

Chik-fil-a case analysis

[Business](#), [Industries](#)



Abstract

Chick-fil-a restaurant is a family owned chain. Truett Cathy has been in the restaurant business for 62 years and now has 1, 400 restaurants in 37 states including Washington D. C. . As of 2007, Chick-fil-A's reached sales of \$2. 64 billion which showed an improvement of 16. 09% increase in sales from 2006 .

In the small Atlanta suburb of Hapeville in 1946, Truett Cathy opened the Dwarf Grill and later named it Dwarf House. In 1961, Good Brothers Poultry offered Cathy to come up with a chicken sandwich that met up to airline size requirements. He then invented the original Chicken Sandwich in 1964 when his regular customers finally told him “ We like it. Don't change it again. ” . When he was deciding on the name to trade mark, he thought about the chicken filet he used. He then shortened it with a capital “ A” at the end to stand for top quality.

In 1967 he opened up his first mall restaurant in the Greenbrair Mall in Atlanta. In 1973, he offered \$1000 team member scholarships for his employees to further their education. In 1982 it was the 1st fast food chain nationally to sell chicken nuggets. In 1992, Georgia Tech and Clemons University were the first Universities to have a Chick-fil-a restaurant on campus. According to Truett Cathy's biography that I looked up on his website, he has been in the restaurant business for 62 years and now has 1, 400 restaurants in 37 states including Washington D. C. . Mission Statement: “ Be America's Best Quick-Service Restaurant” . *S. W. O. T. ANALYSIS*: Strengths: Name Brand

Recognition: Chick-fil-A officially opened in an Atlanta mall in 1967. In 1995, Chick-fil-A introduced the infamous renegade cows known for the “ Eat Mor Chickin” campaigns. {text: bibliography-mark} . Customer Service: Chic-fil-A, prides itself on pleasing the customer, and it shows. Anytime I have ever visited any Chic-fil-A restaurant, I have been served with the greeting ending in “ my pleasure”.

They have won 30 customer service awards in the past 12 years, and among those the Business Week/J. D. Power has awarded them top 25 “ Customer Service Champs” {text: bibliography-mark} . Employee Retention: Regarding the Closed on Sunday Policy, Chick-fil-A mentioned in a press release online “ there must be something special about how Chick-fil-A feels about its people. ” I do believe that being closed on Sunday’s gives their employees the opportunity to spend quality time with their families and/or go to church.

Community Involvement: Chic-fil-A does not stop with the employee or the customer, they also help charities such as the “ Chick-fil-A Kyle Petty Charity Ride Across America” which raises money for various children hospitals.

Nutritio_n: _With chicken being the main thing on the menu, Chick-fil-A uses trans-fat and cholesterol free peanut oil to deep fry their chicken and French fries. They also have 10 menu items that have 10 or fewer grams of fat {text: bibliography-mark} . Weaknesses _Closed on Sunday Policy_: Although Mr.

Cathy prides himself and does not regret the “ Closed on Sunday Policy”, this is still a potential day to make revenues. In 2007, sales reached \$2. 64 billion {text: bibliography-mark} , and I can only imagine how much sales would be

if they were open on Sunday. Religion at work: Since Mr. Cathy has such strong Christian beliefs, some people who are not religious may find that intimidating or awkward to work for. For example, in October of 2002, Chick-fil-a was slapped with a lawsuit for violating the Civil Rights Act of 1964 {text: bibliography-mark} .

The lawsuit came after Aziz Latif was fired one day after training in which his attorney claims that the following events took place: “_Everyone said a prayer, one at a time, to Jesus Christ’he said’When it came to our client, who is Muslim, he didn’t say anything. There was an awkward silence. Then eventually the next person started praying to Jesus Christ. The next day he was fired. ” {text: bibliography-mark} _ I could not find the verdict of this trial, but this is one way that religion at work can be a weakness to the company.

Only selling chicken: Chick-fil-A sells only chicken which is another weakness. By not offering beef, pork, or fish Chick-fil-A is not expanding their target market to the people who choose not to eat chicken. The people who choose to eat these other meats are lost customers that could have been potential customers had they offered them these other products. Opportunity Growth: In 2007, Chick-fil-A had more than 1, 380 restaurants in 37 states, and with a unique \$5000 sub-lease franchise opportunity, I do not see this number getting any smaller any time soon.

Innovation: Chick-fil-A has definitely grown since their one mall restaurant. They now have approximately 375 major mall restaurants, 728 stand-alone locations, 29 drive-thru-only restaurants, 11 Chick-fil-A Dwarf House

Restaurants, and 2 ' 50s diner-themed Truett's Grill Restaurants {text: bibliography-mark} . Education: Chick-fil-A also has several employeescholarshipprograms available that date all the way back to 1973. They have offered more than \$23. 5 million to over 23, 300 employees. The scholarships are the Team Member Scholarship program, S.

Truett Cathy Scholar Awards, and also the WinShape Foundation. This to me says that they want valuable team members who can bring new ideas to the table, and not have to outsource for more educated personnel to fill the shoes of the high command positions. Threats: Lower Priced FastFoodRestaurants Meat Variety Restaurants C. IndustryEnvironment: Chick-fil-A is a fast food chain constantly striving to be the top of its game. Although it only serves chicken on the menu and is closed on Sunday's, it has no problems keeping up with its competitors in revenue.

Financial Analysis:

As of 2007, Chick-fil-A's reached sales of \$2. 64 billion which showed an improvement of 16. 09% increase in sales from 2006 {text: bibliography-mark} . E. Conclusion: In conclusion, I think Chick-fil-A is a successful family owned restaurant chain. I believe that an egger entrepreneur could make a big profit from its initial franchise startup cost of \$5, 000. I believe that Truett Cathy is a generous owner who gives back to the community. I have learned a lot from thiscase studyand would probably start my own Chick-fil-A restaurant if I had the money at this time.