and started focusing on franchising his fried chicken recipe.

Sanders would look for 'appealing restaurants' around United States to promote his fried chicken recipe. His franchising fee was from the number of fried chicken (using his recipe) sold in each restaurant. When he successfully franchised his recipe to Pete Harman in the 1952, the reign of Kentucky Fried Chicken in the fast food chain began. In the 1950's, developments in the United States had increased prosperity, electronic advertisement and women joining workforce.

The introduction of Kentucky Fried Chicken bucket by Harman and Sanders as a take-out menu could be one of the main reasons boosting Kentucky Fried Chicken's major success and was an exemplary decision in opportunity seizing. This is because at that time of the introduction, Americans were more willing to spend on buying meals outside and women have less time to cook at home (Toossi, 2002).