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Fast-Food Restaurant Industry: A Cleveland Perspective 1930-2016

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A CLEVELAND PERSPECTIVE

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ACKNOWLEDGEMENTS

This book celebrates more than 80 years of the Cleveland fast-food restaurant business and its many satisfied customers. An important part of a highly innovative national phenomenon, Cleveland's many quick service restaurants offer affordable tasty meals and snacks for thousands of customers annually. Drive-in restaurants with their numerous car hops have played an important role in this process. I wish to recognized the many men and women who have provided their many patrons the very best in customer service and food since the 1930s.

I would also like to take this opportunity to thank my colleagues and friends who helped me in this endeavor. Special thanks to Mr. William C. Barrow, Head, Special Collections, Cleveland State University (CSU) Michael Schwartz Library, and William C. Beckenbach, Urban Center Fellow, CSU, for their insight throughout this endeavor. Special thanks also to Ms. Carol Zsulya, Business & Government Documents Librarian, CSU, who not only helped in the research process itself; but also offered some valuable information as to how the fast-food business operates and that industry's impact on the local, regional, national, and international scenes.

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INTRODUCTION

The continued success of fast-casual restaurants has significantly impacted the fast-food industry. They cater to customers with very discriminating palates. What many patrons in today's world may not realize is that fast-casuals emanated from earlier independent drive-ins along with innovative regional and national fast-food chains. These drive-ins provided good tasting food at reasonable prices. Their informal settings and friendly service especially appealed to teenagers, young adults, and large families.

This writing will focus on some of the major fast-food establishments that served Greater Cleveland and how they evolved over time. Emphasizes will also be placed on some of the smaller, as well as larger, restaurants. To lend additional clarity, this study will investigate some leading national chains whose innovations within the industry set the pace for current development. Fast-food enterprises represent much more than simply dispensing inexpensive meals and snacks. They reflect the country's informal lifestyle that emerged during the post-war period. A part of the blossoming suburban movement and emerging Baby Boomer generation, fast-food restaurants satisfied the changing needs and wants of their many patrons daily.

Of course nothing lasts forever. Some of the early success stories soon ended, while others grew. Changing business attitudes and practices along with a certain amount of luck often determined the final outcome. The fast-food industry demonstrates the best in American ingenuity geared towards the needs and wants of its patrons. But unlike other amorphous businesses whose luster may wear off with time, local fast-food restaurants, as reflected through specific drive-in sites, remain fun places for thousands to eat in daily.

CHAPTER ONE: AMERICA'S FAST-FOOD INDUSTRY: THE EARLY YEARS

The Industrial Revolution that first unfolded when the Scottish engineer and inventor James Watt (1736-1819) developed the steam engine in 1765 had a tremendous impact worldwide. In part an outgrowth of the Age of Enlightenment, the Industrial Revolution represented a period of unprecedented business inventiveness. Spurred on by a new surge in outside investment, occurring in conjunction with an easing of both labor and liability restrictions, it set the stage for previously unimagined new advances in numerous business-related endeavors. Mobile markets and large labor pools ensured its success. However, the Industrial Revolution involved much more than enhancing production modes, mobilizing potential markets, or harnessing new sources of labor. Had that been its major goal, then its impact would have been primarily confined to large urban centers with little spill-over affect in other, more remote places.

However, that was not the case. The Industrial Revolution made an everlasting impression on both urban and rural scenes. It achieved its lofty goal through human resourcefulness, a resourcefulness fueled by a rudimentary understanding of the sundry business and economic forces responsible for its development. Once set in motion, its practicality affected nearly every aspect of human existence. It began simply enough with the augmentation of mechanized production and simultaneous advances in both agricultural production and harvesting. From those vantage points, it proceeded ahead swiftly climaxing in unprecedented medical and scientific discoveries that followed closely on the heels of the universal distribution of low-cost labor saving devices. Astute entrepreneurs able to comprehend the many economic and social advantages of these breakthroughs left nothing to chance. Their "anything was possible" world provided that proper planning occurred upfront. This newly found optimism regarding future business prospects manifested itself in resource laden nations such as the United States.

This nation's remarkable transformation from a small, cottage-based economy to a foremost, industrial powerhouse within a 100-year span supports this premise. However, this revolution represented more than just a drastic change in the nation's business and economic priorities. It led to significant improvements in the quality of life for millions of Americans. For the first time in modern memory, municipal and business leaders worked together to promote a host of worthwhile health and safety reforms. At first, everyday concerns consumed a great deal of their efforts. They dealt with many issues ranging from such things as the proper sprinkling of dirt-covered streets and abating nuisances to improving local safety services and constructing impressive new public markets and beautiful parks. Over time, these community-wide efforts broadened considerably to embrace a wide range of extraordinary advances.

Important medical and scientific breakthroughs, beginning as early as the 1850s, set the stage for much of this later transformation.

Dr. John Snow (1813-1858), one of the founders of the Epidemiological Society of London, discovered in 1854 a direct connection between human consumption of unsafe drinking water and annual cholera outbreaks that killed thousands of Londoners (1). He traced these recent outbreaks to faulty water pumps located throughout the city. Dr. Snow concluded that these epidemics stemmed from improperly cleaned cesspools and privies. Apparently, large amounts of accumulated sludge had contaminated the groundwater. The contaminated water, in turn, had entered public water sources which then became major breeding grounds for this highly contagious disease. This important scientific discovery demonstrated, beyond a shadow of doubt, that clean water was essential in combating cholera. Further experiments conducted by Louis Pasteur (1822-1895) and Claude Bernard (1813-1878) in the late 1860s reaffirmed many of Snow's earlier findings (2).

In 1879 a renowned German physician and Noble prize winner Robert Koch (1843-1910) discovered that certain kinds of bacteria spread diseases quickly (3). However, it took another decade before scientists generally accepted the connection between airborne microbes and disease. Health proponents in large cities such as Boston, Chicago and New York, picking up on those discoveries early, called for major health reforms. They had seen first-hand how indoor plumbing and underground sewers had dramatically reduced the number of cholera related deaths in their respective communities, and they wanted to spread the word to others fast.

Unfortunately, the high cost of maintaining home plumbing systems meant that only the rich could enjoy its health benefits. Determining a plan that would result in quality water and sewer systems citywide, while maintaining reasonable costs soon became a top priority. After many heated debates concerning potential operational costs, most supporters favored the "cash and carry" approach. Under this special arrangement, subscribers paid a nominal monthly municipal services fee determined by daily usage. The funds collected went towards operating and upgrading city-wide systems on a yearly basis. Dependable municipally-owned and operated sanitation systems with their special ceramic-lined, underground water pipes and auxiliary service lines efficiently delivered fresh water to subscribers, while brick-lined, gravity-fed sewer systems carried unwanted refuse away to outlying areas.

However, late 19th century municipal reforms involved much more than building and operating efficient water delivery and sewer systems. In fact, later improvements embraced a wide variety of other important new scientific and technical breakthroughs. The introduction of an array of new conveniences such as gas and electric street lighting and durable road surfaces greatly enhanced the quality of life for millions of urban dwellers. The onset of the telegraph and the telephone sped up telecommunication, while the arrival of dependable locally-operated streetcars shortened daily commuter time appreciably. One major advance in building technology referred to as balloon frame significantly lowered construction costs. The expansive new commercial, industrial, and residential development occurring in outlying urban areas by the turn of the 20th century had miraculously transformed these earlier “walking cities” into modern metropolises (4).

Affordable automobiles also played a decisive part in urban expansion. It all began with a French inventor Nicholas-Joseph Cugnot (1725-1804) who developed his own version of a self-propelled steam-driven tricycle in 1769 (5). Although only nominally successful, his invention set the stage for others to follow. Through trial and error, other inventors eventually produced the modern-day automobile. Unfortunately, the high costs of building these handcrafted vehicles meant that only the rich could afford them. It took two clever businessmen Ransom B. Olds (1864-1950) and Henry Ford (1863-1947) to successfully incorporate assembly line production and interchangeable parts into auto manufacturing (6).

Gustavus F. Swift (1839-1903) first utilized assembly line production in his meat packing facilities in Chicago, Illinois beginning in the 1870s (7). Olds capitalized on Swift’s earlier prototype. Called “Progressive Assembly,” this manufacturing process featured movable caster stands that enabled workers to repeat certain assembly line steps without ever leaving their station. Henry Ford streamlined it further by developing his own high caliber machines and precise tools. Ford also insisted that his workers receive formal job training. Streamlining the assembly line process shortened production time and lowered overhead costs. The savings derived from utilizing this new, efficient method of manufacturing were passed on directly to customers in reduced prices. Lower prices, in turn, prompted sale surges especially during the first two decades of the 20th century.

The abundance of inexpensive automobiles did much more than inspire the average person to venture beyond his or her immediate domain. It instilled within them a new sense of empowerment. Rich and poor, urban worker, and rural farmer all benefited from this marvelous breakthrough. Additional production refinements, throughout the 1920s, lowered manufacturing costs even further. The astonishing success of the automobile industry convinced many enterprising individuals to invest in other equally potentially lucrative ventures. Food processing, retailing, electrical production, and household commodities led the pack.

Growing customer demand for a wide assortment of new goods and services encouraged a rapid succession of business and technological advances (8). Increased market demand and growing competition compelled manufacturers to cut costs further. This led them to not only slash distribution and production costs, but also lower retail prices. Those engaged in such unorthodox practices firmly believed that the future profit potential derived from their current actions would without a doubt outweighed any financial sacrifices they might have to make presently. The “Roaring ‘20s” afforded unparalleled financial opportunities for discerning investors. A bullish stock market engendered this new found optimism. However, that decade embodied much more than fantastic financial gains for astute financiers. The proliferation of low cost, labor saving appliances, in conjunction with the explosive growth of service-related industries, served to reduce the daily work load for most middle class households. For the first time, the middle class actively pursued the growing number of leisure time activities (9). Those pursuits were not merely fun activities intended to take up growing amounts of spare time. They represented an integral part of a much larger cultural and social phenomenon that had been gradually unfolded over the past 50 years.

The wider distribution of capital nationally beginning in the late 1870s and early 1880s, based in part on the many lucrative new investment opportunities in both the manufacturing and service sectors, led to the emergence of this new, often highly vocal middle class. Made up primarily of self-made business managers— shopkeepers, smaller business owners, lawyers, and physicians—this innovative group breached the growing gap between America’s wealthiest and poorest classes. Middle class advocates, unlike their wealthy counterparts, did not overtly practice economic or social discrimination. Instead, they seemed to embrace almost anyone who was willing to champion their cause.

Its outspoken leadership increasingly criticized the establishment with its rather narrowly focused Puritanical values. Middle class advocates, by the 1920s, firmly believed that a person could successfully maintain a balance between personal responsibility to God, country, family and friends on the one hand, and the need to achieve self-fulfillment through the pursuit of leisure activities on the other. Conservatives totally disagreed with such thinking. They took a very dim view of persons who participated in such “frivolous activities.” They regarded leisure activities as little more than narcissistic vicissitudes. Those self-designated “paragons of virtue” further claimed that decent people had neither the inclination nor the time to seek out such distractions. Better to spend one’s time addressing more pressing concerns such as education and public improvements than pursuing meaningless diversions. What was this renegade generation thinking? Outspoken traditionalists did not stop there. They insinuated that the leisure activities an individual pursued said a great deal about that person’s moral character.

Conservative spokespersons, throughout the post First World War era, continued to expound the many virtues of the free market economy. They reminded non-traditional thinkers that without it there would be no middle class. In their minds, the Puritan Ethic, with its strong emphasis on hard work and a frugal lifestyle, epitomized this country’s best cultural, economic, and social values. Underlining it all was an implied respect, even reverence, for formal authority as practiced by long-term leaders. They faithfully upheld the nation’s status quo for the benefit of all. Moreover, these upstanding citizens provided a sense of order and stability in a world that had gone utterly mad. That kind of rigid, self-serving ideology worked well as long as outsiders challenged it.

Its advocates reasoned that respectable people knew the difference between right and wrong and that their daily actions demonstrated their highly disciplined approach to life as dictated by their own self-ascribed "higher calling." Those supporting the status quo further argued that the pursuit of crass materialism for its own sake was undermining our nation's moral fabric. They further claimed that persons engaged in such meaningless pastimes would find it next to impossible to focus on what was most important, namely, God, family, friends, and country. Cynics concluded that leisure activities represented the antithesis of the Puritan work ethic, and as such, had little redeeming value.

Surprisingly, their main bone of contention had very little to do with the proposed changes in themselves. After all, preceding generations had tried to evoke reforms with mixed results. Each new generation eagerly attempted to push the bounds of contemporary society to its limits. What angered traditionalists was not what the middle class wanted to do, but the way in which they intended to achieve its goal. Many conservatives believed that this new group wanted to overthrow the status quo. They contended that earlier generations would never have challenged society in such a pejorative manner. Nationally accepted social norms and values had withstood the test of time. They defined us as a nation and a people. How could these upstarts suggest anything different?

In retrospect, these early 20th century reformers never advocated abandoning the Puritan Work Ethic. Instead, they wanted the freedom to pursue what they thought to be a more enriching lifestyle which included, among other things, enjoying leisure time activities. It would have been an entirely different matter had they actually championed more radical ideology. However, that was not the case. They simply wanted to improve their quality of life by eliminating some of what they perceived to be some of society's worst taboos. Middle class leaders believed that a freer lifestyle would result in a much happier, more productive individual. Most Americans, by the mid-1920s, fully understood the differences between these two schools of thought. Each in their own way represented the dynamic social changes that symbolized that period in our nation's history.

For many leisure-time enthusiasts, sports consumed much of their spare time. In fact, golf, swimming, skiing, and tennis became national obsessions, while baseball and football also gained large followings. The motion picture and radio industries came of age as well. Many leisure-time advocates enjoyed spending more time with their family and friends. Others pursued religious related activities or returned to school. Whatever their particular inclination, the prosperity that characterized the "Roaring '20s" afforded them a new sense of hope and optimism. Even those living and working in some of the most remote regions experienced the full breadth of this national phenomenon. Most importantly, this latest round of national prosperity confirmed, beyond a shadow of a doubt, that capitalism and democracy could work together for the betterment of society even if that alliance was at best tenuous.

Business leaders used their newly acquired empowerment to promote regional growth through physical improvement programs. A catchy slogan of that day, “Can-Do-Ism,” captured the essence of their excitement (10). Initiated by the U.S. Chamber of Commerce in 1912, it became synonymous with policies and programs associated with local booster activities. Constructing regional highways consumed much of the time of local “progressive” business leaders. Few received direct compensation for their efforts. Instead, they received numerous accolades from the local citizenry for their countless hours of community service. They used those accolades to promote their own ventures.

Surprisingly, federal officials remained sanguine throughout this process. They had discovered through experience that the local business community was far better qualified to handle local and regional development then they were. Unlike earlier 19th century publicly sponsored programs, where political corruption and favoritism often reared its ugly head at the expense of the majority, these new, well-executed private ventures appeared to serve everyone equally well. Not only did they shorten travel time between communities, but also encouraged the development of new major market centers where local business leaders and consumers bought and sold items on a regular basis.

How best to generate sufficient funding for those many highway projects remained of utmost importance. No two communities approached this dilemma in exactly the same way. However, certain trends did emerge over time. Affluence, cultural traditions, and social makeup usually determined the best course of action to follow. Small towns most often relied on a combination of private and public funding derived from a multitude of business leaders and local politicians. This was not the case in larger cities where individual business leaders, not local politicians, held sway.

That decision to rely on prominent business leaders over local politicians often came with certain strings attached. Business leaders frequently made subjective decisions based on what they deemed the “best” course of action to follow at a given instance. They also often failed to solicit public input before signing off on a project by claiming that they knew what was best for their respective community. Looking at it from another perspective, such actions sped up the timeline. These leaders determined highway routes, purchased the building materials, and supervised all aspects of construction including the handling of disputes with contractors and workers. Being experienced in business had its advantages in that they did not let any obstacle stand in the way of progress.

Most business leaders considered such subjective decision-making as part-and-parcel of a much larger community commitment called “civic responsibility.” Their brand of civic responsibility inevitably enhanced their own business prospects. In terms of its impact on the community itself, this kind of large-scale investment often resulted in unprecedented growth and prosperity for the area in question. This was especially true when business and trade organizations vied with each other for economic supremacy within targeted areas. Similar aspirations of greatness convinced some to pool their resources for the "common good." That kind of mutual cooperation occasionally spilled over to the region level as well. For example, New England leaders, in the 1920s, pooled their financial resources to create their own "interstate" highway system (11). Crossing coastal plains and hilly countryside, these newly designated state highways set the pace for widespread growth for many years to come.

Whatever a community might decide to do, one thing became clear very quickly—local leaders viewed such civic-minded activities as an ideal way in which to showcase the many business advantages of their specific enterprises. At the same time, it promoted the countless economic benefits that their particular town or village offered to potential new investors. These business leaders never considered the possibility that their actions might be construed by outsiders as a conflict of interest. In their minds, the prosperity of their community and their own financial well-being were one-and-the-same. What was good for them financially was inevitably good for their city or town.

Unlike regional highways, the maintenance of city streets remained mostly in the hands of civil servants. Municipal leaders not only decided what work needed to be done, but also when and where it would occur. Priorities were determined well in advance of groundbreaking day. Heavily traveled thoroughfares received the most attention with little concern shown to less traveled byways. The irony was that poorly maintained streets often became the breeding grounds for contagious diseases. Those people working and residing within poorer neighborhoods fully recognized the problem and frequently petitioned city officials for municipal improvements.

Although empathetic to their plight, municipal leaders rarely provided poorer districts sufficient relief. Reformers often chastised local politicians for their reluctance to furnish the less fortunate with even the most basic municipal service improvements. Civic-minded crusaders at the turn of the 20th century claimed that everyone in a community, including the poor, deserved to have well-maintained streets. Local leaders responded by saying that they knew full-well that their responsibility was to serve all the people. However, they admitted that over time this once cherished principle of municipal governance had been all but forgotten. They blamed it on other unscrupulous politicians who had used their power and prestige to enhance their own wealth at the expense of the less fortunate. However, few admitted any guilt in such matters.

At the same time, county officials assumed the responsibility for maintaining the majority of outlying county roads. The comfort and safety of these byways depended on a region's wealth. Affluent jurisdictions enjoyed the many economic and health benefits afforded by better-paved avenues and streets, while poorer municipalities did not have such "luxuries." Had the automobile remained the exclusive toy of the rich, that discrepancy in municipal services might have continued for many years. However, a surge in car ownership at the outbreak of the First World War changed all that. The public demanded better highways and they wanted them now. Local business and political leaders could no longer ignore their pleas. They must act decisively and quickly.

Shrewd business leaders of the early 20th century fully understood the embarrassing situation facing many public leaders as they frantically sought out vast amounts of funds to cover the mounting expenses equated with highway improvements. Relying on traditional tax methods to cover these costs only went so far. Asking voters to pay additional taxes or special levies was always a very dangerous political game to play. Most Americans wanted top quality highways, but few were willing to pay for them through special tax levies. That realization forced many politicians to seek out other funding sources. Some leaders approached state officials. However, most state legislatures, finding themselves equally strapped for money, turned down their requests. Other politicians boldly turned to the federal government for assistance.

Unfortunately, Washington bureaucrats were notorious for dragging their feet especially when it came to allocating tax dollars for regional infrastructure improvements. In spite of its obvious shortcomings, many city officials believed that procuring federal money might enable them to achieve their desired ends quickly by eliminating the tedious process of soliciting funds from private lenders. Everyone knew that the U.S. Congress had the legal authority to appropriate vast amounts of tax dollars for worthwhile civic projects. Why not pressure Congressional leaders to pass specific legislation targeted towards funding new regional highways? It seemed the logical thing to do.

Congressional leaders agreed with that line of thinking and approved the Bankhead Shackleford Act of 1916 (12). Also known as the Federal Aid Road Act of 1916, this bill appropriated $75,000,000 over the next five years for the building and maintenance of county roads nationwide (13). The federal government agreed to cover not less than 30 percent nor more than 50 percent of all the construction and maintenance costs, while state and local officials would assume the remaining debt. Under this bill, a specially established Federal Bureau of Roads would oversee operations. It further required each state to establish its own highway department to be led by college trained engineers, who were to handle all highway related projects along with the annual budget.

This unprecedented action set the stage for additional federally sponsored highway packages beginning in 1921. As the number of automobiles increased so did the public's demand for better marked highways. Congress approved the creation of the nation's first transcontinental highway system in February 1925. Consisting of a patchwork of primary and secondary roads joined together to link the entire country together, these federally designated highways received their own special route numbers. Congressional leaders knew that the capacity, quality, and safety of these highways varied greatly. With the idea of creating a safer system of roadways, federal and state officials in the last years of the 1920s, funded a number of limited access highway projects. They said that these new “super” highways would not only speed up traffic flow, but also eliminate some of the nation’s worst bottlenecks.

The financial devastation wrought by the Great Depression of the 1930s compelled many states to sponsor their own highway initiatives. Many of the most populated states such as California, Illinois, and New York led the charge. Some of these new roadways, including the much-heralded New York Parkway System, catered exclusively to passenger traffic. Trucks and busses were excluded. Federal officials, in the early years of the Roosevelt Administration, tried to broaden this program considerably by offering sizeable grants to states that launched their own comprehensive highway programs. The Commonwealth of Pennsylvania responded by unveiling its own major highway proposal in 1935 (14). It called for the construction of a new east/west toll road that would connect Philadelphia and Pittsburgh. Estimated costs for this massive public works endeavor ran anywhere from $60,000,000 and $70,000,000.

This proposal became a reality in May 1937 when Governor George H. Earle III (1890-1974) signed *Act 211*. This bill authorized the establishment of the Pennsylvania Turnpike Commission. Chaired by a well-respected Pittsburgh oil executive Walter A. Jones, this new state agency handled all aspects of highway construction and operations. The Weimar Republic of Germany set the precedent for such a state-sponsored venture when it authorized the construction of the Autobahn eight years earlier.

Although the Commonwealth of Pennsylvania strictly prohibited state officials from accruing more than $1,000,000 in bonded debt without prior voter approval, it did not prevent state legislators from approving a special construction loan package to cover current costs. The Pennsylvanian highway department agreed to fund all the toll road support services with the expressed understanding that the turnpike commission would reimburse state officials for all the money they spent on this program at a specified future date. The sheer magnitude of this endeavor required additional federal aid. The Works Progress Administration (WPA) in 1937 approved a $29,000,000 grant, while the Reconstruction Finance Corporation (RFC) purchased an additional $40,800,000 in turnpike bonds at an annual interest rate of 3¾ percent. Another grant made by the Public Works Administration (PWA) covered almost half of the total construction costs. Groundbreaking for the Pennsylvania Turnpike occurred on October 27, 1938.

Financially successful from the day it opened, the Pennsylvania Turnpike became the model of operational efficiency soon emulated by others. Over the next 30 years, 16 states sponsored similar toll road projects using much the same financial formula. Under this arrangement, federal officials paid 10 percent of the costs, while state and local governments assumed the remaining 90 percent debt. Similar to the original Commonwealth of Pennsylvania agreement, private investors provided the bulk of funding.

Unfortunately, many states, including Pennsylvania in their enthusiasm to build and operate such a system, failed to address what would eventually become a chronic problem, namely, how to finance needed future repairs. As the price of operating state-controlled toll roads increased, the Pennsylvania Turnpike Commissioners found themselves repeatedly under attack by many of their most ardent supporters. Much of the criticism stemmed from the failure of the state to maintain a special “rainy day” fund designated for future highway maintenance.

Many of its earliest proponents, including the Pennsylvania Turnpike Commission, erroneously believed that the funds derived from interest bearing bonds, special user fees, and daily collected tolls would be more than sufficient to cover future expenses. They were wrong. However, in all fairness these leaders had no idea of the economic difficulties that lay ahead during the second half of the 20th century. The economic instability of the late 1970s and early 1980s changed everything (15).

Toll road maintenance expenses remained reasonable into the late 1960s. In fact, many turnpike commissions, including Pennsylvania, operated in the black. However, all of that changed over the next decade as operating and maintenance costs soared. Double-digit inflation, escalating construction costs, and greater wear-and-tear on the highway itself, in conjunction with growing demands by state employees for higher salaries and better fringe benefits, all but absorbed any earlier surpluses. Finding themselves financially strapped, a number of states, including Connecticut and Kentucky, opted to get out of the toll road business entirely by paying off their outstanding debts. Still others chose to sell their controlling interest to outside private corporations. Those remaining in the business, such as Pennsylvania and Massachusetts, raised fares, sold additional interest bearing bonds, and increased user fees. In spite of these recent financial setbacks, some states, including Illinois, Pennsylvania, and Maryland, continue to build and operate toll roads to the present day. Many of them are self-service feeder lines that run through less populated areas.

The public clamor following the Second World War for an extensive national freeway system, based in part on the California model initiated in the late 1930s, led the 84th Congress to approve a mammoth $25 billion highway bill in June 1956. Major auto manufacturers and leading U.S. tire companies had been lobbying for such action for years. These manufacturers knew full-well that the nation’s future prosperity rested on this kind of national initiative.

The Federal Highway Act of 1956, also referred to as the National Defense Highway Act, set the stage for today’s Interstate Highway system (16). These 40,000 miles of limited access highways took more than 40 years to complete. Under this arrangement, the federal government shouldered 90 percent of the construction costs, while state and local authorities paid the remaining 10 percent. Again, few state legislatures took the steps necessary to set aside additional funds for future expansion and yearly maintenance.

Improved regional highways and local streets positively affected the lives of millions of Americans in the post-war years. It encouraged them to leave the confines of the inner city for new suburban areas. It also inspired them to cast aside the rigid dictates governing pre-war society in order to embrace a new, less-formal suburban lifestyle. The fast-food industry also known as the quick service industry benefited in numerous ways from this rapidly changing lifestyle. Nowhere was that more evident than in large cities such as Cleveland, Ohio. Clevelanders in large numbers appreciated both the affordability and convenience of fast-food dining.

The number and variety of fast-food eateries multiplied significantly during the late 1940s and early 1950s. Innovators within the restaurant business itself, like so many other service oriented industries, prided themselves on their ability to successful adapt to changing situations great and small. The business finesse demonstrated by the proprietor ultimately determined the uniqueness of the individual patron's dining experience. The frantic pace of post-war society generally meant that successful entrepreneurs, with rare exception, adopted business strategies first developed by others. After all, the idea of eating in quick service restaurants was not a new experience for most diners, far from it. It had been a part of American life since the late 19th century.

This being the case, customers in the 1950s rarely questioned the fundamental value of fast-food dining experience, that was a given. What they had yet to determine was, which kind of fast-food experience did they enjoy the most? In the end, it all boiled down to whether they preferred leisurely sit-down family dining or fast-paced drive-ins. Drive-in restaurants remained supreme from the late 1940s through the late 1970s. However, the last two decades of the 20th century witnesses a remarkable turnaround as large numbers of customers left their favorite hangouts for more upscale family-style restaurants (17). That switch in venue was not completely unexpected—after all nothing stays the same forever. What shocked experts was the intensity of this change.

Although the décor of some of the earliest quick service eateries may have seemed sleek and modern, the business principles governing most of them were anything but up-to-date. Fast-food establishments such as cafeterias, lunch rooms, hot dog stands, and hamburger joints had existed for years. With the possible exception of big city cafeterias, their limited menu choices and no frills atmosphere left much to be desired. Also, few of them welcomed unescorted women. Many early 20th century fast-food owners readily admitted their failings. In particular, they knew the growing importance of utilizing modern accounting principles as a way of reducing overhead expenses. They also fully understood the need of staying abreast of the latest industry trends many of which resulted from the changing eating habits of their customers. However, few entrepreneurs possessed the liquidity necessary to rapidly institute these changes (18).

This meant that an economic windfall awaited wealthier restaurateurs who bucked conventional wisdom to embrace these new approaches. Late 19th century advances within the industry itself further encouraged such innovation. It began as early as 1889 when two brothers Samuel S. Childs (1863-1925) and William Childs (b. 1866) invested their hard-earned cash in a new buffet style restaurant in New York City's Merchant Hotel. Their success led to the establishment of the first major cafeteria chain in the U.S. By the mid-1920s, they operated more than 100 sites in nearly 30 cities. A heated proxy fight in the 1930s resulted in their ouster. This once highly successful chain filed for bankruptcy protection in 1943 (19). A newly reorganized Childs Restaurant emerged after the Second World War. A New York based company called the Riese Organization in 1961 acquired it for about $10,000,000. Riese specializes in purchasing financially strapped chains, refurbishing them, and then selling them on the open market. They currently operate a multitude of franchises throughout the Greater New York region (20).

The Childs family may have set the stage for modern day cafeteria style dining; however two Philadelphian restaurateurs Joseph Horn (1861-1941) and Frank Hardart (1850-1918) played equally critical roles in its development (21). Opening their first diner in 1888, these entrepreneurs specialized in tasty French- pressed dark roast coffee. Behind the scenes, they experimented with improving both customer distribution and food quality. These keen businessmen knew that speeding up service was essential for long-term financial success. The highly profitable Quisisana Automat in Berlin, Germany interested them. One of the German manufacturers responsible for installing its equipment visited them in 1898. This inventor not only demonstrated how the system operated, but also stressed its practicality. Frank Hardart loved the idea, and visited Germany to see how it worked firsthand. He was not disappointed by what he saw.

Under the guidance of John Fritische, a well-known engineer, these two business partners prepared to open their first "automated" cafeteria. Efficiency governed every aspect of their operations. Under this system, employees would be stationed behind coin-operated vending machines that continually slid plates of delicious hot food into empty slotted compartments within a revolving metal drum. A heated metal jacket, at the base of the drum, would keep the food items warm. Nearby cashiers would provide customers the required change (22).

Horn and Hardest opened their first Automat Restaurant in 1902 on 6th Avenue in Philadelphia's South Side. It featured a long lunch counter. Its catchy motto "Less Work for

Mother" drew big crowds on opening day. The site's art deco décor was like no other restaurant. Horn and Hardart, over the next decade, added three more diners: one at 101 South Juniper Street, a second at 909 Market Street and a third at 21 South 11th Street. These business partners also gained a well-earned reputation for helping those less fortunate. Not only did they donate generously to local charities; but also supplied quality food to the poor at reduced cost. They also sponsored a highly popular radio show for children beginning in 1927.

A well-known entrepreneur named James Harcombe opened his own version of the automat in New York City in 1905. Located on lower Broadway, Harcombe's $75,000 cafeteria-style restaurant featured both beer and cocktails. Not to be outdone by this crafty New Yorker, Horn and Hardart quickly opened their own sites in the Big Apple. These restaurants featured stand up counters only. The Automat soon became a legend within the fast-food industry. At the outbreak of the Second World War, Horn and Hardart served more than 500,000 patrons a year in nearly 160 sites. They were especially popular in Greater New York and Philadelphia.

Hoping to expand operations further, Automat's Board of Directors in 1953 announced that their company was going public. Board members, that same year, also approved a reorganization plan that divided their holdings into two separate divisions. The New York branch, Horn & Hardart, traded on the New York Stock Exchange, while its Philadelphia division, Horn & Hardart Baking Company, became an integral part of the Philadelphia Stock Exchange. This no frills chain of restaurants remained popular throughout the 1950s. Its Board of Directors broke with tradition and approved beer and wine for several of its Philadelphia-based units in 1961.

Other early 20th century entrepreneurs in large cities such as Cleveland, Ohio followed the example set by Horn and Hardart and opened their own cafeterias. Unlike the Automat, these establishments did not sell food items through coin operated vending machines. Instead, their customers picked up clean metal trays from nearby stands and then proceeded through a line that ran parallel to the food and beverage stations. Fresh fruit cups, salads and soups were first, followed by savory main entrees, and finally delicious desserts and beverages.

When patrons found something they wanted to eat they simply picked up the plate of food and carefully placed on it their tray while continuing to follow along the line. They paid the cashier at the end of the line for their food choices. Upon picking up silverware and napkins, patrons then walked into adjacent dining rooms where they sat down and ate. After dining, they carried their trays, dirty dishes, napkins, silverware etc. to specially marked areas where they disposed of their refuse, and then slid their trays into slotted metal racks for cleaning. Some of the most popular cafeteria chains were Bickford's, Luby's, Morrison's, and Piccadilly. Clevelanders frequented Anders, the Colonnade, and the Forum.

Although the Automat remained popular with customers well into the 1950s, many new innovations within the fast-food industry challenged this once highly respected chain. The move to the suburbs of many of its most loyal patrons following the Second World War, along with dramatic increases in the prices of wholesale foods and changes in consumer eating habits reduced company profits significantly in the 1960s. Locally based fast-food concerns including Burger King, McDonald's, and Gino's Hamburgers, recognizing that this legendary corporation was on the brink of bankruptcy, assume control of some of its under-performing units. Automat officials welcomed such actions in that it lessened the company's mounting debt.

A well-known international financier named Barry W. Florescue (b. 1940) gained control of the company in the 1970s. In what many experts considered a very aggressive move, Florescue diversified corporate holdings. Diversification included, among other things, renovating the Royal Inn in Las Vegas, Nevada for more than $7,000,000. Automat-affiliated franchises assisted in this across-the-board effort by furnishing additional capital when necessary.

This new approach apparently paid off well. The Automat paid dividends of $.16 a share on corporate earnings that exceeded $900,000 in 1977. These affiliated franchises kept their parent company afloat well into the 1980s. Unfortunately, unexpected financial reversals and a national recession in 1987 all but wiped out these earlier gains. Mounting deficits and shrinking profits forced the Automat to file for Chapter 11 bankruptcy protection in May 1990.

Fortunately, not all fast-food restaurateurs faced the same grim business prospects that awaited the Automat. For example, a Polish immigrant named Nathan Handwerker (1890-1974) was one of many entrepreneurs who successfully met the challenges of growing competition and change eating habits. Handwerker opened his first Nathan's Famous Beef Hot Dog stand at 1310 Surf Street in Coney Island, New York in 1916. His claim to fame was his tasty frankfurters served in warm toasted buns. His wife Ida Greenwald Handwerker (1897-1976) had developed her own special recipe when they first arrived in the states. Celebrities, dignitaries, and politicians came from far and wide to eat at Nathan's. A showman *par excellence*, Handwerker sponsored numerous annual events that brought customers to his original Coney Island establishment. His hot dog eating contest held every July 4th still draws large crowds (23).

Unlike many of his competitors, Nathan Handwerker saw no reason to expand his operations following the Second World War. Mounting competition in the 1950s finally convinced him to change his mind. This legendary restaurateur opened a second site in 1959. Located at 3131 Long Beach Road in Oceanside, Queens, this highly popular eatery appealed to customers from all walks of life. A third site at 2290 Central Park Avenue in Yonkers, New York debuted in 1965. The Yonkers restaurant remained opened for more than 40 years.

Handwerker remained the company's president until the late 1960s when he turned over the reins of his successful company to his son Murray.

Murray Handwerker (1921-2011) believed that the future of the quick service industry rested in franchising. His family-run business over the next 15-year period grew from three locally owned and operated units to over 50 nationwide. Murray Handwerker served as its CEO and Board Chairman until 1987, when he sold controlling interest to the Equicor Group LTD for $17,000,000. Nathan's Famous profits that year topped $550,000 with sales exceeding $23,000,000. A well-known private holding company located in Rockville Center, New York, the Equicor Group specialized in acquiring and selling profitable fast-food restaurant chains. In cases such as this one, private equity firms serve as management consultants whose business objective is to improve upon companies they acquire either through direct cost cutting methods or by selling them off at a handsome profit. Their chief investors are most often wealthy entrepreneurs, lucrative pension funds, or well-known companies. Equity companies in today's market not only received a 5 percent fee for services rendered, but also 20 percent of any additional profits resulting from their actions (24). In this instance, the Equicor Group was considered a resolute bargainer. In fact, many of that company's deals were legendary including the one that involved Kenny Rogers Roasters.

Debuting in 1991 in Coral Spring, Florida, Kenny Rogers specialized in "Roasters." Crispy on the outside and tender on the inside, these chicken dinners were an immediate hit with the locals. Corporate representatives recognizing that they had a winner on their hands soon unveiled extensive expansion plans. They envisioned hundreds if not thousands of Roaster restaurants worldwide by the year 2000. These same spokespersons also unveiled their new menu that included traditional favorites such as ribs and turkey. Kenny Rogers, by the mid-1990s, operated more than 350 sites. Unfortunately, unexpected legal problems soon cooled the enthusiasm of many of the company's original investors. A small fried chicken restaurant chain called Cluckers launched a lawsuit against Kenny Rogers Roasters claiming patent infringements. The plaintiff claimed that Kenny Rogers had knowingly and willfully stolen its recipes and menu.

Kenny Rogers Board of Directors quickly determined that it was in its best business interest to acquire Cluckers. Kenny Rogers, in 1994, purchased 2,000,000 shares of Cluckers common stock for $5,000,000. Unfortunately, Kenny Roger's never rebounded from this increased debt. Losses continued to mount reaching $3,500,000 by 1997 (25). Kenny Rogers Roasters filed for Chapter 11 bankruptcy protection in March 1998. The Equicor Group purchased this fledgling fast-food company for $1,250,000, and then engaged in an extensive revitalize effort. Their efforts paid off when a large Malaysian-based fast-food restaurant chain called Berjaya Roasters acquired the newly reorganized Kenny Rogers Roasters chain for

$4,000,000 in 2008. A wholly owned subsidiary of Roasters, Asia Pacific, Berjaya is a major franchise distributor for KFC worldwide (26).

The Equicor Group negotiated a similar deal with Miami Subs Capital Partners involving Miami Subs Grill. A privately-held chain, established in 1988 by a well-known Canadian businessman named Konstantinos (Gus) Boulis (1949-2001), Miami Grill appealed to a wide range of customers. A business speculator in his own right, Boulis wasted no time before expanding operations. Miami Subs Grill, by the mid-1990s, owned and operated more than 170 sites in 19 states (27). Unfortunately, that kind of expansion came with a stiff price, namely, mounting debt.

But not to worry, this company's unique South Beach-styled restaurants, with their tropical art deco décor, highlighted by brightly colored blue and pink neon lights, stood out among the crowd. People loved to dine there. Hoping to expand upon its growing popularity, the Equicor Group purchased Miami Subs Grill in 1999. Miami Subs Capital Partners subsequently purchased it from the Equicor Group. It received $850,000 upfront with the remaining $2,450,000 to be paid in increments over the next several years. The new owners announced plans to build 100 new sites in New Jersey and New York in 2007. Armando Cristian, better known as Pitbull, (b. 1981) acquired it in 2012.

Being a very successful holding company, the Equicor Group prided itself on its highly profitable portfolio, which included a wide variety of popular name brands such as Arthur Treacher's Original Fish-n-Chips. The Board of Directors at Equicor in a very bold move incorporated some of Arthur Treacher's most popular meals and snacks into its Nathan's Famous menu. The year was 2006. Nathan Famous by 2012 included over 300 units in the states with an additional 60 franchises overseas. Board members, that same year, announced plans to open new sites in both Russia and Sochi. Franchises were also pending in Costa Rico, Malaysia, Portugal, and Singapore. In fact, more than 40,000 food service and retail outlets worldwide carry their products. Today's multimillion dollar operation owes much of its success to its insightful founder Nathan Handwerker.

Roy W. Allen (1882-1968) and Frank Wright served their first $.05 root beer float in 1919 at their new Lodi, California stand. The idea behind owning and operating a quick service restaurant originated several years earlier when Roy Allen acquired the rights to a special soft drink recipe concocted by an Arizona pharmacist. Made up of herbs, spices, tree bark, and berries this sweet tasting soft drink appealed to both adults and children. The new site at 13 West Pine Street soon became a popular hangout for locals who wanted something good to eat and drink at a low cost. Allen and Wright wasted no time before expanding their operations to the neighboring communities of Sacramento, California and Stockton, California.

These business partners soon understood the importance of name recognition. Customers must be able to readily connect a company's name with its products and services. Allen and Wright also quickly realized that trendy names, although initially entertaining and fun, often lose their appeal over time. They believed the simpler the name, the better the chances for long-term financial success. With that very thought in mind, these astute businessmen decided to name their new fast-food company A&W. It was a catchy name and simple to remember.

They also knew that the key to their future economic success rested on finding a dependable manufacturer who would be able to produce and ship large amounts of root beer at low cost. J. Hungerford Smith Company was the perfect fit for them. Corporate officials started manufacturing and distributing large amounts of their root beer concentrate to various A&W franchises beginning in 1921. Incorporated in 1879 by Jay Hungerford Smith (1855-1932), this Rochester, New York-based company sold delicious fruit syrups for ice cream and soda fountains (28). It also successfully retailed its own version of a similar soft drink called Rochester Root Beer.

Roy Allen believed strongly that the future of the fast-food industry rested with companies that franchised their operations quickly. Frank Wright, not to be confused with his namesake the world renowned architect Frank Lloyd Wright, also had no objection to franchising. However, Wright wanted to learn more about how franchises operated before committing wholeheartedly to it. Roy Allen disagreed with his partners more conservative approach towards wide-scale franchising. Unable to reach an amicable business agreement, Roy Allen bought out Frank Wright in 1924.

As sole proprietor, Roy Allen immediately opened new franchises in Texas and Utah. His profits during the early years came primarily from customer sales and lucrative franchise fees. The number of A&W franchises exceeded 170 by the mid-1930s. It reached an impressive 450 in the immediate post-war years. After more than 30 years in the business, Roy Allen announced his retirement in 1950. He sold his controlling interest to a well-known Nebraskan entrepreneur Leonard Eugene (Gene) Hurtz (1917-2009). Hurtz subsequently created the A&W Root Beer Company and opened up new sites in Canada and Guam.

The 1950s represented a time of unparalleled growth and prosperity for millions of Americans. This new found wealth encouraged many to frequent quick service outlets such as A&W. That economic realization did not escape the attention of other enterprising restaurateurs who wanted to market their own root beer brand and fast-food items. Dog n Suds represented one of those new corporations prepared to challenge that segment of the fast-food market currently dominated by A&W. Founded by James Griggs and Don Hamacher (1921-2013), Dog n Suds grew from a single site in the early 1950s to become a major force in the field by the mid-1960s. By the end of that decade, there were nearly 600 Dog n Suds sites nationwide (29). However, the fierce rivalry waged between Dog n Suds and A&W proved to be short-lived. Dog n Suds executives had other ideas in mind (30).

The decision by Dog n Suds to market their popular drink in designated retail outlets distinguished it from other root beer companies such as A&W. In addition, frequent ownership changes at Dog n Suds sites foreshadowed major changes in company strategies that were yet to unfold. Those targeted changes manifested themselves in many different, and at times, unique ways. For example, Dog n Suds, in the mid-1970s, with absolutely no warning announced plans to phase out its drive-in restaurant chain to concentrate on selling their products through retail outlets.   Dog n Suds loyal customers sought out other root beer stands including those owned and operated by A&W.

Gene Hurtz remained the President of A&W Root Beer until 1963 when he sold his controlling interest to the J. Hungerford Smith Company. Unsubstantiated rumors, at that time, suggested that disgruntle A&W franchise holders had pressured Hurtz to sell out. Part of the problem between Hurtz and those discontented franchisees may have stemmed from the president's approach towards business. Hurtz furnished very little managerial advice or financial help to his many franchise holders. Instead, he encouraged them to "rely on their own business drive and ingenuity." Clichés like that may have helped to a limited extent. Unfortunately, it did not help to pay the bills. Many restaurateurs said, "Why buy an expensive franchise if the parent company has only a passing interest in their financial well- being?" It just didn't seem right.

The decade of the 1960s prompted additional changes within the quick service industry as many long-established food manufacturers and distributors merged with multinational conglomerates (31). The J. Hungerford Smith Company represented one company to get caught-up in that fray. Within months of acquiring A&W, United Fruit Company (UFC) purchased J. Hungerford Smith. An outgrowth of two major 19th century fruit importers, Boston Fruit Company and United Fruit Company, UFC grew and prospered throughout the early 20th century (32). In fact, this international corporation controlled much of the U.S. Latin American export trade by the 1950s. Wishing to diversify its holdings led the UFC Board of Directors to approve the acquisition of J. Hungerford Smith.

UFC placed its latest acquisitions into a new subsidiary it called A&W Root Beer International. UFC retained control for seven years. A merger with AMK in 1970 led to a major restructuring effort whereby UFC became United Brands (UB). UB continued to market A&W Root Beer until 1982 when a prominent international real estate developer named A. Alfred Taubman (1924-2015) purchased it for $4,000,000. The new owner expanded operations, which resulted in the establishment of 10 new upscale family restaurants called A&W Great Food Restaurants. Taubman also opened numerous additional franchises in regional malls and neighborhood shopping centers. British-based Cadbury Schweppes watched these emerging business developments with special interest. These two well-respected companies had merged in 1969. Hoping to significantly expand its worldwide investment opportunities led this food giant to acquire A&W Root Beer. The merger, finalized in 1993, included special stock transfers totaling more than $335,000,000.

Cadbury Schweppes, within the year, sold its controlling interest to Sagittarius Acquisitions Incorporated (33). In 1999 Sagittarius merged with the Long John Silver's to become Yorkshire Global. Yorkshire Global, three years later, sold both its A&W and Long John Silver's subsidiaries to Tricon Global for $320,000,000. Tricon Global in 2001 operated 30,000 restaurants. Its profits that same year topped $22billion, while its sales figures exceeded $7,700,000,000 (34). Tricon soon changed its name to Yum Brands. An independent organization, in conjunction with former A&W franchisees, acquired controlling interest in 2011. That same year, LJS Partners LLC merged with Long John Silver's (35). The new A&W owners wasted very little time before establishing their own fast casual restaurant chain. This growing conglomerate operates more than 1,200 A&W sites worldwide.

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CHAPTER TWO: DRIVE-IN RESTAURANTS GAIN A NATIONAL FOLLOWING

Many of today's most popular fast-food chains trace their origins to the 1920s. White Castle is one such nationally recognized company. Established by J. Walter Anderson (1880-1963) and Edgar Waldo (Billy) Ingram (1880-1966), White Castle has enjoyed a large following from the day it first opened in Wichita, Kansas. (1) The name choice along with its building design and color scheme were no accident. Its castle design represented permanence and strength, while its white color stood for honesty and purity. Market conditions in urban American during the 1920s favored that kind of quick service restaurant. Also, its founder and co-owner Walt Anderson had previous experience in the fast-food business. He began selling tasty hamburger sandwiches five years earlier from an abandoned streetcar. From that modest beginning, Anderson's operations soon expanded. By 1920 he successfully managed three stands.

Billy Ingram began his illustrious career by selling insurance and real estate. However, deep down inside he knew that he wanted to own a restaurant. Anderson and Ingram pooled their resources and in 1921 opened their first diner. Located at the busy corner of First and Main Streets in the bustling city of Wichita, Kansas, this white porcelain-clad building with its bright stainless steel counters and comfortable swivel seats epitomized the finest in fast-food dining during the "Roaring '20's." Mass produced hamburger sandwiches for $.05 a piece were the backbone of their financial success. Consumers just could not get enough of them, and new franchises began popping up throughout the Midwest.

Some rival companies tried to capitalize on White Castle's y financial success. John E. Saxe represented just such an entrepreneur. He opened his own fast-food restaurant chain in Milwaukee, Wisconsin beginning in 1926. Called White Tower, this chain's motifs, architectural design, and advertising techniques closely emulated White Castle's. White Castle launched a lawsuit against Saxe claiming that he had impinged upon their patent rights. White Castle won the suit forcing White Tower to change its strategy. Saxe also paid damages to White Castle totaling $82,000 (2).

Cleanliness was considered essential in any quick service concern. Walt Anderson responded by providing his short-order cooks disposable paper hats, white aprons, and sterilized utensils (3). He also paper-wrapped every sandwich sold and wrote a special employee's food preparation manual. These business partners left little to chance. They took a giant step forward when they incorporated their numerous franchises in 1924. The White Castle System of Eating Houses, by the early 1930s, operated more than 100 sites in 11 states. Providing their many customers price reductions through newspaper coupons stimulated sales even further. Loyal customers especially appreciated these discounts during the Great Depression.

Wishing to pursue other potentially lucrative offers, Walt Anderson sold his half of the business to Billy Ingram in 1933. Ingram wasted no time before moving his corporate headquarters from Wichita, KS to Columbus, Ohio. He desired a more central location. The number of sites multiplied rapidly in the late 1930s. Corporate profits continued to soar into the post-war years as more people turned to White Castle for a quick lunch or snack. Fast-paced changes within the industry itself during the 1970s and 1980s led many restaurateurs, including the Ingram family, to reevaluate their current business objectives. Hoping to capture a greater percentage of the growing breakfast trade led White Castle officials in the 1980s to launch their own special breakfast favorites. Waffles with various delicious toppings led the list of new items. Patrons still enjoy these flavorful treats today.

Leaders in the fast-food industry continually praise White Castle for its uncanny knack of hiring and retaining top quality employees. The company has repeatedly won the highly coveted "People Report Best Practices Award" (4). This award recognizes those chains that strive to provide the best possible work environment. White Castle's enduring success stems from the fact that it never stops emphasizing the importance of team work within its many divisions. The company's recently retired CEO Bill Ingram knows that adage to be very true. He began his career working at the loading bays where he placed supplies into trucks and stacked items onto pallets (5).

White Castle in 2013 was ranked 36 in the top 50 fast-food restaurants with over 300 units. Bill Ingram in December 2015 announced his retirement. He will continue to serve as Chairman of the Board. Ingram's daughter Lisa (b. 1970) will succeed him. Over the past 20 years corporate sales have more than doubled to $675,000,000. The company also has added over 100 new units. The addition of a frozen food division has ensured its continued financial success (6).

Another major breakthrough in the 1920s originated with two energetic West Coast entrepreneurs Julius Freed (1887-1952) and Willard (Bill) Hamlin (1897-1987). These two astute businessmen made a startling discovery following the First World War that although the state of California supplied the nation thousands of bushels of oranges annually, few Golden State residents ever touched the stuff. They blamed it on the lack of quality local juice stands. Freed and Hamlin thought the best way to remedy that situation was to open their own orange juice stand (7). These two highly enterprising individuals soon found the perfect spot at 820 South Broadway. Within easy walking distance of the City of Los Angeles main commercial and movie theatre district, this one of a kind juice bar opened for business in 1926. It generated over $26,000 in its first year of operation. Considered a respectable return, Freed and Hamlin wanted more. They assumed that sales figures for the following year would increase dramatically especially when the word got out. However, that did not happen. A less than stellar performance during the first six months of 1927 convinced these business partners to adopt a new marketing approach.

Their latest approach began simply enough with a customer survey. The owners asked their patrons what they liked best and least about their juice stand and its product. They soon realized that the majority of customers liked their convenient location, inviting décor and low prices. However, opinions varied greatly regarding both the quality and taste of the juice itself. Those surveyed overwhelmingly agreed that something must be done to sweeten its taste while also, cutting down on its acidity.

With a background in chemistry, Bill Hamlin began experimenting with different kinds of food additives. He finally developed a special powder that, when added to the juice, neutralized its acid levels and made it sweeter tasting. Consisting of orange juice, water, egg whites, vanilla extract, sugar and ice this concoction was an immediate hit with consumers. Hamlin had indeed achieved the impossible. He had successfully transformed plain orange juice into a frothy, sweet tasting orange drink. This new and delicious drink cost only $.10 a glass.

These two restaurateurs had no idea what to call their new drink sensation. Like sharp business leaders of any era, they knew that food items with catch names generally outsold similar products with less imaginative labels. Perhaps the public might be able to resolve this difficult issue. Bill Hamlin noticed that many customers when placing their orders simply yelled out "Hey Give Me an Orange, Julius." This simple catch phrase said it all. It certainly distinguished their drink from other similar products found on the open market. With that very thought in mind, Hamlin patented the phrase. Over time, the name was shortened to Orange Julius.

Bill Hamlin also totally understood that if they intended to remain competitive within this ever-changing industry, then they must franchise operations immediately. Orange Julius stands rapidly appeared throughout southern California. Relatively inexpensive to build and maintain, there were more than 100 Orange Julius sites by the early 1930s. Their combined sales exceeded $3,000,000. This new and refreshing beverage enjoyed a loyal following everywhere. Freed and Hamlin remained business partners until 1952 when Julius Freed died. Under Hamlin's able leadership, Orange Julius expanded its offerings to include a wide array of new fast-food favorites such as hot dogs and hamburgers. It became the official drink of the New York World's Fair in 1964. When Bill Hamlin retired in the late 1960s there were Orange Julius stands worldwide. This one of a kind fast-food phenomenon remained an independent company until Dairy Queen International (DQI) acquired it in 1987. Its current owner Berkshire Hathaway operates more than 200 stands throughout the world.

Another popular restaurant Boston's own Pizzeria Regina opened its doors in 1926. Its original owner depended on a well-known local grocer John Polcari to supply him with garden fresh ingredients. Polcari had migrated from Italy in 1909. A highly determined businessman in his own right, Polcari took the financial plunge following the Second World War and purchased Pizzeria Regina (8). He soon transformed this small, neighborhood restaurant into one of the city's favorite hangouts. Pizzeria Regina's famous curbside pick-up service continues today.

Fortunately, Polcari's ambitions were not limited to just operating one site. He soon acquired two other full-service restaurants. These popular spots featured life entertainment, special banquet facilities, and catering services. With the exception of those two recently purchased restaurants, the Polcari family did not engage in the post-war frenzy that resulted in numerous new pizzerias popping up throughout Greater Boston. Instead, they focused their attention on providing tasty food and quality service out of their three well-known restaurants. It seemed the right thing to do following the Second Word War. Of course, the Polcari family could not anticipate the many economic and social changes that were about to affect the local quick service restaurant scene. The phenomenal growth of Boston's suburbs, throughout the 1950s and 1960s, prompted many changes within the fast-food industry.

In fact, the number of pizza shops in the Greater Boston area nearly doubled over the next two decades. Each new eatery with its own unique pizzas, salads, and sandwiches presented formable business challenges to traditional establishments such as Pizzeria Regina. The Polcari family gradually recognized that their hard-earned reputation for providing quality pizza served within a friendly setting may not be enough to sustain them in the years ahead. In order to remain competitive in this market they must quickly open at least one more pizzeria. With that idea in mind, the Polcari family, in the early 1970s, announced the grand opening of their second pizza shop within historic Quincy Market. Later in that decade, they purchased ten former Pizza Hut facilities.

Markedly improved profits turned the company's fortunes around very rapidly. They fast became a regional force within the local fast-food business. Hoping to capitalize even further on its recent success, Pizzeria Regina hired George R. Chapdelaine (b. 1945) as its new CEO in the 1980s. He had previously served as the General Manager at H.P. Hood & Company and as Chief Sales Manager at Chiquita Brands Food. Chapdelaine possessed the kind of business savvy necessary to lead this growing company into the 21st century.

Bostonians annually voted Pizzeria Regina their favorite pizza. Hoping to become a regional leader in the industry led corporate officials to move their headquarters from Boston, Massachusetts to Lynnfield, Massachusetts in 1993. Later that same year, Pizzeria Regina officially changed its name to Boston Restaurant Associates (BRA). BRA rapidly expanded its operations throughout New England (9).

Under its current Vice President of Operations, Anthony A. Buccieri (b. 1954), Pizzeria Regina continues to grow and prosper. Much of its recent financial success involved location. The majority are located in densely populated areas in eastern Massachusetts, Connecticut, and New Hampshire. However, as experts in the fast-food industry readily admit any sudden reversal in fortune due to unexpected economic downturns or changing customer tastes might prove disastrous for such a chain. That was exactly what happened in 2014 when an unexpected downturn in the economy forced officials to review their current strategies. They decided to turn the matter over to their corporate counsel. Their legal staff determined the best course of action to follow.

BRA executives, in May 2015, announced that they were filing for bankruptcy protection under Chapter 11 (10). This legal maneuver enabled Pizzeria Regina to break its long-term leasing agreements with several less productive sites. Corporate officials reassured the public that this action represented little more than a reorganization initiative and that their other profitable units would remain open. This company's corporate culture has always been the same, namely, sell only the best quality products in a friendly environment. That tradition still lives on. Pizzeria Regina continues to market its own famous brick oven style Neapolitan pizzas with numerous tasty toppings.

Maid-Rite represented another popular fast-food chain that began after the First World War. Founded by an enterprising butcher named Fred Angell (1894-1950), it opened in 1926 (11). Located on Cedar Street in Muscatine, Iowa, this quick service eatery specialized in loose meat hamburger sandwiches known as "Maid-Rite." Consisting of 100 percent USDA fresh ground beef served on either a white or wheat bun and topped by ketchup, mustard, onion, and pickles these delicious sandwiches appealed to people of all ages. His immediate financial success led him to branch out very quickly. He soon operated units in Newton, Iowa and Marshalltown, Iowa.

The growing popularity of this fast-food chain gained the attention of many astute business leaders including a local entrepreneur named Clifford E. (Cliff) Taylor (1888-1944). Taylor dreamed of owning his own restaurant, and he believed that Maid-Rite fit his criteria. Being a friend of Angell, he knew a great deal about Maid-Rite's operations upfront. Taylor knew that he could handle the many business challenges inherent in operating such an enterprise. Like so many others, Cliff Taylor full understood that the real fortunes in this business awaited restaurateurs who successfully established a multitude of franchises quickly. Taylor also realized that adding units on a piecemeal basis did not guarantee long-term success. These restaurant owners able to open several franchises at once received the greatest financial rewards. Yes, that kind of business strategy involved a certain degree of financial risk. But, what venture did not involve some risk initially. It was an inherent part of the restaurant game. Once a chain was up and running then its annual profits would be more than sufficient to offset any debt incurred during the initial investment cycle. Maintaining a proper balance between profit and loss was crucial to success.

The almost inexhaustible supply of new customers made franchising even more appealing to ambitious businessmen like Cliff Taylor. However, before Taylor could consider franchising operations he must first purchase an existing restaurant. Acquiring a popular site would afford him instant credibility within the local business community. Seeking out peer acceptance might be very useful in promoting new business; however, it still only represented only one factor to consider in determining location.

Cost considerations and the physical condition of the facility itself also weigh heavily in determining the final choice. Properly maintained restaurants might cost more to buy initially; however, they might be a great deal cheaper to operate in the long run. After all, properly maintained restaurants generally require minimal alterations and repairs. The money saved might be spent on other important business things such as advertising campaigns or menu updating. Also, in purchasing a popular eatery the possibilities of establishing repeat business markedly improved.

With those thoughts in mind, Cliff Taylor purchased the Maid-Rite restaurant chain from Fred Angell for $300 in 1928. The Taylor family continues to play an active role in its operations to the present day. The Maid-Rite menu grew considerably from its limited selection of hamburger sandwiches, fries, and soft drinks. It now features a wide variety of items ranging from delicious pulled pork sandwiches and mouthwatering chicken sandwiches to crunchy battered cod fish filets and appetizing wraps. Maid-Rite also serves tempting salads, lip-smacking malts, and thick shakes. It features a complete children's menu as well.

Taylor's Maid-Rite recycles paper and uses biodegradable products whenever possible. This popular Midwest restaurant chain also markets its own name brand merchandise including such things as aprons, shirts, caps, drinking mugs and tattoos. There are nearly 80 Maid-Rite sites located in 12 states. Plans call for further expansion later in this decade.

The Great Depression of the 1930s, like the "Roaring '20's," represented a period of great advances and growth within the quick service restaurant options. Carvel's Ice Cream topped that innovative list of fast-food options. Founded by a Greek immigrant from New York City named Tom Carvel (1906-1990), this highly successful fast-food chain has served its many loyal customers for more than 80 years. Carvel began his illustrious career in the 1920s as a drummer in a Dixieland jazz band. He also served as a test driver for the Studebaker Motor Car Company and sold ice cream out a specially designed truck. When all was said and done, Tom Carvel decided to focus his efforts on the very promising ice cream trade (12).

Stirring up new business during the Great Depression was no small task. To be successful in this line of business one had to offer a very unique product. Carvel determined that providing his patrons special deals on his delicious ice cream products would certainly help his business prospects considerably. Offering two ice cream cones for the price of one beginning in 1933 led to a steady stream of paying customers. In fact, demand became so great that in 1934 he incorporated his company. Over the next two years, the Carvel Ice Cream Company not only secured the patent rights to a special production method; but also, opened its first stand. Located at 95 South Central Avenue in the bustling community of Hartsdale, New York consumers stood in enormous lines just to buy his tasty frozen desserts. The original stand remained open for more than 70 years.

This highly motivated entrepreneur began franchising operations following the Second World War. By the mid-1950s, he owned and operated more than 100 sites throughout the East. Readily recognized by their large plate glass windows and pitched roofs, these units stood out among the crowd. Tom Carvel, like so many enterprising restaurateurs of that era, knew that his financial success rested in large measure on his own business ingenuity and savvy. He had to outguess his competitors at every juncture. Fortunately, his resourcefulness never let him down. The fact that thousands of patrons enjoyed his tasty dessert treats daily was never enough for this highly inventive business leader.

His obsession to prove that the Carvel Ice Cream Company was not just some fly-by-night operation motivated him to do great things countless times. In fact, he became a pacesetter within the fast-food industry. Keeping up with the latest fads helped him to maintain that precarious lead. For example, in the early 1950s Carvel capitalized on the latest science fiction craze by introducing his own version of a round-shaped ice cream sandwich. Closely resembling a space ship and named the “Flying Saucer,” this delicious frozen treat delighted young and old alike. However, his product innovations did not begin or end with unique items like that.

Tom Carvel fully understood the many business pressure his company constantly faced from equally inventive businessmen throughout this highly competitive local market. Fortunes were made and lost virtually overnight. Carvel’s never ending commitment to provide the freshest products at the best possible prices spurred on continual business innovation and perhaps, even more importantly, a relentless willingness on his part to change with the times. If that meant expanding production capabilities with little notice to better suit the changing needs of his growing customer base, so be it. Nothing was beyond the realm of possibility. After all, the customer was king.

Just such a scenario unfolded in 1969 when a group of Orthodox Jews from the Williamsburg section of Queens demanded a new variety of kosher style ice cream. Tom Carvel could have just as easily ignored their demands since it represented only a small part of his growing market; however, that was not his style. Instead, he introduced an entirely new line of frozen dairy desserts that catered to their very particular dietary needs and restrictions. Tom Carvel also led the pack in the 1970s, when he introduced several new varieties of ice cream cakes. Cookie Puss, Hug-Me-Bear, and Fudgie the Whale became immediate favorites. Without a doubt, customers appreciated the quality of Carvel's ice cream and returned time and time again to his many crowded locations.

His fame as a restaurateur extended beyond his tasty frozen desserts and friendly customer service. Perhaps Tom Carvel is best remembered as the voiceover for his many radio and television advertisements. His gruff voice and brisk manner got the point across. He was an average guy selling a quality product at a fair price. Adding that human touch to his many advertisements worked very well. In fact, corporate sales soared in the 1970s. But, not everything he touched turned to gold. Adverse publicity based on alleged wrongdoing plagued him several times over the years.

Allegations of wrongdoing first surfaced in the 1960s when a group of Carvel franchise holders approached the Federal Trade Commission (FTC). They claimed that Tom Carvel had willfully and with malice of forethought initiated harsh restrictions on certain franchise holders with the intention of forcing them out of business. Carvel said that his actions were warranted. He claimed his actions not only guaranteed uniform product quality and top notch service within his own franchises, but also set the ground rules for the entire industry. The FTC ruled in favor of the defendant claiming that their charges were unfounded. A counter suit launched by Tom Carvel netted him $10,000,000 in damages. The Attorney General of the State of New York, Robert Abrams, in 1979 called for another investigation of Tom Carvel's activities this time involving possible Restraint of Trade. Although none of these charges were substantiated, the negative publicity generated by such allegations negatively impacted the bottom line.

The third largest ice cream company in the U.S. remained in private hands until November 1989 when Tom Carvel sold controlling interest to Investcorp for $80,000,000 (13). Founded in 1982 as a private equity company committed to providing its many clients alternative investment possibilities, Investcorp soon moved Carvel's corporate headquarters from Westchester, New York to Farmington, Connecticut. It held the company for 13 years. Investcorp, in 2001, sold controlling interest to another large private equity firm called the Roark Capital Group. Through a special arrangement, Investcorp retained minority control of Carvel's.

The growing market for Carvel's many frozen desserts within large regionally based supermarket chains highly impressed Roark Capital (14). A survey conducted prior to its acquisition in 1982 by Investcorp showed that Carvel's enjoyed 98 percent brand recognition and 90 percent repeat business within crucial core regions. Supermarket sales continued to grow in the decade ahead reaching an astounding compound annual rate of 40 percent by the early 1990s. Roark Capital's Board of Directors, as part of their remarketing strategy, divided Carvel holdings into two subsidiaries. One division headquartered in Atlanta, Georgia focused exclusively on establishing new franchises, while the other in Rocky Hill, Connecticut concentrated its attention on increasing sales within large supermarket chains.

The Atlanta subsidiary merged with Focus Brands another of Roark Capital's many other successful divisions in 2004. Focus Brands operated bakeries, cafes, ice cream shops, and restaurants worldwide including such favorites as Auntie Anne's Pretzels, Cinnabon, McAlister's Deli, Moe's Southwest Grill, and Schlotzsky.   Over the next several years, the number of Carvel sites nearly doubled. Large shopping centers and malls, in particular, welcomed these shops. Carvel's gained international attention when it broke one of Guinness's World Records in 2004. It created the largest ice cream cone ever made. Other firsts included low fat ice cream and special ice cream sundaes with brand name candies mixed right into them. There are currently more than 500 Carvel shops worldwide.

A host of other fast-service restaurant chains also debuted in the 1930s. One of today's most popular quick service restaurant chains Steak-n-Shake first opened its doors during those bleak economic times. A perceptive young businessman Augustus (Gus) H. Belt (1895-1954) began welcoming customers to his Normal, Illinois restaurant in 1934 (15). Prior to opening his Main Street establishment, he had successfully owned and operated a combination gas station and chicken restaurant. His all you could eat delicious chicken dinners were well-known throughout the region.

However, Gus Belt wanted much more. He determined that the local market was saturated with inexpensive chicken stands and that his patrons wanted something else to eat. After carefully weighed his options, Gus Belt decided to go into the fast-food business. It represented a major business undertaking with an inherent degree of financial risk. Would the potential profits derived from such a venture be worth the sacrifice? It was anyone's guess in the mid-1930s.

Unlike the many quick service restaurant options available in today's market, fast-food choices in the 1930s were limited. Most people preferred to eat bland foods. Even though many customers said that they were more than willing to experiment with exotic items, few actually did it. If the truth were known, most remained highly suspicious of unfamiliar items. They expressed many concerns when it came to trying new foods. For example, would those newfangled items be too gooey, too salty, or too spicy? Would they be made of ingredients we trusted or something no one had ever heard of before? Would these new food choices make them ill? The public needed to be continually reassured that such "exotic" foods were indeed safe to eat before they would begin to order them. In the long run, those customers able to overcome their qualms often enjoyed these delicacies.

However, before being able to sell such exotic foods, restaurateurs had to convince their patrons that these new items were both delicious and safe to eat. Providing free samples or having a dietician available to discuss the many health benefits of such products often waylaid many initial concerns. Chinese restaurants resolved such issues early on. In order to make more palpable dishes with greater customer appeal, many owners of Chinese restaurants refrained from using special hot oils or unusual spices. Their chefs also did not cook main entrees that relied on such things as exotic fish, fowl, or meats. These new approaches towards cooking worked quite well. Customer demand skyrocketed once the word spread that Chinese food was inexpensive and safe to eat.

Gus Belt knew full well the many economic pitfalls inherent in opening a new kind of restaurant. He also realized that the future of the quick service industry belonged to those entrepreneurs who could successfully incorporate new items into their menus on a regular basis. After much consideration, Belt invested his hard earned cash into a quality local hamburger stand, a place that welcomed repeat business. This was no small task. Although not viewed as exotic food, hamburger sandwiches in the mid-1930s were not particularly big sellers either. Many consumers considered them unhealthy. If Gus Belt wanted to invest in such a risky undertaking then he must be prepared to serve nothing but properly cooked, high quality beef. Nothing else would do.

Believing that he could overcome this formidable challenge, Belt opened his first Steak-n-Shake restaurant. As the name indicated, he specialized in reasonably priced, premium burgers along with delicious hand dipped milk shakes. This new informal eatery, with its courteous servers, appealed to customers from all walks of life. Unlike many of his competitors, Belt painstakingly perfected his-own special hamburger recipe. It was a combination of T-Bone, sirloin, and round steak. He also made sure that each and every hamburger he served was thoroughly cooked. Proper cooking not only guaranteed a better tasting product, but also significantly lessened the possibilities of food poisoning.

Food poisoning is not something to be taken lightly. In fact, many patrons still refuse to eat hamburgers. Food poisoning is often related to the making of the hamburger patties themselves. Unlike steak where surface bacteria can be easily eliminated by cooking a piece of beef thoroughly, the very consistency of hamburger lends itself to the spread of bacteria, and no amount of cooking can eradicate it. It usually begins when a cook unknowingly touches a bacteria-laden surface and then, without washing his or hers hands, proceeds to make hamburger patties. The pulverized meat is full of latent bacteria. Unsuspecting patrons often become violently ill after ingesting it.

Gus Belt did everything possible to provide his patrons non-contaminated hamburgers. His early advertisements stressed both the cleanliness of his restaurant sites and the high quality of food sold there. His catchy slogan reflected his high standards. “In Sight, It Must Be Right” said it all. It distinguished his hamburger stand from the run-of-the-mill restaurant. That tradition of selling high quality items continues to the present day in his company's signature steak burgers. Made of only top quality, certified organic beef and with no additives, Steak-n-Shake burgers are still the most popular items on the menu. Being a top notched promoter, Gus Belt wasted no time before franchising operations. He averaged one new franchise per year. One highly innovative idea he capitalized on involved operating a special boat landing. He sold meals and snacks to hungry individuals traveling along the Illinois River near Peoria, Illinois.

Steak-n-Shake continued to expand operations into the late 1960s. An East Coast steakhouse chain known as Longchamps acquired Steak-n-Shake from Gus Belt's widow Edith for $17,000,000 in 1969. Financial setbacks over the next two years forced Longchamps to sell its holdings to Franklin Corporation for $9,000,000. Franklin Corporation had indeed made the right business move. Steak-n-Shake sales exceeded $23,500,000 by 1973. Unfortunately, a financial shortfall in the early 1980s forced Franklin Corporation to divest itself of nearly 30 under-performing units.

Still reeling from its recent financial losses and facing possible bankruptcy, Franklin Corporation merged in 1982 with a newly created Indianapolis holding company called Consolidated Products (CP). Led by a noted financier E.W. Kelly, formerly of Kelly & Partners LTD, Consolidated Products not only acquired Franklin Corporation; but also, that company's many lucrative subsidiaries including Steak-n-Shake. CP placed Steak-n-Shake under a new division known as Specialty Restaurants. It remained there until 2000 when it became a separate entity called the Steak-n-Shake Company. This highly successful enterprise in 2013 ranked 30 of the top 50 fast-food restaurants (16).

The 1980s and 1990s led to drastic changes within the fast-food industry. New companies suddenly replaced old favorites. Those chains able to withstand this latest round of financial reversals were not necessarily better managed companies than those that did not survive the ordeal. More often than not, pure luck determined which franchises endured and which ones did not. Survivors wanted to know why this hardy industry had fallen prey to devastating economic forces the likes of which were barely visible only a few years ago. Most restaurant owners agreed that they must take drastic action to prevent it from reoccurring. The question facing them was, "How to do it?"

The majority agreed that adopting a two-pronged approach whereby they closely monitored daily operations, while also carefully scrutinizing abrupt changes in overhead costs represented a very effective way to prevent this kind of catastrophe from occurring again. Most also agreed that meticulously executed promotional activities, done in conjunction with viable new menu options, along with periodic operational downsizing and uniform pricing should act as additional deterrents. Steak-n-Shake represented one of the fortunate few to withstand this latest onslaught of closings. Adapting this multifaceted business approach described above enabled this surviving enterprise to grow and prosper in the wake of surrounding disaster.

Shake-n-Steak executives met the growing business challenges of the new Millennium by introducing a wide number of new items and updating their décor. These actions paid off well and the company soon became an industry leader. The “new and improved” Steak-n-Shake with its more than 500 units, featured popular comfort foods served within brightly lighted settings that resembled streamlined diners of the immediate post-war years. Experts in the quick service field praised Steak-n-Shake for its uncanny knack of appealing to customers from all age groups.

This fast-food giant still prides itself on being on the cutting edge of business innovative. It not only offers complete breakfast, lunch, and dinner menus, but also late night snacks and a special children’s menu. Being able to adapt modern, widely accepted business practices in a number of practical and unique ways quickly has significantly improved its bottom line. Its loyal customer base also accounts for much of its continued financial success. Changing customer eating habits, in conjunction with growing public concerns regarding the toxic environment, convinced company heads to reinvent their business. This corporate transformation began in 2000 when Steak-n-Shake unveiled its latest menu options along with new environmental guidelines. The public responded favorably to both as profits soared. Steak-n-Shake employed more than 7,000 workers as of 2007.

Its consistently high earnings impressed many influential outside investment groups. One such organization called Biglari Holdings expressed a keen interest in acquiring this highly successful enterprise. Its founder and CEO Sardar Biglari (b. 1977) believed that Steak-n-Shake would be an important addition to his growing list of profitable companies. Following a heated proxy fight, Biglari acquired it in 2008. The subsequent stock split of 1 for 20 increased the value of Steak-n-Shake stock to $14.00 a share. Biglari currently owns and operates Steak-n-Shake along with Western Sizzlin’ restaurants, First Guard Insurance and *Maxim Magazine* (17).

The Board of Directors at Biglari Holdings approved a major business restructuring plan that led to the creation of a wholly new subsidiary named Steak-n-Shake Operations Incorporated in 2010. From its humble beginnings in the early 1930s, Steak-n-Shake continues to generate sizeable investment returns. For example, corporate earnings topped $28,000,000 in 2013. Sales in 2014 increased by 6.6 percent while customer traffic improved by 4.6 percent. Biglari Holdings announced in June 2015 that Steak-n-Shake was fast approaching a milestone, its 25th consecutive quarter of growth. Steak-n-Shake presently operates 415 company owned units and 124 franchises.

Retaining its customer-base through carefully targeted advertising has always been one of its main business goals. A well-known Minneapolis advertising agency Carmichael Lynch in 2011 took a very practical approach when it came to promoting the new Steak-n-Shake $4.00 meal deal. Instead of relying on the usual advertising hype to promote its latest products, Carmichael Lynch emphasized their quality and value. That approach worked well as more and more people came to Steak-n-Shake daily.

Carmichael Lynch executives recently initiated an even more radical approach towards advertising. Instead of flooding the airwaves with an endless stream of hard sell commercials, this firm has employed a more subtle approach. They allowed new Steak-n-Shake items to stand on their own merit. This soft sell approach has worked well (18). It consists of light hearted banter between two unassuming characters, a wise teacher and his naïve pupil. Occurring within different settings, the two discuss the merits of the various Steak-n-Shake $4.00 meals.

Steak-n-Shake also encourages its many customers to enjoy their favorite malts and shakes for half price during what they call as "Happier Hours," which run Monday through Friday from 2:00 p.m. to 5:00 p.m. and again from 2:00 a.m. to 5:00 a.m. Newspaper coupons featuring sizeable discounts on their favorite meals and milk shakes make these items especially appealing to college students and cost-conscious young families.

The continued popularity of Steak-n-Shake is not hard to understand. Consumers enjoy its quality food and affordable prices. The old business adage "provide customers value and they will come back time and time again" certainly applies here. Annual profits per site average about $2,000,000. People from all walks of life love to eat at Steak-n-Shake. Always on the cutting edge of change, Steak-n-Shake's new $460,000 site in the heart of New York City's Times Square offers unique choices such as organic hamburgers, hand cut fries along with beer and wine (19). Fast-food analysts considered this New York site to be a major industry breakthrough. It represents the first in a series of new dining experiences that Steak-n-Shake plans to introduce over the next decade. Begun by an enterprising small town businessman, Steak-n-Shake has become an international star in the quick service restaurant game.

The post-war period saw the emergence of yet another popular national chain called Sonic. Its founder Troy N. Smith Sr. (1922-2009) beginning in 1946 owned and operated two popular restaurants in Shawnee, Oklahoma. The Cottage Café Diner, later known as Troy's Panful of Chicken, was a very modest diner, while the larger Log House Restaurant was an upscale steakhouse. Both did well financially although the diner generated slightly higher profits. After some careful deliberations, Smith decided to concentrate his efforts on his fast-food holding. With the assistance of a local supermarket manager named Charles (Charlie) Woodrow Pappe (1915-1967), Smith purchased his first quick service restaurant in 1953. Called the Top Hat Drive-In, this fast-food spot attracted large crowds from the day it opened. It specialized in juicy hamburgers and mouthwatering fried onion rings (20).

Innovative businessmen in their own right, Smith and Pappe wasted no time before perfecting their own assembly line method for distributing food orders. Smith based his model on one he had previously seen in a Southern diner. Their slogan “Service with the Speed of Sound” said it all. Instead of ordering food through traditional car hops who scribbled down a customer’s order on a pad of paper and then hand delivered it to the cook in the kitchen, patrons now shouted out their orders directly to the kitchen through a special electrically operated intercom system.

Consisting of a free standing electrically powered substation attached to a metal pole next to the driver’s window, the customer’s voice activated it. All a driver had to do was open the car window and yell out the order. Car hops wearing roller skates delivered their orders within minutes. This state-of-the-art food delivery process appealed to a many. They really liked this new “space age” technology. It was the perfect gimmick for the 1950s. Its success enabled Smith and Pappe to focus their attention mostly on the drive-in restaurant part of their business, rather than trying to accommodate both curb and sit down service. Sonic is still a drive-in restaurant chain.

Obviously, Smith and Pappe wanted to make as much money as possible. This meant franchising operations quickly. They began with sites in Stillwater, Woodward, and Enid Oklahoma. Known as “A Space Age Place” with fabulous food, the two owners in 1959 changed the name of their corporation from the Top Hat to Sonic. The need to standardize procedures and services led Smith and Pappe to open their own commissary in 1961. Known as the Sonic Supply Company, it furnished franchise holders with food and supplies. As the number of sites grew so did the responsibilities of the commissary. A vastly new and improved facility replaced Sonic Supply in 1967 (21). Renamed Sonic Systems of America, this highly efficient ultra-modern distribution center offered a wide assortment of products and services to its more than 40 sites.

Pappe wholeheartedly supported most of Smith’s business decisions actions especially when it pertained to the commissary. However, he strongly disagreed with his business partner when it came to operating their franchises. Pappe represented the old school of thought regarding the duties and responsibilities of franchise holders to the parent company. Pappe believed in strict obedience. Franchisees were expected to closely follow orders issued by the parent company. No improvisation encouraged here. Not only were franchise holders expected to implement corporate dictates in an efficient way, but also encouraged to keep detailed records of how these dictates fared over time.

Micromanaging on such a grand scale may have produced the kind of company-wide conformity coveted by many of Sonic’s large investors, but at what cost? Analysts questioned the wisdom of such business action especially if the corporation planned to go national in the foreseeable future. Such business constraints also prevented enterprising franchise holders from gaining the economic upper hand over their competitors. The tedious process of securing approval from corporate officials before initiating even the smallest changes prevented them from taking the lead within their respective markets.

Smith recognized the inefficiency of such business practices. Although a highly respected regional drive-in restaurant chain, Sonic's had absolutely no national impact then. If the company intended to gain a national foothold then it must begin to expand operations as soon as possible. That meant establishing a large number of new franchises in previously untapped markets. Both Smith and Pappe fully appreciated the potential financial risks involved in such wide-scale investment opportunities. Financial uncertainties, in themselves, did not bother Smith who was ready on a moment's notice to jump into that highly competitive race.

Unfortunately, the same could not be said for his business partner Pappe. He remained skeptical believing that opening a large number of new franchises in previously untested markets might backfire on their company, and he was not prepared to deal with such repercussions should that occur. Smith vehemently disagreed with him. He thought massive franchising represented the next logical step if Sonic really wanted to become a national chain. The old business adage "no pain no gain" seemed to apply in this instance.

However, Smith's dream of going national might well have remained just that a dream had circumstances not intervened to change everything. Pappe died in 1967. With him out of the picture, Smith pursued his lifelong dream. The 1970s saw the number of Sonic franchises triple from 40 to over 120. Reasonably priced franchises ensured financial success. New franchise holders paid as little as $500 down plus $ .01½ for each burger sold. Smith concentrated most of his business efforts in Arkansas, Kansas, Oklahoma, and Texas.

Many of Smith's peers admired his veracity. This well respected regional chain had gained national prominence in less than a decade. Smith remained at the helm until the mid-1970s when he sold his controlling interest to a group of stockholders for $1,300,000. Smith remained a corporate advisor to Sonic until 1983 when he became the company's Chairman Emeritus. The new owners hoped to boost sales appreciably by adopting a less conventional approach to business. Instead of requiring their franchise holders to use the same menu, board members encouraged them to promote their own local favorites. Equating tasty, regional items with specific drive-in outlets seemed to make perfect sense then. It might also allow them a certain degree of autonomy based on the items they chose to specialize in within their individual sites.

As is often the case in business, corporate strategies and customer expectations do not always come together. The idea of sanctioning delicious, regional food favorites over traditional bland choices sounded good in theory. Unfortunately, it never worked out that well.

Instead of stimulating business it encouraged many previously loyal patrons to turn their backs on Sonic. Patrons for some inexplicable reason enjoyed eating bland tasting foods prepared in standard ways, and that was that. Sonic's decision by its board to promote new kinds of meals and snacks instead of standard favorites led many regulars to seek out other national fast-food chains.

This proved to be especially true at vacation and interstate highway stops where travelers expected the quality, quantity and preparation of their snacks and meals to be exactly the same as what they ate at home. Leading spokespersons for Sonic disagreed. They argued that the long-term advantages of promoting tasty, regional foods over tasteless favorites would far outweigh any temporary financial losses incurred by their franchise holders during this time of transition. Officials suggested that if they stayed the course it would work out in the end.

Critics, in the mid-1970s, repeatedly attacked Sonic for its less than insightful business strategy. Sonic's competitors repeatedly posted high sales. Patrons thoroughly enjoyed eating bland tasting food. The reason for their heralded success was easy enough to understand. Standardized food not only fulfilled the daily needs of most customers; but also, significantly kept corporate overhead costs down. Specifically, it enabled shrewd fast-food chains to purchase large quantities of food from distributors at much discounted prices. The savings derived from buying bulk food led to even greater potential profits. The practicality of such buying practices notwithstanding, Sonic's officials proceeded ahead with their earlier plan. Never able to generate the high returns first envisioned, Sonic's stubborn action resulted in further corporate losses and additional unit closings.

Mounting deficits compelled Sonic in 1983 to close nearly one quarter of its 1,300 locations. Corporate officials believed that such massive consolidation efforts would ultimately strengthen, not weaken their company's future financial situation. In order to expedite this process, Sonic standardized its menu. Although its financial picture brightened over the next several years, board members still faced mounting debt. All agreed that something had to be done quickly to prevent bankruptcy. As to what business strategy to follow and who might lead it, that had yet to be determined. In 1985 a group of hardnosed investors led by C. Stephen Lynn, formerly of KFC and Century 21, saved the company by initiating a $10,000,000 leverage buyout. (22)

The new owners planned to expand operations as soon as possible. However, before they could launch any major new expansion effort they had to first attain additional capital. That was not an easy task given the volatile nature of the economy in the late 1980s. Fortunately, negative economic predictions did not stop Sonic's officials from successfully completing their task. Sonic's remarkable economic turnaround by the early 1990s convinced many skeptical investors that this fast-food giant was indeed here to stay. In what many industry analysts considered a very business bold move, Sonic went public in March 1991 (23).

This new publicly-held corporation generated over $52,000,000 during its initial offering. With that tremendous surge in much needed capital, Sonic remained financially in the black. The last decade of the 20th century proved to be a period of rapid change and significant growth as Sonic opened new franchises throughout the Northeast and South.

A new business strategy, approved by its Board of Directors in 2001, reaffirmed Sonic's long-term commitment to sell only high quality products. One of its many new publicity campaigns initiated during the first decade of the 21st century listed the name brand ingredients found in all items sold. Corporate leaders also donated more than $3,500,000 to selected urban elementary schools through its new educational enterprise called "Limeades for Learning." Participating schools used those funds to introduce major curriculum reforms geared specifically for the needs of disadvantaged youth. With the help of the NBA superstar Kevin Durant, Sonic also started to promote healthier meal options for youngsters.

This new multifaceted approach towards business worked well. *Forbes Magazine* in 2003 named Sonic for the eleventh straight year in a row one of the nation's best-run small companies (24). With over 3,500 sites each average sales of more than $1,000,000, this innovative chain of quick service restaurants still prides itself on its wide range of tasty foods (25). Part of the corporation's long-term financial success rests in its highly clever advertisements. A Kansas City-based advertising agency named Barkley first aired their ingenious advertisements online. An immediate hit, they soon broadcast them nationally. The company still promotes their many special items using that same technique.

These clever advertisements feature two popular comedians T.J. Jagodowski (b. 1971) and Peter Grosz (b. 1974). They talk about their daily lives while enjoying Sonic's various meals and snacks (26). Over the years, they have eaten hundreds of items including extra-long Coney dogs covered with chili and cheese, various tasty burgers, and other distinctive sandwiches. They also have munched on appetizing Texas Toast, crispy tater tots, mouthwatering fried onion rings, all kinds of refreshing fountain drinks and, of course, numerous delicious desserts. These advertisements have worked very well for Sonic. Ranked 11 out of the top 50 fast-food restaurant chains in a recent survey, Sonic's profits in 2013 exceeded $152,200,000. Its Board of Directors plans to add over 1,000 new sites by 2025.

Another highly popular national chain called Dairy Queen also began modestly during the final years of the Great Depression. A well-known Iowan dairyman named John Fremont "Grandpa" McCullough (1871-1963) along with his son developed their own unique brand of soft serve ice cream in the summer of 1938. McCullough convinced a local ice cream shop owner and close personal friend Sherwood Dick (Sherb) Noble (1908-1991) to sponsor a one day "all you can eat" event starring his version of a new frozen dessert treat. They sold more than 1,600 servings in less than two hours. The public's overwhelming favorable response to this new soft serve ice cream sensation convinced McCullough and Noble to go into business together (27). They spent the next two years perfecting their product and patenting a special ice cream freezer.

With patent in hand, McCullough and Noble in 1940 sought out a high traffic area for their first shop. They chose 501 North Chicago Street, in the heart of Joliet, Illinois, as their first site. It was a busy place from the day it opened (28). These two highly astute entrepreneurs knew the importance of name recognition. The name of their company must be catchy but not trendy, clever but not brash. It also must relate to the food items they sold. Their decision to name their enterprise Dairy Queen (DQ) was no accident. They thought it was a clever play on words. Not only do cows produce the milk used to make their ice cream, but they are also the queens of the dairy industry. Their cunning take on the role of the cow in their business caught the public's fancy and sales soared.

Dairy Queen's growing popularity convinced McCullough and Noble to franchise operations beginning in 1944. Affordable franchises appealed to many post-war veterans who were interested in operating that kind of business venture. The number of outlets nationwide soared over the next decade exceeding 1,400 by 1955. Widespread expansion also depended on inexpensive, functional sites. DQ's simple, rectangular-shaped stands with their large plate glass windows and prominent neon signs featuring a delicious ice cream cone did the trick. They became synonymous with this new, expanding company.

Its innovative menu added to the fun. There was always something new at DQ. Their dessert items appealed to a wide spectrum of customers. For example, hungry teenagers gladly devoured their delicious thick malts and shakes and enormous banana splits, while small children shouted for the ever popular Dilly Bars and Peanut Buster Sundaes. The plethora of novelty desserts and mouthwatering ice cream cakes guaranteed repeat business. Post-war expansion also led to the establishment of a Canadian division.

With the intention of increasing their lunch trade, Dairy Queen in 1958 introduced an entirely new dining experience. Called Brazier restaurants, these new fast-food outlets sold a wide array of new and exciting grilled items in addition to traditional favorites. They ranged from hot dogs and hamburgers to fries and chicken strips. The name Brazier referred to a new device used in the cooking process. It involved a combination of charcoal and electric heat. Brazier sites, characterized by their brightly colored red gambrel roofs, soon evolved from small no frills stops to large modern facilities. Yet throughout this transition process, DQ executives never lost sight of their company's original mission, namely, to offer top quality food items presented by friendly servers.

Corporate leaders knew that their future depended on satisfying the changing needs and wants of their many patrons. DQ's executive staff prided itself on its innovation. Changes often came quickly and in many shapes and sizes. A major problem facing corporate officials in the late 1950s concerned their traditional logo and signage. First developed in the 1940s, this company's universally recognized rectangular shaped neon sign, displaying an oversized ice cream cone, drew thousands to their stands daily. Some of their more forward thinking board members began expressing concerns regarding their company's standard logo and signage. They did not want to suddenly wake up one day and discover that their once highly profitable enterprise had been left behind by other more innovative fast-food giants that had adopted more modern logos and signage. Conservative members of the board totally disagreed claiming that everyone liked DQ's current logo and signage, so why change it?

Maintaining the status quo may have seemed the most practical strategy to follow mid-century. After all, why tinker with success? However, following this course of least resistance might pose some real business problems further down the road especially if DQ customers continued to demand major changes. By the late 1950s, many of the company's most loyal patrons were complaining about DQ's old- fashioned logo and signage. They said that it did not fit in well with the new "atomic age." Many of their chief competitors had no difficulty discarding their company's outmoded trademarks for newer, more glitzy logos and signage. Why shouldn't DQ follow suit? As everyone in the restaurant business knows, gimmicks and slick promotions stimulate sales. If that means developing new dazzling logos and more eye appealing signage, so be it. "Anything to sell the product" was the byword of the day. That realization led company officials to unveil their exciting new logo and modern signage in 1959.

In order to enhance its appeal internationally, DQ's Board of Directors in 1963 changed its company's name from Dairy Queen (DQ) to International Dairy Queen (DQI). However, sprucing up its corporate image involved much more than simply updating traditional logos or changing its name. If DQI truly intended to capitalize on its new international status, then it would have to reinvent its rather staid marketing approach. In the 1960s and 1970s that translated into better serving the growing needs and wants of the baby boomer generation. With that idea in mind, DQI took a very bold step in 1971 when its Board of Directors purchased the licensing rights from Hall Syndicate for the highly popular cartoon character Dennis the Menace. Dennis along with his dog Ruff and his many friends promoted DQ favorites for the next 30 years. When asked why Dairy Queen stopped using Dennis the Menace, the board, in 2001, simply replied that the Millennium generation no longer identified with those once highly beloved cartoon characters (29).

DQI corporate changes included much more than just updating promotional activities and materials. This growing company embraced new business techniques especially in the 1980s. The economic uncertainties of that decade required many time-honored companies such as DQI to rethink their current strategies. Diversifying their holdings led this list of changes. Leading economists at that time believed that diversification was the key to future success. Highly successful conglomerates had been doing just that for years. Of course, timing was crucial in dealings of that magnitude. Ill-timed moves might prove disastrous for even the most financially secure companies.

Resourceful corporations, such as DQI, fully understood the business principles behind such practices. Through a rapid acquisition and selling process that involved a host of financially sound companies, numerous international conglomerates had been able to successfully accumulate sizeable capital reserves quickly. This bold action especially appealed to aggressive stockholders who saw endless financial opportunities in promoting such ventures. It equally impressed international creditors who responded by significantly increasing corporate credit lines.

Nearly everyone involved in the fast-food industry including DQI wanted a piece of the action. This led corporate officials to acquire the Karmelkorn chain of stores in 1986 followed by Orange Julius less than a year later. Those in-the-know firmly believed that the long-term financial advantages of mergers such as these, far outweighed any short-term drawbacks that might result from such a sudden increase in the company's debt. Of those two retail chains, Karmelkorn posed the greatest challenge. However, DQI was fully confident that the best days still lay ahead for Karmelkorn.

This well-respected chain began when Bill O'Sullivan opened his first shop in Casper, Wyoming in 1929 (30). It featured gourmet popcorn and other hard to find party items. An immediate success, O'Sullivan franchised operations quickly. Unlike many competitors who rushed to the suburbs during the post-war years, most Karmelkorn franchise holders remained in their snug downtown locations. It took the closing of large downtown department stores in the late 1970s and early 1980s before the majority of shopkeepers began to relocate to outlying shopping centers and regional malls. At the time of the merger, Karmelkorn operated more than 270 shops in 43 states.

The acquisition of Karmelkorn and Orange Julius considerably improved DQI's financial picture. It now truly offered a wide range of fast-food favorites. Patrons in the 1990s ranked Dairy Queen as the nation's number one ice cream chain. Corporate leaders responded positively to this news by introducing new and exciting items. They included such treats as Treatzza Pizza, Chicken Strip Basket, wraps, and salads. This kind of meticulous detail, evident at each and every turn, reflected the thinking of a highly astute board. The volatile nature of the quick service industry demanded strong leadership at all levels, and DQI was prepared to meet those business challenges.

Such long-term financial success did not go unnoticed. Many large corporations watched these developments unfold with great interest. In fact, some considered purchasing DQI outright. But again, only a select few possessed the kind of financial resources necessary to acquire this giant. In the end, Warren Buffett (b. 1930) through Berkshire Hathaway acquired DQ for $585,000,000 in 1998. Dairy Queen currently operates more than 4,500 units worldwide. Its slogan "DQ, Fan Food not Fast-Food" draws record numbers of customers to its thousands of sites daily.

Today's corporate franchises range in priced from $396,950 to $1,144,800 (31). These cost estimates exclude license fees, record keeping costs, sales promotions, site modernization, franchise termination, and management training. DQI also operates a separate fast-food chain called Texas Country Foods. Managed by a company-owned subsidiary called Texas DQ Operators Council (TDQOC), Texas Country Foods features a very special menu geared towards the needs of those living and working in the Lone Star State (32). DQI in 2013 was ranked 18 out of the top 50 fast-food chains.

Country Kitchen represented another quick service business to emerge just prior to the Second World War. Two enterprising businessmen, Bill H. Johnson (1913-1975) and Bill Goodman, opened their first site in Cincinnati, Ohio in 1939 (33). This was no small business matter given the economic devastation wrought by the Great Depression, which left millions penniless. However, this did not stop Bill Johnson from fulfilling his lifelong dream. He firmly believed that great financial opportunities still awaited those brave enough to meet the challenge. Like so many entrepreneurs of that era, Johnson knew that prudent investments represented the key to enduring success. His previous work experience at White Castle had convinced him of that fact. Unfortunately, his resources remained at best modest. He needed to find a business partner who was willing to share the expenses. His friend Bill Goodman stepped forward.

With combined assets totaling only $400, they invested in their first diner. Located on one of Cincinnati's busiest thoroughfares, Vine Street, this fast-food restaurant was an immediate success. Franchising their operations enabled this novice enterprise to grow quickly during the war years. By the early 1950s, these restaurateurs had become major players within the growing southwest Ohio fast-food market. Business innovation, on a multitude of levels, played an instrumental role in their meteoric rise. In particular, frequent menu changes and regular décor updates enabled them to readily surge ahead of competitors.

For example, their insistence on curb service, rather than relying on traditional sit down service, afforded them a decided financial edge over others who did not move fast enough. Cincinnatians increasingly loved to eat at Country Kitchen Drive-In restaurants. However, their expansion plans were not limited just to Greater Cincinnati. The growing popularity of regional fast-food chains by the mid-1950s convinced both Johnson and Goodman to take the financial plunge. They invested in regional franchising beginning in 1958 (34).

An efficiently operated enterprise with tremendous future growth potential, this chain of successful drive-in restaurants remained independent until 1968 when it merged with Northwest

Franchise. The new, privately-held corporation called Country Kitchen International (CKI) reported corporate earnings of more than $28,000,000 in 1969. Hoping to expand its profit potential even further led CKI to go public in 1972. The additional capital generated from its initial stock offering went towards establishing additional franchises in previously untested markets. It also helped the company to consolidate its mounting debt. With annual profits now exceeding $1,000,000, CKI drew the attention of a number of highly successful multinational conglomerates by the mid-1970s.

Finally, a private-held Minneapolis corporation Carlson Companies purchased it in 1977 (35). Carlson executives wasted no time before placing their latest acquisition under one of their largest and most successful divisions called Carlson Hospitality. This capital-rich subsidiary managed a number of very popular regional and national restaurant and hotel chains. Their restaurant holdings included such favorites as TGIF, the Front Row Grill, Italianni's, and Friday's American Bar. Carlton Hospitality also successfully operated Country Inns & Suites, Radisson Hotels, Radisson Seven Seas Cruises, and Regent International Hotels and Resorts.

CKI, in less than four decades, had grown from a single diner in Cincinnati, Ohio to become one of the nation's leading drive-in restaurant chains. Unfortunately, Carlson's timing was not always the best. The era of the drive-in restaurant was fast coming to an end. The public clamored for family-style sit-down restaurants, which took precedent over curbside establishments. However, this kind of formable business challenge did not bother Carlson's Board of Directors. It knew what needed to be done and when to do it. Carlson Hospitality, in the early 1980s, converted its more than 250 CKI drive-in sites into state-of-the art coffee shops. Under the watchful eye of Richard B. Hohman (1933-1989), previously of McDonald's and Red Barn, these new 24-hour coffee shops represented a major business departure from the well-known local drive-ins of yesterday (36).

This shift in business focus, initiated by Hohman along with Carlson's Vice-President of Marketing Jon Ostrov (b. 1954), involved much more than just refurbishing outdated drive-in restaurants. It concerned a wide range of major procedural changes that ran the gamut from standardizing restaurant operational practices and adding beer and wine at selected locations to increasing the annual advertising budget to opening new coffee shops at major exists along Interstate highways. Apparently, these efforts paid off well. Sales figures in 1985 topped $153,000,000. That represented a 5.5 percent increase over the previous year's record breaking earnings.

The latest advertising campaign, introduced by Hohman, played a major part in setting the stage for future corporate expansion and growth. "The Country's Calling You" advertisements achieved two very important goals. They strongly emphasized customer conveniences, while at the same time, promoted tasty, reasonably priced meals and snacks. Carlson Hospitality, in 1986, took CKI to an entirely new level when it unveiled its latest expansion plans, which included among other things erecting a new districtwide chain of affordable, family-oriented motor hotels. Modeled after the highly successful Howard Johnson Motor Lodge chain, these new inns were to be located next to existing CKI restaurant sites.

Frank H. Steed (b. 1947) became the new head of CKI operations following the untimely death of Richard Hohman in 1989. Steed introduced a wide variety of new food items including such delicacies as shrimp scampi and fajitas. The public could not get enough of them quickly enough. Frank Steed remained at CKI until March 1993 when he joined the Metromedia Restaurant Group (MRG). He began his illustrious new career at MRG by serving as the President of the Bonanza Steakhouse chain. Curtis Nelson assumed the helm at CKI later that same spring.

CKI's consistently high returns appealed to a growing number of business concerns that were interested in expanding their operations into Ohio. One of CKI's largest franchise holders Charles Meyers, in the early 1990s, set his sights on buying the parent organization (37). Under the auspices of Kitchen Investment Group (KIG), Meyers acquired CKI in 1977. With its 35 company owned and 22 franchised family restaurant sites, KIG wasted no time before initiating a number of smart business moves intended to appeal to a wider customer base. These initiatives included a new menu insert entitled "Kitchen Smart Choices." It discussed the many benefits of healthful eating. KIG also introduced a new French bread styled pizza called Breadeaux Pizza, and enlarged its current children's menu. With over 170 CKI sites in 26 states, its sales topped $82,000,000 in 2013.

The growing popularity of post-war drive-in restaurants notwithstanding, few began as car hops. Most started out as no frills diners. With limited cooking and dining space, the majority of them depended on walk-in trade. It took an enormous increase in car ownership, beginning in the 1920s, before entrepreneurs began to experiment with free-standing fast-food stands that featured car hops and adjacent parking. Everyone loved the delicious ice cream at their nearby Howard Johnson's, the tasty hot dogs and fries at Nathan's Famous in Coney Island, or the refreshing root beer floats at their local A&W. Their sustained financial success set the standard for others to soon follow.

The number of independently owned fast-food restaurants skyrocketed during the Great Depression of the 1930s. Owned and operated by hardworking men and women, these versatile eateries furnished tasty, inexpensive meals and snacks for millions daily. With the advent of large scale franchising following the Second World War, their numbers quadrupled. In a perfect world, such heightened competition should have prompted revolutionary breakthroughs in operational procedures on a timely basis. Unfortunately, that rarely happened. Instead, daily operations changed very slowly.

Virtually all these establishments operated on what was called “a cash and carry" basis. Customers entered the front of the restaurant, placed their orders at the counter, paid the cashier and then with bags of food left the premises. Some proprietors furnished wooden picnic tables and chairs for those wishing to eat on site; however, the majority did not provide that kind of “luxury.” Only cafeterias in large urban areas provided their customers with formal dining arrangements. In spite of their obvious drawbacks, patrons considered these quick service spots to be a vast improvement over older, standard sit-down facilities. Individually-owned stands, such as these, may have technically qualified as fast-food outlets, but they were a far cry from modern-day drive-in restaurants.

Many experts in this field credit Jessie G. Kirby and Rueben W. Jackson with first developing the idea of car hops for their new barbeque roadhouse in Dallas, Texas. The year was 1921. Known as the Pig Stand, this quick service restaurant featured male teenage servers who took food orders from customers in their cars. These waiters dressed in black trousers and white shirts, sporting black bow ties, had the ability to hop onto the running board of a car before it could stop. Such a maneuver earned them the nickname car hop (38). Car hops, undoubtedly, added a whole new social dimension to the fast-food dining experience. They made drive-in eating fun. Patrons no longer had to endure long waiting lines to get their food. They now enjoyed eating their various meals and snacks within the comfort and safety of their own automobiles. This kind of informal dining particularly appealed to young families with modest incomes. Teenagers also loved to come to drive-ins to show off their latest cars or meet friends and relatives. From the proprietor’s perspective, curb service significantly improved overall operational efficiency in that it eliminated the tediousness of long customer lines.

Some fast-food owners did not pursue the drive-in option preferring to cater to customers who still wanted the full-service dining experience. In the case of Howard D. Johnson (1897-1972), the lack of affordable, quality, full-service restaurants in the New England region during the early 1930s convinced him to enter that phase of the business, although he did own and operate a number of drive-in restaurants (41). Franchising operations while offering tasty standardized food served in clean surroundings proved to be a winning formula for this highly innovative businessman. His “Landmark for Hungry Americans” became a model emulated for years. When Howard Johnson stepped down as company president in 1959, the value of his multinational corporation was estimated to be more than $127,000,000. It included 650 restaurants and 175 motor lodges.

S. Prestley Blake (b. 1914) and Curtis L. Blake (b. 1917) were two brothers from Wilbraham, Massachusetts who also specialized in that kind of personalized service. They opened their first Friendly Ice Cream stand in the mid-1930s (39). Customers from all walks-of-life loved their delicious double dip ice cream cones which cost only $.05 apiece. However, the shortage of family-oriented, full-service roadside restaurants following the Second World

War convinced these entrepreneurs to invest in the more expensive version of the fast-food restaurant, rather than focus on the less costly ice cream stand.

The number of their company owned and franchised sites grew quickly. Friendly's bourgeoning customer-base equated this affordable chain with not only delicious ice cream treats, but also a wide choice of tasty breakfasts, lunches, and dinners. The two brothers sold their controlling interest to Hershey Foods for $162,000,000 in 1979. Tennessee Foods later purchased it for a whopping $375,000,000. A privately held, global-based equity firm called Sun Capital Partners acquired Friendly's for $337,000,000 in 2007 (40). Part of this merger agreement required that Sun Capital assume control of all the company's remaining debt. Friendly's restaurants are located in 15 states and employee over 10,000. The company's most popular frozen desserts are sold in over 4,000 supermarkets and retail outlets worldwide. John McGuire is the company's current head.

Unlike other full-service fast-food enterprises that featured everything from the simplest of snacks to total meals, drive-in restaurants focused primarily on what was called "picnic-like" foods. These favorites were individually-crafted by the restaurateur to suit the needs and wants of their customers. They included the usual favorites such as hot dogs, hamburgers, sandwiches, fries, fried onion rings, soft drinks, ice cream, and milk shakes. Those tasty foods appealed to a wide spectrum of hungry customers who were looking for simple fare. Some proprietors expanded their offerings to embrace regional favorites. Items ranged from fried clam rolls and crab cake sandwiches to fried chicken and barbeque. Clever restaurateurs soon developed their own special market niches. Sales figures, location, and growth potential often affected their decision.

One example of a quick service restaurant that successfully changed with the times is the Swenson Drive-In chain based in Akron, Ohio. Through trial and error it evolved from a small independent operation to become a true regional favorite. It began when Wesley T. (Pop) Swenson (1895-1974) opened his first stand in 1934 (42). Initially, he served a wide variety of fast-food items. However, he soon discovered that most of his customers wanted burgers and fries. That led him to not only offer standard hamburger combinations, but also unusual kinds of hamburger sandwiches. His very popular Galley Boy resulted from these efforts. A double decker burger treat featuring two kinds of sauces, it remained his signature sandwich until the 1980s when pulled chicken and pork sandwiches finally surpassed it in sales. Today, all seven of Swenson's curbside locations offer a wide number of popular items ranging from his ever popular burgers and fries to specially-made soups and delicious dinners.

Food preparation time posed another stumbling block for most fast-food cooks during the early years. Preparing items ahead of time may have been acceptable for certain staples such as hot dogs and hamburgers. However, other crowd pleasers such as fries, fried mushrooms, and fried onion rings required additional attention. As everyone knows, fried foods often became limp and tasteless if not eaten quickly. This meant that most food orders had to be cooked from scratch. The advent of new cooking devices such as high pressure cookers, gas grilles, and electric fryers may have sped up the cooking process somewhat. However, food orders still required as long as 10 to 15 minutes to prepare.

Customers in full-service restaurants expected reasonable delays, but not those eating in drive-in restaurants. They wanted their food cooked properly and delivered to them within minutes. Something had to be done to speed up production time. The question was what? It took Ray Kroc (1902-1984) to come up with a viable solution. His assembly line technique, as first devised for the McDonald's chain in the early 1950s, rapidly became the industry's standard. Kroc also led the fast-food field when he introduced Hamburger University (43). It was a special employee training program that standardized business and management techniques. Drive-in restaurant owners particularly appreciated his new assembly line method in that it not only streamlined production, but also significantly reduced food waste.

Fast-food restaurants continue to play an important role in our daily lives. Many of us still enjoy eating at Arby's, Burger King, Dairy Queen, McDonald's, Subway and Wendy's, to name but a few. Being one of the largest U.S. metropolitan areas, Cleveland has been the home of hundreds of drive-ins over the past 80 years. Many were individually owned and operated, while others were affiliated with large national or regional chains. The remaining chapters of this writing will focus on some of Cleveland's most successful drive-in restaurants. Emphasizes will be placed on why they succeeded financially and how local, regional, and national business forces impacted their destiny. Perhaps their individual experiences may shed some valuable new insight regarding not only what constituted effective business practices in the recent past, but also how some of these same techniques might be adopted within today's highly charged fast-food industry.

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CHAPTER THREE: CLEVELAND FAST FOOD RESTAURANTS COME OF AGE

Nineteen fifty-five proved to be a pivotal year for the local fast-food industry with the Cleveland yellow pages listing more than 100 sites that year. Favorites included Bo-Gar's, Dorsel's, Holmes, Jigg's, Mort's, Moster's, Radil's, Skyview, and Towne, to name just a few. Recent suburban development within Cuyahoga, Lake, Lorain, and Medina counties accounted for much of their financial success. The development of successful new commercial shopping strips, first class retail shopping centers, large industrial parks, along with a growing supply of affordable new dwellings, encouraged many entrepreneurs to invest in this fast-paced industry.

This extraordinary post-war migration from the central city to the suburbs was not totally unexpected. Returning service men and women insisted upon good paying jobs and affordable new housing. Emerging new suburbs represented a response to their growing demands for a better life. The big question facing millions of returning veterans and their families was not whether they wanted to relocate from the central city to the suburbs, that was a given. The real question facing them was affordability. People turned to the federal government for assistance.

Congressional leaders responded by passing the Servicemen's Readjustment Act of 1944 (1). Through both the Federal Housing Administration (FHA) and Veterans Administration (VA) thousands of honorably discharged veterans now qualified for low-interest home mortgages and homeowners insurance. Unfortunately, minority servicemen did not receive these same benefits until the 1960s. Federal officials also offered lucrative tax incentives for builders who quickly constructed large numbers of affordable housing units. In the case of Cleveland, Forest City Enterprises and Starburst Industries took the early lead. The development of affordable suburbs meant much more than offering new, reasonably priced homes to thousands of returning GIs and their families. It ushered in a new era of prosperity for the 20,000,000 former service men and women who returned to the civilian work force (2). The Gross National Product (GNP) in 1950 reflected that growth directly when it topped $300,000,000. That represented a $100,000,000 increase over the 1940 level (3).

Economic booms in both the auto industry and the housing market accounted for much of that new and unprecedented growth. The resulting cultural diversity and new informal lifestyle so evident in U.S. society in the 1950s and 1960s, prompted a radical departure from the more formal social customs and traditions that had once reigned supreme. New suburban development played a key role in this transformation process. Such things as more flexible housing designs, that for the first time successfully integrated indoor and outdoor living, helped to explain some of it. Wide scale migration from the Northeast and Midwest to the South and Southwest also played a foremost part in promoting this less formal lifestyle.

This new pervasive lifestyle manifested itself in many new and exciting ways. Less rigidly defined eating habits became synonymous with it. In many instances, conventional dining practices were scrapped completely. Case in point— the formal midday meal that had once been such a staple of middle and upper class family life all but disappeared by the mid-1950s. Smaller sized lunches often consumed at one's work station or nearby restaurants replaced it. Sunday dinners and nightly family dinners, a ritual enjoyed by many for nearly a century, faced a similar fate.

Although cafeterias and traditional full-service restaurants still dominated the downtown scene in most large cities, the same cannot be said for suburbs. Unable to sacrifice vast amounts of time for more traditional meals, many suburbanites increasingly dined at local fast-food outlets where they could quickly consume reasonable priced meals and snacks. Greater Cleveland afforded a golden opportunity for entrepreneurs able to meet these new growing challenges. Hamburger sandwiches, in particular, gained a new following with many of Cleveland's immigrant groups who were relocating to new suburbs.

Fast-food restaurateurs quickly capitalized on these changing eating habits. Returning servicemen wishing to establish their own quick service eateries frequently enjoyed a decided economic advantage over others in that many of them had learned first-hand the "fine art" of cooking courtesy of Uncle Sam. Returning to civilian life, many put their recent military experiences to good use by opening drive-in restaurants. In fact, a great many of Cleveland's most successful independent drive-ins began that way.

As one might expect, the attrition rate for these independents was very high. Knowing how to cook was one thing—being able to operate a successful business was an entirely different matter. In fact, many independent restaurants were open for less than a year. Operational inefficiency and the lack of repeat business doomed many from the start. Those that survived tried to stay abreast of the latest trends. That led to regular décor changes along with a steady stream of new menu items. The need to remain on the cutting edge prompted such costly improvements.

Many proprietors also handled a barrage of customer and employee complaints, an inherent part of the business. Successful restaurateurs knew that long grueling hours were essential for success. They also fully understood that producing high quality good tasting food was no small task. Their reputation as a local businessperson was on the line each and every time they served a hamburger sandwich or root beer float. They also learned rather quickly that no food order was too small, or too outlandish. Owning a successful quick service site was certainly not for the faint of heart. Fortunately, formidable challenges did not dissuade ambitious restaurateurs.

In spite of their many daily operational and procedural challenges, which were anything but uniform, certain industry-wide business principles applied. These challenges ran the gamut from clever advertising and discount food coupons to unrelenting promotional campaigns and continual décor improvements. Hiring a dependable cook and courtesy servers was equally essential as was precise food preparation and quick service. The two Cleveland drive-in restaurant giants Robert L. Manners and Kenny King incorporated all these business elements and more into their daily operations. In particular, they relied upon repeat advertising to reinforce in the public's mind the many quality items available at their sites.

Operating a chain of restaurants within a readily defined area meant that patrons were only minutes away from their favorite place. Robert Manners and Kenny King knew exactly what their customers needed and wanted. Both strove to create a synergistic relationship between themselves and their customers, investors, and suppliers. The many specialty food items they served daily soon became identified with their establishments. Want a delicious Big Boy or a piece of Strawberry Pie? Drive to Manner's. Want a Kentucky Fried Chicken dinner or a tasty steak burger with fries? Then go to Kenny King's. Loyal customers grew to expect certain favorites from certain places and nothing else would do.

The growing demand for fast-food establishments throughout the post-war years along with the many innovative approaches used by the many independents guaranteed repeat business and sizeable profits. This being said, the playing field was anything but level. It had to be that way. Independents fully understood the many advantages enjoyed by regional giants such as Manner's and Kenny King's. They also knew that they did not possess the kind of vast financial resources necessary to compete in the big leagues. Therefore, most proprietors focused on the little things that they did well. For example, many specialized in tasty breakfasts served within inviting settings, while others prided themselves on their delicious lunches or unique dinner entrees. Still others offered delectable ethnic food or fancy desserts fit for a king. Through formal and "word of mouth" advertising, people started to prefer certain quick service spots over others. Customers undoubtedly wanted the greatest value for the buck.

Quick service restaurateurs responded to this growing demand for quality and value by offering their customers the best tasting snacks and meals at reasonable prices. In the cases of Robert Manners and Kenny King, the fact that these two highly energized individuals entered the fast-food business at the time of the Second World War provided them a slight business edge over their competitors who entered the race later. Their ability to capitalize quickly on the latest trends, while at the same time offering some of the best values in town, enabled them to dominate the local quick service industry by the mid-1950s. They continued to control the local scene well into the 1970s. Their long-term financial success notwithstanding, there were other Cleveland fast-food restaurants that also grew and prospered during the post-war era. Those entrepreneurs demonstrated equally keen business insight and imagination on a somewhat less grand scale.

ENDNOTES

(1) Servicemen's Readjustment Act of 1944 (PL 78-346 58 Stat. 24).

(2) Cecil Bohanon, "Economic Recovery: Lessons from the Post-World War II Period," www.mercatus.org.

(3) "The Post War Economy: 1945-1960," www.countrystudies.us.

CHAPTER FOUR: A CLEVELAND CLASSIC: BEARDEN'S FAMILY RESTAURANT

Bearden's Family Restaurant is one of today's most successful locally-based independents. With sales in 2014 topping $680,000, this popular quick service restaurant site provides top quality, reasonably priced meals and snacks to its many hungry customers daily. Its award winning recipes have appealed to patrons since it first opened in 1936. Running a successful fast-food business such as Bearden's is no small undertaking. A strong desire to succeed, along with inherent business sense and a willingness to do whatever it takes to survive, is essential. However, it is more than just that. There are a number of outstanding issues that must be addressed first if such an enterprise hopes to last. They run the gamut from proper menu choices and handling human resource problems to daily managerial procedures and specific food distribution methods. Topping that list is finding the proper location.

Four cardinal rules apply when selecting a location. Central location undoubtedly tops that list. Locating on a busy thoroughfare should significantly improve one's chances for financial success from the very beginning. Gauging profit potential based on current business activity is an equally crucial step. Fast-food outlets that are continually busy are a positive sign, while those that are not indicate a possible problem. Determining whether or not a saturation point has been reached regarding potentially profitable restaurants within this district is another important third component. Again, if the majority of sites are busy most of the time it is a positive sign, if not, one should heed the warning. Lastly, examining the attrition rate to determine whether a neighborhood is ripe for this kind of additional new development is likewise essential. In depth analysis, based on the aforementioned criterion, affords invaluable insight regarding future business prospects within targeted areas (1).

Those same cogent rules applied 80 years ago. Bearden's founders Ross H. Bearden and Martin W. Orange considered several possible sites before deciding to locate at 2504 Euclid Avenue, a congested area that bordered Cleveland's busy downtown district. This well-known commercial district featured an array of apartment houses, hotels, retail shops, auto agencies, office buildings, and warehouses. Within easy walking distance of Cleveland's Playhouse Square, Bearden's inexpensive, home style cooking attracted a loyal following from the first day it opened.

Bearden's remained a well-respected member of the Upper Euclid Avenue business community throughout the Second World War. In fact, its ownership prided itself on its ability to generate solid profits while not incurring sizeable additional debt. Post-war prosperity led many quick service restaurateurs, including Bearden's, to consider the possibility of relocating to other, more spacious suburban locations. They wanted reasonably priced sites with a host of amenities ranging from large dining rooms and additional counter space to ultramodern kitchens and ample free parking.

Unfortunately, as the post-war years unfolded, a host of previously unexpected business challenges came forward. The first involved moving costs. The escalating costs associated with relocating from one site to another led to careful planning by the entrepreneur upfront. Failure to do so was financially foolhardy. The second issue concerned major demographic and physical changes occurring within the district itself. Had Upper Euclid Avenue retained its prestige as one of Cleveland's foremost commercial districts all talk about moving to the suburbs would have been just that—talk. However, the area's recent deterioration rekindled earlier discussions related to that very issue. Many neighborhood leaders, including the owners of Bearden's, weighed their options very carefully. To move or not to move, that was the dilemma facing most Upper Euclid Avenue businessmen during the late 1940s and early 1950s.

Traditionally, large numbers of people living and working in this neighborhood had relied on local business establishments such as Bearden's to furnish them with a multitude of goods and services daily. Unfortunately, Upper Euclid Avenue in the late 1940s was undergoing significant economic, physical and social changes with many of the area's most loyal patrons relocating to outlying suburbs. In their wake, new groups had begun infiltrating into this older commercial district. Many were African Americans emigrating from the South. Confrontation with established residents ensued as these latest arrivals tried to acclimate to Cleveland's rich urban culture and legacy. The resulting turmoil worried many traditional business owners who found themselves powerless to stop it.

The Upper Euclid Avenue business community knew all too well that it took many years to develop a loyal customer base and that once those ties had been broken, it might be next to impossible to establish similar solid connections with new inhabitants. These business leaders reacted to these unsettling changes in various ways. Some fearing the worst pulled up stakes and moved to more desirable suburban areas. Others closed their doors, while some waited it out. Bearden's proprietors knew that their days on Euclid Avenue were numbered and that they would have to eventually relocate. Like so many other regional businesses, they weighed their different options very carefully.

Bearden's owners concluded that Cleveland's east side with its overabundance of fast-food outlets did not represent the ideal location for their new site. However, the city's west side, and most especially the growing communities along the shores of Lake Erie, was an entirely different matter. Those villages and towns were ripe for that kind of business development. With that very thinking in mind, Bearden's acquired Jackson's Diner in Rocky River, Ohio in 1948 (2). The Jackson family for the previous 15 years had owned and operated two successful sites one at 11985 Lake Road and a second at 5611 Rocky River Drive. Both quick service restaurants offered curb service and full-service dining. House specialties included such things as mouthwatering steak sandwiches and delicious fried clams flown in daily from Ipswich, Massachusetts.

Bearden's wasted no time before incorporating its company and refurbishing its newly acquired Lake Road facility. Like their predecessor, Bearden's maintained full-service dining and curb service. They also stayed open late on weekends. Late night hours particularly appealed to hungry teenagers who wanted to eat a tasty snack before going home. Large families and senior citizens especially appreciated Bearden's sit-down dining where they could order a wide array of delicious food items from its extensive, reasonably priced menu. There was always something good to eat at Bearden's.

Offering curb and full service dining was not unique to Bearden's restaurant. Many fast-food establishments provided both services. Bearden's many specialty foods, more than anything else, distinguished this family oriented operation from its many competitors. Manners may have been famous for its Big Boy hamburger sandwich and Kenny King's for its "Finger Lickin Good" Kentucky Fried Chicken, but neither of them featured Bearden's prize winning hamburger sandwiches; peanut butter, sweet pickles, lettuce, and tomatoes placed atop a specially made hamburger provided a unique eating experience. This unusual mixture of ingredients particularly appealed to peanut butter fanatics. However, their hamburger sandwich receiving the greatest amount of attention by the local media was the one that featured a special "works" sauce. This specially-crafted sauce, a mixture of ketchup, mustard and relish, was delicately placed atop a large, made-to-order hamburger sandwich that already included lettuce, tomato, cheese, dill pickle, and raw onion. It remained a favorite of connoisseurs for many years to come (3).

Increased customer demand for new drive-in restaurant sites in other Cleveland neighborhoods convinced Bearden's to expand its operations in the early 1950s. It soon opened new units at 1448 Warren Road, 5621 Pearl Road, 17801 Miles Avenue, and 19215 Hilliard Boulevard. Viewed as prime locations, these new and inviting spots served the growing needs of the lunch crowd. The fact that their chief competitors erected their sites in close proximity to Bearden's did not concern its ownership, at least not initially.

Bearden's owners fully believed that convenience, quality, and value would separate them from the others. As everyone knows who is involved in the fast-food business, site expansion is always a financial gamble. There are no sure winners when it comes to determining profitable locations. Any sudden changes in the local market scene might undermine years of careful planning. However, negative economic forecasts did not stop Bearden's from pushing forward with their ambitious plans. Its ownership expressed every confidence that it could meet any and all business challenges that might come along. Bearden's also believed that its clever advertising would guarantee repeat business no matter how many sites the company might open within the foreseeable future.

The purpose behind restaurant advertising is twofold. First, it showcases certain meals and snacks unique to that establishment. Second, it promotes the many desirable amenities and services unique to it. Some advertisements are comical, while others are serious. Some promotions are straightforward, while others are subtle. Bearden's advertising accomplished all four objectives and so much more. It's highly effective advertising emphasized affordable, high quality meals and snacks adapted for the needs and wants of its many discriminating customers. Like so many other fast-food operations, corporate cultural values played a key role in determining the kind of advertising used (4).

In this particular instance, their clever "Table Talk" ads appeared in the local newspapers throughout the late 1960s (5). These advertisements, in a comical fashion, reinforced Bearden's longstanding commitment to its many patrons. Cleanliness, food consistency, and employee friendliness became synonymous with Bearden's restaurants. Company officials guaranteed quality food items and top notch service by providing their branch managers special training programs. New franchise holders also received promotional literature, free advertising and territorial protection. Bearden's approach apparently worked quite well as company revenues continued to soar.

Employees mourned the passing of their company's founder Ross H. Bearden in October 1959. He was only 59 years old (6). The company's new CEO James Orange initiated a number of major corporate changes intended to improve both the quality and variety of the items served at its various sites. Bearden's, known as "The Pride of the West Side," introduced an assortment of new items designed to please even the fussiest customer. They included such favorites such as homemade chili, giant steak burgers, and a specially made double-decker hamburger. He also added fried clam rolls, a fish fry, and St. Louis style ribs to his growing menu. Cold beer on tap also appealed to his expanding customer base (7). These new items along with old standbys, such as hot beef and turkey sandwiches topped by Bearden's delicious home-style gravy, enabled this small fast-food chain to remain highly competitive even during the worse economic times.

The history of Cleveland's fast-food industry is divided into four distinct eras. Small, independently owned diners dominated the first period that embraced the Great Depression of the 1930s and the Second World War. Locally owned and operated restaurants and small chains held sway from the late 1940s to the early 1960s. The third period, from the mid-1960s to the early 1990s, saw the industry's leadership pass to multinational conglomerates. Today's era, categorized by its many varieties of fast-casual restaurants, burst onto the local scene in the mid-1990s. Fast-casuals characterized by their revolutionary food preparation processes, different menu choices, and unique settings dazzled the public in ways not previously imagined.

However, perhaps the most riveting period occurred with the arrival of regional and national restaurant chains. Not only did it signal the beginning of the end for a great many independents, but it also set the stage for more sophisticated fast-casuals that arrived during the last decade of the 20th century. There are two prevailing schools of thought as to why so many independents succumbed to these large chains so quickly. One school contends that large chains never intended to eliminate independents. Far from it. They believe that this large market could sustain both. Changing customer eating habits, not new outside competition, appeared to seal the fate of many of these independents. In their minds, the demise of these local restaurateurs had very little to do with the growth of international conglomerates. They were two completely unrelated business developments. In the end, those supporting this particular school of thought believe that the majority of independents lost out due to their reluctance to change with the times, not to the growing number of successful national and regional fast-food outlets.

The other school of thought completely disagrees with that line of thinking. They contend that national and regional restaurant chains won out in the end based upon their sophisticated business practices and large numbers of wealthy investors. Ultimately, national and regional restaurant chains seized the day with their low cost standardized meals and snacks. In particular, their ability to purchase large amounts of bulk food at greatly reduced cost and then pass on those savings to their patrons in the form of lower prices ensured their success. It further suggests that the reluctance on the part of many independents to incur large debt also guaranteed their demise. This last point is particularly salient.

The hesitancy of many independents to incur long-term debt in order to promote future growth was not something new. It stemmed back to the early days of the republic when the idea of accumulating large amounts of debt for that very purpose was considered an evil that "honest" business leaders should avoid whenever possible. Supposedly, honest brokers kept their company debt small by borrowing only the minimum amount required to accomplish a particular task. Once they achieved their intended goal, they wasted no time before paying off their recently acquired debt. The same could not be said for "morally impaired" individuals. Wallowing in debt, they often faced the humiliation of bankruptcy or even imprisonment. That myopic view of the role of debt in business changed significantly as the Industrial Revolution unfolded.

Economists in the 1970s considered debt an integral part of capitalism and not in any direct way the result of a person's ethical proclivity. Risk and financial success were considered one and the same. Many independents never fully grasped the imperative role that debt played in financing business expansion for large corporations. As pointed out earlier, their hesitancy to amass great amounts of debt to enhance their future economic prospects was anathema to them. This led independents to walk the straight and narrow even when it would have been financially advantageous for them not to have followed that course. Not incurring large amounts of debt might have enabled many independents to sleep soundly at night, but it did nothing to promote their company's growth or address the many challenges posed by these new, highly aggressive national and regional chains.

Obviously, multinational corporations did not view debt in that way. They considered mounting debt an integral component of their business expansion plans. Specifically, it enabled these large corporations to capitalize on the moment. This particular school of thought concluded that independents might have been able to survive these latest challenges if only they had tried harder to promote their own unique food items or customer services. Unfortunately, many failed to do either.

Prevailing viewpoint notwithstanding, one thing was certain—large restaurant chains were here to stay. Their self-assurance when it came to adopting new strategies accounted for much of their long-term success. Almost any business tactic was acceptable as long as it helped their company to attain their specific goals or objectives. Much to the dismay of a great many independents, large restaurant chains characterized by their lightning fast service, low prices, and quality food had gained virtual control of the local quick service industry by the mid-1970s. Their brightly colored modern restaurants and splashy advertisements made many independents seem very old fashioned.

Multinational conglomerates increasingly relied on their successful new business tactics to make appreciable inroads into the Northeast Ohio fast-food market scene. Some of the newest contenders in the 1970s, such as Wendy's, have gained a sizeable local customer base by offering a wide variety of unique food items including such things as a seasoned chicken sandwich and special large, hand cut fries. No other fast-food enterprise in Northeast Ohio furnished such delicious new products then. Established by a well-known veteran of the fast-food industry, Dave Thomas (1932-2002), Wendy's presented a variety of new and exciting customer services such as a self-service "fixin's" bar. This "fixin's" bar featured a number of favorites including condiments, pickles, onions, lettuce, and tomatoes and salad combinations. Its baked potatoes topped with butter, sour cream, and bacon bits set a precedent that others soon followed.

McDonald's approach to business in the 1970s may have been slightly different from Wendy's; however, it proved equally profitable for the "Golden Arches." It specialized in variations of traditional hamburgers and cheeseburgers. Most were financially successful ventures, while some such as the Hula Burger were not as memorable. Its own version of a three decker burger called the Big Mac represented one of the industry's greatest success stories. Consumers also enjoyed McDonald's quarter pounders, with or without cheese, and its delicious Filet-O-Fish sandwiches topped with American cheese. Other popular items soon to be introduced included various breakfast sandwiches, McChicken sandwiches, and Chicken

Nuggets. Patrons also loved McDonald's chocolate and vanilla ice cream cones, and of course, its world renowned coffee (8).

McDonald's chief rival Burger King unveiled its own version of a hamburger sandwich known as the Whopper. A flame broiled burger served on a sesame seed bun, with or without cheese, the Whopper featured mayonnaise, pickles, tomatoes, and onions. Burger King also offered a host of other popular items including the Mushroom and Swiss burger, Chicken Tenders, and the Yumbo, its own unique twist on a ham and cheese sandwich. Hamburgers were not the only featured items in national fast-food chains. Arby's, for example, specialized in large, tasty roast beef sandwiches topped with either Arby's or Horsey sauces. This Youngstown, Ohio based company also sold crispy fried potato cakes, extra-long curly fries, soft drinks, and tasty shakes (9).

Another Northeast Ohio favorite at that time was Beef Corral. Owned and operated by National Football League stars Edward Modzelewski (b. 1931) and Richard Modzelewski (1929-2015), this fast-food restaurant chain featured its own signature roast beef sandwich. They also sold a flavorful giant burger with cheese known as the Buckaroo along with a tasty kosher-style corned beef sandwich. By the mid-1970s, these two brothers operated 13 sites located throughout Northeast Ohio. The very popular Florida-based Red Barn quick service restaurant chain offered their own version of the Whopper called the Barnbuster. Red Barn not only popularized a large double decker cheese burger known as the Big Barney, but also featured its own special salad bar. There were 20 Red Barn sites in Greater Cleveland by 1979 (10).

Economic, political, and social friction in the late 1960s and early 1970s, followed by a national recession in 1974, significantly increased the amount of criminal activity occurring throughout Northeast Ohio. Local drive-ins were not immune to it. Many attempted to fight back by hiring their own off-duty police officers and special security guards to patrol their premises. The presence of law officials may have reduced the incidents of crime, but at what cost? Many customers, thinking that their favorite drive-ins were no longer a safe place to eat took their business elsewhere. That might have signaled the end of traditional fast-food restaurants as we knew them had circumstances not intervened.

Following the Kent State shootings in May 1970, much of the earlier reform activity generated by the Civil Rights Movement began to subside. The recession in 1974 followed by the Watergate hearings quieted things down even further. Double digit inflation and high unemployment in the late 1970s and early 1980s adversely affected many who suddenly found it very difficult to find and retain good paying jobs. With less disposable income available, many former drive-in restaurant patrons returned to their old haunts. Restaurateurs enthusiastically welcomed them as profits began to rebound.

Fast-food restaurant owners in the mid to late 1970s enjoyed this resurgence. They had no idea of what lay ahead. Large numbers of health conscious patrons started to demand better prepared, fresher foods. They also insisted upon smaller portions and greater menu variety. Many restaurant owners responded by adding a number of new items to their menus. Some proprietors believing that this was just a fad took a less strident approach. Still others provided flavorless salads or smaller versions of traditional snacks and meals, while many did absolutely nothing.

Customer reactions varied greatly. Many decided to boycott their favorite drive-ins, while others stopped patronizing them. Some local industry leaders such as the Red Barn and Beef Corral chains found themselves caught in the crossfire. Unable to satisfy the changing needs and wants of emerging baby boomers fast enough, both of these popular restaurant chains quickly faded away. Those that remained soon discovered new and effective ways to sell their many tasty items. Marketing fast-food products represented much more than just rebranding or relabeling traditional meals and snacks. The public would not accept that. Innovative new items increasingly caught the public's fancy, while more traditional lackluster products no longer held the appeal they once did.

Cutthroat competition among national and regional giants reached a feverous pitch during the last two decades of the 20th century. Led by a growing number of highly innovative corporations such as Steak-n-Shake, Five Guys, Johnny Rockets, and Sonic's, these quick service restaurants increasingly satisfied the unique tastes of even their most discriminating patrons. Johnny Rockets epitomized that kind of new, highly energized fast-food chain. Originating in California, Johnny Rockets had successfully marketed its own version of a 1940s Los Angeles diner right down to its bright red vinyl seats, chrome accents, and decorative posters. Its deluxe milk shakes and malts, tasty melt sandwiches, and unique salads became immediate favorites (11). Five Guys out of Lorton, Virginia did much the same thing when it introduced its own version of overstuffed burgers, delicious Kosher-style hot dogs, and tasty Cajun fries (12).

Twenty-four hour sites first appeared in the 1990s. Jack-in-the-Box; McDonald's, Steak-n-Shake, Taco Bell, and White Castle headed the field. Burger King, McDonald's, Subway, and Yum Brands brought quick service dining to the next level when they started to accept credit and debit cards in 2002. Innovative services, like the two just mentioned, distinguished these giants from other, run of the mill local operations. Smaller fast-food restaurants had to meet the many new business challenges posed by large corporations or face possible bankruptcy. Bearden's was one company that refused to give into such outside pressures. Not only did it address those challenges directly, but in the process was able to totally reinvent itself. In a very true sense, Bearden's utilized its earlier experiences in the fast-food business to forge its own new market niche.

Bearden's fully recognized that its economic livelihood depended on making wise decisions at each and every juncture. It also understood that it must also make a concerted effort to keep overhead costs down. That led to drastic action on two occasions. The recession in 1957/1958 followed by an economic slump in 1960/1961 significantly reduced Bearden's profits. Two options lay before the company. It could either furlough much of its current workforce or close several of its less productive sites. After some careful deliberation, Bearden's ownership decided to close its Miles Avenue and Hilliard Boulevard sites. Kenny King wasted no time in purchasing both (13). The three remaining sites continued to post good earnings into the 1970s. Had inflation and energy costs remained moderate for the remainder of that decade, those units might have continued to record high profits. Unfortunately, unsettling economic times, starting in the mid-1970s, changed everything.

High inflation, coupled with escalating unemployment and a languishing national economy, produced an entirely new economic phenomenon called stagflation. Economists were baffled by it. A souring local economy, made worse by mounting demographic losses, forced Bearden's to close two more units. The City of Lakewood, Ohio purchased the Warren Road site for its new fire station, while a new quick service enterprise called Fast Eddie's acquired its unit at 5621 Pearl Road (14). Other less dramatic changes further redefined Bearden's. Menu changes topped that list of changes. Special emphasis was now placed on reasonably priced "all-you-can-eat" chicken and fish entrees, while more traditional favorites were downplayed. Even so, the public still loved to eat Bearden's hot beef and turkey sandwiches with gravy and its famous double-decker burger (15).

Further business changes in the 1980s included the return of what company spokespersons referred to at the time as "family" dining. Family-oriented, full-service restaurants, once a mainstay of Cleveland's fast-food scene, had temporarily lost favor in the mid-1960s. However, the recession in 1974 brought them back. Unlike other, more traditional drive-in restaurants that prided themselves on their host of hamburger and fries combinations, these new, family-oriented restaurants offered a wide variety of inexpensive, good tasting meals and snacks. Local advertisements stressed the practical aspect of such dining. "Where else could one feed an entire family without breaking the bank?"

Transforming its Lake Road facility from a standard drive-in into a family-style restaurant proved to be a smart move for Bearden's. Timing was everything. Cleveland's changing demographic, economic, and social setting demanded innovation. The stay-at-home mom, once a mainstay of domestic life throughout the United States, was fast disappearing. In its wake, many former homemakers now held full-time jobs. In fact, women constituted over 65 percent of Cleveland's work force by the mid-1990s. That development had a pronounced impact on family life, and most especially, daily eating habits. Many families with two full-time working spouses no longer enjoyed the benefits once derived from eating home-cooked meals prepared by mom. Conveniently located restaurants such as Bearden's filled that growing void. They provided those families with similarly prepared meals and snacks.

In order to better accommodate this growing demand, Bearden's, in the 1980s, eliminated curb service. It also redecorated its dining room. The new decor especially appealed to its younger patrons. Apparently, this strategy paid off. Bearden's, over the last two decades, has survived numerous challenges. Ultimately, its tasty food and friendly service won out. A *Cleveland Plain Dealer* article, written in the early 1990s, raved about its delicious cheeseburgers. The reporter described them as "Heaven on Earth with an Onion Slice" (16). That kind of glowing endorsement did wonders to boost sales. Company profits rose significantly in 2005 and 2006, and there was even some talk about possibly expanding. Unfortunately, the recession in 2008 soon ended such discussions.

In some cases, the economic survival of independents, such as Bearden's, extends far beyond profit or losses during specific intervals. It often involves decisions made by disinterested outside groups including local municipal officials. That very scenario unfolded in 2010 when Rocky River officials unveiled their latest improvement plans which included among other things the rebuilding of Lake Road. An unexpected financial windfall from Columbus made it possible. This two-year street project not only disrupted daily traffic flow, but also stranded several well-established businesses, including Bearden's. An outpouring of sympathy, along with a guarantee that its customers would return to Bearden's once construction had ended, convinced its ownership to remain open (17). The site reopened in November 2011 (18). Customers loved this refurbished landmark with its priceless memorabilia. Part of its recent success stemmed from its uncanny knack to fulfill its customer demands within a friendly environment (19).

The mid-1990s ushered in a new kind of restaurant experience called "fast casual." Fast casuals cater to the newest generation of sophisticated fast-food diners. Unlike their predecessors who enjoyed eating traditional hamburgers and fries provided by large regional distributors, these new discriminating patrons demand much more. "Trading Up" became the catch phrase for the "X" Generation. These new savvy customers expected freshness and variety in everything they ate. Their growing demand for higher quality meals and snacks led restaurants such as Bearden's to offer more menu selections, including some healthful food items.

This changeover from standard fare to healthier foods represents a major uphill battle that many giants are still reluctant to participate in even though such actions might well result in even higher profit margins in the years ahead. The world's largest fast-food restaurant chain, McDonald's, is one of several large corporations that remain hesitant to make this change. Many analysists wonder why this is so. It becomes even more puzzling when one considers that

McDonald's, in the 1990s, invested heavily in Chipotle Mexican Grill, one of today's leading fast casual restaurant chains.

However, closer scrutiny suggests that McDonald's investment strategy was not due to Chipotle's enterprising approach towards business or its exceptional managerial skills. Rather, McDonald's investment premise was much simpler than all of that. Chipotle's possessed an uncanny ability to generate huge profits anytime, anywhere. McDonald's board viewed Chipotle's as a potentially lucrative holding that could be readily sold on the open market when conditions warrant (20). The key phrase here is lucrative holding.

Therefore, it came as no surprise when in 2006 McDonald's divested its Chipotle holdings. The capital derived from the sale went directly towards revitalizing some of the company's oldest franchises. In retrospect, McDonald's actions may have seemed somewhat hasty. The current dilemma facing Chipotle's notwithstanding, retaining that company's holdings long-term might have produced even greater financial returns for McDonald's further down the road. Although McDonald's worldwide sales continue to grow to the present day, those figures pale when compared to the bumper years of the 1980s and 1990s. Many of its once loyal customers now patronize more upscale places. But, McDonald's recent problems are more widespread than just unforeseen economic challenges on the global scene. Other developments occurring on the domestic scene have tainted McDonald's once impeccable corporate image. In fact, a number of high profile lawsuits have demonstrated its vulnerability. One of those cases gained national attention in 2003.

In *Pelman v. McDonald Corporation* the plaintiffs claimed that their obesity resulted from misleading advertising regarding the nutritional value of Chicken McNuggets. Even though the plaintiffs ultimately lost the case, the media had a field day with it. Media spokespersons claimed that the McDonald's Corporation had deceived consumers into thinking that Chicken McNuggets were healthy to eat. McDonald's legal defense team countered by saying that consuming large amounts of any item poses a certain health risk and that it is the responsibility of the customer, not the fast-food chain, to show some restraint when it comes to the amount of food one consumes daily (21).

Unfortunately, this negative press coverage was not the only trouble facing McDonald's over the next decade. Other marketing blunders did not help. One misstep occurred in 2013 when McDonald's unveiled its cayenne flavored, chili pepper-coated, deep fried chicken wings (22). A favorite in the Hong Kong market, McDonald's Board of Directors expected these extra-large chicken wings to be an immediate hit in both the U.S. and Canada. Unfortunately, their earlier predictions did not pan out. At a cost of $1.00 per wing, this high priced food sensation never gained a strong foothold within the North American market. Customers never got over the initial sticker shock. Inventory records in 2013 showed that over 10,000,000 pounds of chicken wings remained unsold. Corporate profits that year dropped by nearly 30 percent.

Sales figures in 2014 were not much improved over the previous year. For the first time in a decade, McDonald's worldwide sales dropped. The company's CEO Don Thompson (b. 1963) instituted more stringent guidelines (23). These corporate-wide changes ran the gamut from a new and expanded menu and faster turnaround time at the counter, to fresher market products and custom-made sandwiches. Thompson admitted that it would take some time to incorporate these changes worldwide. However, he expressed every confidence that once in place it would produce the desired results.

This new strategy could not have happened fast enough. Several of McDonald's chief competitors including Burger King, Jack in the Box, Sonic, and Wendy's showed moderate profit gains during the 4th quarter of 2014. In the case of Wendy's, its popular dollar menu led its stockholders to approve a bold new business approach that included among other things adding over 1,000 new sites by 2020. Wendy's also plans to keep its overhead costs down by franchising more than 500 of its company-owned facilities over the next two years (24).

The future of McDonald's may well rest with its two newest top executives Steven Easterbrook (b.1967) and Mike Anders (b.1958). Easterbrook replaced Don Thompson as CEO in March 2015, while Andres remains on as head of the company's U.S. division. A leading British corporate executive and former head of McDonald's UK and Northern European Division as well as its Chief Brand Officer, Easterbrook played a pivotal role in increasing McDonald's share of the UK market from 12 percent in 2006 to 15.7 percent by 2013. Many analysts believe that he is exactly the kind of dynamic new leader that McDonald's needs right now (25). Mike Andres also possess a wealth of practical business experience, much of it derived from operating one of McDonald's most successful subsidiaries, Boston Market (26).

Easterbrook and Andres latest business approach includes introducing new items and updating older sites. It began with an all-day breakfast menu, and plans are in the works for a possible new brand of clothing called Big Mac. In an attempt to rid the company of some of its underperforming units, corporate officials in June 2015 announced the closing of 700 sites worldwide. Downsizing their operations, on such a grand scale has not occurred since the mid-1970s. Company spokespersons recently announced that McDonald's will now be using butter rather than margarine in all its cooking and that corporate executives will no longer purchase chickens that have been raised on antibiotics (27). McDonald's also now includes clementines as part of their children's Happy Meal (28). Easterbrook is working with the company's advertising firms to spruce up its rather worn corporate image. In 2012, McDonald's led the fast-food industry when it spent $971,800,000 to advertise its many items. That same year, Subway's Board of Directors spent $595,300,000, while Taco Bell's executives allocated $274,700,000 (29). Experts in the quick service industry admit that both Easterbrook and

Andres will have a rough road ahead. However, they admire them for their efforts. Apparently, their new strategy paid off. McDonald's sales in 2015 increased by 1.1 percent over 2014 figures.

The reluctance of some international corporations such as McDonald's to commit their vast resources towards developing their own unique fast casuals is surprising given the growing popularity of such dining. Surprising perhaps, but not totally unexpected. Characterized by a well-defined system of checks and balances that is closely attuned to an equally elaborate bureaucratic structure, few large companies are able to break the mold that easily.

Fortunately, bureaucratic entanglements of that magnitude rarely impact smaller enterprises. They hardly ever hesitate to change business practices especially when it means a larger share of the local market. As the old adage says, "To the victor go the spoils." Fast casual dining is considered an ideal vehicle for augmenting much needed changes quickly. Undoubtedly, those companies able to seize the moment by quickly incorporating the latest business practices and most advanced technology into their operations will enjoy decided financial advantages over those who vacillate.

Carving out a niche within the emerging fast casual market is crucial for long standing success. In fact, marketing one's products and services becomes a great deal easier once that niche is clearly defined within the public's mind. All of that is not something new. Restaurateurs, as early as the mid-1980s, appreciated the potential market value of fast casuals along with the importance of creating a niche for them within the national market scene. The nagging question posed to investors nearly 40 years ago was not its potential profitability or marketability but, what companies might be bold enough to take the initial financial plunge?

Fortunately, a number of highly innovative corporations stepped forward, including Starbuck's Coffee Company. This well-orchestrated enterprise began in 1971 in Seattle's Pike Place Market (30). Inspired in part by the adventures of the high seas and Herman Melville's *Moby Dick*, Starbuck's prided itself on selling only the freshest roasted whole bean coffee. It's CEO and Board Chairman Howard Schultz (b. 1953) traveled to France and Italy to experience firsthand their highly profitable coffee bars. He was so inspired by what he saw there, that he purchased the company in August 1987. Schultz wasted no time before transforming Starbuck's from an average American-style coffee shop into a unique European-inspired coffee bar. Franchising operations enabled Starbuck's to grow very quickly, and, in fact, it operated 55 sites by 1989.

This publicly held company took a very bold step, when in the early 1990s, it offered full-time and part-time employees corporate stock options. The company led the pack again in 1995 when it introduced Frappuccino blended beverages. Customers loved them immediately. Starbuck's, by the turn of this century, operated a philanthropic foundation. It awarded over

$13,000,000 in grants in 2014 mostly to non-profit organizations dedicated to community based programs. Starbuck's recently acquired Tazo teas. The company also sells some of its popular items in designated grocery stores and retail outlets worldwide.

Currently, the largest international chain of coffeehouses, Starbucks owns and operates over 22,000 sites in more than 65 countries. This fast casual remains an industry leader due, in large measure, to its highly innovative menu, advanced communication systems, and celebrated customer services. Its prepackaged items, along with its hot and cold sandwiches, are particular favorites at lunchtime. Some select sites offer appetizers along with beer and wine after 4:00 p.m. Special customer services include such things as expanded Wi-Fi and optimized app downloads.

Starbuck's is also about to embark on a new pilot delivery service (31). Readily identified by its many popular signature coffees, tasty specialty drinks, delicious pastries, and fresh salads, this Tribeca-like café enjoys a well-earned reputation for excellence. Starbuck's represents a refreshing change from traditional bakeries and run of the mill coffee shops. Its business precedents set the standard of excellence worldwide.

Although today's fast casuals differentiate themselves through trademarked cuisine and inviting decor, all share one common business goal, which is to provide their customers consistently high quality food items at reasonable prices. This has been a Starbuck's tradition for over 40 years and it still applies today. Chipotle Mexican Grill, Five Guys, Habit Burger Grill, In-N-Out Burger, Macaroni Grill, Panera, and Shake Shack are some of the other current leaders that share similar beliefs. With annual sales totaling more than $35 billion, much of the recent success of fast casuals rest in their ability to meet the daily needs of their various patron-bases. However, had that been their only reason for existing, then they would have been gone from the scene years ago. Their sophisticated business practices that stress excellence at each and every level all but ensure their longevity. Posted sales for the 500 largest high end chains in 2015 stood at about $288 billion. That represented an 11.4 percent increase over the previous year's figures.

Viewed from another perspective, the uncanny knack of fast casuals to maintain what analysts in the industry call an "economy of scale" provides them a decided financial edge over outside competitors especially when it comes to the purchasing and distributing of their products. Specifically, it lessens the financial load, resulting from the additional costs incurred during both the purchasing and distribution stages, by more evenly distributing these incurred expenses among the various subsidiaries. That encourages greater operational efficiency in that no subsidiary is overburdened with excessive debt. Imaginative accounting practices like that enable many fast casuals to cheaply and quickly deliver their quality products to consumers.

More modestly operated drive-in restaurants that specialize in inexpensive processed food items have lost ground to other, better-run quick service operations. Fast casuals successfully offer a wide assortment of fresh, moderately priced meals and snacks (32). Their ultra-modern, often chic décors reflect the business and technical savvy of our modern age (33). However, their enduring success involves much more than eagerly embracing the latest business practices and technology in order to better accommodate today's imperatives. Had that been the case, then anyone with any business sense might have attained similar high profit levels. It represents much more than just a cursory understanding of what needs to be done business-wise to achieve that goal. Fast casual have taken this idea to a higher level.

Astute entrepreneurs have revolutionized the entire industry beginning with food preparation. Many of the items sold in fast-casuals sites are made from scratch often from all-natural ingredients. This means fresher, better tasting food at a somewhat higher cost when compared with more traditional processes items found in standard drive-in restaurants. Some analysts still question the long-term value of marketing higher priced fast-food to money-conscious customers. However, casual fast-food CEOs, such as Chipotle Mexican Grill's Steve Ells (b. 1966), thoroughly disagree with their thinking.

They contend that their customers are more than willing to pay higher prices for top quality products. In fact, Chipotle's uses only locally-grown products, pasteurized beef, and non-genetically modified ingredients (34). Chipotle's profits soared worldwide until a recent E-coli outbreak put a temporary hold on it. This E. coli incident followed by a federal investigation resulted in a 30 percent drop in the value of Chipotle stock. Recently, the Centers for Disease Control announced that the E. coli outbreak has ended. Chipotle's introduction of new safety measures has led Wall Street analysists to upgrade its stock rating. Customers are beginning to return to Chipotle's, and company officials plan to open more than 200 more sites this year.

Most critics agree that fresh food is preferable to highly processed items. However, as they carefully point out, altering standard recipes by adding all natural ingredients may not be so easy for some drive-in restaurants to achieve. The high price of wholesome food stymied them in their efforts. Also, many natural foods must be stored in expensive storage facilities. Proponents of fast casual dining take exception to this argument by saying that the positive health benefits derived from eating properly prepared, all-natural food far outweigh any additional costs. They also argue that customers have the right to know exactly how their dinner or snack is being prepared. In response, many fast-casuals prepare patron orders right in front of them (35). Experts within the quick service industry predict that the recent development of mobile platforms will revolutionize the entire business from food ordering and product marketing to loyalty programs and payment processing (36). If, in fact, that proves to be the case, then everyone involved in the fast-food business will have to either adopt modern technology or face the grim prospects of possible bankruptcy.

Customized orders are also becoming increasingly popular with consumers. Fast-food restaurateurs more and more cater to a new breed of patron who wants more exotic food choices. Accessibility to such products is fast becoming a crucial part of marketing. Many fast casuals have responded to this growing challenge by locating their facilities in non-traditional places. Small grocery stores, banks, laundromats, convenient stores, and private office buildings amply fulfill this growing need for diversification. In fact, no high traffic area is beyond their prevue. Other new marketing trends to gain widespread acceptance include such things as less sweet tasting beverages and less reliance on fat, pepper, salt, and sugar as basic ingredients.

The current top ten McDonald's, Subway, Starbuck's, Wendy's, Burger King, Taco Bell, Dunkin Donuts, Pizza Hut, Chick-Fil-A, and KFC are attempting to meet these increasing demands for fresher, healthier foods by unveiling a steady stream of new, and at times, unusual snacks and meals (37). They also continually update their many units to better accommodate the changing lifestyles of their many customers. Each corporation, in its own unique way, is attempting to outdo the other. According to *Forbes Magazine* the obligation of the fast-food industry to consumers goes far beyond just providing quality food at low prices. It must make a concerted effort to adapt its many sites to the ever changing needs and wants of its highly mobile patron-base. Viewed from another perspective, the quick service industry employs nearly 10 percent of the entire U.S. workforce. That means any prolonged economic downturn in this industry would not only prove devastating for individual fast-food businesses, but also the entire economy (38).

Bearden's symbolizes that new kind of dining experience specifically geared towards the needs and wants of its local customer base. Its hamburgers range in price from \$3.50 to \$6.00 with its side dishes costing anywhere from \$2.75 to \$4.75. Other popular sandwiches cost \$4.95 to \$6.95, while its milk shakes are priced from \$2.25 to \$3.50. Bearden's also offers a special \$5.50 children's menu. Referred to as Bear Cub Dinners, its children's menu includes a delicious main dish, one popular side and a refreshing milk shake.

In addition, Bearden's features a number of other novelty items such as fried pickles with their own special dipping sauce. Its proprietors also have reduced the size of their dinner portions and brought back some old favorites including BLTs along with fried egg and bologna sandwiches. Bearden's, in an efficiency move, recently eliminated traditional servers. Customers now order directly at the counter and then sit down in the nearby dining room to wait for their meals or snacks.

Effective leadership and a willingness to embrace new business opportunities when they appear have saved Bearden's. Joe Orange and his staff are dedicated to providing a quality family dining experience for all their customers. They know what their patrons need and want and what they are willing to pay for then many tasty dinners and snacks they offer. Maintaining reasonable overhead costs, along with repeat business, accounts for much of that company's continued financial success. But, it is much more than just those business considerations that keeps Bearden's going. Orange and his crew provide the kind of specialty food items not readily found elsewhere. Bearden's has remained a family tradition for nearly 80 years. Its long-term success notwithstanding, there were many other successful local restaurants that also traced their origins to the Great Depression of the 1930s. One such eatery began as a small, hole in the wall site on Lakeshore Boulevard, not far from Euclid Beach Park. Owned and operated by a highly enterprising young Clevelander, it grew very quickly to become one of the area's biggest and most successful fast-food enterprises.

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CHAPTER FIVE: MANNER'S BIG BOY RESTAURANT: THE BEST DEAL IN TOWN

Robert L. Manners (1905-1995) opened his first Cleveland-based fast-food restaurant in 1938. Located at 17655 Lake Shore Boulevard, this California-style drive-in cost $900 (1). With the assistance of his Vice President and Treasurer, Paul W. Walters, Manners began the arduous task of building his new enterprise. His original site specialized in $.15 hamburgers; $.05 cups of coffee; $.20 chicken-in-the-rough baskets; $.05 dishes of ice cream; and $.10 slices of strawberry pie (2). Euclid Beach Park goers and Lake Shore neighbors loved his delicious food items from the first day he opened his establishment.

This young entrepreneur fully understood that the key to financial success rested on serving inexpensive, tasty meals and snacks within a welcoming environment. Manners also recognized the importance of employing reliable servers. He knew that repeat business depended in large measure on a competent staff. With those very thoughts in mind, Manners initially hired only male car hops for his new drive-in. However, as he soon discovered finding trustworthy workers was not t-hat easy to do.

In a perfect world, hiring dependable car hops should have been a relatively easy task to achieve. After all, Greater Cleveland had a sizeable labor pool to draw upon; therefore, it should not have been an enormous undertaking to find decent people looking for honest work. He believed that it was only a matter of time before he would find competent help. However, as he soon found out Cleveland was anything but an ideal place to find dependable workers.

Much of the problem stemmed from the times. The late 1930s were anything but normal economic times in the U.S. The Great Depression had rocked this nation's very financial core. Although the economy experienced a brief turnaround in 1937, when production, profits, and wage levels briefly returned to pre-Depression levels, it did not last long. Fast-food restaurateurs, such as Manners, found it increasingly difficult to find trustworthy employees who were willing to work for meager wages.

No matter how careful a restaurateur might be in trying to minimize overhead costs, daily expenses mounted up quickly. This forced many in the late 1930s including Manners to seek out non-conventional loan packages. Borrowers paid back whatever they could afford each-and-every month with the full understanding that they would not only pay-off the bulk of their loan on demand; but also, any accrued interest once more prosperous times returned.

The leniency afforded independents, like Manners, made perfect sense given the fact that no one could predict with any certainty how long the Great Depression might last. Perhaps Manners' financial problems might have been less critical had he been able to accumulate some savings earlier. Unfortunately, all his hard earned cash, including any savings he might have accrued earlier, went towards operating his new company. There was nothing left over for future emergencies.

Robert Manners, like all shrewd businessmen in that era, fully recognized the importance of keeping a tight hold on overhead expenses. That meant cutting corners whenever and wherever possible. In his case, that led him to fire all his male car hops. They just cost too much. In their stead, he employed less costly females. The money he saved from this action enabled him to not only pay off a small portion of his mounting debt, but also finance some much needed improvements. Accomplishing this task required a certain amount of finesse. Employees hated the prospects of being dismissed from their jobs due to budget cuts. Manners tried to lessen the blow by arranging with other fast-food proprietors to hire most of his displaced workers.

Today's restaurateurs face similar issues. Raising customer prices is one method to offset mounting operational costs (3). However, before engaging in such a practice the restaurateur must first determine the local market's breaking point. For example, patrons may be willing to pay $6.50 for a $5.00 chicken dinner; however, they may refuse outright to buy that same dinner if the price suddenly increased to $10.00. Reducing employee hours or closing operations during non-peak hours represents another way to cut expenses. This tactic may work very well, especially for upscale restaurants where business during off-peak hours is slow. However, it might prove disastrous for fast-food concerns when anytime is dining time.

This steady stream of hiring and firing of employees based on the volatility of the local market scene plagued fast-food restaurateurs including Manners throughout the 1930s. Although thousands of people were looking for work, the trustworthiness of the available workforce left much to be desired. In the case of Manners, his meager resources severely limited his opportunities to hire honest employees. In fact, he had very little to offer prospective employees in terms of good salaries and expanded fringe benefits. What options were available for him? He did not want to hire just anyone. What was the point in doing that? At the same time, he could not justify incurring staggering new debt just to retain a few quality servers. His conscious would not allow him to do that. After further consideration, Manners decided that the best approach was to hire those that appeared to be the best qualified with the intention of gradually increasing their salaries and benefits over time. Seniority and annual profits would determine any and all increase levels.

Similar budget related issues continue to the present day. Retaining good help remains a perplexing problem for most restaurateurs. Part of the problem originates with the cutthroat nature of the business itself. Employees often show no loyalty when it comes to leaving one place for another especially when their demands for higher wages and greater fringe benefits are not met by their respective employer. Restaurant owners often find themselves in the unenviable position of paying their most valued staff members higher wages and more fringe benefits in order to retain them.

Chipotle Mexican Grill, for example, recently found itself in such a dilemma. Their board responded by unveiling a new benefit package that included, among other things, employee reimbursement for those enrolled in higher education courses. Not to say that Chipotle's officials might not, over time, expanded their fringe benefits to encompass that kind of reimbursement programs. However, the fact that it occurred during a time when the company was at low financial ebb might suggest something else. In the final analysis, growing competition among rival chains often promotes such action.

However, Manners financial woes in the late 1930s went far beyond employee salaries and fringe benefits. Making payroll was hard enough. Complaints by disgruntle workers would just have to wait for a more appropriate time. That being said, this restaurateur, during the waning months of 1939, determined that if he watched his pennies carefully enough that he too might soon be able to pay his staff a little more. It would be dependent on two things: continued low overhead costs and a growing customer-base. Any sudden downturn in the local economy or an unexpected business disaster would compel him to not only furlough employees with the least seniority; but also, reduce wages for his remaining workers.

Fortunately, that unpleasant scenario never unfolded as the local economy started to rebound. Brighter economic prospects during the first months of 1940 convinced Robert Manners to not only increase the annual wages of his servers, but to hire additional help. His new fleet of female car hops debuted in July 1941 (4). Dressed in attractive, custom-made outfits, these servers increased business significantly. Car hops remained an intricate part of the company's business plan for the next 40 years.

Manners was a young energetic restaurateur with experience in both marketing and sales. Born in Middletown, Connecticut and a graduate from Cleveland's East Tech High School and Fenn College, Manners began his illustrious career as a salesman for one of the city's leading office supply companies Burrow Brothers. This enterprising businessman also sold insurance and operated lending libraries in several drug stores. He later co-owned a coal and building-supply company in Bedford, Ohio. However, cooking was one of his greatest passions, and he dreamed of owning his-own fast-food restaurant.

Fierce competition among downtown venders convinced him to locate elsewhere. He opened his first drive-in restaurant in Cleveland's Collinwood neighborhood within easy walking distance of Euclid Beach Park. Robert Manners and Paul Walters handled the daily business matters, while his Manners' wife, Esther (Ramona) (1909-1990), a former social worker, did most of the cooking. A commissioned officer in the Army Air Corp during the Second World War, Manners served as a food service supervisor for the Western Flying Training Command (5). Following his stint with Uncle Sam, he returned to Cleveland with a number of new ideas regarding restaurant management. He set his sights on revolutionizing the local fast-food industry beginning with modernizing his own east side diner (6).

He firmly believed that periodically updating his site's décor would do wonders for daily business. Being a strong advocate of franchising, Robert Manners soon opened a second drive-in at 17001 Euclid Avenue. This facility also served as his corporate headquarters (7). Vern's BBQ & Grill later occupied the unit. This innovative young businessman soon added more car hops at both his locations. Manners wasted little time before opening another drive-in site, this time, at the Willoughby, Ohio airport (8). Airport travelers frequently stopped there to eat. After all, Manners sold the best steak burgers and fries in town! Manners expansion plans did not end with these three busy units. His military experience had taught him many valuable lessons including the idea of thinking big. Nothing was beyond the realm of possibility. He took that lesson very much to heart.

Manners envisioned a large chain of quick service restaurants scattered throughout Northeast Ohio. The local market was indeed ripe for this kind of new dining experience, and he was sure that he could meet the many required challenges. With that idea in mind, Manners invested in another site at 3522 Warrensville Center Road in Shaker Heights, Ohio (9). Under the able leadership of his Assistant Manager John Oroszi, this eatery was within easy walking distance of the eastern end of the Shaker Rapid Line (10). A Wendy's restaurant now occupies that site. This Manners site featured a new food sensation called "Broasted" chicken. It also served traditional hamburger sandwiches, mouthwatering milk shakes, and tasty desserts.

His phenomenal financial success during the immediate post-war years convinced Robert Manners that he was doing the right thing. Patrons just could not get enough of his delicious meals and snacks. Site expansion continued at a feverous pace. The newly created Manners Drive-In Restaurant Corporation, in January 1952, announced plans to purchase the Rustler's Ranch House. Located at 715 Brookpark Road in the Village of Brooklyn Heights, Ohio, this popular landmark served as the launching pad for further west side expansion (11). There were six Manners drive-in units by the end of the year (12). Recent east side suburban growth convinced Manners to open yet another quick service restaurant at 4037 Mayfield Road in South Euclid, Ohio. He also moved his corporate offices from 17001 Euclid Avenue facility to 10708 Superior Avenue.

His peers soon acknowledged his many outstanding achievements. The Northern Ohio Restaurant Association (NORA) in 1954, for example, elected him its president (13). He also served as the state chairman for the Laymen's Movement for a Christian World (14). The Ohio

State Restaurant Association (OSRA), in 1960 elected him its latest vice-president (15). Robert Manners firmly believed in helping those less fortunate. His strong Protestant religious beliefs encouraged him to support a host of locally-based charities along with other notable civic and religious organizations. They included such things as the Churchman's League, Cleveland Church Federation, and Inner-City Protestant Parish.

He also served as the chairman of Shady-Brook House, a Protestant sponsored retreat center in Mentor, Ohio (16). As a member of the Hiram House Board of Directors, Manners sponsored several programs geared specifically for persons in need. He also wholeheartedly supported the "Toys for Tots" campaigns which enabled thousands of poor children to receive popular toys every Christmas. Manners, in conjunction with the *Cleveland Press*, furnished local elementary school students with brightly colored rain capes (17).

This intuitive businessman never hesitated to take advantage of a good business deal when it appeared. Just such a deal unfolded in 1954. The Frisch Corporation, one of Cincinnati's fastest growing quick service chains, approached Manners with an incredible offer. Its Board of Directors not only wanted to add the Manners Drive-In Restaurant Corporation to its growing list of regionally-based Big Boy franchise holders, but also appoint this Cleveland-based company to serve as its exclusive agent in Northeast Ohio. Frisch's exceptional business record over the years made this a most tempting offer.

Founded by David Frisch (1902-1970) and Annette G. Frisch (1906-1995) in 1938, this prized Cincinnati-based corporation was considered one of southwest Ohio's best run enterprises. Its claim to fame began in the early 1940s when David Frisch first caught the attention of Big Boy's national founder Bob Wian (1914-1992). Wian first gained national attention in the 1930s when he singlehandedly owned and operated a chain of very successful Big Boy restaurants located in Arizona, California, and Nevada. Following the Second World War, Bob Wian decided to expand his holdings by merging with other regional giants. David Frisch joined Wian's growing list of successful chains in 1947 (18).

The all new Frisch's Big Boy Restaurant chain debuted the following year. Frisch's legal arrangement with Bob Wian gave this Cincinnati businessman exclusive franchise rights to both the Big Boy trademark and brand name. This meant that any future Big Boy franchise holders must first be approved by Frisch's. Controlling all aspects of the franchising business enabled this leading southwest Ohio restaurateur to expand operations very quickly. Frisch's astute legal team handled all financial matters, while its able corporate staff hammered out all details related to food and supply distribution networks. Corporate officials also arranged all the training sessions.

One of Frisch's earliest mergers involved a well-known Colorado and Indiana fast-food restaurant chain called Azar's. Owned and operated by Alex and David A. Azar, their unique looking sites stood out among the crowd. Designed by the Los Angeles architectural firm of Arnet & Googie, they were easily recognized by their exaggerated vaulted ceilings, extending dining counters, and outlandish signage (19). After securing the Azar's restaurant chain, Frisch's next turned his attention towards the Great Lakes region. In particular, he wanted to gain a foothold in Northeast Ohio.

Frisch's ownership remained in private hands until December 1960 when David Frisch, along with his son-in-law and Executive Vice President Jack S. Maier (1925-2005), announced plans to go public. The two of them sold off 180,000 shares of their common stock at $12.75 per share. The well-respected Cincinnati investment house of Westheimer & Company handled all the details. Considered a solid investment in the early 1960s, Frisch's stock value increased by about 4 percent per year (20).

The mid-1960s prove to be very prosperous time for Frisch's. For example, net earnings during the nine month period ending in February 1965 reached a new all-time high of $543,590 or $1.16 a share. That represented a 27 percent gain over the previous year when profits stood at $425,301 or $.91 a share (21). To celebrate this occasion, Frisch's announced the acquisition of yet another Big Boy chain this time in Jacksonville, Florida (22). Three months later, the Board of Directors opened its 200th outlet in Gainesville, Florida (23). Frisch's remains a good investment to the present-day. It has paid dividends each-and-every quarter for more than 50 years.

Wise investments in other unrelated businesses also accounted for much of Frisch's success during the second half of the 20th century. Buying into locally-based companies such as Clarion Riverview Hotel and Quality Hotel Central yielded high dividends for decades. The corporate leadership divested itself of those holdings in 2001. Estimated value of those two hotels remained firm at $14,000,000 (24). The funds derived from these sales went towards reducing the company's overall debt. Another clever corporate move, beginning in 1959, involved consolidating its many diverse holdings. That move enabled Frisch's to eventually acquire all its 115,662 shares of outstanding stock that its franchised companies had attained over the years (25). David Frisch remained active in his company until his death in 1970. His son-in-law Jack S.C. Maier soon became its president and board chairman.

Frisch's capable Board of Directors never vacillated when it saw a good business opportunity. Such was the case in May 1972 when Frisch's acquired the Dallas-based Big Boy chain. This merge involved more than 7,200 common shares and notes. Such bold action not only assured Frisch's a firm foothold within the ever growing Texas market, but also set the stage for this company to purchase Kip's of Oklahoma the following year (26). Unfortunately, the prosperous late 1960s and early 1970s soon gave way to the economic uncertainties of the 1980s. As everyone in the fast-food industry soon realized, much of Frisch's post-war success rested on that company's uncanny ability to add lucrative new franchises to its growing list on a regular basis. Liquidity fueled the engine of expansion, or so it appeared. The availability of low interest loans, along with a booming national economy, further sweetened the deal by encouraging even more far flung speculation.

It appeared to be a winning formula for all involved at least in the early years. However, that economic advantage enjoyed by so many initially evaporated over time. With inflation in the early 1980s exceeding 13.5 percent, many promoters found themselves increasingly less inclined to invest in such ventures. With less ready capital available, expansion activity slowed down to a trickle. A rebounding national economic in the mid-1980s saw a number of high rollers return to the fold.

This renewed interest in the restaurant game, spurred on by sufficient new investment capital and increased sales, convinced Frisch's executives to plan for further expansion in both Georgia and Tennessee. However, a subsequent downturn in corporate sales due in large measure to the recession in 1987 brought these latest efforts to a grinding halt. Meanwhile on the home front, Craig F. Maier (b. 1951) replaced his father Jack S. Maier as CEO in 1989, while his sister Karen F. Maier (b. 1953) became the company's new Vice President of Marketing.   Both siblings remained at Frisch's until their retirement in 2015 (27).

Hoping to shore up its recent losses, Frisch's Board of Directors approved a major reorganization package in 1991. It included among other things the closing of a number of underperforming units in Florida, Kansas, Oklahoma, and Texas. These latest business tactics appeared to be working quite well until escalating labor costs and skyrocketing food prices led to a 50 percent drop in net income. Board members, beginning in 1995, initiated more stringent measures. They included among other things selling all non-essential holdings. One of those non-essentials to go was the Cincinnati Red's baseball team valued at $1,600,000. Frisch's board also approved the closing of 15 additional underperforming units. One of Frisch's chief competitors, Bob Evans, acquired two of them (28).

At the same time, Frisch's officials worked out a special $45,000,000 deal with the Golden Corral Corporation. Under this arrangement, this Cincinnati-based giant agreed to open 23 new Golden Corral franchises, worth $2,000,000 a piece, over the next seven years (29). A study conducted earlier by Frisch's astute marketing team indicated that the Midwest region was indeed ripe for this new kind of buffet style restaurant chain. Glowing market reports notwithstanding, these findings never considered the possibility of a national recession and how that might impact Frisch's expansion plans. Of course, the worst possible scenario occurred. An unexpected recession in 1995 waylaid these well-orchestrated plans. Golden Corral's sales that year plummeted by nearly 40 percent over 1994 figures.

It took Frisch's nearly five years to recoup those losses. Hoping to avert future deficits led Frisch's to divest itself of all its Golden Corral holdings in 2012. A newly reorganized holding company called the new Golden Corral Corporation purchased the entire chain of 29 sites in Ohio, Indiana, Kentucky, Pennsylvania, and West Virginia for $49,800,000 (30). Headquartered in Raleigh, North Carolina, the new Golden Corral Corporation wasted little time before revamping its menu. New daily specials and special discount rates for chartered bus groups brought new customers into their many locations. There are more than 500 restaurants worldwide. Known as the "Best Buffet in the U.S.A.," Golden Corral provides its customers all day breakfast at certain designated locations.

Frisch's Board of Directors boldly approved another belt tightening measure in 1999. It enabled this corporation to acquire more than 200,000 shares of outstanding stock. Cost cutting maneuvers, such as the one just mentioned, made perfect sense financially. It not only lessened the company's debt and liability, but it also improved its profit potential. This highly respected corporate icon announced in 2013 that it operated 95 company owned and 25 franchised sites scattered throughout Ohio, Kentucky, and Indiana (31). Frisch's is the largest Big Boy chain in the U.S. currently employing more than 6,000 (32).

With assets of $128,712,285 and liabilities of $45,056,362, Frisch's Big Boy's net sales topped $203,000,000 in 2014 (33). The Frisch family holds more than 20 percent of the company's total stock (34). Its CEO Craig F. Maier, announced in May 2015, that an Atlanta-based private equity company NRD Partners had recently purchased Frisch's for $175,000,000 (35). NRD Partners promised to offer the same quality food and valued service that had made Frisch's an industry leader for so many years. The value of Frisch's stock on the New York Exchange has increased by 21 percent since that announcement.

The early 1950s posed similar business challenges for confidence entrepreneurs such as David Frisch and Robert Manners. Frisch's desire to gain a permanent foothold within the highly lucrative Northeast Ohio market had led him to approach Robert Manners in the first place. However, it was much more than pure luck that brought Frisch and Manners together. Frisch admired Manners positive approach towards expansion and believed that Manners could handle any challenges yet ahead. Furthermore, Manners fully understood the business realities of his day.

Frisch's thinking went far beyond a superficial appreciation of Manners business talents. Frisch was first and foremost a practical businessman. He knew that no matter how big his restaurant chain might become size alone did not mean that he had a lock on the Northeast Ohio market. Other, equally enterprising competitors were more than ready to enter into this lucrative region should Frisch's merger talks with Manners fail. David Frisch needed Robert Manners. In his mind, Robert Manners held the key to Frisch's future success throughout the Great Lakes. It all hinged on whether or not Manners would agree to join Frisch's team. It was anyone's guess in the first months of 1954 as to how that might unfold.

As stated earlier, the 1950s represented a decade of unprecedented growth and prosperity for many quick service restaurants. Reasonable operating costs made it a sure winner for a multitude of ambitious entrepreneurs. Unlike other upscale restaurants that required substantial investment upfront, fast-food operations were intrinsically less expensive to own and operate. In fact, most were up and running within months. Enlightened restaurateurs such as Frisch and Manners took their targeted business opportunities to entirely new levels. Both knew full well that their long-term financial success depended on quick expansion through franchising. In Manners case, he understood better than anyone else that he alone must determine the best course of action for his company to follow. His final decision would be predicated on existing conditions within the Northeast Ohio market scene, and not based on recommendations made by authorities within the quick service industry.

Like so many others in the fast-food business, Manners quickly learned that successful, large-scale franchising meant much more than just demonstrating managerial competency. It required the entrepreneur in question to maintain a watchful eye in terms of future growth potential afforded through appropriately controlled franchising vs. the possibility of saturating the market due to over investment. Financial success rested on the ability of the restaurant owner to know the difference and to not let the lure of big profits through expansion cloud his or hers judgment. Leaders following that course of action grew and prospered often at the expense of the less fortunate independents.

The phenomenal success enjoyed by a great many large franchisers was not totally unexpected. From the beginning, small independently-owned operations understood that they could not compete in the same financial arena. Independents accepted that fact as long as they could still earn a decent living. Unfortunately, their ability to maintain a decent lifestyle lessened over time. Large chains increasingly overpowered their smaller rivals. However, few independents realized just how tenuous that power base was until the last two decades of the 20th century. Mounting debt throughout the 1980s and 1990s presented a greater and greater financial obstacle for many corporations wishing to own and operating massive franchised restaurant chains. If left unchecked, mounting debt would eventually eliminate any and all profit gains resulting from such ventures. That was exactly what happened as crushing debt, due to dwindling returns on multi-owned franchises, led to bankruptcy for some previously successful large companies. Unfortunately, by the time all that unfolded, it was too late for most independents. If only they had been able to survive the 1950s and 1960s they might have been able to generate sizeable profits for the rest of the century and beyond. However, it was not to be.

Insightful entrepreneurs, like Manners, knew all too well the high financial stakes involved in widespread site expansion. It was a risky business to say the very least. However, leaders, like Manners, never went so far as to question the wisdom of such actions, at least not then. They firmly believed that extensive expansion through direct franchising represented the most effective method to achieve the desired end. Manners chief concern in the mid-1950s was not the economic desirability of massive franchising, but rather whether he could successfully meet the many new challenges resulting from such a merger. It was anyone's guess as to how that might play out.

Frisch's generous offer provided Robert Manners with a very important financial safety net should the local market suddenly sour. However, Frisch's proposal meant much more than just financial protection should something go terribly wrong with the local economy. Frisch's offered Manners goods and services. In a very real sense, this merger symbolized a win-win situation for all involved provided that everyone played by the rules. In this case, Frisch would finally get something he really wanted, namely, a foothold in the Northeast Ohio area. Manners, on the other hand, would receive invaluable business support from a highly respected parent organization. This being said, Manners still had to determine whether he was making the right business move or not.

His reservations were legitimate. Manners wondered if his profitable restaurant chain would be able to survive the additional business pressures imposed by Frisch's team. Analysts painted a very rosy financial picture when it came to those kinds of investment opportunities even though they admitted that they came with some inherent business risks. It was a quandary that needing to be resolved quickly. Post-war experts in the field repeatedly said that fast site expansion, conducted under the auspices of a financially sound parent organization was one of the best ways to ensure long-term economic success. They further suggested that in joining a well-managed business organization such as Frisch's that Robert Manners might appreciably lower his company's annual debt.

Manners concurred with their thinking. However, his concerns went far beyond any immediate financial advantages. In fact, he had a host of other practical business matters to consider upfront. For example, he questioned David Frisch's ironclad requirement that all his affiliates must offer the exact same menu options. A standardized menu may have sounded good on paper. Theoretically, product conformity should guarantee maximum profit returns, while significantly lowering overhead expenses. However, when that theory was put to the test in the real world it often fell far short of its intended goal.

Manners also knew that his loyal customers expected to purchase the same food items at the same prices day in, day out at all his locations. After all, that was what brought them to his restaurant in the first place. Significantly altering menu choices with the intention of satisfying company-wide proscribed standards might convince many loyal customers to take their business elsewhere. Manners believed that he had an unspoken trust with his patrons regarding the kind of food he served and its cost. Violating that long held trust might result in further financial problems later.

His business concerns were well founded. A national recession in 1954 led to the closing of several popular independents. Those that survived the ordeal concluded that the economic problem stemmed from the fact that the recession had forced some of their competitors to raise prices and cut portion sizes without warning. Totally unprepared for these changes, many repeat customers turned their backs on their favorite haunts and began patronizing other places that catered to both their tastes and wallets. This was not the first time that such a phenomenon had occurred. A similar outpouring happened in the 1930s when some local proprietors, in an equally half-baked attempt to squeeze out some additional profits from a flat-lined economy, faced a similar end.

Potential business pitfalls notwithstanding, Manners finally decided to accept Frisch's most generous offer. He concluded that the high profit potential resulting from such a merger should eliminate any of his earlier concerns. Under this arrangement, Manners paid Frisch's a $10 per month license fee for each site he operated. In exchange, Frisch's supplied all the operational essentials. They ran the gamut from the Big Boy mascot and cooking equipment to special foods and exclusive recipes. This new Manners Big Boy chain now boasted seven units.

Clevelanders loved the delicious new Big Boy triple decker hamburger sandwich. In fact, it accounted for nearly 60 percent of all sales in 1956. Unlike Frisch's Big Boy sandwich with its small dab of special sauce, Manners Big Boys were dripping with it. A number of other specialty sandwiches, daily breakfast specials, and dinners along with its fabulous strawberry pie and award winning cakes made up the remaining sales that year. The growing popularity of Manners drive-in restaurants also led to a sizeable increase in the number of car hops.

Corporate officials in the late 1950s proudly announced the opening of three new restaurant sites one at 17323 Lorain Avenue, a second at 5000 Northfield Road and a third at 1850 Henderson Avenue in Lorain, Ohio (36). Although increasing overhead costs, in conjunction with a growing need for additional capital, compelled Frisch's board in December 1960 to go public, Manners restaurants remained in private hands (37). Executives at Manners saw no limits to their expansion plans. In their minds, continued expansion and future prosperity were one-and-the same. The local Big Boy chain had proudly added more than 20 sites in less than a decade. To commemorate this milestone, Manners announced in 1963 the grand opening of its 30th location this time at East 276th Street and Euclid Avenue (38).

Robert Manners phenomenal financial success throughout the late 1950s and early 1960s did not stem exclusively from rapid franchising. Had that been the prime motivating factor responsible for his phenomenal growth then his good fortune would have been short lived. Other important economic considerations also accounted for much of his success. Manners ability to readily incorporate new gadgetry into his operations differentiated this fast-food giant from some of his contemporaries. Corporate officials were constantly looking for new ways to enhance their customers' dining experience. One such device introduced in the early 1960s revolutionized the local food ordering business.

Manners new two-way intercom system mirrored a system first perfected in the 1950s by Sonic's Smith and Pappe (39). Called "Electronic Car Service," it enabled customers to yell out their food orders through a special speaker box located under a canopied drive-through area adjacent to the site itself. After placing their order, customers drove up to the specially marked pick-up window where they paid the cashier for the food they received. Another business breakthrough involved the packaging of takeout orders. Packaging takeout order had always been a messy, less than efficient operation. However, all of that was about to change. Servers now carefully placed each order into specially marked bags. In order to minimize confusion during the packaging process itself, servers put all chicken orders in red colored boxes shaped like barns, while fish orders went into yellow boxes shaped like fish. Patrons purchasing homemade chili received their very special orders in specially marked half gallon carryout containers designed by the Dixie Cup Division of American Can Company (40). The Paper Cup & Container Institute in 1966 honored the Manners Corporation for their new sturdy plastic coated cartons.

However, Robert Manners innovations did not begin and end with clever gadgetry. National trends in the early 1960s that favored lighter cuisine served in brightly lighted facilities led to further experimentation. Rather than offering smaller versions of his favorite menu items, served within a typical fast-food setting, corporate officials came up with their own new idea, California-style coffee shops. A prototype already existed at the East 276th Street and Euclid Avenue site. Similar in design to those in southern California, these coffee shops bridged the growing gap between traditional drive-in sites and the newer family-oriented restaurants. New coffee shops at Fairmount Circle in University Heights, Ohio and the Detroit-Mars Shopping Center in Lakewood, Ohio appealed to customers of all ages. Their brightly painted interior walls, along with their applied California-style exterior stone work and large plate-glass windows, offered a pleasing contrast to more traditionally operated Manners units (41).

Solid earnings convinced Robert Manner to expand his operations in 1965. This resulted in the construction of a new combined corporate office building and training facility at 16201 Euclid Avenue. Designed by the well-known Los Angeles architectural firm of Arnet & Davis, this new 17,000 square foot building cost $1,000,000. It featured large executive offices and suites, modern dining rooms, special in-car services, designated classroom space, and a special research kitchen (42). The Manners Corporation that same year unveiled its own Management and Executive Development Training School. Called the Hospitality College, this tuition-free program paid its enrollees stipends. Each course took 16 weeks to complete. Program graduates qualified for in-house managerial jobs that paid anywhere from $7,500 to

$15,000 annually. No other local fast-food restaurant chain offered such an all-inclusive training program.

Corporate plans in the mid-1960s included much more than just adding new franchises and building new headquarters. Company executives also acquired one of their major competitors in August 1966. Manners purchase of the locally popular Eldorado Drive-In chain added seven more sites by year end. Owned and operated by Edward G. and Michael J. Napoli, the Eldorado Drive-In Corporation had been a chief rival of Manners Big Boy from the very beginning. Eldorado's profits in 1965 equaled $3,000,000, while Manners earnings topped $13,000,000. This publicized merger increased the number of Manners Drive-In restaurants to 38. That made it the largest quick service chain in the Northeast Ohio market (43). Now ranking 176 in the nation's top 400 fast-food service operations, the Manners family remained the company's primary stockholder until 1968 (44). To celebrate this business development, Manners opened yet another drive-in this time at 10721 Broadway Avenue in Garfield Heights, Ohio. Company officials also approved plans to update one of their oldest facilities at 5937 Mayfield Road.

In a totally unexpected move, Robert Manners, in 1967, announced plans to sell his chain of popular fast-food restaurants. He said that changing customer eating habits, escalating food costs, and increasing demands by his employees for higher salaries and more fringe benefits led to his decision. A number of large national corporations expressed interest in acquiring this highly lucrative regional enterprise. A well-known Chicago-based conglomerate Consolidated Foods Incorporated (CFI) finally acquired the 29 year old company in May 1968. CFI's Board of Directors led by its CEO William Howlett (1916-1986) considered this merger an important first step towards expanding their company's food services on the global level.

Founded in 1939 by an enterprising entrepreneur named Nathan Cummings (1897-1985), CFI owned and operated a number of specialized enterprises in both the U.S. and Canada. Its corporate holdings ran the gamut from family apparel and home products to commercial items and food service operations (45). Adding Manners to the list of several other Ohio-based companies such as the Lawson Milk Company of Cuyahoga Falls, Ohio and L-K Enterprises of Marion, Ohio provided CFI with a sound economic foothold in the Great Lakes region (46). After selling his business, Robert Manners and his wife Ramona relocated to Sun City, Florida. Following his wife's death in 1990, Robert Manners moved to Aurora, Ohio. He remained active on the Board of Directors until his death in 1995.

CFI's Board of Directors closely monitored the operations of its food services division. Expecting to reap tremendous financial benefits from this highly-publicized merger, the company's astute executives refused to accept anything less. Although division revenues increased significantly from $161,347,000 in 1968 to $473,441,000 by 1973, it still only accounted for about 10 percent of the entire corporate budget. That alarmed stockholders who had not only expected skyrocketing profit increases from this division, but also a marked increase in its percentage of the total budget (47). Other divisions grew in that way, why not this one? The highly prosperous late 1960s and early 1970s gave little indication of the many financial difficulties that lay ahead for many multinational conglomerates including CFI.

Keeping all the external business trappings of the earlier successful Manners restaurant chain, CFI wasted no time before expanding its operations locally. Within the year, Manners opened two new fast-food sites, one at 12920 Brookpark Road and a second at 16225 Euclid Avenue (48). CFI boasted that it employed more than 270 car hops in its many Northeast Ohio locations. Corporate officials in Chicago praised Manners executive staff for its nationally honored managerial training program.

The new division's recently appointed president Dan Fitzgerald oversaw all aspects related to Manner's many operations (49). Working closely with Stephen D. Kruszynski the company's latest vice-president, Fitzgerald made sure that everything ran smoothly. Stephen Kruszynski (1925-1970) had been an indispensable part of the Manners team since 1963. His untimely death, less than two years later, was a tragic loss for his coworkers who had learned to depend on him for his keen insight and knowledge (50).

CFI proudly supported locally-based charitable organizations and civic groups. Its board also sponsored job-related training fairs. Corporate civic commitment reached a new high level in the autumn of 1972 when Manners, in cooperation with the Lawson Milk Company and WGAR-radio, sponsored a special "Get-Out-The-Vote" campaign. This effort included among other things giving away several new Dodge automobiles (51). However, CFI's commitment to Northeast Ohio exceeded its charitable support, job training programs and voter registration drives. Company spokespersons without a doubt believed that providing quality customer service, more than any other single factor, would ensure continued corporate growth for generations yet to come.

With that very thought in mind, CFI executives unveiled a highly ambitious plan in 1970 that included the construction of a new combined Manners Drive-In and Lawson's Convenience Store in Mentor, Ohio. Its Board of Directors thought this made perfect sense. It would provide that area with something it lacked, a new state-of-the-art facility dedicated to the needs and wants of Lake County customers. Many residents favored it; however, some did not (52). One highly vocal citizen's action group demonstrated against it. Current protests notwithstanding, customers generally supported corporate changes. They especially favored such things as special children's menu, free soft drink refills, and no major increase in food prices. Cost conscious, hungry patrons, in particular, enjoyed their new larger dinner portions.

CFI always prided itself on its first-class customer service. Corporate officials were more than willing to customize sites. Such was the case when they introduced a new, self-service version of their popular Manners restaurant. Called Big Boy Jr., these mini-sites served the growing daily needs of Cleveland's commuter population. The first one in North Royalton, Ohio opened in April 1971. Its green colored Mansard roof and antique Spanish-styled interiors stood out among the crowd. A profitable undertaking from the first day it opened, corporate executives wasted no time before building a second site. Located near the corner of Aurora and Rockside Roads in Bedford Heights, Ohio, this Big Boy Jr. cost $265,000 (53). Two Cleveland developers Joseph S. Fazio and Joseph Krivanek, along with Joseph Tembria of VIP Corporation, negotiated a special 20-year $500,000 lease.

As noted earlier, CFI profited handsomely from this acquisition. However, the corporate management and its many wealthy investors expected a 20 percent increase in sales per year, no exceptions. When that failed to materialize as planned, they wanted to know why? Manners recent sales figures indicated substantial long-term growth potential. Customers apparently loved their food consuming larger and larger amounts of it daily. Unfortunately, these projections were at best problematic. Yet, few at the top echelon ever challenged them. That may seem surprising in light of today's highly volatile market; however, it made perfect sense then.

Given the unprecedented economic and financial growth experienced by large multinational conglomerates such as CFI, in recent years, it seemed perfectly logical to expect even greater growth in the years ahead. Market analysists, in the late 1960s and early 1970s, could not portend the devastating political and economic forces that were about to occur. How could they? Only the most cynical imagined the worst economic scenario, and even they had to admit that their negative forecasts might be somewhat exaggerated. After all, the financial devastation wrought by the oil embargo of 1973, followed by the 1974 recession and Watergate investigations were still in the future.

The boom and bust cycles of the 1950s and 1960s that culminated in the recession of 1974 and its aftermath demonstrated just how volatility the U.S. economy had become as of late. Business and government leaders, in its wake, joined forces with the primary intention of stimulating this nation's languishing economy. The results of their efforts, known as Revenue Sharing, epitomized that new cooperative spirit. In retrospect, this program's limitations seemed to supersede its potential triumphs. Yet, in spite of its many shortcomings, Revenue Sharing did try to assist highly distressed urban areas by infusing federal tax dollars directly into their ailing economies. Under this arrangement, federal funds went to state legislatures who, in turn, distributed them to communities based on economic and social needs. Those communities in the greatest need of assistance were supposed to receive the greatest amount of federal aid. It seemed at that time to be an effective, efficient way to distribute these much needed funds.

Unfortunately, in many instances political considerations took precedent over other more pressing economic concerns. This led to certain "favored" communities receiving preferential treatment over other, less fortunate ones. Not sending ample funds to cities and towns in critical financial need appeared unethical, if not illegal. Opponents to Revenue Sharing did not let this discrepancy go unnoticed. They especially attacked Washington for offering abundant federal assistance to prosperous urban areas in the Northwest, South and West at the expense of other poverty ridden communities in the Northeast and Midwest. Critics further attacked the feds for favoring traditional businesses over emerging high tech industries. They wanted to know why so many of the nation's foremost leaders acted in such a capricious manner.

Market analysts, in the late 1960s and early 1970s, never anticipated a major drop in Cleveland's population or that customer eating habits would change so dramatically. They also never considered the possibility of increased competition, from what had previously been considered a highly unlikely source national restaurant chains. After all, the Northeast Ohio market had always been dominated by locally owned and operated concerns. However, things were about to change much to the disdain of many long established restaurateurs. Highly innovative national fast-food chains such as Arby's, Pizza Hut, Popeye Chicken, Roy Rogers, Taco Bell, and Wendy's, seemingly without warning, descended upon the local scene. They represented much more than a temporary inconvenience for older chains such as Manners. These new, aggressive fast-food chains posed a direct threat to the status quo.

If that was not a big enough financial headache the sudden increase in wholesale food prices, beginning in 1973, significantly undercut CFI's profit potential levels within this highly lucrative market. Rapid price hikes loomed on the horizon, and there was no way to stop it. Skeptical customers did not respond favorably to this news. They erroneously blamed these price increases on the owners of the local fast-food restaurants. Customers contended that more careful planning upfront might have averted this crisis. What patrons failed to realize was that strong outside economic forces were regulating current price levels, not local companies. That revelation, in itself, might not have tempered the financial blow for customers caught in its crossfire; however, it might have led to greater understanding on their part as to the enormity of the financial dilemma facing most fast-food operators at that time.

In the case of the Manners Corporation, these previously unimagined economic and financial difficulties reached a feverous pitch in 1973 when Don Fitzgerald announced that the price of the Big Boy sandwich was about to increase from $.70 to $.75 (54). He claimed that this price hike was, in fact, long overdue, and that Manners was actually losing money on each and every Big Boy sandwich it sold. Fitzgerald further explained that his corporate division was prepared to absorb some of this cost increase as a way of guaranteeing repeat business. He doggedly reassured his loyal customers that this current economic dilemma would work itself out soon enough, and the company's latest action would ultimately strengthen, not weaken, Manners position within the local quick service industry. Some patrons accepted Fitzgerald's explanation at face value and continued to dine at Manners Big Boy. However, many others began patronizing other local fast-food establishments.

The 1974 recession negatively impacted many companies including Chicago based CFI. In fact, corporate earnings that year fell for the first time in nearly two decades. Its CEO William A. Buzick, Jr. (1920-2001) convinced his Board of Directors to divest itself of underperforming subsidiaries. The big question facing board members, at that crucial juncture, was which ones of their many profitable subsidies should they prepared to place on the selling block and which ones should they keep? Consultants brought in to analyze the situation, determined that the company's food services division was responsible for the company's latest financial downturn. Streamlining the division, through the divestiture of non-essential companies, should significantly improve the corporation's bottom line very quickly. They claimed that some of the most recent acquisitions had failed to generate the kind of sustained high profits once envisioned. Selling them off as soon as possible would enable CFI to not only recoup recent losses, but also concentrate on building up its other, more profitable subsidies. That kind of pragmatic thinking ruled the day. It resulted in board members approving the sale of Manners, Michigan Fruit Canners, and the Azar Nut Company in 1974. The asking price for all three of these profitable subsidiaries remained firm at $27,500,000.

Several large corporations approached CFI. However, few had the liquidity necessary to acquire this highly lucrative venture. It would take a multinational conglomerate with more than ample sources to negotiate such a deal. Marriott International reached an agreement with CFI in February 1975 to acquire the three companies (55). A well-respected Washington based corporation, Marriott thought that Manners in particular would be an excellent addition to its growing portfolio of highly profitable fast-food companies.

Its food division dated back to 1927 when its founder J. Willard (Bill) Marriott (1900-1985) opened his first A&W Root Beer stand in the District. Called the Hot Shoppes, this popular drive-in restaurant featured tacos and tamales (56). Like so many of his competitors, Bill Marriott recognized that the future of the quick service industry belonged to those restaurateurs who franchised their operations quickly. With that very thought in mind, Marriott wasted little time before expanding his business. He soon operated fast-food sites throughout the East Coast. Cleveland's Severance Center Shopping Center boasted its own Hot Shoppe beginning in 1963.

An enlightened leader, Bill Marriott soon invested in a host of other equally lucrative food-related businesses. They included such things as providing tasty box lunches for many of the airlines flying out of Washington's National Airport. He also ran the food concession services at both the U.S. Treasury Building and Children's Hospital. Bill Marriott took his business to a new level in 1957 when he opened his first motor hotel. Located in Arlington, Virginia the family-oriented Twin Bridges Motor Hotel soon became a popular destination for tourists visiting the District (57).

Kemmons Wilson (1913-2003) and Wallace E. Johnson (1901-1988) established the precedent for that kind of family-oriented hotel earlier in that same decade when they opened their first Holiday Inn in Memphis, Tennessee (58). Calling themselves the "Nation's Innkeeper," the number of Holiday Inns exceeded 500 by 1964. Howard Johnson did much the same thing when he launched a chain of motor lodges in Savannah, Georgia beginning in 1954. There were nearly 90 Howard Johnson Motor Lodges nationwide within a decade (59).

Marriott's successes in both the restaurant and hotel businesses continued into the following decade. This company, by the early 1960s, operated nearly 50 Hot Shoppes and several major hotels. It also managed a number of other unrelated business enterprises. The senior Marriott remained the company's CEO until 1964 when his son Bill Marriott Jr. (b. 1932) took over operations. The younger Marriott wasted no time before venturing into new arenas. It began in 1966 when Marriott acquired a highly profitable Venezuelan airline catering business. This unprecedented business move by the younger Marriott suddenly catapulted this corporation onto the international stage. Shareholders in 1967 responded by approving a corporate name change. Now known as Marriott Corporation, this new, multinational went public in 1968. It remained Marriott Corporation until 1998 when it became Marriott Services Group (60).

The term conglomerate refers to multinational corporations that control tangential, often unrelated, business holdings that are referred to as subsidiaries. Subsidiaries vary greatly depending on the parent corporation's business or financial needs at a specific juncture in its history. Most market analysts, throughout the late 1960s and early 1970s, praised conglomerates for their very aggressive, highly innovative approaches towards business expansion. Nothing like that had ever been seen before on such a grand scale.

Experts particularly marveled at how these international corporations seemed to effortlessly accelerate the value of their common stock through the rapid acquisition of other, non-competing businesses. A stroke of genius, or so it appeared then. Under this arrangement, conglomerates assumed controlling interest in their recently acquired subsidiaries, while allowing them to operate independently. However, that independence only went so far. Any substantive policy or program reforms occurring within the subsidiary had to be approved first by the parent company's Board of Directors.

Mergers of that magnitude particularly benefited subsidiaries in that their new parent corporations furnished them with costly products and services. Providing high-priced products and services lowered distribution, manufacturing, and service costs significantly. Conversely, such acquisitions generally reduced overhead and personnel costs for the parent companies involved. On the downside, parent organizations reserved the right to purchase and sell their various subsidiaries with little or no advanced warning. Unforeseen business expenses, sustained profit losses, unexpected changes in ownership, or uncertain market conditions often led to such action. Conglomerates, such as the Marriott Corporation, relied on fast turnarounds to ensure their dominance in the industry. Not only did such mergers encourage large scale expansion during prosperous times, but also furnish a most valuable safety net when and if the international economy should suddenly sour.

With those objectives in mind, Marriott Corporation acquired Manners Big Boy. Although Marriott already enjoyed a well-earned reputation for operating quality fast-food restaurants through its highly profitable Hot Shoppe chain, this conglomerate had little experience when it came to operating quick service restaurants outside the East Coast. The hardnosed business principles that governed Manners for years might have been similar in many ways to those followed by executives in the Hot Shoppes. However, there were undoubtedly some differences that Marriott's officials must address quickly if they intended to remain competitive in the Northeast Ohio. Consumer eating and spending habits topped that list of concerns. For example, people in Northeast Ohio tended to purchase beef and chicken over fish. They also liked their milk shakes thick not smooth. Ohioans generally spent more per order than their counterparts in the East. In spite of these differences, Marriott executives expressed every confidence that they could meet any new challenges resulting from this merger.

Marriott had begun setting up the groundwork for this massive expansion effort in the late 1960s when its astute Board of Directors first proposed a major corporate reorganization package. This new business plan called for simplifying present operational procedures by compartmentalizing its many various holdings. An important strategic move, it remained in limbo until 1971 when board members finally ironed out the last details. The finally approved reorganization plan resulted in the establishment of three entirely new sub divisions: food services, in-flight airline services and hotels/specialty restaurants. Each department oversaw a number of sub-divisions. In this case, Marriott's hotels/specialty restaurant division was in charge of the Manners restaurant chain.

Executives at Marriott International believed that they had made a very wise move in acquiring the Manners Big Boy chain of restaurants. A well-respected brand name with consistently high returns, Marriott officials were certain that with a little fine tuning Manners would fit right in with their many other, equally lucrative holdings. Within weeks of signing this merger, the Board of Directors unveiled its latest comprehensive business strategy intended to quickly improve Manners profit potential.

This plan called for a major corporate overhaul. Marriott intended to transform this rather ordinary chain of fast-food restaurants into an exciting new dining experience. The Marriott Corporation, over the next several years, spent more than $14,000,000 to remodel its many Manners sites and revamp its menu. These efforts appeared to improve Manners corporate image, at least for the short-term, while its new items, such as its large salad bar, tasty daily specials, and delicious seasonal desserts appealed to a wide range of customers.

Firmly believing that family-style dining represented the future of the fast-food industry, Marriott's board in 1976 announced the elimination of curb service. Corporate spokespersons presumed that their patrons would welcome this change, and many did. In fact, it symbolized the first in a series of sweeping changes designed to improve their overall dining experience. Marriott International had instituted similar changes in California, Maryland, New York, and Virginia with great financial success. Greater Cleveland customers might have been even more supportive of these changes had corporate officials in Washington been more delicate in their marketing approach. Marriott's insensitivity in this regard resulted in dire economic consequences later. In the minds of many loyal patrons, these new business tactics seemed to sap the very strength out of this once highly popular chain of locally-owned and operated restaurants.

Corporate insensitivity reached a new height in 1978 when Marriott announced that that the name of this chain was about to change from Manners to Bob's Big Boy. Marriott wanted to honor the founder of the Big Boy chain Bob Wian. This name change made perfect sense to East Coast corporate executives. They thought that a universally accepted name brand would lend clarity and uniformity to this growing restaurant chain. If one wants to eat at a Big Boy restaurant then one looks for the Bob's Big Boy logo, plain and simple (61). Unfortunately, many patrons disagreed. After all, they knew what to expect when they eat at Manners; however; the same might not be true at the so-called "new and improved" Bob's Big Boy. Their doubts and fears proved to be totally unwarranted. Portion sizes, prices, and food quality remained much the same. However, no one knew how all of that might unfold when it was first announced.

Customers began to accept the name change when another bombshell hit. The freckled-faced boy clad in red and white checkered overalls clinching a hamburger in hand, the symbol of Big Boy restaurants for nearly 40 years, was about to undergo a major makeover. The idea of changing this much beloved mascot infuriated the public. Marriott's marketing department had come up with the idea without ever considering how customers might react to the news. Publicists for Marriott argued that the traditional Big Boy mascot must be updated before this fast-food chain could institute other desirable changes. This action by the Marriott Board of Directors embodied the first in a series of sweeping modifications that it hoped would result in a new and exciting chain of locally-oriented Big Boy restaurants in the years ahead.

Future plans called for the elimination of many of Big Boy's high caloric sandwiches as well as a reduction in the size of dinner portions. Fresh salads, low calorie sandwich combinations, and healthier dinner entrees were slated to replace a whole range of unhealthy food items. Changes in the current menu notwithstanding, patrons expressed outraged when they learned that Marriott's Board of Directors intended to revamp the Big Boy mascot. It was one thing to change their favorite restaurant's name, but to tinker with that company's cherished icon was just too much for some to tolerate. What was Marriott thinking? Even the local media expressed outrage when these plans were announced. Totally blindsided by the public's outrage, Marriott officials backed down quickly. The company's spokesperson apologized to the public and said that the Big Boy mascot would remain untouched.

Marriott's Board of Directors attempted to reassure its many patrons that any future changes in either its restaurant decor or daily menu would not happen without their approval first. Its Information Manager, Roger Conner, further stated that the company had no plans to eliminate the Big Boy sandwich or any other of its other many popular items. In their haste to condemn Marriott Corporation for their wrongdoing, many customers lost sight of the fact that many of these changes were indeed long overdue. Customer eating habits were changing rapidly and Big Boy had to adjust quickly if it intended to remain competitive.

Its competent executive staff fully understood what kind of business changes lay ahead for this company. How could they not know? Healthier foods choices had made serious inroads within the industry over the past several years. In fact, they were rapidly replacing traditional processed meals and a host of other high caloric snacks. Marriott's officials also recognized the necessity of establishing their own easily identified market niche. Vilifying outmoded operational procedures, as practiced by earlier local icons such as Robert Manners, was imperative for future growth. It represented an important first step towards achieving their new highly innovative market strategy. Marriott's recent orientation that included updating the Big Boy Restaurant's rather worn corporate image was targeted towards the more discriminating customer.

Introducing a new name, revamping its traditional mascot, and eliminating curb service were part and parcel of a much larger, more comprehensive business plan intended to make Bob's Big Boy one of this area's leading quick service restaurant chain. Whether Manners traditional patrons would willingly embrace these changes was yet to be determined. However, Marriott's Board of Directors planned to follow through with them in an efficient and orderly fashion. Manners Big Boy officially became Bob's Big Boy in September 1978. Under its new banner, Marriott opened four more sites. They were located at 9666 Mentor Avenues, 27591 Euclid Avenue, 433 West Bagley Road, and 15315 Pearl Road (62). At the same time, corporate executives began to market a whole range of new menu items, while continuing to promote popular old standbys such as the Big Boy and Diamond Jim sandwiches. Traditional breakfasts and mouthwatering desserts also sold quite well throughout Northeast Ohio. Marriott leaders also aggressively promoted gift certificates, coloring contests for children, a revamped children's menu, and valuable food coupons. As state earlier, the economic uncertainties of that era placed many traditional fast-food restaurants including Bob's Big Boy's in great jeopardy. Change and innovation appeared crucial for long-term success.

The confidence initially conveyed by Marriott executives regarding the tremendous future potential of this once popular regional leader in the fast-food business soon faded. Multinational conglomerates such as Marriott, increasingly found themselves caught up in the grip of high inflation, mounting debt, and reduced profits. The oil embargo of 1973 and the recession the following year all but destroyed this company's earlier self-assurance. The succeeding economic and financial ambiguities, resulting in part from these unanticipated economic and financial changes, negatively impacted many large corporations including Marriott International for years.

It led companies like Marriott to radically alter their well-established business plans. That meant among other things accelerated the decision making process especially when it came to buying and selling subsidiaries. Surprisingly, corporate executives and major stockholders did not object to this new radical approach. Increasing foreign competition, growing labor demands and rocketing energy costs seemed to justify such action. Large companies, including Marriott International responded by purchasing and selling numerous subsidiaries at an alarmingly fast rate. Few gave any thought to the long range economic impact of such ruthless actions. All they knew was that they must recoup their financial losses as soon as possible. Nostalgia and sentiment played absolutely no role within this new highly charged business environment where the winner took all.

In the case of Marriott its highly loyal executive staff rarely questioned such earth shattering decisions even when their board's actions might have appeared less than prudent. Generally viewed as an impeccable source of dedicated leaders, Marriott's Board of Directors put corporate interests first, plain and simple. In fact, their selfless actions made them practically legendary within the business world of the 1980s. So much so, that any notion that its board might act capriciously never entered the minds of that company's top executives.

Therefore, when Marriott's board, in the mid-1980s, overwhelmingly supported more flexible guidelines when it came to the buying and selling of subsidiaries, few at the top voiced any objections. After all, Marriott International had a reputation for being able to generate substantial profits year after year regardless of economic conditions. Others marveled at that company's adroitness. Outsiders hailed Marriott International as a model of efficiency, well worth emulating. Therefore, when its board suddenly changed its business tactics regarding the purchasing and selling of subsidiaries then there must a very sound reason prompting such action.

Astonishingly, rapid business turnovers furnished substantial returns for nimble companies such as Marriott International. Experts in the field in the early 1980s expressed every confidence that Marriott's shrewd board knew exactly what it was doing. Marriott's officials continued to practice the same business principles they had first expounded nearly 20 years before. The speed of these transactions distinguished the 1960s and 1980s. The basic business principles guiding their actions remained much the same. That being said, Marriott's Board of Directors, in the early 1980s, fully understood that internal reorganization was very much in order. Growing global competition meant streamlining operations now. Reorganization efforts at Marriott International began rather modestly in 1983 with its top leadership investigating the inner-workings of its many divisions. Specifically, they wanted to know which of their subsidiaries were essential for future growth, and which ones were not.

Once that ground work had been laid then Marriott initiated sweeping corporate changes. They included a total revamping of current business practices. The idea of instituting a more efficient business plan tailored towards the specific needs of Marriott International, at the total exclusion of the needs and wants of its subsidiaries, represented a major departure from past practices. Such action produced a host of strategic changes that included such things as financing new hotel franchising and expanding the number of timeshare resorts. Corporate officials also increased the variety of residential hotels offered to business travelers beginning with Courtyard by Marriott (63).

Board members, after some lengthy discussions, placed a number of their more popular subsidiaries on the selling block. The funds generated from these sales served to reduce corporate debt, while enabling Marriott International to acquire other lucrative companies many of which appeared immune to the economic downturns of that decade. Many divisional heads at Marriott harbored a growing resentment towards their board members. They believed that their corporate heads were selling them out and that there was absolutely nothing they could do to stop it. In spite of this lingering resentment among Marriott's leadership, corporate officials continued to pursue their latest business directive. Marriott's top executives firmly believed that staying one step ahead of their closest competitors was crucial for long-lasting financial success. This kind of highly focused thinking led to a series of new business initiatives destined to change Marriott's current portfolio considerably.

It began in 1984 when its Board of Directors unveiled its latest plan that concentrated on expanding its international hotel business. The idea of creating an international hotel chain dated back to 1957 when Bill Marriott opened his first motor hotel. Over the next two decades, Marriott International pursued this most lucrative opportunity spending over $3 billion by 1977. Part of the funding went towards building convention hotels at major airport hubs. Marriott's hotel sales grew at an unprecedented rate surpassing $1 billion by 1980 (64).

Therefore, it came as no surprise when the board in 1985 announced that it planned to aggressively pursue this new highly lucrative trade. What amazed some was not its goal but the way the board intended to achieve it. The board's decision to divest itself of what it deemed "less-than-desirable" holdings represented a significant departure from other earlier business approaches. In this particular context, "less-than-desirable" meant much more than simply selling traditionally "underperforming" subsidiaries. It now included a whole range of successful entities that for one reason or another had failed to achieve the high profits initially envisioned by board members.

Marriott's board made it quite clear that Bob's Big Boy was not one of those subsidiaries on that endangered list. After all, this popular chain of quick service restaurants still generated sizeable returns. Of course as everyone in the restaurant business knew in the 1980s nothing was certain. Any sudden downturn in the economy or a plummet in profits might prompt Marriott's shrewd Board of Directors to reevaluate its decision. However, that seemed highly unlikely. The announcement in 1985 that Marriott International and Prime Motor Inns of New Jersey had just acquired the Howard Johnson restaurant and hotel chain from the Imperial Group for $314,000,000 ended any further discussion regarding the possible sale of Bob's Big Boy, at least for the foreseeable future (65). The future of Howard Johnson's was on the balance now.

A multinational food and tobacco conglomerate with corporate offices in the UK, the Imperial Group had acquired Howard Johnson's five years earlier for a whopping $630,000,000. The significant rise in the price of gasoline, beginning with the oil embargo of 1973, had dramatically reduced the number of pleasure trips taken by motorists in the U.S. and Canada. Much of Howard Johnson's earlier business had depended on that motoring trade. Also, the reluctance of the company's CEO Howard B. Johnson (b. 1932) to expand the number of sites as well as update his menu all but sealed his company's fate.

The Imperial Group's purchased 1,040 restaurant units and 520 motor lodges. Howard B. Johnson remained active in his father's company until 1982. With a well-earned reputation for operating successful fast-food restaurant chains, the Imperial Group believed that it could reverse Howard Johnson's recent downturn. Unfortunately, this company's initial optimism soon turned to pessimism. Market conditions worsened rapidly and there was very little room left for old style family restaurants such as Howard Johnson's. Corporate earnings at Howard Johnson's from 1979 to 1980 dropped from $34,000,000 to $14,700,000. Additional losses, over the next several years, compelled the Imperial Group to sell off its once prized holding.

Howard Johnson's prime locations appealed to Marriott's highly perceptive leadership. Under this arrangement, Marriott gained control of 145 hotels, 350 restaurants and 68 turnpike stops. Prime Motor Hotels received 125 company-owned motor lodges and hotels, 375 franchised motor lodges and 199 franchised restaurants. This merger allowed the Imperial Group to retain control of the Ground Round restaurant chain. Founded in 1969 by Howard Johnson's as a pub-like dining experience, Ground Round appealed primarily to young people and money-conscious families. Howard Johnson's other restaurant holding, an upscale steak and seafood chain known as the Red Coach Grill, closed its doors in the mid-1980s. One of its former sites in Wayland, Massachusetts continues the tradition of fine dining that once characterized the entire Red Coach Grill chain. Refurbished following a major fire in the late 1970s, the Coach Grill is a member of prestigious chain of restaurants called the Tavistock Collection (66).

Some long established Howard Johnson franchise holders expressed grave concerns regarding how this merger might affect them. Would they be welcomed into the new Marriott system or forced to fend for themselves? Uncertainty forced many of them to establish their own company called Franchise Associates Incorporated. Franchise Associate wasted no time before launching its own class action suit against Marriott International and Prime Motor Hotels (67). Former U.S. Attorney General Griffin Bell (1918-2009) served as its chief counsel. Faced with the possibility of a long drawn out trial, Marriott and Prime Motor Hotel settled out of court. The millions Franchise Associates received for their efforts went towards establishing their own independent restaurant chain that retained both the Howard Johnson logo and trademark.

Business analysts, in the mid-1980s wondered what Marriott International might do with the recently acquired Howard Johnson restaurants. Would it continue to operate them independently or place them under one of Marriott's many growing food service divisions? Would they become a part of a new chain of fast-food restaurants named Allie's (68)? Speculation ran high for months as to what might transpire. Had Marriott's merger talks been limited to just the Imperial Group, then in all probability, those newly purchased, company-owned Howard Johnson sites would have become an integral part of a new and improved Bob's Big Boy restaurant chain. However, Marriott's subsequent acquisition of both Gladieux Enterprises and Saga Food for $435,000,000 on the heels of the recent purchase of Service Systems a nationally-based food catering system owned and operated by R.J. Reynolds Industries ended all such speculation (69). Now the nation's third largest institutional food company, Marriott embarked on a program to amalgamate its many food outlets and streamline its distribution networks

Experts in the field expressed great concerns regarding Marriott's future industry wide prospects especially in light of the growing economic and financial uncertainties plaguing the fast-food industry in the mid to late 1980s. They contended that any miscalculation, on the part of Marriott International executives might prove disastrous. Analysts carefully pointed out that the inability of the Imperial Group to save the Howard Johnson chain demonstrated just how volatility the fast-food market had become in recent years. Specialists in the field warned Marriott to proceed with caution by saying that the industry was undergoing a business transformation the likes of which had not been felt since the Great Depression of the 1930s.

No one could predict with any guarantee what might lay ahead for multinational conglomerates such as Marriott. However, these dire warnings did not appear to bother Marriott's Board of Directors. Its members remained cautiously optimistic as they proceeded ahead with their latest strategy. Over the next several months, the board authorized the closing of the majority of company-owned and operated Howard Johnson restaurants. They also made preparations to sell one of their most popular subsidiaries Bob's Big Boy. Changes within the national market scene, resulting in part from the recent closing of the Howard Johnson chain, in conjunction with a growing customer demand for more upscale restaurants, prompted this significant move.

The question facing Marriott's board was how best to market this chain. Bob's Big Boy represented a virtual goldmine for the right kind of investor. In fact, several national chains expressed interest in acquiring it. Unfortunately, most of their offers were too low. Marriott had no intention of giving it away. Further discussions eventually produced a suitable buyer. Michigan's leading Big Boy franchise holder, Elias Brothers, acquired it. Fred Elias (1914-1993), John Elias (1920-1974), and Louis Elias (1916-2010) in 1938 opened Fred's Chili Bowl in Detroit, Michigan and the Dixie Drive-In in Hazel Park, Michigan. Fred Elias viewed this merger with Marriott International as a golden opportunity to expand his company's operations into the highly lucrative Northeast Ohio market.

Marriott International and Elias Brothers reached a formal agreement in 1987. Under this arrangement, Elias Brothers purchased 26 of the 52 existing Bob's Big Boy sites with an option to purchase the remaining units within the next decade (70). They now operated nearly 230 sites. Economists projected that this merger would result in somewhere between 1,760 to 3,200 new jobs in Northeast Ohio (71). Marriott assisted Elias Brothers in their effort by phasing out the least profitable Howard Johnson's restaurants. Elias Brothers then acquired the remaining units (72). The reported value of Elias Brothers holdings in 1988 was estimated at somewhere between $950,000,000 and $1,000,000,000.

Elias Brothers never hesitated when it came to offering their customers quality service. That included such things as coloring book contests for children, gift certificates, and valuable food coupons (73). This popular fast-food chain also provided the poor in our community with good tasting items through the Greater Cleveland Food Bank (74). Elias Brothers, in conjunction with the Cleveland Browns, sponsored a number of charitable events as well. When Fred Elias died in 1993 his company owned and operated more than 900 units (75). Unfortunately, the company's good fortune was about to sour.

A recession in the mid-1990s significantly lowered corporate earnings. In fact, Elias Brothers never fully recovered from these sustained losses. Profits continued to diminish due, in large measure, to escalating labor costs and mounting overhead expenses. Key changes occurring within the industry itself found Elias Brothers not properly prepared. Specifically, the growing demand for healthier food items convinced many customers to leave Elias Brothers for newer, more fashionable fast casuals.

In spite of its mounting debt, officials at Elias Brothers showed little inclination to change their ways quickly. They thought they possessed more than sufficient funds to weather through this latest financial crisis. These restaurateurs believed that their many loyal customers would eventually return to the fold. After all, Elias Brothers was not a fad. This corporation had provided quality food and great service to its many customers for nearly six decades. Besides which the high costs of updating operations was something that corporate officials were not ready to do, at least not then.

Many executives in large corporations, such as Elias Brothers, admitted that independently owned drive-ins and smaller regional chains enjoyed a slight economic advantage over large national chains such as theirs, especially when it came to adjusting their menus to changing patron tastes. Smaller companies could add new items to their menus almost at will. If those items failed to sell well, then those same restaurateurs could revert to their old favorites without sustaining irrevocable financial losses. The same could not be said for giant corporations. Instituting major changes in their menus based on pure speculation was asking for trouble. This led large corporations, such as Elias Brothers, to err on the side of caution when it came to introducing any new food items.

Monthly sales figures, along with customer surveys, usually determined the meals and snacks served in big quick service restaurant chains. Any significant changes in food choices or customer services had to go through a rigorous evaluation process first. This painstaking approach towards marketing products and services had worked well in the past, and the Elias Brothers were sure it would continue to be effective in the future. Knowing that these practices had worked well in the past, furnished little solace for Elias Brothers as its corporate profits continued to plunge.

Elias Brothers, in the late 1990s, initiated drastic budget cuts that prompted massive employee layoffs and numerous unit closings. In a last ditch effort to reverse this downturn trend, its Board of Directors approved the acquisition of nearly 40 Shoney restaurants in St. Louis and Kansas City Missouri. Corporate officials concluded that Elias Brothers might be able to survive this latest round of losses if it could somehow generate some new revenue sources quickly. They looked to the Shoney merger as a possible solution to their company's current dilemma. When asked by the press as to what led to this move, Elias Brothers CEO Anthony Michaels (b. 1960) said that the nation's sluggish economy and not corporate ineptness prompted this decision. In fact, company owned and operated restaurants in both Arizona and Michigan had posted record breaking sales figures in the late 1990s.

Unfortunately, other Midwest franchises did not do as well financially. Further losses in 1998 and 1999 led to the closing of more than 40 company owned and operated sites in Michigan, Ohio, Pennsylvania, and West Virginia. Nineteen of the recently acquired Shoney units also shut their doors. With a debt now exceeding $8,000,000, Elias Brothers filed for bankruptcy under Chapter 11 in October 2000 (76). A prominent Detroit businessman Robert G. Liggett Jr. (b. 1943) worked out a merger agreement with Elias Brothers that enabled him to acquire this once very popular family-oriented restaurant chain for $24,800,000. Renamed Big Boy Restaurants International, Anthony Michaels remained its corporate head until 2008 (77). Once a prominent leader in a growing fast-food industry, there are only a few Big Boy restaurants remaining in Northeast Ohio.

Other Cleveland drive-in restaurants did not share the same business fate as Elias Brothers. In fact, many did quite well for many years. Those successful companies not only lived within their financial means, but also knew how to cater to the changing needs and wants of their many customers. The same could not be said for restaurateurs that failed. Mismanagement and an inability to recoup losses quickly most often led to their demise. However, not all restaurant closings resulted from mismanagement. Some restaurateurs voluntarily closed their doors or merged with national or regional chains. Whatever the specific economic situation might have been at any given time, one thing remained constant throughout this evolutionary process; those restaurant owners able to survive the test of time never wavered when it came to providing their many hungry patrons the quality food and top-notched service they so richly deserved.

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CHAPTER SIX: OTHER CLEVELAND FAST-FOOD FAVORITES

The Eldorado drive-in restaurant chain represented one of a multitude of Cleveland-based fast-food concerns that enjoyed the many unprecedented financial benefits resulting from the city's bourgeoning post-war economy. Its company traced its origins to an Italian immigrant Gaetano Napoli (1886-1955) who opened his meat company in 1910 (1). This butcher catered to the city's growing restaurant trade. Over the next 25 years, Gaetano Napoli scrimped and saved in order to establish his own quick service restaurant with his two sons Edward G. Napoli (1921-2000) and Michael J. Napoli (d. 1983).

His dream finally became a reality in 1937 when he and his sons opened their first inner-city diner. Called the Hasty-Tasty Drive-In System, it soon gained a well-earned reputation for providing good tasting food at affordable prices. Unlike many of their competitors, the Napoli family wasted little time before franchising operations. They operated units at 10622 Euclid Avenue, 7714 Hough Avenue, and 3819 Payne Avenue by the early 1940s. They soon added 2028 East 9th Street, 1280 Euclid Avenue, 1702 Chester Avenue, 18482 Lake Shore Boulevard, and 3200 West 117th Street to their growing list of sites. The number of units eventually reached 12 (2).

These entrepreneurs displayed a great deal of business insight especially when it came to selecting potentially profitable locations. Having lived and worked for many years in the central city, it seemed logical for the Napoli family to concentrate their efforts there. Their decision stemmed from the fact that Cleveland's inner city lacked a sufficient number of first rate quick service eateries. Their thinking ran contrary to most restaurateurs of that era. The majority wanted nothing to do with what they considered to be heavily crime-infested areas. They believed that the business difficulties inherent in operating sites within the inner-city would offset any profit potential those neighborhoods might provide them. Their naïve notions jaded their long-term thinking.

Part of the problem originated with the nature of the business itself. As everyone involved in this industry knows local restaurateurs provide consumers with what experts call "trade discretionary services." Unfortunately, trade discretionary services are not essential for daily life. People can and do live without restaurants. That being said, local proprietors do provide a pleasurable convenience for those local customers with disposable income (3). Assuming that premise to be valid, then logic dictates that the secret to long lasting success must be closely attuned to finding a "proper" location.

Therefore, shrewd restaurateurs tend to seek out desirable areas often within close proximity to large numbers of affluent individuals. Their chief concern remains market potential. Restaurants require repeat business to grow and prosper. Large cities, such as Cleveland, afford numerous business options for insightful investors. Nevertheless, many post-war restaurateurs decided to limit the scope of their search to mostly newer suburban communities. The fact that suburbanites were not the only ones with additional cash sitting in their pockets never seemed to enter their mind. In reality, many inner city dwellers also possessed a sizeable amount of disposable income which they were more than willing to spend in local establishments. The central city did indeed offer great economic promise for business leaders who were insightful enough to invest their money there.

The Napoli's, understanding the business logic behind that kind of investment strategy, relied on it. However, their long-term financial success involved much more than just catering to the daily needs and wants of their many inner-city customers. Their ability to invest in new business ventures, while simultaneously improving operational efficiency, was quickly emulated by others in the area. This family took to heart the old business adage "necessity breeds innovation" in a variety of different and unique ways.

Their business innovation reached a new level of sophistication in the early 1950s when they opened their own food commissary. Commissaries were not something new to post-war Cleveland. They dated back to the late 19th century when Chicago-based John R. Thompson Company first prepared and shipped processed food to nearby restaurants. That tradition of excellence continues to today with many fast-food restaurateurs still depending on commissaries to help them keep their overhead costs down (4).

If this is indeed the case, then why are so many independents still reluctant to invest in them directly? Small budgets and marginal support from local lenders may discourage some. Also, the limited number of potential outside clients, especially in smaller communities, might prevent them from entering this potentially very lucrative aspect of the business. Some may want to invest in other, potentially higher yielding, investment options. Also, the high cost of handling and distributing bulk food, along with the multitude of financial entanglements associated with maintaining high inventories, may be disheartening. Fortunately, the Napoli family firmly believed that its profit potential far outweighed other financial problems. The Tastyburger System Commissary at 1955 East 55th Street generated sizeable returns for the next 20 years (5).

Innovations introduced by these savvy businessmen were not limited just to operating a successful food commissary. The fast-paced nature of the quick service industry throughout the 1950s and 1960s did not endorse complacency. Continuous business and technological advances kept everyone on their toes constantly. Fierce competition waged between independents and regional restaurant chains led Hasty-Tasty to revise its tactics regularly.

Introducing bold changes at crucial junctures enable these restaurateurs to remain at the top of their game for nearly 30 years.

Bold innovation first appeared in 1947 when the Napoli's refurbished their several sites. Modern restaurants appealed to their growing customer base. Changing the corporate name from Hasty-Tasty to Eldorado also afforded a new pizzazz. Adding suburban locations at 5000 Northfield Road in Bedford, Ohio, 7800 Granger Road in Valley View, Ohio, and 5115 Wilson Mills Road in Richmond Heights, Ohio showed, without a doubt, that the new Eldorado Drive-In Restaurant chain was here to stay (6). The opening of new units at 17325 Lorain Road in Fairview Park, Ohio and in Lorain County, Ohio increased its presence on Cleveland's emerging west side.

However, the company's commitment to the Greater Cleveland market extended far beyond providing quality food and opening convenient new locations regularly. The Napoli's also eagerly supported local charitable and civic organizations during its many years in operation. The family donated heavily to the Greater Cleveland Boys and Girls Clubs, the YMCA and YWCA, and the Cleveland Chapter of United Way. They also provided emergency assistance when necessary. When a flood nearly destroyed Valley View, Ohio in January 1959, the Napoli family set up a rescue shelter at one of their popular sites on Granger Road (7). Community volunteers dispensed food and provided temporary shelter for those displaced by this terrible storm. Cleveland Mayor Anthony J. Celebreeze (1910-1998) and Ohio Governor Michael V. DiSalle (1908-1981) praised the Napoli's for their selfless actions throughout this crisis.

The decade of the 1960s represented a period of great economic, political, and social upheaval throughout the country. It was a time of optimism and cynicism, a time of innocence and sophistication as baby boomers came of age; the Viet Nam War exploded and the Civil Rights Movement spilled over into the streets. In terms of the Civil Rights Movement, many college students, grassroots activists, religious leaders, and social reformers joined forces to fight blatant racial discrimination. The many boycotts, demonstrations, and marches in which they participated were aimed at eradicating deep-seated economic, racial, and social injustices some dating back hundreds of years. Originating in the rural South in the mid-1950s, these widespread demonstrations soon spread to the industrial North, often sparking violence.

The Hough riots in 1966, followed by the Glenville riots in 1968, graphically displayed just how volatile the situation had become in large cities such as Cleveland. No one living or working in this area was immune from it. The local chapter of the National Association for the Advancement of Colored People (NAACP) launched numerous boycotts against businesses that had less than stellar reputations when it came to the hiring and firing of African Americans. Picketing occurred at Fisher Foods, Stouffer Restaurants, and the Sterling-Lindner-Davis Department Store, to name but a few. The NAACP also supported a demonstration in front of the Tastyburger restaurant near the corner of East 105th Street and Euclid Avenue. Protestors claimed that this company had discriminated against black servers (8). This initially peaceful demonstration soon turned violent. In fact, a sixteen year old black protestor made the local press when he claimed police brutality.

The negative publicity resulting from this incident was certainly not good for business. Unfortunately, accusations of wrongdoing by the Napoli family did not begin and end with that demonstration. They surfaced again years later, however, within a slightly different context. This time it involved Edward Napoli and his NAPCO partners. NAPCO owned and operated four trailer parks in Lake County, Ohio. A group of tenants living in the Eldorado Village in the early 1970s filed an antitrust suit against their landlords. They claimed that NAPCO had threatened them with eviction when they refused to purchase their new mobile homes from them directly (9). Lake County Common Pleas Court Judge John M. Parks Jr., in October 1974, ruled in favor of NAPCO. He claimed that the plaintiffs had no legal grounds to file such a complaint. The Napoli's knew from previous experience that such adverse publicity did not bode well for future business.

Growing competition within the fast-food industry during the early 1960s meant that costly changes were in the offing. Eldorado owners recognized the importance of remaining on the cutting edge of business innovation. With that in mind, these savvy entrepreneurs unveiled plans in the autumn of 1965 that included, among other things, the total remodeling of their seven sites. They intended to complete this major undertaking in less than a year. Customers enthusiastically welcomed the news. Although everything appeared to be business as usual, it was a different matter behind the scenes. Rumors had been circulating for months that its owners planned to retire and that their heirs had no intention of operating the family business. The Napoli brothers would neither confirm nor deny those allegations.

Even though they remained silent regarding their future plans that did not mean that they had changed their minds. The two brothers had already sent out inquiries to prospective buyers. The big question facing these restaurateurs was who might want to acquire it. Several enterprises had expressed interest in it. However, none of them had the kind of money necessary to complete the deal. The Napoli's finally turned to Robert Manners. Perhaps he would be interested in purchasing it. Believing that it would indeed enhance his present holdings, Manners bought the Eldorado chain of restaurants in August 1966 (10). The Hasty Tasty Commissary remained opened until June 1972 when it was auctioned at a sheriff's sale.

Diney's Drive-In was another local fast-food restaurant with a loyal following. Like the Napoli family, Fred J. (Diney) Spachtholz (1898-1982) decided not to join the post-war rush to the suburbs. His modest resources convinced him not to join the rank and file. Spachtholz knew full-well that any profitable restaurant chains, regardless of size, required substantial capital upfront. He also realized that operating multiple locations did not guarantee long-lasting success.

Experts in the quick service industry agreed with him, and added a caveat. They admitted that the greatest financial benefits went to those entrepreneurs who seized the moment by establishing a multitude of franchised operations quickly. But, these same analysts also pointed out that successfully operating a chain of restaurants meant much more than simply opening new sites on a regular basis. Each new unit must include competent employees and a host of popular entrees and snacks. Accomplishing that formable task required plenty of money and expert managerial skills. That was something that Fred Spachtholz lacked.

If that were not enough of a problem, franchise owners must also be prepared to update their menu on short notice as well as meet their weekly payroll obligations, with no questions asked. Operating that kind of multifaceted business required great stamina. Only a select few had the wherewithal necessary to manage such a massive undertaking. Besides which, one could still make a very good living owning and operating a single site. Who needed the additional financial burdens? Many local entrepreneurs, including Fred Spachtholz, saw the handwriting on the wall and decided to focus their efforts on one site. Nearby neighborhoods provided the kind of substantial repeat business considered so essential for long-term growth and prosperity.

Fred Spachtholz's, delicious steak burgers represented his claim to fame. His popular slogan "I Wanna Diney's Steakburger!" said it all (11). A locally recognized landmark for nearly four decades, Diney's provided some of the tastiest burgers and fries found in Greater Cleveland. He also offered equally delicious barbeque ribs and fried fish sandwiches. Diney's began modestly in the late 1930s when Fred Spachtholz opened his first small sandwich shop.

Located at 1331 West 117th Street, halfway between Clifton and Detroit Avenues, Diney's provided a wide assortment of affordable meals and snacks that included some mouthwatering daily specials (12). His courteous servers made everyone feel welcomed. West side commuters increasingly depended on Diney's to provide them with speedy takeout service. As one might expect, this very popular eatery soon outgrew its original cramped quarters. Spachtholz seriously considered relocating to a much bigger facility just prior to the Second World War. Unfortunately, the war put his dream on hold. The fact that his plans had to wait several years before being realized did not mean that he forgot them. He had set aside funds for that very purpose from the first day he opened his doors.

As pointed out earlier, the end of the Second World War ushered in a 30 year period of unprecedented economic growth and prosperity for many local drive-in restaurants, including Diney's. Their growing popularity led insightful proprietors, like Fred Spachtholz, to invest in a number of new and exciting customer services such as curb service. This bourgeoning eatery with its jammed parking lot desperately needed additional space. After some careful deliberation, Spachtholz in May 1949 moved his diner to a larger site at 3100 West 117th Street (13). Located in the middle of Cleveland's West Park district, this popular drive-in restaurant was next to one of the city's premier industrial areas. This largely unadorned structure featured a prominent neon sign that lit up the local sky at night.

This financially successful entrepreneur in the mid-1950s announced plans to expand his operations. However, unlike others he had no intention of building a second site in Northeast Ohio. Instead, Spachtholz turned his attentions towards sunny Fort Lauderdale, Florida. He and his wife spent many happy winters there. Fort Lauderdale's growing importance as a destination for college students on spring break convinced him to invest there. This discerning businessman wanted to reap the many financial benefits this expanding market offered before it was overrun by national and regional fast-food outlets.

The 1960s saw fast-food restaurant profits soar to new, unprecedented high levels. Hoping to enjoy more time in the warm Florida sun, Spachtholz appointed James W. Crow to serve as his new business manager. Mrs. Elizabeth Bilardo and Mrs. Mary Wrick took over those same responsibilities later in that decade. Diney's did so well financially that he considered opening a third site somewhere within Greater Cleveland. In fact, a number of local lenders approached Spachtholz about it.

They offered him low interest loans geared specifically for site expansion. The question facing restaurateurs such as Spachtholz in the early 1960s was not whether he was eligible for these loans, but would it be worthwhile for him to assume the additional debt resulting from such expansion? No one could predict with any certainty what lay ahead for this industry. However, many analysts firmly believed that the time was ripe for site expansion and that the availability of low interest loans all but ensured success for those willing to take the lead.

Upon further consideration, Spachtholz decided to pass on their offers. His decision not to invest in another Cleveland site proved to be a very wise move given the economic problems that soon surfaced. The economic and social upheavals of the 1970s changed the course of development for the fast-food industry forever. Greater Cleveland was especially hard hit by the economic and financial calamities analogous with that decade. Outmoded factories, escalating energy costs, a full-fledged national recession, and a flood of cheap imported steel all but destroyed this once vital industrial center.

With fewer and fewer jobs area wide, many Clevelanders sought out employment opportunities in other parts of the country. The dwindling number of customers at many smaller drive-ins such as Diney's, reduced profit margins substantially. How were these restaurateurs going to survive this latest economic setback? Had a new crop of affluent customers suddenly appeared on the horizon, many of these outlets would have been able to weather this latest economic storm fairly successfully. Unfortunately, this groundswell of new patrons never materialized. In fact, local economic conditions only worsened as many of Cleveland's prime neighborhoods including the West Park District experienced significant population losses.

The very survival of fast-food concerns such as Diney's, depended on repeat customer business from individuals who lived and worked in the area. Any significant reduction in the number of patrons might well result in bankruptcy. After all, the majority of these quick service restaurants literally operated on a dime. If that did not pose enough of a financial headache, institutions like Diney's also had to contend with changing customer eating habits. As discussed earlier, increasingly customers patronized other, more modern eateries many of which specialized in healthier meals and snacks. These startling business developments greatly altered the financial picture for many long established fast-food restaurants including Diney's.

Fortunately, Spachtholz refused to give up. This determined restaurateur broke with tradition and started offering some healthier food alternatives beginning in the late 1960s. The fact that he had successfully weathered similar economic catastrophes in the past provided him hope for the future. However, an unexpected turn of events in 1975 changed everything. Cleveland City Hall, under the astute leadership of Mayor Ralph J. Perk (1914-1999), worked out a special agreement with federal officials that resulted in the building of a new east-west freeway. This latest leg of I-90 would run from I-71 in Cleveland's Tremont neighborhood to Lakewood, Ohio. Part of this agreement included the construction of a modified cloverleaf interchange at the juncture of I-90 and West 117th Street. This exit would eliminate several popular local businesses including Diney's. Rather than fight the decision in the courts, Spachtholz decided to close his doors (14). He continued to operate his Fort Lauderdale unit for several more years.

Neither inept management nor poor quality food led to Diney's demise. Spachtholz ran a very tight ship financially. Thousands of Clevelanders relied on him daily to provide them good tasting food at reasonable prices. His prime location in the middle of the West Park neighborhood ensured repeat business. Unfortunately, like so many others drive-in restaurants of that era, Diney's eventually succumbed to outside forces and pressures. In his case, the I-90 highway project expedited a process of change that had been previously set in motion.

Changing customer tastes and the fact that many of Diney's devoted patrons had either died or moved away reduced his future prospects considerably. Convenience, informality, and low prices accounted for much of Diney's financial success over the years. Eliminate any one or more of these economic factors and all would be lost. As the pace of urban life quickened in the late 1960s and early 1970s, Diney's customers in increasing numbers began seeking out alternatives. It was nothing personal it was just that times were changing. The new and emerging fast-food customer wanted much more than standard dinners and snacks served in all too familiar surroundings.

Dazzling site renovations and major menu revisions enable some quick service restaurateurs to survive the brunt of these changes. Those able to make the transition successfully possessed an uncanny knack of knowing what their customers needed and wanted, even before they did. Of course, timing was crucial to this kind of success story. Unleashing new food items to an unsuspecting customer-base without warning might prove disastrous. Conversely, waiting too long to introduce new entrees or snacks might result in slow moving products and huge inventories. Transitioning from one kind of restaurant to another required a certain amount of business finesse. Those making the transition from an old fashioned fast-food outlet to a new quick service site maintained a desired balance between the ever-growing demand for new and delicious food items on the one hand, and keeping current inventories down, on the other.

Those restaurateurs able to achieve that intended goal had their patrons equate certain kinds of meals, snacks and food preparations with their particular establishments. Once they forged that critical link with their many patrons, then these same proprietors convinced their customers to purchase large amounts of the advertised items quickly. That highly efficient business model whereby customers purchased large quantities of staple items over specialty products greatly reduced waste. It also afforded participating restaurateurs a decided financial edge over competitors, especially when it came to negotiating with food distributors. The savings derived from these fantastic deals were passed on to customers in the form of lower retail prices. Such savvy business practices represented a win-win situation for everyone involved then.

Cleveland's King Cole Restaurant chain epitomized that kind of mid-century fast-food concern that successfully rebranded itself several times over its more than 40 year history. Modern fast-food restaurant chains might learn a great deal from the King Cole experience. As everyone in the quick service industry understands, innovation never occurs in a smooth fashion. It happens in spurts. Companies unable to adjust quickly to changes in the local market place often find themselves left out, as other, more insightful entrepreneurs profit from new business advances. Innovative restaurateurs, unlike their less resilient competitors, do not consider recent breakthroughs in the fast-food industry as insurmountable challenges. Instead, they consider them golden opportunities for their company to move ahead. They see them as a chance to outdo their closest rivals by being the first one on their block to incorporate these major changes into their daily operational procedures. Those that succeed in their undertaking will undoubtedly enjoy the many financial advantages resulting from their highly advanced thinking, while those showing a reluctance to join the bandwagon will suffer the economic consequences of their inaction.

The King Cole chain represented that kind of broadminded corporation that always remained on the cutting edge of change. Understanding how fast-food restaurants such as King

Cole successfully handled the fast paced economic and social changes that impacted the City of Cleveland during the post-war years may provide some valuable insight for quick service restaurateurs who face similar pressures today. King Cole's quality of food, prepared in spotless kitchens may have accounted for some of its initial financial success. However, it does not explain its longevity. Perhaps the owner's uncanny knack of incorporating the latest industry wide trends might have accounted for his unheralded success. Whatever the reasons prompting its growth, one thing was for certain. King Cole's transformation first from burger joint to a pizza palace and then to a specialty restaurant enabled this popular fast-food chain to repeatedly build upon its well established customer base. That was something that other, more traditional fast-food outlets rarely accomplished.

The original King Cole Drive-In Restaurant at 17901 Lake Shore Boulevard opened for business in 1945 (15). That very busy commercial strip housed numerous fast-food establishments during the post-war years. Each concern wanted to gain a permanent foothold within Cleveland's bourgeoning market scene. Unfortunately, the majority of them offered much the same kind of cuisine. Dedicated entrepreneurs had to find a way to break away from the pack and establish their own market niche if they intended to survive the present ordeal. As with King Cole, affordable, tasty food served by courteous and efficient car hops won the day, at least in the initial years. These highly attentive servers, mostly young women dressed in immaculately clean uniforms with plastic aprons, proudly served quality meals and snacks to a growing number of customers emanating from throughout Greater Cleveland (16).

However, the company's endurance represented much more than just providing a clean friendly site with quality burgers, fries and shakes. After all, nearly every fast-food restaurateur did much the same thing. Special little touches not readily evident among many of its competitors enabled King Cole to distinguish itself over time. In the case of King Cole, its highly competent cooks welcomed special food orders. Burger King hardly invented the idea of having food cooked "your way." That tradition originated many years ago with enterprising quick service restaurants such as King Cole. Also, King Cole's prime location, within easy walking distance of Euclid Beach Park, made it popular with park goers from the day it opened. Outstanding service, great food, and a prime location ensured repeat business especially during the crucial early years.

The restaurant's long-term financial success involved much more than a good location great food and quality service. King Cole's owner Salvador Federico understood the many advantages of expanding operations quickly. Within a two-year span, he operated three sites: one at 17901 Lake Shore Boulevard, a second at 28901 Lake Shore Boulevard, and a third at 17121 Euclid Avenue. Yet, throughout this entire expansion process, Federico never lost sight of the importance of staying at the top of the game. Modernizing facilities to better meet patrons needs was always crucial. This became even more important in the 1960s as glamorous multinational conglomerates began to siphon off customers. In order to survive this latest economic challenge, traditional sites such as King Cole began developing their own special business plans. They inspired the public's imagination in ways never before envisioned.

The main question troubling Federico in the early 1960s was, which new business approach might work best for his growing company? After some deliberation, he concluded that overhauling his menu represented an effective way to stimulate further business. The logic behind his thinking made perfect sense. A more inviting menu would appeal to a broader customer base which, in turn, would lead to greater potential profits. The next question was, what kind of food should he serve? Specifically, should he provide different kinds of fast-foods based on changing eating habits, or should he offer traditional dinners and snacks with an occasional specialty item thrown in for good measure? No matter what the decision might be, one thing was very clear from the outset. The highly competitive nature of the industry required him to move quickly. Fortunately, he soon found the answer to his dilemma in a new food sensation called pizza.

Modern day pizza first captured the hearts of Americans in the late 1940s. It was the greatest food craze to hit the open market since the advent of frankfurters and hamburgers nearly 100 years earlier. Variations of Italian-style pizzas had been around since the late 19th century. Originally sold by Italian peddlers in large cities, resourceful restaurateurs in Chicago, Illinois; New York, New York; and St. Louis, Missouri had been selling them for years. No two pizzas were exactly alike. The preparer's skill and regional identity more than anything else determined what kind of pizza they served (17).

Today's standardized pizza, with its many recognized toppings and universal shape, did not appear in the U.S. market until the post-war years. Brought back to the states by returning servicemen and women who had first experienced it in Italy during the Second World War, the public could not get enough of it. Pizzerias literally sprang up overnight. Some proprietors sold pizzas with assorted meat and fresh vegetable toppings, while others featured different kinds of imported cheeses. Topping choices and crust thickness varied from one part of the country to another.

Several Cleveland fast-food restaurateurs in the 1950s and 1960s cashed in on this national obsession. Not wanting to be left out, Federico introduced his own hand tossed pizza in 1966. It soon became his number one selling item. However, Federico did not stop there. He took the financial risk and quickly converted his traditional drive-in restaurants into new, state of the art pizza palaces. He appointed Euclid Avenue site manager, Anthony Laurienzo, to assist him in this massive effort. This new and exciting Cleveland-based chain of restaurants, called King Cole's Pizza Palace, appealed to customers from all walks of life. Unfortunately, petty jealousy soon sparked trouble for King Cole's. An unknown person or persons tossed a homemade bomb through the window of his 17901 Lakeshore Boulevard site in August 1973.

Damages from this blast exceeded $50,000. Unsubstantiated rumors claimed that a disgruntle employee had committed this vicious act. However, there was little evidence supporting that allegation, and the case was soon dropped (18).

Like other popular fast-food chains during the Baby Boomer generation, King Cole periodically updated its menu. Beginning in the early 1970s, it featured an array of new items. They ranged from tangy barbeque to delicious roast beef sandwiches. These new products were in response to growing competition from other local fast-food outlets such as Beef Corral and the Red Barn. A drop in profits, later that same year reduced the number of King Cole sites to three: 17901 Lakeshore Boulevard, and 17121 Euclid Avenue, and 5433 Mayfield Road. That kind of major belt tightening enabled King Cole's to successfully withstand the onslaught of new competitors. Federico remained in business until the mid-1980s when he sold his highly successful enterprise to Joe DeSalvo (d. 1989).

DeSalvo was not new to the restaurant game. He had previously operated a Dog n Suds root beer stand and more recently a west side eatery Jean Marie's. Joe DeSalvo saw King Cole's as fitting in well with his long-term business objectives. Being an enterprising businessman in his own right, he fully understood that the time was right to update this old style pizzeria. Like King Cole's founder, DeSalvo did not hesitate to introduce new ideas when appropriate. His newly refurbished units offered a wide variety of items not readily found in other local or regional fast-food restaurant chains. They included a wide range of delicacies such as gourmet hot dogs and genuine homemade Cincinnati chili (19). His success spread very quickly with customers coming from as far away as Ashtabula and Canton Ohio.

Experts in the quick service industry readily admit that buying a franchise from a popular chain affords a restaurateur instant recognition with the buying public. However, franchising is not for everyone. It requires a highly disciplined individual who not only has the financial backing necessary to acquire the desired franchise; but also, the savvy necessary to handle the various business and legal responsibilities that might arise from becoming a franchise holder. More modest investors frequently avoid such business entanglements, preferring to do it alone. If they win, they win big. However, if they lose, they may lose everything at once. For those able to handle the business rigors equated with being a franchise holder, its many financial rewards outshine any and all potential economic disadvantages. The same cannot be said for individually owned sites.

Another major advantage to franchising is that its economic benefits begin immediately. Valued business perks include such things as lower initial investment costs, reduced liability, invaluable start-up materials as well as extensive, free advertising, and much prized management training. However, becoming a franchise holder represents much more than just those tangible assets. It goes far beyond that. Having a vested interest in a highly successful operation often brings out the best management skills of the franchise holder. That individual's obligation to the parent organization frequently comprises much more than just encouraging quality work among employees or generating consistently high profits. More often than not, it embodies an all-inclusive, long-term commitment by the franchise holder to the ethical values expounded by the parent company. This unspoken bond forged between the franchise holder and the parent company is essential for long-term financial success for all concerned parties.

Franchise choices vary greatly depending on economic conditions, competition and personal financial situation. Viewing it from the parent company's perspective, the newly acquired capital resulting from selling its franchise rights, serves to diminish its outstanding debt. In doing that, the parent company is able to expand its operations far quicker than would have been the case without it. Equally important, the economic principles guiding franchise operations have not changed drastically over the years, even if the original reasons responsible for creating it have. Howard Johnson's, Kenny King's, and Manners represented three major corporations that relied on franchising to sustain their growth long-term but for somewhat different financial reasons.

In the case of Howard Johnson's, its limited capital reserves especially during the early years of the Great Depression prevented it from owning its own extensive chain of family-oriented restaurants. Franchising operations to qualified buyers provided a viable financial alternative to direct corporate ownership. In placing the bulk of the financial responsibility on the shoulders of its many franchise holders, it allowed Howard Johnson's to expand quickly while maintaining firm control on its own mounting expenses. Franchising all but guaranteed a steady stream of profit even during the bleakest of economic times (20).

Kenny King and Robert Manners utilized similar business tactics to Howard Johnson's, although for somewhat different reasons. Unlike Howard Johnson, Kenny King and Robert Manners possessed sufficient capital to finance their own expansion efforts. Both posted sizeable returns from the 1950s to the 1970s. That being the case, why didn't Kenny King and Robert Manners not finance their own expansion efforts, or at the very least, fund them through special, low interest business loans provided by local moneylenders? The answer to both of these questions is quite simple. Why do that when independents were more than willing to invest their own hard earned cash? Both Kenny King and Robert Manners sweetened their deals even further by assisting their new franchise holders in obtaining low interest loans either through non-affiliated outside lenders or special in-house mortgage companies.

No matter what the financial arrangement agreed upon, one thing remained constant throughout the process. Franchise holders took full responsibility for the debt owed no matter what might happen in the future. This proactive approach enabled parent corporations to reach their intended financial goals far quicker than would have been the case had they been compelled to assume the entire debt themselves. Both Kenny King and Robert Manners equated future corporate growth with continued franchising. Part of their new business strategy also concerned product identification or branding. In this instance, that kind of company recognition meant much more than just simply classifying and endorsing specific food products found on their premises. It also involved almost nearly every facet of their business from advertising and site décor to individual staff responsibilities and daily setups. Nothing was overlooked. Nothing was left to chance.

Again, establishing a large and successful drive-in restaurant chain concerned much more than branding their items properly, or successfully marketing their corporate image to an ever-changing customer-base. King and Manners knew that to be true and wasted no time before adopting an even broader based game plan. Realizing early that multiple sites represented the financial key to long-term success led both entrepreneurs to open new sites on a regular basis. Whether they fully understood the enormity of their undertaking at the outset is difficult to ascertain. However, both restaurateurs knew one thing. If they could somehow capture a high percentage of the local market quickly then many of the financially strapped independents would be forced to either close down or join their respective companies through franchising.

King and Manners also realized that achieving that ambitious business goal would require sizeable capital reserves upfront. Franchising operations on a regular basis would enable these growing fast-food companies to accumulate large sums of capital quickly, while at the same time not incur overwhelming corporate debt. Recognizing that the Greater Cleveland market was ripe for such massive restaurant expansion encouraged King and Manners to precede ahead with their major expansion plans. Other more modest quick service restaurateurs arrived at much the same conclusion.

Most proprietors realized that the future of Cleveland's fast-food business rested in the hands of large restaurant chains like Kenny King's and Manners. That straight-forward assumption led many to seek out franchises from those proven leaders. This kind of investment strategy proved financially beneficial for everyone involved. Smaller investors got what they wanted, namely, a high profile, potentially profitable restaurant franchise that they could afford to own and operate, while the parent companies received the much desired infusion of new capital necessary to fulfill their future expansion plans.

Once an agreement was struck, the parent corporation enforced its own rules and regulations. One accepted practice demanded that all franchise holders pay an annual "company fee." Another one empowered parent companies to collect a certain percentage of the annual profits from their many franchise holders. In exchange, franchisees received advertising, in-house recipes, bulk food, company menus, corporate logos, distinctive uniforms, attractive set-ups, and any required special equipment. This arrangement worked very well as long as everyone followed the rules. Hefty fines and possible loss of licensing privileges awaited franchise holders who blatantly violated their agreement. However, few franchise holders violated company rules and regulations. Large national chains, from the 1950s to the 1970s, were not the only ones to depend on franchising to expand operations quickly. Midsized quick service chains also relied heavily on it.

The Chicago-based Golden Point Hamburger Drive-In System represented one regional chain that utilized franchising to bolster revenues quickly. Founded in 1958 by Thomas A. Anderson, it successfully challenged McDonald's for a number of years. Its popular slogan "Get to the Golden Point" appealed to money conscious individuals who repeatedly dined at their many sites. This restaurant chain specialized in affordably priced hamburgers and cheeseburgers wrapped in their own special gold foil. It also served delicious grilled cheese sandwiches and fried fish sandwiches. Customers loved Golden Point's fries, soft drinks and, of course, its own highly popular milk shake amply called the "Shakey." Officials also prided themselves on their crispy fried chicken.

A respected entrepreneur, Tom Anderson wasted little time before developing his own brand of customer services. They included such things as free deliveries for large orders. His unique fast-food stands, characterized by their brightly colored red gabled roofs, exaggerated blue chimneys, and prominent golden spike, stood out among a crowd (21). Like so many other growing business concerns of the late 1950s and early 1960s, Golden Point depended greatly on franchising to spread the word. It owned and operated nearly 100 sites in more than 25 states by the mid-1960s. Golden Point executives fully understood that their future hinged on maintaining a high business profile. Growing competition in the 1960s posed a serious challenge for many midsize companies such as Golden Point. It only intensified as numerous innovations flooded the market. Golden Point's officials met often to discuss the latest trends within the industry.

With sales figures up in the mid-1960s, Golden Point's Board of Directors decided to promote their own tasty meals and snacks rather than introduce new items. They argued rather convincingly that a market already existed for them. Over the next decade, the board continued to watch market trends. Changing customer demands shaped policy. These trends ultimately determined which sites remained and which did not. Its board believed that speedy adjustments, based on need, would be sufficient to ensure growth. Optimistic experts in the field thought it was a practical business approach in an uncertain world, while skeptics questioned its long-term value. It was anyone's guess whether that strategy would actual work.

In terms of their Cleveland locations, Golden Point's executives followed the lead of the Napoli brothers. They generally preferred inner-city sites rather than outlying suburban locations. Once a suitable site had been determined, the company's real estate division acquired the parcel, cleared the land, built the stand and leased it out to a qualified franchise holder. Franchise costs in the early 1960s ranged from $16,000 to $19,000. Actual prices varied depending on building size and location. Franchisees could expect annual returns of anywhere from $150,000 and $250,000 with Golden Point receiving 5 percent of their annual earnings.

Unlike other popular fast-food giants of that era, Golden Point did not provide their franchise holders special management training. Instead, they afforded them assistance upon request. This well-known quick service chain continued to grow well into the 1960s. By the end of that decade, it operated three sites in Cleveland: one at 2818 Franklin Boulevard, a second at 7425 Memphis Avenue, and a third at 16405 Harvard Avenue. A particularly popular place to eat for teenagers and moderate income families, Golden Point survived the many serious financial challenges of the 1950s and 1960s only to succumb to the unprecedented economic pressures of the early 1970s. The last Golden Point in Cleveland on Harvard Avenue closed its doors in 1974.

Ludwig's Drive-In restaurants also epitomized the best in Cleveland quick service dining during the fast paced 1950s and 1960s. Its founder Charles F. Ludwig (1919-1968) originally owned a small grocery store. He branched out and opened his first drive-in restaurant at 13855 Lorain Avenue in 1955. It featured delectable hamburgers and thick creamy shakes. Charles Ludwig also specialized in what he called "double battered" onion rings and crispy fries. Highly successful, he soon moved to a larger site at 23370 Lorain Road in North Olmsted, Ohio. Ludwig added a second unit at 804 Front Street in Berea, Ohio in 1958. However, this entrepreneur soon grew restless. He sold his two profitable locations in 1962. The capital derived from those sales went towards acquiring another eatery at 23370 Lorain Road near Kamms Corner. Called the Carriage Manor Restaurant, this buffet-style restaurant drew large crowds mainly from the west side of Cleveland (22).

The growing importance of seasonal drive-ins during the first half of the 20th century with their wide assortment of tasty frozen custard desserts and specialty ice cream offered a viable alternative for many part-time investors. Several national drive-in restaurants set the pace. Dumser's Dairyland of Ocean City, Maryland was an early leader in seasonal drive-in restaurants (23). Founded in 1939 by Gladys C. Dumser (1913-1993), this fast-food stand not only featured delicious homemade frozen dessert treats, but also served popular snacks and meals including local seafood favorites. Dumser's currently operates six sites on the eastern shore of Maryland. This company prides itself on only selling only the freshest tasting ice cream daily.

Kohr Brothers was another industry pacesetter. Founded in 1919 by Archie (1893-1960), Elton (1902-1994) and Lester Kohr (1904-1990), its first site in Coney Island, New York sold over 18,000 cones during its first week in operation. It is located in four states (24). A third example is Handel's Ice Cream headquartered in Youngstown, Ohio. Opened in 1945 when Alice Handel (1910-1988) first sold homemade ice cream out of her husband's gas station, Handel's ice cream shops are found in six states (25).

Greater Cleveland, like so many large urban areas, had its fair share of locally owned and operated frozen custard and ice cream stands. Rocky River's Penguin Ice Cream and Frozen Custard Stand began selling its delicious ice cream at the end of the Second World War. Owned and operated by Bob Ewing (1900-1979), this busy drive-in sold half gallons of its tasty ice cream for only $1.75 each. Ewing at one time operated seven sites. One of Cleveland's most popular ice cream vendors began simply enough in 1954 when Robert G. Weber and William E. Weber opened their special factory and distribution center at 18400 Euclid Avenue. Weber's Drive-In Restaurants served a wide variety of delicious frozen desserts to its many hungry patrons for years. Their franchises ranged in price from $8,000 to $10,000 depending on location and parcel size. Many of their franchisees later converted their summer-only structures into year round facilities. There were seven Weber Drive-Ins scattered throughout Greater Cleveland by the late 1960s. A popular place for young and old alike, the Weber Brothers manufactured more than 150 gallons of ice cream per hour. Discriminating palates especially enjoyed their exotic flavors. Growing competition in the early 1970s led these two brothers to close down their operations.

Dari-Delight was another popular Cleveland-based operation that prided itself on its many flavorful frozen custard desserts. Founded in 1954 by Wallace L. Foust (b. 1911), this successful chain offered extra-large portions much to the delight on its many patrons. Consumers came from far and wide to eat at Dari-Delight. Foust relied on franchising to expand his operations quickly. By the mid-1950s, Dari-Delight owned and operated sites at 3115 East 130th Street, 778 East 185th Street, 14711 Miles Avenue, 13838 Trisket Road, and 5055 Turney Road.

It added another unit at 11402 Union Avenue in 1963. For as little as a $4,000 down payment, a franchise holder could qualify for a low interest corporate sponsored mortgage. The average franchise cost about $11,000 and that included both the ice cream stand and surrounding parking area (26). Dari-Delight, in the autumn of 1955, proudly announced that its five units during the previous summer had averaged more than $28,000 in profits. Considered a solid investment with good annual returns, Dari-Delight stayed in business until the late 1990s (26).

Independents and franchise holders faced many of the same economic and financial problems throughout the post-war years. What distinguished these two groups were not the problems themselves, but the way they were addressed. The financial success or failure of independents rested squarely on the shoulders of their owners. No one else shared their burdens. However, their relentless pursuit of the American dream enabled many to succeed in the wake of growing competition from much larger, more affluent franchise-driven chains. Hardworking independents truly epitomized the American entrepreneurial spirit. As is often the case, the restaurateur and his or her individual site became synonymous in the public's mind.

Naming their companies after themselves often helped to augment their business reputations. In particular, the willingness of these independents to assume full financial responsibility for their budding businesses regardless of the economic or financial consequences that lay ahead afforded them even greater credibility with customers. Whether their go it alone business practices would result in fantastic financial rewards in the future for them or successive owners was anyone's guess. However, their chances for long-term financial success seemed greatly enhanced by their ambition and dedication to their business and many patrons.

Analysts, throughout the 1950s and 1960s, continually praised independents for their tenacity. They were viewed as the backbone of the fast-food industry. Yet, few experts considered what might happen to these successful enterprises once their original owners no longer supervised operations. Specifically, they rarely concerned themselves with how a new breed of owners might deal with the many problems inherently a part of operating such a financially sound business. Most analysts assumed that the majority of original owners discussed important business-related and legal matters with the new owners upfront, if only to avoid legal entanglements later. Unfortunately, many restaurant founders never bothered to lay the groundwork for a smooth transition.

Without proper preparation upfront, new owners frequently found themselves forced to deal with a multitude of unanticipated issues. That prospect in itself rarely posed a problem for competent new owners. Unfortunately, many new proprietors lacking the business experience necessary to successfully operate such an enterprise were baffled by what they perceived to be insurmountable new problems. Also, dramatically changing market conditions might do away with any and all business advantages once enjoyed by a company's founder. Any combination of unexpected difficulties, in conjunction with business ingenuousness, might ruin a successful restaurant.

As stated earlier, a multitude of economic and financial concerns throughout the 1950s and 1960s affected long-term growth potential for a great many quick service restaurant chains. Many of those pressing concerns had not existed earlier. Without a doubt, being at the right place at the right time played a key role in many success stories. However, it was much more than just pure luck that led to long-term growth. Following a reasonable business plan especially during the first years of operation often meant the difference between success and failure. The vast majority of successful business strategies not only included realistically goals, but also well-articulated budgets.

Balancing the bottom line was crucial in this kind of operation. Restaurateurs at the end of each year tallied up their profits and losses. If their establishment showed sizeable gains over the previous year then they generally maintained the status quo. However, any sudden financial reversals often required more stringent business remedies. They included such things as a complete corporate overhaul, décor makeover, sweeping menu changes, and massive layoffs.

Petty arguments or frequent disagreements among owners, managers, and workers rarely affected long-term company growth potential. Changing local market conditions, blatant corporate mismanagement, rampant inflation, and massive local and regional consolidation efforts often directly impacted a restaurant's bottom line.

Of course, the fast-food industry, like so many other customer-driven businesses, is subject to frequent and unexpected changes. What is popular today is not tomorrow. That business axiom has withstood the test of time. However, other once accepted truths are no longer valid. Today's fast paced lifestyle is far different from what it was like 40 or 50 years ago. In the less technical world prior to the 1980s, it might take weeks and even possibly months to initiate major corporate changes. In today's highly charged environment changes occur literarily overnight. The proliferation of upscale competitors poses endless business challenges especially for older, long established chains. Many of the more enlightened quick service restaurants have met these formable challenges by introducing exciting new menu items or sprucing up their outdated décor in preparation for even greater changes in the future.

Surprisingly, in this process of updating their businesses to meet the growing needs of the Millennium, many of today's most successful restaurateurs pay little, if any, attention as to how their predecessors handled similar crises in the past. They prefer instead to reinvent the wheel each and every time. One might wonder why they do that. Had they only reviewed the business strategies employed by past leaders such as Kenny King or Robert Manners they might have discovered that their phenomenal financial success 40 or 50 years ago was not predicated on extravagant promotions or glitzy sites alone, but on providing consistently good tasting snacks and dinners served in a friendly atmosphere. Sound business practices, so much a part of the post-war heyday of fast-food restaurants in Cleveland, are still sound principles in today's world. Kenny King's innovation and business insight propelled him to the top of the regional market very quickly.

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CHAPTER SEVEN: A LOCAL FAST-FOOD LEGEND: KENNY KING'S RESTAURANTS

As pointed out earlier, the 1930s was a period of unparalleled misery for millions of Americans. It began with the Stock Market Crash on October 24, 1929 when the Dow Jones plummeted by 25 percent. It dropped an additional 30 percent by early November 1929 (1). The Federal Reserve responded by maintaining high interest rates, while the nation's money supply dwindled. Unable to collect on outstanding debts, moneylenders began closing their operations. Congressional passage of the Hawley Smoot Tariff on June 17, 1930 only acerbated the situation by raising tariffs on more than 20,000 imported goods. That led to a reduction in overseas trade by 50 percent. Deflation quickly set in as commodity prices continued to fall. Investment in the U.S. plunged by 91 percent between 1929 and 1933, while consumer consumption and the Gross National Product (GNP) dropped by 19 percent and 30 percent.

The American South was especially devastated by the Great Depression as thousands were suddenly unemployed. That region's cotton industry was particularly hard hit. Overproduction in the 1920s resulted in the price of cotton drop from $.30 a lb. in 1919 to $.06 a lb. by 1931 (2). No longer able to pay off their debt, many farmers became sharecroppers (3). For others it meant leaving the rural South for large industrial cities in the Northeast and Midwest where job prospects might be better. In reality, the possibilities of securing good jobs in those cities were equally grim. However, that did not prevent thousands of Southerners from relocating to the North.

A young man named Kenneth (Kenny) J. King (1912-1972) was caught in such a bind. Something he would never have envisioned only a few years before. A highly ambitious individual, he looked forward to making lots of money in the years ahead. At the age of ten, King began delivering shoes for local merchants in his hometown of Rocky Mount, North Carolina. Following his father's death in 1926, this very likeable 14-year old quit school, and began looking for full-time work. He had every confidence that a good paying job was waiting for him just around the corner. King's optimism seemed more than justified given the recent surge in the national economy. The "Roaring '20s" offered great economic opportunities for forward thinking men like Kenny King, and he was ready to seize the moment.

With the help of a close friend, Kenny King opened his first fast-food restaurant in 1926. This diner located in the Rocky Mount airport was profitable from the first day it opened. Had the Great Depression of the 1930s not occurred Kenny King, in all probability, would have eventually expanded his original site and perhaps franchised his operations. However, that was not to be. Economic conditions in the South only worsened as the 1930s unfolded. Subsequent bank failures meant no credit for young entrepreneurs such as King. Hard pressed to make financial ends meet, these two enterprising businessmen soon closed their diner.

Luckily, an uncle of Kenny King's living in Cleveland came to his rescue. Charles King owned a successful diner at the corner of East 12th Street and Payne Avenue. Knowing that his nephew desperately needed work led him to offer young King the opportunity of apprenticing as a fry cook. The North Carolinian accepted his generous offer and soon moved to Cleveland. Unfortunately, his uncle could not provide him permanent work. Kenny King knew that at the outset and wasted no time before securing another job at one of his uncle's chief competitors, American Diner (4). With two busy outlets, one at East 21st Street and Payne Avenue and a second at East 71st Street and Euclid Avenue, American Diner prided itself on its repeat customers, many originating from nearby neighborhoods. Kenny King worked with John O. Dissinger beginning in 1936. In less than five years, he advanced from short order cook to district manager (5).

Owning and operating a profitable commissary enabled American Diner to remain financially afloat during the 1930s. Similar to the commissary later operated by Hasty Tasty, this highly successful distribution center furnished reasonably priced meals and snacks to its many corporate clients. Kenny King soon joined its staff. He thought that the business experience he would gain from working in the commissary might prove very valuable should he later decide to open his own eatery. Kenny King rose within its ranks to become its vice president. He stayed at American Diner for over a decade.

Working for a top notch organization such as American Diner not only afforded Kenny King valuable managerial experience at an early age; but also, enabled him to accumulate capital reserves. The money he saved went towards acquiring the popular Palamart Grille at 1625 Euclid Avenue in 1944. Located in the Keith Building at busy Playhouse Square, this new quick service restaurant catered to a wide variety of patrons. His customers included office and retail workers, shoppers, and theatre goers. They loved his delicious hamburgers, flavorful fries, and tasty malts and shakes. During his first year in business Kenny King sold an astonishing 42,000 hamburgers (6). Sales quadrupled over the next five years.

His hardworking employees accounted for much of his early success. Unlike many of his competitors who hired nearly anyone off the street, Kenny King carefully screened each and every job applicant. He wanted the right person for the right job. Housewives especially liked his flexible hours and good working conditions (7). But, his enduring success was predicated on much more than just providing his staff flexible working hours and good working conditions. Kenny King also offered a helping hand for those who were down on their luck (8). He did not hesitate to employee recovered alcoholics and ex-convicts.

Apparently, his personal touch regarding his hiring practices paid off well. By the early 1950s, he employed more than 50 people. Many of them remained with him for years. His ability to retain quality workers, through example, was equally outstanding. King stressed the importance of honesty, integrity, and loyalty. He believed that employees who thought of themselves as part of "the team" would be much more productive than those who did not. In fact, he later produced the *Kenny King's Herald*, an internal publication that helped to bring his many sites together by promoting the kind of family traditions and value he so deeply cherished.

Whether he realized it or not, Kenny King followed the teachings of the noted 18th century Scottish political economist Adam Smith who once said that "loyalty breeds trust, while trust breeds loyalty." However, King's actions regarding the wellbeing of his employees went far beyond trite clichés. He rewarded them with stock options. King believed that making them stakeholders would encourage his workforce to work even harder. Employees received a certain number of stock shares annually based on their particular pay level. The company's business component, Palamart, handled all transactions. Kenny King's Vice President Harry C. Richards and Secretary Albert Magocsy operated it (9).

Richards later owned and operated a Manners site in Lorain County. Albert Magocsy (1915-1969), who also happened to be Kenny King's brother-in-law, became Vice President of Palamart in 1956 (10). He remained at that post until his untimely death thirteen years later (11). Kenny King never stopped improving his operations. At American Diner he had successfully operated its food distribution system. Knowing the many financial advantages in owning and operating a commissary led Kenny King to open his own facility in the 1950s. He utilized some of the same business practices that he had successfully developed earlier at American Diner. In fact, his commissary catered to some of the same clients that he had previously served. They liked the way Kenny King conducted business (12).

Like many ambitious post-war entrepreneurs, Kenny King always recognized the importance of staying abreast of the latest business developments. Flexibility regarding long-term policies was also essential for financial success. That belief led him to think outside the box. It began as early as 1947 when Kenny King vacated his cramped headquarters in the Keith Building for larger, more spacious facilities in the Williamson Building at Public Square (12).

Later that same year, he opened a new restaurant site at 216 Public Square. Formerly known as the Bean Pot Restaurant, this new unit required extensive remodeling. King spent more than $35,000 on renovations that included among other things a large new lunch counter and stainless steel kitchen (13). Customers particularly enjoyed private booth seating. King broke with tradition when he added a juke box in 1951. During designated "Coffee and Donut Hours," patrons listened to their favorite melodies (14).

King also strongly supported local charitable efforts. It started in the early 1950s when he co-sponsored *The Cleveland Plain Dealer* Charity Football Game (15). Kenny King's charitable activities included such things as promoting a number of popular sports events such as Indoor Air Meets for Children (16). He not only donated generously to United Way annually, but also hired Santa Claus to deliver food and toys to those less fortunate at Christmas time. King supported other special community based programs including Serendipity Sunday which was held each year at Blossom Music Center (17).

This highly successful businessman was above all else a showman. He not only knew how to effectively promote his many food items, but also how to reinvent his business when necessary. Surprisingly, much of his sales hype was not just idle chatter. For example, his claim that he sold "the World's Best Steak Burgers and Coffee" was indeed true. Company sales in 1948 topped $500,000 (18). Soaring profits led to further expansion but not in the conventional business sense. King was always looking for something new that might catch the public's fancy. That led him to try things that others would never have dared to do. One of his many dreams became a reality in 1951 when he opened a genuine railroad dining car. This one of a kind stainless steel car cost over $100,000. Located at 20371 Euclid Avenue and known as the Annabelle Diner, it attracted patrons from as far away as Erie, Pennsylvania (19).

Like other mid-century quick service restaurateurs, King understood that the industry was about to change. Modern suburban drive-in restaurants, not downtown coffee shops, represented the future of the fast-food business. New drive-In restaurants and the Space Age were synonymous, and King wanted to be a part of that growing trend. With that idea in mind, he scrapped his earlier well defined business plan to develop an entirely new approach. His latest strategy centered on the ever growing needs of potential customers living and working within the flourishing suburbs. He knew that franchising his operations was crucial for future success.

That kind of breakthrough thinking led him to close his popular Public Square site in 1954. He wanted to devote his full attention towards suburban development. His first suburban drive-in restaurant at 5380 Pearl Road opened in 1955. This ultra-modern, quick service restaurant epitomized the very best in fast-food dining in Greater Cleveland. But his long range plans did not begin or end with his first successful suburban unit. Others soon followed at 3200 West 117th Street and 19215 Hilliard Boulevard. This entrepreneur at long last achieved his dream. King operated eight popular drive-in restaurants by 1957 (20).

His keen understanding of what customers needed and wanted distinguished King from many other local restaurant owners. With the possible exception of Robert Manners, no other restaurateur in Greater Cleveland owned and operated so many successful sites. King's rise to prominence did not escape the attention of the Northern Ohio Restaurant Association (NORA). Its board elected him president in 1957 (21). Later that same year, King appointed J. Robert

Stackhouse (1905-1978) as his new general manager. His well-earned reputation for business efficiency impressed King. Stackhouse's new responsibilities included among other things completing four new sites: one at 48 Northfield Road, a second at 17585 Lake Shore Boulevard, a third on Route 20 in Mentor, Ohio, and a fourth at 5836 Mayfield Road.

Customers continued to purchase Kenny King hamburgers in record numbers. In fact, Clevelanders in 1958 voted the "Big King" steak burger the city's number one sandwich (22). Fortunately, success did not overwhelm this sharp local businessman. Through it all, Kenny King remained focused. He never forgot the important role his customers played in his continued success, and he was determined to fulfill their needs and wants on many different levels. Improved services and high quality food brought increasing numbers of patrons to his growing number of restaurants. Special touches were evident everywhere even in regards to his popular carry-out service (23). Customers could now pick up a Kenny King takeout order within minutes. Few competitors in Greater Cleveland at that time offered such speedy service (24).

But it was much more than just good food and prompt service that kept people coming back. Kenny King made a concerted effort regularly to improve the dining experience for all his customers. He especially liked children and he wanted them to enjoy coming to Kenny King's. Providing free toys from his "Toy Chest" and furnishing them special menus geared towards their specific needs and wants brought thousands of children each year. Adding new items periodically to his highly popular menu further demonstrated his commitment to his many patrons. To illustrate this point, the growing demand for a tasty triple hamburger sandwich with all the fixings resulted in the development of the highly popular Super Burger. Eager to tap into new markets led him in 1959 to open a new site at 22244 Lorain Road in Fairview Park, Ohio (25). Another unit in Saybrook, Ohio debuted less than a year later (26).

As pointed out earlier, Kenny King recognized the importance of remaining on the cutting edge of innovation. That meant offering meals and snack options not readily available elsewhere. The quandary he faced in the late 1950s was not whether he should add new items to his menu, but rather what *kind* of new meals and snacks should he provide his discerning customers. Unfortunately, experts in the quick service industry provided little assistance when it came to this critical matter.

In the final analysis, it all boiled down to whether he should offer a wide assortment of new items from a multitude of local and regional venders or concentrate on securing exclusive franchise rights from a well-known national chain. Certainly, the business arrangement made by David Frisch and Robert Manners had proved very profitable for both. Perhaps signing a similar agreement with another major corporation might be the perfect solution to his pressing dilemma. It was certainly worth the effort. Regardless of the agreement struck, one thing was certain it could not involve another hamburger chain. The Greater Cleveland market was inundated with them.

Upon further investigation, King decided to focus his attention on Colonel Harlan D. Sanders (1890-1980). Colonel Sanders owned and operated a highly successful chain of quick service restaurants called Kentucky Fried Chicken (KFC) (26). A well-established hotel and restaurant entrepreneur, Sanders had developed his own special chicken recipe in the 1930s. With the help of several prominent investors, he opened his first KFC restaurant in 1952. The public enjoyed his fried chicken dinners from the very beginning. Kenny King thought it was a perfect fit, and in 1959, arranged a meeting with that company's respected leader.

He proposed that Colonel Sanders award him exclusive franchise rights in Northeast Ohio. In exchange, King would include the various KFC meals and snacks as part of his new, expanded menu. In addition, he would open new sites just for Colonel Sanders "Finger Lickin' Good" chicken. The Colonel knew full well that joining forces with Kenny King would boost local sales. The question facing Colonel Sanders was not whether his company would profit from such an agreement but was Kenny King's the best deal available? Perhaps another local fast-food chain might better serve his specific needs. It was anyone's guess as to how those negotiations might end up. Kenny King attempted to sweeten the deal even further by saying that he would personally oversee all operations to ensure maximize profits for all concerned. That did it.

Harlan Sanders in June 1959 awarded King exclusive franchise rights to sell KFC items throughout Northeast Ohio. It proved to be a smart business move for all parties involved. In fact, KFC sales over the next year soared by more than 700 percent (27). Such unprecedented growth continued for more than a decade. Kenny King's, by the mid-1970s, sold an astounding average of 2,500,000 chickens annually. The public loved Kenny King's introductory offer of a bucket of the Colonel's "Finger Lickin' Good" chicken for only \$3.75. They could not get enough of it fast enough. Free copies of Colonel Sanders cook book *Twenty Favorite Southern Recipes* also appealed to many Cleveland housewives who were looking for new ideas (28). The back to school crowd especially enjoyed his new complete chicken dinner for only \$.97. It included two pieces of chicken, creamy whipped potatoes, chicken gravy, coleslaw, and rolls & butter (29). Kenny King's also provided civic and church groups with special discounts on all chicken dinners purchased.

The growing popularity of Kenny King's throughout the 1960s and 1970s far exceeded earlier business projections. Cost conscious families, in particular, enjoyed both his \$.94 nightly dinner specials and equally inexpensive children's meals. Part of Kenny King's successful new strategy involved onsite preparation of many of his most favorite items. Such things as his popular Friday Fish Fry and delicious strawberry-banana Pie come to mind immediately (30). Promoting customer convenience, Kenny King's furnished patrons with a new special take out menu that fit perfectly into a jacket pocket or purse. Customers also loved to participate in the many food giveaway contests. Making dining fun for the entire family encouraged repeat business. Bold advertising, beginning in the early 1960s, prompted even further sales.

Claiming to be “Northern Ohio’s Finest Family Drive-In,” this resourceful restaurateur continually reminded his patrons of the many tasty dinners and delicious snacks waiting for them at their nearby Kenny King’s. He also gave away tickets to popular events, including the Ice Follies (31). Much of Kenny King’s advertising was directed towards moderate income households. Where else could a family of four eat for as little as $2.78 (32)? Their $.94 nightly dinner specials and steak burgers were legendary.

One successful promotion in the late 1950s offered two mouthwatering Big King Steak Burgers for the price of one. What a deal! In fact, he served over 13,000,000 steak burgers in 1959 alone (33). If that were not enough, picnic goers in increasing large numbers started purchasing Kentucky Fried Chicken. And why not, KFC meals and snacks were both affordable and delicious. Limited time offers and weekly specials, such as the ones just described, enabled Kenny King’s to capture an even larger percentage of the local quick service restaurant market. The introduction of KFC chicken dinners, along with his many other cost effective deals, saw corporate profits increase by more than 20 percent in 1959. Similar financial gains continued well into the 1960s.

Kenny King never stopped surprising his many loyal fans. The public responded to his groundbreaking ideas by returning to his busy restaurants time and again. To celebrate his continued success, Kenny King’s in October 1960 announced the grand opening of its 13th unit at the southwest corner of West 130th Street and Pearl Road in Parma Heights, Ohio (34). Located on the former site of a Howard Johnson’s, this refurbished restaurant drew big crowds from the first day it opened. Over the next six months, Kenny King added two more sites one at 17801 Miles Avenue and a second on Route 113 in Elyria, Ohio. His list soon expanded to include 3417 East Waterloo Road in Akron, Ohio and 12601 Broadway Avenue in Maple Heights, Ohio. Now with 17 sites scattered throughout Northeast Ohio, Kenny King was truly a major force within the local quick service restaurant industry.

The decade of the 1960s ushered in a host of exciting new changes. Delicious businessmen lunches along with other new entrees such as $1.00 chicken dinners; $1.00 shrimp dinners, and $.85 fish fries topped that expanded list. Other crowd pleasers included fresh strawberry pie with whipped topping for only $.35 a slice, and strawberry shortcake surrounded by mounds of ice cream for only $.55 a serving. Patrons also enjoyed the two for one Chicken Box Dinners and the many specials offered only during the season of Lent (35).

A dedicated community booster, King never hesitated to go the extra mile for the city he loved so much. For example, in 1961 he hosted more than 8,000 children's birthday parties (36). He also offered Golden Agers low-priced meal and snack deals every Tuesday and Thursday. Patrons especially enjoyed collecting bonus bucks printed in their daily newspapers. These coupons reduced the cost of their favorite buckets of chicken even further (37). Patrons also loved the many other discount food coupons and, of course, the Cleveland Indians Bat Boy Contest. Kenny King in 1963 received the coveted OSRA "Restaurateurs Promotion Page" for his many unique promotional ideas (38).

Two in-house advancements in the early 1960s led to further corporate growth. Kenny King's younger brother Henry L. King became the company's new Food and Quality Control Director in December, 1961 and his wife was named the co-director of the Mentor, Ohio site (39). The Northern Ohio Restaurant Association (NORA) elected J. Robert Stackhouse as its treasurer in January 1962 (40). Later that same month, Kenny King announced the grand opening of a brand new Take Home Food Shop in University Heights, Ohio (41). He also introduced take out service at both his Mayland Shopping Center and Pearl Road locations. That February, King unveiled plans to remodel his Ashtabula and Elyria units at an estimated cost of $60,000 (42). He also planned to build five new family style restaurants—a style that was making a resounding national comeback—and King wanted to cash in quickly. Corporate sales exceeded $4,000,000 in 1962 (43).

Nineteen sixty-three was an equally profitable year for Kenny King's. A new Willowick, Ohio site opened to large crowds that June and bonus bucks continued to be very popular. One of Cleveland's most celebrated radio talk show hosts Bill Gordon (1925-2008) interviewed Kenny King and Colonel Sanders that same summer (44). That autumn saw the debut of a new carryout shop at 4202 Rocky River Drive, and OSRA elected J. Robert Stackhouse as its 2nd Vice-President (45). In a press release that November, King announced that from that time forward only Idaho potatoes would be used to make his fries. The year ended on a positive note with a celebration to commemorate the reopening of the popular site in Elyria.

A major story broke in the *Cleveland Plain Dealer* in January 1964. Kenny King and three other investors announced plans to purchase the entire KFC chain worth more than $2,000,000 (46). Merger talks hinged on Kenny King acquiring some additional financial backing from a yet unnamed source. Unfortunately, that additional support never materialized, and Kenny King pulled out of the deal (47). When the local media asked him what had happened, he evaded them by saying that other, more pressing matters took precedent. Fortunately, this economic setback did not prevent Kenny King from moving ahead with other expansion plans.

He wasted little time before announcing the grand reopening of his West 117th Street site. He also appointed Walter A. Kay (1921-1999), a popular Cleveland radio personality, to serve as his new Advertising Manager (48). Kay had worked with Kenny King on a number of projects in the past. The recent less-than-sterling performance by Kenny King's advertising firm of Gerst, Sylvester & Walsh forced his hand. King needed a public relations firm that was more in synch with his company's many specific goals and objectives. Following King's directive, Kay enlisted the support of Lustig Advertising in the spring of 1964.

A respected firm with an impressive list of clients, Lustig supervised Kenny King's newspaper, radio, and television releases for the next several years. The firm also handled the promotions related to the company's 20th anniversary celebration (49). Under this special agreement, Kenny King's Chief Accountant, Robert Glueck, joined Lustig, while Laurence Goldstein (1928-2009) of the Lustig firm became King's Accountant Supervisor. On the heels of this announcement, King hired William J. Rijuk (b. 1914) as his new Assistant Manager at the Euclid Avenue site (50). Rijuk had previously served as the Chief Manager for the locally based Clark restaurant chain.

Throughout the 1960s, Kenny King never stopped improving his customer services. His qualified staff provided a steady stream of innovative ideas dedicated to achieve that very goal. Some ideas were practical, while others were not. Whatever the suggestion, one thing became very clear quickly. The eagerness of Kenny King's executive staff to go the extra mile never wavered. Their efforts often resulted in incredible new business opportunities not readily presented to other local or regional fast-food concerns.

One such opportunity occurred in August 1964 when Kenny King's and Standard Oil of Ohio (SOHIO) joined forces in what they hoped would be a highly lucrative dual venture. Drivers traveling along a recently completed stretch of I-90 east of Cleveland complained about the lack of good restaurants and fuel stops at major exits. Eager to capitalize on their growing dissatisfaction, Kenny King's and Standard Oil built a new combination restaurant and fuel stop at Exit 219 in Geneva, Ohio. This 65-seat quick service restaurant, among other things, featured a speedy takeout counter (51).

Kenny King celebrated Labor Day 1964 by distributing free copies of a special public relations piece he had written just for this occasion. It extolled the virtues of America's working class (52). OSRA, that autumn, elected Kenny King to its prestigious board (53). Corporate sales figures in late 1964 continued to soar. In 1965, NORA elected J. Robert Stackhouse its president (54). That August, Kenny King's announced the grand opening of its 17th fast-food site this time at 12601 Broadway Avenue in Garfield, Ohio (55).

When Kenny King was asked by the local press as to why his restaurants were so popular with the public he replied that much of his success originated with his affable servers and high quality products (56). A large private party in January 1966 celebrated the grand reopening of the Hilliard Boulevard site. It featured a delicious buffet and a wide array of favorite cocktails.

Long-time Kenny King employee John J. Steber became the company's newest Purchasing Director later that summer (57).

The *Cleveland Plain Dealer* ran a feature article in February 1967 entitled "Kenny Reigns King for New Agency Here" (58). It focused on one of King's prime accountants Laurence Goldstein who had just opened his own public relations firm. Called Media Production Associates, Kenny King's became one of its first clients. King's decision to join Goldstein's firm was not totally unexpected. Lustig's nonchalant attitude concerning the needs and wants of this family restaurant chain left much to be desired.

Company officials firmly believed that they deserved much better service than what they were receiving from Lustig. Laurence Goldstein promised to remedy this situation immediately. He said that he would provide the kind of top notch service suitable for such a major local corporation. Goldstein wasted no time before developing a new catchy slogan for this fast-food legend. "Kenny King Where the Family Comes First" said it all. The public clearly got the message as corporate earnings continued to skyrocket.

The national media in the mid-1960s repeatedly ridiculed the City of Cleveland for its highly conservative approach towards business innovation and growth. Many in the media claimed that this community was a relic of a bygone era. Kenny King fully believed that their harsh criticism was totally unwarranted. Cleveland was a great city with a proud history and an even greater future. He argued that outsiders should not be so quick to judge it. King did much more than just speak out against those that criticized this great community. In July 1967, he published a pro-Cleveland pamphlet, which contained a collection of 34 *Cleveland Plain Dealer* stories highlighting the many national contributions made by Clevelanders over the years. Customers loved it. Most importantly, the local business community praised King for his valiant efforts (59).

Corporate leaders, that autumn, expressed great sadness over the loss of Mrs. Elizabeth Stackhouse Bush (1892-1967). She had worked at Kenny King's from the first day it opened. Originally hired as a legal secretary, Mrs. Bush advanced quickly to become the company's comptroller in 1951 (60). On another note, local leaders repeatedly praised Kenny King for his many altruistic efforts. Not only did he support traditional private charitable groups such as United Way but a host of other equally noteworthy community focused organizations, including the Independent College Fund and prestigious President's Club both at John Carroll University (61). King also served on the Board of Directors for the National Conference of Christians and Jews, Campbell College, and Cleveland's St. Alexis Hospital (62). His peers, recognizing his many years of community service, presented him with the prestigious Horatio Alger award at a special celebration held in New York City in 1968. John Carroll University awarded him its much coveted Rodman Society Award two years later (63).

Nineteen sixty-eight proved to be a very profitable year for this chain of restaurants. Now operating 18 sites, Kenny King's profits exceeded $5,000,000. This locally grown enterprise celebrated its 25th anniversary in 1969. With somewhere between 600 to 1,000 employees, depending on the season of the year, corporate earnings topped $6,000,000. In fact, Kenny King served over 10,000,000 meals that year alone.

Cleveland's first elected black mayor Carl B. Stokes (1927-1996) did not let this milestone pass unnoticed. He officially declared July 5, 1969 to be "Kenny King Day" (64). The mayor paid tribute to a man who he said "embodied the rags to riches story." Employees mourned the passing of Kenny King's younger brother Henry L. King (1918-1970) in February 1970 (65). Corporate officials, in March 1970, named Kenny King Jr. (1940-2016) their Vice-President of Operations (66). That autumn, company directors awarded Mrs. Katherine West their latest franchise at 3965 Lee Road. She was the first African American to operate a Kenny King site (67).

NORA in January 1971 elected Kenny King Jr. its president. A graduate of Villanova University, this 31 year old leader had risen through its ranks beginning as a bus boy nearly a decade earlier (68). Corporate officials, that August, mourned the loss of their Purchasing Director, John J. Steber (1913-1971). Before coming to Kenny King's in 1960, Steber had served as Vice President and General Manager for another Cleveland based food supplier called the Pierre Honegger Catering Company (69). The two Kenny Kings, father and son, coordinated the 52nd Annual Mid-American Restaurant Convention and Educational Exposition that autumn. Sponsored by the Ohio State Restaurant Association and the North American Pizza Association, this major convention featured Dr. Joyce Brothers (1927-2013) the nationally acclaimed psychologist, columnist, and television personality as its keynote speaker (70).

The heir apparent to this highly successful chain of family restaurants, Kenny King Jr. looked forward to working closely with his father in the years ahead. There was so much to learn. The younger King wanted to know every aspect of the restaurant business and who better to learn it from than his esteemed father. Neither one of them knew what the future held. Kenny King Sr. died unexpectedly on November 5, 1972. He was only 60 years old.

Kenny King's accomplishments, over the past 30 years, had been extraordinary. His estate that was valued at more than $1,000,000 not only included his fast-food restaurant business but also a fund raising institution (71). Kenny King belonged to many groups such as Alcoholic Anonymous, the Cleveland Athletic Club, Cleveland City Club, and the Mid-Day Club. He also served on numerous boards such as the Greater Cleveland Growth Association and the Honorable Order of Kentucky Colonels (72).

Kenny King Jr. assumed control of the family company quickly. The younger King inherited a well-run operation with annual sales exceeding $10,000,000. Rather than dramatically altering business strategies and traditions, the younger King maintained the status quo. This proved to be a very bright business move. This meant among other things that children would still receive their free tummy-talking T shirt decals and adults would continue to enjoy both the special food contests and discount tickets for popular events (73). Food portions and item pricing also remained much the same as did the company's friendly service.

New innovations, based on unprecedented business and technical breakthroughs, started to surface in the late 1970s and early 1980s. These advances were to change the course of the fast-food business forever. Startling new décors, highly sophisticated telecommunication systems, and inviting new alternatives to traditional food items soon became the norm. Incorporating these many revolutionary changes into the mainstream of the restaurant business appeared to be the prudent thing to do. After all, customers no longer wanted to eat in old fashioned quick service restaurants. That was so gauche.

Pacesetters throughout the industry agreed. They firmly believed that these new sophisticated ideas represented the first in a tidal wave of business and technical advances destined to reshape the entire industry. Unfortunately, as many restauranteurs readily discovered, expounding modern ideas was one thing, but actually incorporating them into their restaurant settings was an entirely different matter. They soon learned that the unpleasantness of incurring additional debt in order to introduce desirable changes represented only one component of a much larger, multifaceted issue.

What if those highly touted business and technological advances turned out to be little more than fads? Then they would have spent all that money for nothing. It was anyone's guess as to what the future might hold. If that were not enough of a financial headache, the latest round of double digit inflation made it even harder to accept such changes. However, the dilemma plaguing many fast-food restaurant operators entailed much more than the possibility of incurring large amounts of additional debt or spending large sums of money foolishly. New trends within the fast-food business itself baffled many of them. They were unsure as to which direction to follow.

Case in point, the renewed popularity of the carryout business in the late 1970s and early 1980s caught many fast-food restaurateurs totally off guard. The carryout trade had existed from the beginning. In fact, at one time it dominated the fast-food industry. However, the overwhelming popularity of family and drive-in restaurants during the post-war years all but obliterated it. Insightful experts in the field, beginning in the 1970s, strongly recommended that restaurateurs not give up on the carryout trade. They still believed that there was money in it. Some national leaders took their advice to heart and continued to invest in it. For example, both Sonic and Steak-n-Shake built upon their traditional carryout trade by vastly improving their operations. However, many independents and smaller chains remained skeptical about its financial prospects and saw no future in it.

Perhaps the high cost of modernizing carryout services prevented them from jumping on board. However, some insightful local restaurateurs, such as Kenny King Jr., fully recognized the importance of keeping up with the times. If that meant expanding his present carryout trade as a way of significantly improving customer service, so be it. He took the advice of industry experts very seriously. They predicted that the carryout business would eventually dominate the fast-food business. Better to join the bandwagon now when costs were reasonable.

The question facing Kenny King Jr. was not the appropriateness of expanding the carryout trade but how to attain that desired end without putting an undue strain on his budget. Before embarking on such an endeavor, he had to first get the approval of his accountants. That was no small task given the financial uncertainties associated with such an investment then. Corporate accountants are most reluctant to approve risky business ventures even when circumstances seem to warrant it. Balancing the budget demands a great deal of finesse which in the minds of accountants means no reckless spending. However, major breakthroughs in the industry, including modernizing the carryout trade, required resourceful restaurateurs such as Kenny King Jr. to throw all caution to the winds. His accountants eventually endorsed the idea especially once they realized that in doing so Kenny King's would gain a decided financial edge over other skeptical competitors.

Incorporating the latest business and technological advances into their numerous franchises illustrated Kenny King's long-term commitment to their many loyal customers. Kenny King Jr. certainly never shirked his responsibility when it came to providing his patrons the very best services available. The opening in the mid-1970s of two brand new carryout shops reflected this new progressive approach towards the fast-food business. Strategically placed near the corner of West 74th Street and Detroit Avenue and on West 130th Street, between Brookpark and Puritas Avenues, these sites served a wide variety of patrons living and working on Cleveland's west side (74).

However, Kenny King's efforts entailed much more than simply improving his existing takeout business. Kenny King Jr.'s latest ideas, a direct result of his nonconventional approach towards business, distinguished his chain of quick service restaurants from his many of his competitors. His introduction of a host of new food items, such as patty melt sandwiches and unique salad combinations, resulted in a new and distinct loyal following. King's highly publicized Colonel Sander's birthday feast, which featured a bucket of his world famous chicken for only $.86 especially appealed to money conscious patrons. Kenny King's $2.95 "All You Can Eat" Friday Fish Fry prove to be a big hit among college students (75).

Kenny King's proactive approach towards these many challenges benefited his corporation in other unexpected ways. For example, NORA elected Kenny King's General Manager, Robert D. McLaughlin, as its president in 1978, while company officials proudly announced the appointment of David G. Roberts (b. 1952) as its Operations Director (76). The local press, in February 1979, reported a meeting in Toronto, Ontario between Colonel Sanders and Kenny King. The Colonel jokingly remarked that the fried chicken sold at Kenny King's tasted great; however, the gravy needed some improvement (77). All kidding aside, Kenny King's more than 30 outlets sold an average of 2,500,000 chickens a year. No other KFC franchise in either the U.S. or Canada sold so much. Kenny King's, in December 1980, mourned the passing of Colonel Harlan Sanders. He was 90 years old (78).

As was indicated earlier in this chapter, the senior Kenny King had secured exclusive KFC franchise rights for Northeast Ohio in 1959. He considered this to be the first in a series of steps that was to culminate in his purchasing of the entire chain several years later. Unfortunately, this anticipated merger never occurred. Two other ambitious entrepreneurs John Y. Brown Jr. (b. 1933) and Jack C. Massey (1904-1990) seized the moment and in the summer of 1964 acquired KFC for $2,000,000 (79).

Impressed with his many business accomplishments, the Junior Chamber of Commerce in 1966 named John Y. Brown Jr. one of its "Outstanding Young Men of America." Brown later served as Governor of Kentucky. He along with country music singing legend Kenny Rogers (b. 1938), in the early 1990s, established their own chain of quick service restaurants which they called Kenny Roger Roasters. Brown's business partner at KFC, a well-known venture capitalist named Jack Massey, had made a previous fortune in the surgical supply business. Massey later founded one of this nation's largest for-profit hospital chains known as the Hospital Corporation of America.

Under the astute guidance of Brown and Massey, KFC grew from a medium size corporation to the nation's sixth largest quick service restaurant chain. Its more than 3,500 sites worldwide grossed more than $7,000,000 annually. Eager to accumulate further capital quickly, KFC went public in 1966. That effort resulted in stock prices soaring from $15 a share to $300 a share. Disgruntle franchise holders, along with Jack Massey's desire to pursue other equally lucrative business opportunities, led these business partners in 1971 to sell controlling interest in KFC to G. F. Heublein & Brother for an astounding $285,000,000. Heublein added KFC to its growing list of food-related subsidiaries.

Established in 1962 by a German immigrant Andrew Heublein, this multinational Hartford, Connecticut based corporation had already successfully marketed its own brand of readymade cocktails along with a host of other specialty food items (80). This conglomerate also controlled the U.S. distribution rights for several well-known alcoholic beverages such as Smirnoff Vodka, Harvey's Bristol Cream, Guinness's Stout, and Bass Ale. Heublein, in the 1970s, it expanded its current holdings to embrace a wide variety of other popular alcohol related beverage companies including Hamm's Brewery, Olympia Brewing Company, United Vintners, and Beaulieu Vineyards.

Nineteen eighty-two represented a turning point for this 120 year old company. In what many experts considered an unexpected move, R.J. Reynolds Tobacco purchased Heublein for a whopping $1,400,000,000. A short time later, R.J. Reynolds Tobacco merged with Nabisco. The resulting conglomerate RJR Nabisco soon divested itself of some of its most lucrative subsidiaries including KFC. With annual profits exceeding $2 billion, KFC, at that juncture, owned and operated over 6,000 sites in nearly 50 countries. Several multinational companies expressed interest in acquiring this highly prized chain of restaurants. Pepsico purchased it for $850,000,000 in 1985.

Pepsico resulted from a merger between the very popular soft drink company Pepsi Cola and a leading snack food giant Frito Lay in 1965 (81). This newly created New York based conglomerate with sales exceeding $500,000,000 quickly developed its own unique line of popular beverages and snacks. Its first joint venture occurred in 1966 when its Frito Lay division unveiled its own new snack sensation called Doritos Nacho Cheese Flavored Tortilla Chips.

Developed by Arch West (1914-2011), a Frito Lay Marketing Executive and Vice President, these Mexican style tortilla chips were ideal for dipping (82). Always on top of its game, Pepsico never lost sight of what their customers needed and wanted. Nowhere was that more apparent than in 1970 when growing environmental concerns led Pepsico officials to introduce their own new, lightweight recyclable plastic bottles. Customers loved them.

Three years later, its astute board approved plans to market their many delicious snacks and beverages worldwide. The additional capital derived from that smart move enabled Pepsico to expand its operations further. That led to mergers with Pizza Hut, KFC, and Taco Bell. A new marketing campaign unveiled in the 1990s, built upon this company's tradition of excellence by promoting a new line of tea based soft drinks under the Lipton label. At the same time, Pepsico partnered with Starbuck's to package its own special new coffee drinks. Its Board of Directors also acquired a number of other popular beverage labels including Aquafina, Sobe's, and Tropicana.

In a bold corporate move, Pepsico spun-off its KFC, Pizza Hut, and Taco Bell divisions. Those former subsidiaries in 1997 became a new company called Tricon Global Restaurants Corporation. Tricon Global subsequently became Yum Brands (83). The Millennium brought Cracker Jack's and Quaker Oats into the Pepsico family of businesses. This multinational company currently markets its many brands of cookies, crackers, and snacks in an array of new overseas markets including Brazil and China. Pepsico's revenue in 2013 exceeded $66 billion (84).

Pepsico's merger activities resulted in internal problems in the mid-1980s. A number of franchise holders vehemently opposed a proposed amendment to the original merger agreement that would have allowed Pepsico the sole right to assume control of all underperforming franchises. Opponents claimed that such action overstepped Pepsico's corporate bounds. They voiced further disapproval when Pepsico proposed an addendum to the original agreement that called for the elimination of geographical protection for existing restaurants and granted Pepsico the right to raise royalty fees anytime without previous notice. A court fight ensued that resulted in a compromise.

Unfortunately, other problems in the 1990s were to have an even greater impact on KFC's bottom line. Many of them resulted from growing customer demand for healthier, better tasting food. That had not bothered KFC much before since many of its loyal customers were not weight conscious. However, times were changing rapidly which meant that KFC executives could no longer sidestep this most important issue. Grilled chicken was the latest food craze. Logic dictated that KFC should take the lead in selling this high demand item. After all, no one knew more about serving delicious chicken dinners than Colonel Sanders. Unfortunately, internal marketing and production snags prevented KFC from gaining the financial advantage over their competitors.

In an attempt to regain some lost ground, corporate leaders in 1991 spruced up their image by officially renaming Kentucky Fried Chicken to "KFC" and updating their sites. Eager to capitalize on its improved corporate image, KFC launched a $100,000,000 advertising campaign that focused on its newest item "rotisserie" chicken. Known as "Colonel Rotisserie Gold," this popular product still utilized Colonel Sander's world renowned recipe. In certain select locations, KFC also sold less costly skinless chicken items. Neither one sold well. In fact, KFC profits in both the U.S. and Canada dropped by more than 35 percent from 1991 to 1993 (85).

McDonald's highly publicized value meals, along with an assortment of new food items sold at Burger King and Wendy's, further cut into KFC's domestic sales. The additions of its own unique chicken pot pies and crispy chicken strips led to a brief resurgence in sales during the mid-1990s. Unfortunately, it did not last long. KFC attempted to stimulate sales by introducing its own version of a "double-down" chicken sandwich. It consisted of a fried chicken breast surrounded by two additional large pieces of fried chicken. The two added pieces of chicken replaced the traditional bun. Hungry teenagers loved it.

Just when things appeared to be turning around for this fast-food giant, two unexpected developments further weakened KFC's domestic sales. A wave of public protests in the mid-1990s launched against several national poultry producers who had fed antibiotics to their chickens, along with an alarming increase in child obesity, sent shock waves throughout the quick service restaurant industry. Major fast-food companies that sold large amounts of poultry products attempted to reassure the public that their many items were indeed safe to eat. Timing was crucial in this case. KFC executives knew that not quieting public's concerns would have dire economic consequences.

KFC officials not only apologized to the public but also made it quite clear that their company would no longer purchase poultry from producers that used antibiotics. They also sponsored a national publicity campaign that discussed the many potential health dangers stemming from childhood obesity. Wanting to get a jump on their competitors, KFC spiced up some of its blander food items. Its marketing department also proudly announced its latest food concoction called the Boxmaster. The Boxmaster was a complete chicken dinner without the traditional muss and fuss. Creamy mashed potatoes, sweet corn, and bite size pieces of fried chicken were mixed together and then placed inside a specially made mashed potato bowl. The whole thing was topped by gravy and shredded cheese. Spicer food items and new dinner entrees, such as the Boxmaster, enabled KFC to regain some lost sales. KFC remains one of the top fast-food chains to the present day. With nearly 19,000 sites in 118 countries, KFC is second only to McDonald's. Unfortunately, recent sales activity in both the U.S. and Canada pales when compared to its phenomenal financial success overseas.

The financial problems plaguing so many fast-food concerns by the mid-1990s first surfaced nearly two decades earlier. The harsh economic realities of the late 1970s and early 1980s made it increasingly more difficult for a great many traditional quick service restaurant chains to compete in the open market. In fact, double digit inflation resulted in skyrocketing production costs and shrinking markets for thousands of fast-food outlets throughout the nation. Many attempted to fight off bankruptcy by borrowing large amounts of capital from moneylenders. They planned to use their future profits to pay off those recently acquired debts. Unfortunately, those anticipated profits often failed to materialize. With nowhere else to turn, many restaurateurs were forced to declare bankruptcy. Economic uncertainty at the turn of the present century, only acerbated this highly sensitive situation. Referred to as "the perfect storm," only the luckiest survived its mighty economic wrath.

A growing number of successful fast-food chains, including Kenny King's, found themselves caught in that very bind. Yet, through it all Kenny King's spokespersons remained guardedly optimistic. They believed that these recent economic setbacks were temporary and that prosperity was waiting for them just around the corner. According to Kenny King's Purchasing Director and NORA President, Arthur Kucher, effective marketing strategies geared for today's needs and wants represented the solution to this company's current business dilemma. Slick promotions stressing quality and value had always worked well before, and he was sure that they would be equally successful in the future.

Kenny King's aggressively pursued patrons in every conceivable way. Corporate officials slashed food prices, hired less costly managers, extended business hours, and opened up additional sites. Eager to expand its catering business, Kenny King hired Rolly Mansfield a well-known local leader in that field. Formerly the Chief Caterer at the Bond Court Hotel, Mansfield not only added his own special touches to Kenny King's catering service but also continued to champion the company's long established motto "Where Good Food and Good Value are a Family Tradition" (86).

Rolly Mansfield knew full well that picture perfect banquets and successful business meetings did not just happen. Careful planning and meticulous detail were essential components in any successful event. Unfortunately, many clients were unable to plan their meetings well in advance. The fact that they were unable to finalize their arrangements until the last possible moment did not mean that they wanted a mediocre event, far from it. They demanded quality and were willing to pay for it. That being said, it all boiled down to finding the appropriate caterer. They needed someone who could achieve the desired end in a courteous and efficient way. Rolly Mansfield represented the perfect choice for many local business leaders.

Kenny King's catering service highlighted by its highly competent staff of party planners, cooks, and servers was prepared to handle any event large or small. Rolly Mansfield guaranteed that he and his crew could cater a quality event for 20 or more with less than a two day notice. One of his biggest sellers at $8.00 per person included sliced rare beef with Dijon mustard and pepper; croissants; pasta salad; fresh ratatouille; apple strudel; lemon mousse; and brownies. He also offered chicken and vegetarian platters for the same price.

Rolly Mansfield's commitment to his clients never wavered. He was a true professional in every sense of the word. That realization did not escape his peers. In recognition for his many years of devoted service, NORA's Board of Directors elected him its president in 1991. Later, in that same decade, Mansfield led a successful campaign targeted towards eradicating hunger in the City of Cleveland. He also supervised kitchen operations at the Cleveland City Club.

Under the watchful guidance of Kenny King, Jr., the number of sites increased from 26 in 1972 to 35 by 1986. Corporate executives over the next five years added 15 more units and 200 new employees. The 1990s represented a period of rapid change for this family oriented restaurant chain as new business challenges surfaced. An increase in the minimum hourly wage from $3.40 to $3.65, more comprehensive employee health benefits, new marketing strategies, and a number of unit closings led the list of significant changes that impacted this long established institution. A major corporate restructuring effort, in which Kenny King's officials reevaluated their conventional managerial practices, led to the adoption of a new, more hands-on approach towards decision making.

This new no holds barred approach towards operations went far beyond superficial business changes. Belt tightening occurred everywhere. It began in 1990 when the corporation moved its headquarters from the Eaton Center in Downtown Cleveland to 3620 Walnut Hills Avenue in Orange Village, Ohio. Recent staff reductions prompted this action. Doing "more with less" became the new catch phrase at Kenny King's. Well respected analysts, at that time, expressed little concern when the news first broke. In fact, many hailed this corporate decision as a prudent move since many of its most profitable units were located on the east side of the city. They said it was no accident that Kenny King's remained one of this region's largest quick service restaurant chains. A well run organization with more than 1,000 employees, Kenny King's enjoyed an impeccable record of business excellence admired by many throughout the industry (87).

Of course, everyone admitted that past success did not guarantee future prosperity. However, most experts in the early 1990s firmly believed that Kenny King's was here to stay. Such optimistic forecasts might have appeared somewhat premature, especially given the volatile nature of this business at this crucial juncture. But then again, many family oriented restaurant chains, like Kenny King, had successfully weathered similar economic storms in the past only to emerge stronger in the future. Why not this local fast-food legend? What seemed so logical to outsiders was anything but that to executives at Kenny King's.

Behind the scenes, Kenny King leaders found it increasingly difficult to meet their daily business obligations. Flourishing competition emanating from other, more upscale restaurants, in conjunction with soaring renovation costs and growing demands by employees for even higher wages and better fringe benefits, reduced corporate profits further over the next several years (88). Traditional fast-food items prepared in the same old way and served in the same no frills sites, no longer seemed to satisfy the new more sophisticated tastes of the "X" Generation. When all was said and done, crowds stopped coming to Kenny King's.

Kenny King Jr. responded to this dilemma by closing some of his least productive sites beginning in 1991. He hoped his actions might prevent further losses. Unfortunately, it had little impact on this regional giant as its revenues continued to tumble. Some analysts strongly suggested that Kenny King's revamp its corporate image by changing its name and initiating bold décor changes. It was certainly worth a try. Company executives taking their recommendations to heart dropped the Kenny King name and logo in 1992. However, the five remaining full-service restaurants retained both their original name and logo for several more years. Additional consolidation efforts over the next several years reduced the number of locally affiliated KFC sites from 49 to 40. During that same time frame, the number of full-service Kenny King restaurants dropped from five to three. Apparently, these budget cuts and reorganizing efforts were insufficient. Further losses convinced corporate officials in 1995 that the time had come to sell their once cherished chain of fast-food restaurants.

It was anyone's guess as to who might acquire Kenny King's. Some experts believed that a national concern wishing to either enter or expand its holdings in Northeast Ohio might want to purchase it, while others firmly contended that Elias Brothers would save the day. Unsubstantiated rumors suggested that Kenny King Jr. planned to launch his own leverage buyout effort with the expressed purpose of buying back his own company at a much reduced price. Leverage buyouts like that often occurred in this industry. They enabled shrewd financiers to acquire popular, overvalued restaurant chains at rock bottom prices. Funds leveraged from such deals went towards expanding and improving business operations at all levels. That was exactly what happened here. However, the rumor mills got it all wrong. It was not Kenny King Jr. that planned to buy back his company, but rather two former employees David G. Roberts and Thomas R. Arnold.

A Cleveland based corporation called Premier Restaurant Management Company negotiated just such a buyout in April 1996 (89). Premier not only purchased the entire chain for $13,000,000, but also moved its corporate offices into the former Kenny King site on Walnut Hills Avenue. Premier's President, David G. Roberts, and Executive Vice-President, Thomas R. Arnold, predicted great things ahead. Premier Restaurant's chief benefactor, Franchise Finance Corporation of America (FFCA), played a crucial role in this buyout. It provided Premier with the $13,000,000 to finalize the deal. This buyout involved both real estate mortgages and term debt financing. One of Premier's first actions after acquiring Kenny King's was to drop both its name and logo. Its Board of Directors then procured an additional $2,680,000 loan from FFCA. That capital went towards erecting additional KFC sites. Premier Restaurant Management Corporation by 2000 was Ohio's leading KFC franchise holder with over 40 sites.

Over the next several years, Premier Restaurant's marketing strategy changed dramatically. This new business approach directly affected the former Kenny King chain of restaurants. Few analysts at that time anticipated such sweeping changes. Declining sales led Premier's Board of Directors to initiate even more stringent measures intended to reverse mounting losses. As part of a major consolidation effort, Premier ordered the demolition of several of its less productive sites. That included the original Kenny King Drive-In restaurant at 5380 Pearl Road (90).

Company spokespersons claimed that these underperforming units, including the Pearl Road facility, no longer fulfilled the needs and wants of its more sophisticated customers. An unobtrusive KFC stand soon replaced it. Apparently, this new business strategy worked well as KFC continued to post solid gains annually. This fast-food giant is still a key player within a highly competitive industry—an industry that was once shaped by an enlightened entrepreneur and proud Clevelander named Kenny King.

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CHAPTER EIGHT: DRIVE-IN RESTAURANTS: FOOD AND FUN FOR EVERYONE

In the final analysis, drive-in restaurants remain a treasured part of our collective urban milieu. Their owners have been successfully dishing out affordable favorite foods for well over 80 years. Nowhere has their impact been more evident than in Greater Cleveland. This bustling metropolis with its many fast-food establishments serves thousands of customers around the clock. But, this business marvel represents much more than just providing convenient places in which to purchase tasty food items on a moment's notice. It has also left an indelible mark on the lives of its patrons. Friends and families gather there regularly to talk about the day's events or exchange the latest gossip while munching on their favorite food items. These highly informal settings especially appeal to teenagers, young adults and large families with moderate incomes.

From an historical standpoint, family owned and operated restaurants symbolized a potential goldmine for astute investors. That realization did not escape the attention of savvy post-war moneylenders who saw a golden opportunity to provide thousands of low interest loans for those eager to pursue such an endeavor. These lenders firmly believed that restaurateurs represented the finest of a new breed of self-reliant entrepreneurs. America's fast paced, post-war society, characterized by its expanding suburbs and mobile lifestyles, set the stage for this new, potentially lucrative, service related industry.

Short-order cooks and professional chefs throughout the country took advantage of this emerging market. With their strong work ethic, these enterprising individuals prepared themselves for the numerous business challenges that lay ahead. Many successful proprietors took their enterprises to the next level by opening a multitude of sites.   Franchising operations enabled many to generate sizeable profits without incurring insurmountable debt. This system worked well in that the franchise holders, not their parent companies, assumed the bulk of that debt. In exchange, parent organizations provided franchisees everything they needed to operate their successful restaurants. The mortgage arrangements struck between parent companies and their various franchise holders bound them together for years. In addition, most parent organizations required their franchisees to pay an additional royalty fee plus an average of anywhere from 5 percent to 7 percent of the franchise holders' annual profits.

Nonetheless, the financial advantages of being a franchise holder far outweighed any inconveniences. First, identifying with a well-known restaurant chain all but ensured franchisees repeat business. Second, franchising eliminated the tedious task of developing a popular menu from scratch. It was done by the parent company. Third, it afforded special mortgage arrangements with the parent corporation. Fourth, patrons knew exactly what kind of food and service to expect. Fifth, the parent organization, not the franchise holder, negotiated with the food distributors and handlers. Sixth, not having to deal with the vendors meant that more time could be devoted towards improving customer service and the quality of the food. Lastly, it qualified them for financial assistance from the parent organization should they decide to open additional sites later. This being the case, franchisees rarely violated their well-articulated business agreements.

Franchising arrangements such as those never affected independents. Being their own boss may have offered them certain benefits in that they were not beholden to follow parent company rules and regulations or meet certain predetermined annual sales figures. However, operational freedom such as that came with a price. Although it was still possible in the 1960s for independents to generate sizeable profits, while still offering quality, reasonably priced food items, it became next to impossible to do that by the mid-1970s. A growing sophistication within the industry itself heightened by a highly unstable economy left many independents out in the cold. Mounting pressures from seemingly nebulous outside business forces overwhelmed many. Competent short-order cooks did not necessarily make good businessmen.

That turnaround continued into the early 1980s as double digit inflation took a larger bite out of annual profits. A growing number of restaurateurs found it virtually impossible to understand the massive economic changes that were dramatically impacting both the industry and the nation. Experts in the fast-food business itself were increasingly disheartened by such unprecedented developments. The industry was changing at a rapid pace, and no one could forecast with any certainty as to what lay ahead. Escalating food and labor costs, along with a growing demand by disgruntle customers for more upscale fast-food facilities, led to numerous closings. This sudden shift in focus from a seller's towards a buyer's market caught everyone off guard.

That kind of economic uncertainty had not been present in the fast-food restaurant industry since the 1930s. Periodic readjustments by the Federal Reserve over the past 40 years, in conjunction with a wide array of shrewd economic and financial moves made by savvy restaurateurs, had enabled the quick service industry to weather a great many economic vicissitudes. Highs and lows within the national economy due to fluctuating inflation rates was not something new.

Known as an "inflationary rollercoaster," economists in the early 1970s were not overly concerned with it. They believed that the Federal Reserve could handle any and all economic problems resulting from such sudden changes. As they so judiciously pointed out, the feds on numerous occasions had successfully held down the nation's inflation rate by raising or lowering interest rates, or by tightening up or relaxing the money market. Such developments were nothing to be overly concerned about. Economic conditions determined the course of action followed by the feds at any given moment. That approach by the Federal Reserve may have held some credence in the 1940s, 1950s, and 1960s; however, the decade of the 1970s posed unique challenges not seen in recent times.

Escalating energy costs represented a major obstacle to future growth. The price of a barrel of oil had quadrupled due to the 1973 embargo. The skyrocketing cost of energy confounded U.S. manufacturers who were ill equipped for such unparalleled changes. Industrialist had assumed that low cost energy was a certainty based on the fact that the U.S. was still the leading manufacturing country in the world. Learning otherwise did not encourage efficient production or less energy waste, at least not initially. Manufacturers tried frantically to shore up their recent losses with little success. Tried and true business practices no longer held sway. In fact, Dow Jones reported a 50 percent drop in profits between 1972 and 1973. U.S. unemployment figures in the 1960s that had fluctuated from 3 percent to 4 percent annually had reached 8.2 percent by 1975. The inflation rate by 1974 exceeded 10 percent, while the prime rate continued to grow topping 20 percent by 1980. These very alarming statistics demonstrated just how vulnerable the U.S. economy had become in recent times.

The languishing economy proved particularly troublesome for the Federal Reserve. It found itself stymied at nearly every corner. Surprisingly, the White House represented one of its chief stumbling blocks. Both Gerald Ford (1913-2006) and Jimmy Carter (b. 1924) believed that intervention by the Federal Reserve might only worsen present economic conditions. Neither president wanted to face the political fallout that might result from a deepening recession. Ultimately, the final decision as to what course of action the feds would take rested in the hands of the Federal Reserve Chairman Paul Volcker (b. 1927). Volcker tightened up the money market and raised interest rates. He argued that such action would not only stimulate the economy, but also contain rampant inflation. Begun in the Carter Administration, this policy continued into the Reagan years. Unfortunately, the economic rebound of the early 1980s came too late for many struggling restaurateurs who were forced to shut their doors.

Advertising was one part of the business world to be negatively impacted by this latest recession. It had always played a key role in the fast-food business from the very beginning. Advertising not only promoted products, but also the unique settings in which these many items were sold (1). In the minds of most restaurant owners, advertising represented an essential out of pocket expense that promoted long-term growth and prosperity. That being said, many restaurateurs were not set for the skyrocketing costs of advertising that began in the mid-1970s. It came as a total shock. Advertising had always been considered a bargain. It represented an effective and inexpensive way for fast-food restaurant owners to reach large numbers of customers quickly.

"Word of Mouth" represented the earliest form of advertising. It cost absolutely nothing. But perhaps its greatest value rested not the fact that it was free, but that it encouraged many patrons to visit new fast-food concerns based on the recommendation of friends, neighbors, and relatives. Those favorably impressed with their experience told others who, in turn, ate there and so forth. Eventually large crowds began dining at that site and a profitable restaurant emerged. Quality food, fair pricing, and friendly service ensured future financial success for quick service restaurants.

Of course, word of mouth had distinct drawbacks. After all, the opinions expressed by customers were completely and totally subjective. Their particular dining experience, at any given time, shaped their opinions. Also, word of mouth proved most advantageous for large city restaurants, where substantial numbers of customers were always looking for new restaurants. That is not to say that eating establishments in small towns did not enjoy similar benefits. Of course they did. However, in terms of sheer potential sales volume, word of mouth worked best in larger communities. Looking at it from the perspective of the traveling public, convenience and dependability took precedent over recommendations by outsiders. Without a doubt, word of mouth remained the dominant force in advertising well into the 1920s. However, its importance lessened over time as other, more sophisticated forms of advertising began to enter the picture.

A multitude of new and more dynamic options appeared during the post-war period. Advertising choices ran the gamut from glitzy magazine spreads and catchy highway billboards to snappy radio jingles and appealing television commercials. Through costly media blitzes, fast-food restaurants continually reminded their loyal customers of their many tasty options, fair pricing and, of course, their many nearby locations. Traditional local fast-food spots such as Arby's, Bearden's, Beef Corral, Kenny King's, Manners-Big Boy, Red Barn and Wendy's used promotional plugs on a regular basis to sell their favorite food items. Over time, consumers associated certain kinds of products with specific restaurants. For example, if one wanted a flavorful roast beef sandwich then one ate at Arby's. If one desired a delicious baked potato then one headed to the nearest Wendy's, and so forth. Special food contests, daily newspaper coupons, popular seasonal items and periodic price reductions on a variety of favorite dinners or snacks guaranteed repeat business even during the worst economic times. Many giant chains such as Dairy Queen, Sonic and Steak-n-Shake not only depended upon costly advertising campaigns to enhance sales within their profitable sites, but to boost business in some of their less productive units.

Changeable market conditions in the 1970s negatively impacted many independents, especially in terms of how much cash they could put aside for advertising purposes. A marked decrease in the number of advertised sales during those years demonstrated just how volatile the market had become. Independents reacted by cutting their advertising budgets considerably. Intermittent targeted sales to sell off specific items rather than frequent "sales bonanzas" ruled the day. Fantastic sale prices drew large crowds to the independents. Unfortunately, the sudden groundswell of new customers did not always bode well for these small business proprietors.

Much of their problem originated with the independents themselves and their inability to estimate the amount of sales that a periodic sale might generate. In many cases, customer demand far exceeded initial expectations or owner's capabilities. That often led to disappointment especially when many patrons discovered that they could not buy the items they were promised based on that company's latest advertisement. What were these independents thinking? In retrospect, this problem might have been entirely avoided if only the independents had purchased greater amounts of the sale items. Better to have too much of something than not enough of it. Unfortunately, many independents operated on very strict budgets which meant no unnecessary expenditures, most especially for items that might or might not sell well in a sale.

Most large restaurant chains never faced that kind of dilemma. They ordered large amounts of the items in question long before announcing sale dates. Giant companies knew full well that pennywise consumers would jump at the chance to buy large quantities of their quality food at rock bottom prices. International conglomerates engaged in the fast-food trade also realized that their corporations could cover any and all potential losses by simply writing them off their taxes. Unfortunately, independents rarely enjoyed such a luxury. Unable to accurately forecast demand meant that many smaller quick service operations relied on guesswork. The limited number of items they offered generally sold out quickly. Those patrons who arrived late often got nothing for their efforts. Disappointed customers frequently retaliated by no longer patronizing those establishments. If that downward sales trend persisted long enough then many of those same independents found themselves out of business.

Menu choices posed another formidable challenge for a great many independents starting in the 1970s. As was pointed out earlier in this writing, customer eating habits changed dramatically during that pivotal decade. Changing tastes rarely affected giant chains, at least not initially. Multinational conglomerates frequently circumvented it by employing outside business consultants who were well versed in such matters. These experts developed strategic business plans geared towards their particular corporate needs. These specialists not only thoroughly investigated current market trends, but also recent business failures and successes affecting their client's competitors.

Consultant findings became the basis for a wide range of carefully thought out recommendations designed to enhance their client's performance. But, it represented much more than just that. These reports enabled many large companies to determine, with a high degree of accuracy, exactly what kinds of items their customers needed and wanted. They also provided new corporate strategies intended to successfully combat competition. Some consultants even predicted future prospects for targeted sites. They based their projections on current operational efficiency as well as recent sale figures. In depth reports and recommendations, written by highly qualified authorities in the field, guided many giant corporations through some most unsettling economic times.

If for some reason the bright financial picture of a conglomerate should suddenly grow dim, then it became the responsibility of its Board of Directors to initiate effective new policies designed to reverse it. That often led to the quick sale of one or more of its subdivisions. As discussed earlier, that action stemmed from the long held belief that the parent company's financial well-being took precedent over all other concerns including the specific needs and wants of its many subsidiaries. However, few conglomerates were quite that blatant about it. Instead, they downplayed the real reasons behind such actions preferring to concentrate on the many financial advantages awaiting their onetime affiliates, once they merged with other companies that were more in tune with their goals and objectives. Any preconceived notions of what might constitute fair business practices or company loyalty were tossed aside. In the end, it all came down to maximizing potential profit and minimizing potential loss for the parent company involved.

In retrospect, the Board of Directors at both Consolidated Foods Incorporated (CFI) and Marriott International followed that very line of thinking especially when it came to the buying and selling of the Big Boy restaurant chain. Premier Management and Pepsico employed similar tactics when dealing with Kenny King's. In both cases, their top echelons and wealthy investors never question the business approach employed by their respective boards. Each and every decision in that regard involved dollars and cents. Nothing else appeared to take precedent within their highly competitive, regimented business world. Unfortunately, most independents did not have the same option. They could barely balance their annual budgets, let alone assume the additional costs related to hiring high priced consultants. The very idea of employing expensive professionals to handle internal business matters seemed totally absurd.

Without a doubt, national and regional chains dominated the Northeast Ohio market for the last quarter of the 20th century. That meant that any abrupt changes in either corporate ownership or policies exacted close scrutiny on the part of the independents. Such things as successful new items, dramatic shifts in marketing strategies, or major corporate reshuffling sent shockwaves throughout the industry. Nothing could be left to chance. Those independents caught off guard found themselves in a most unenviable position of trying to readjust their business practices quickly in order to meet the growing challenges posed by their savvy rivals. It was a never ending struggle.

That very business scenario unfolded nearly 45 years ago when conglomerates first appeared in this area. No one had ever seen anything like them before. It began in 1968 when CFI acquired Manners Big Boy followed by Marriott International purchasing the same chain of restaurants seven years later. The merger between Pepsico and Kentucky Fried Chicken, in the mid-1980s followed by Premier's buyout of the Kenny King restaurant chain, ten years later, relied on similar business tactics. In each case, the multinational companies in the forefront showed little if any regard for local customs or traditions. They bought these successful ongoing concerns with the expressed purpose of quickly transforming them into high profile, extremely profitable subsidiaries.

Those once highly prized, homegrown companies soon became part and parcel of the cutthroat world of international business. As such, there were little more than cogs in gigantic corporate machines. No room for sentiment in this new environment especially when there were profits to be made. Companies, such as CFI and Premier, insisted that Manners and Kenny King post record breaking sales gains each and every year lest they be sold to other corporations for not fulfilling their set goal. These parent organizations literally held the "Sword of Damocles" over the head of their subsidiaries. Any sudden financial downturns or less than keen insight on the part of corporate leadership played virtually no role in determining whether a subsidiary remained within the fold or not.

Each respective owner expected huge profit gains. However, they rarely invested the time and money necessary to learning how the Northeast Ohio market operated or how they might take better advantage of that area's large customer base. Instead, they followed one of two popular business strategies promoted then. They either continued business as usual, with few, if any, visible changes, or radically altered their recently acquired fast-food restaurant chains without first consulting their customer base. Those that followed the former course of action often succeeded, at least for the short-term, while those that chose the latter course often suffered major financial losses. The old business adage still applies here. Repeat customers expect certain kinds of foods served in certain ways and, if for some reason those expectations are no longer met by the local fast-food establishment, they move on. This is exactly what happened throughout Greater Cleveland during the last two decades of the 20th century.

When many of those recently acquired subsidiaries including Manners and Kenny King's failed to generate the kind of tremendous profits first envisioned, they were placed on the selling block. That kind of business maneuvering, whereby a corporation rapidly divested itself of its unwanted subsidiaries for other, potentially more lucrative holdings, might have worked well when the divisions up for sale were considered hot commodities. Unfortunately, the market for both Manners and Kenny King cooled off rather quickly making their future prospects less and less promising over time. When they finally bottomed out, their parent corporations had one of three remaining options: peddle them off to another company at the best possible price, return them into the company fold, or close them down entirely. The current financial condition of the parent organizations, more than any other single consideration, determined what happened to those subsidiaries. International conglomerates defended such callous actions by claiming that local market conditions, not corporate prerogatives, decided their fate.

Local restaurateurs in the 1950s and 1960s, such as Robert Manners and Kenny King, might have appeared to be equally ruthless when it came to dealing with similar financial setbacks. After all, they too were required to balance their books annually. However, in their defense they did try to lessen the economic blow by providing displaced workers with similar kinds of employment either through another of their many company owned sites or a competing chain. Mid-century restaurateurs such as Robert Manners and Kenny King viewed their employees as part of their extended family and, as such, they took it upon themselves to assist them whenever possible. However, the same could not be said about multinational conglomerates.

As pointed out earlier, independents could not afford to hire expensive consultants to help them ascertain the proper course of action to follow or assist them in concealing bad business decisions. Individual proprietors could not place the blame for recent business errors on an uncaring Board of Directors, since none existed. All decisions good or bad originated with them. In an attempt to improve upon their precarious situation, some independents beginning in the mid-1980s, began to adopt some of the same effective business tactics utilized by large corporations. When all was said and done, these business approaches boiled down to three alternatives.

The first choice involved doing absolutely nothing. After all, the longtime success of the majority of independents had rested on their ability to retain a loyal customer base, a group of patrons that had enjoyed their meals and snacks for many years. If something dramatically changed in the future, they would handle that problem then. Although that kind of thinking appeared very reasonable, closer scrutiny suggested that it might not have been the best option. Lack of action often occasioned a false sense of security in a time when they should have been actively pursuing other, more effective ways to combat mounting competition. Yesterday was over. It was better to move forward as soon as possible.

Trying to duplicate one or more of the highly complex strategies adopted by one or more large restaurant chains represented a second possibility. However, following that course of action might result in other problems. Many of which might originate with the changing priorities of the fast-food industry itself. Giant corporations, not independents, now set the ground rules for change. Consultant recommendations served as the basis for many of these newly instituted changes. Independents often found themselves hard pressed to find any recommendations, in this regard, applicable to their particular business situation. Besides which small restaurant owners had neither the inclination nor time to properly analyze and test these findings before initiating them.

Independents had to be ready on a moment's notice to change their business approach. Any reorganization plan they might want to adopt must produce positive results immediately, or everything might be lost. The enormous economic and financial pressures of owning and operating a small restaurant demanded immediate action. Independents did not have the luxury of experimenting with less clearly defined tactics. They needed practical solutions to a multitude of problems and they needed them now, not tomorrow. Applying large corporate solutions to small company problems was not realistic. The third option involved surveying eating habits over a set period of time. The data they collected from these surveys might prove invaluable in determining the kind of items they should be selling in the future. Most independents chose to follow the third option. It produced definitive results quickly.

Important business changes over the last decade have greatly affected the quick service industry. The growing sophistication of its customers has led to remarkable changes. Gone are the days when a plain fried hamburger served on a bland white or wheat bun with a side of heavily salted fries and a small, highly sugared soft drink will suffice. Today's patrons expect much more than that from restaurateurs. They demand that their fast-food be prepared to their particular taste and served on regular dishes with accompanying glassware and silverware. They also insist on clean, well-appointed sites. Whether it is Starbuck's or Chipotle's, Panera's or Shake Shack's, today's fast casuals provide the kind of handcrafted, high quality items designed to please even the most discriminating customer (2).

Unlike more traditional family style restaurants, most of today's fast-casuals are self-service outlets. Eliminating traditional servers significantly lowers costs. The savings derived from adopting self-service go towards purchasing finer quality food, introducing new items on a regular basis and updating décor. Today's patrons are more than willing to pay the additional costs. Traditional fast-food chains also acknowledge the importance of keeping up with the times. Arby's, McDonald's, Dairy Queen, Nathan's Famous, and Pizzeria Regina, to name but a few, regularly update their menu offerings to better suit the changing needs of their many customers. Whether these traditional companies will survive these latest business challenges has yet to be determined. However, current indicators strongly suggest that they will endure.

Undoubtedly, the fast-food industry in the U.S. will continue to grow and prosper in the future. Its eagerness to continually reinvent itself as a way of better serving the ever growing needs of the Millennium generation will enable it to survive the momentary financial ups and downs associated with such an endeavor. Born in the pandemonium of the "Roaring '20s," nurtured during the unsettling economic and social times of the Great Depression and the Second World War, coveted during the post-war era and bigger than ever today, this vibrant service-related business continues to amaze us. This industry, in countless ways, reflects the very best in business ingenuity. More than a great many other businesses, the fast-food industry is truly dedicated to fulfilling the numerous needs and wants of its millions of customers daily.

Historically speaking, the local drive-in restaurant with its car hops suited our highly mobile post-war society. The efficient way in which these many individual sites distributed thousands of tasty meals and snacks to their different customers was indeed a remarkable achievement. To make this dining experience fun for the whole family was, to say the least, extraordinary.

Cleveland served as an ideal launching pad for such exciting enterprises. A large metropolitan area in constant motion, its diverse population welcomed the quality food and friendly service that these convenient quick service restaurants provided. But, their unprecedented financial success embodied much more than sheer determination on the part of individual restaurateurs. Previously unforeseen economic and social forces played equally important roles in its promotion. Studying the evolution of this very important service-related industry from the local, regional and national perspective affords us a host of worthwhile examples of what constitutes effective business practices both now and then.

Those restaurateurs able to survive the test of time soon learned that remaining on the cutting edge of innovation was imperative for long-term success. In patronizing the many local sites, customers not only witnessed first-hand how these unique businesses operated, but how the industry as a whole changed over time. Lucky patrons enjoyed a front row seat throughout it all. However, it represented much more than just the no frills, solo dining experience enjoyed by individual customers at different restaurants.

The many successful sites, with their own exclusive brand of advertising, enduring promotions, special gadgetry and distinctive cuisine soon forged a special symbiotic relationship between staff and customers that often lasted for years. The customer was indeed part of an extended business family. Moreover, these fast food outlets continually reflected the hope and optimism of their many owners even during the worse of economic times. Business flexibility within the fast-food industry, as everyone soon discovered, became synonymous with enduring success. Those that practiced this game well reaped the many financial benefits derived from their commitment, while those that did not, ultimately lost out. It was the nature of the game, plain and simple.

A growing enthusiasm recently for nostalgia has boosted sales for many fast-food outlets. Places such as Bearden’s in Rocky River directly capitalize on it. Perhaps the American novelist Thomas Wolfe was correct when he said “We can never go home again.” But in the case of Bearden’s, some of its most loyal fans would strongly disagree. They continually return to their favorite restaurant to eat many of the same comfort foods they so enjoyed as youngsters. The drive-in restaurant, whether it is Bearden’s, Eldorado, Manners, or Kenny King’s represents an American phenomenon second to none. Where else can one find so many tasty meals and snacks served in such a welcoming environment?

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Big King Steak Sandwich:
Kenny King Family Restaurant
Image Courtesy of Walter Leedy Postcard Collection, Michael Schwartz Library, Cleveland State University

Chipotle Fast-Food Restaurant
Courtesy of Jo Ann Fisher

Steak 'n Shake Family Restaurant
Courtesy of Jo Ann Fisher

Sonic Drive-In Restaurant
Courtesy of Jo Ann Fisher

Fast-Food Restaurant 1980s
Image Courtesy of Cleveland Press Collection, Michael Schwartz Library, Cleveland State University

Burger King Fast-Food Restaurant
Image Courtesy of Cleveland Press Collection, Michael Schwartz Library, Cleveland State University

Anders Cafeteria, Cleveland, Ohio
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Advertisement: Bearden's Family Restaurant
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Howard Johnson Restaurant and Red Coach Grill
Howard Johnson Motor Hotel, Cleveland, Ohio
Image Courtesy of Walter Leedy Postcard Collection,
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Interior View of Red Coach Grill, 1960s
Image Courtesy of Walter Leedy Postcard Collection,
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Original Manners Drive-In Restaurant, Cleveland, Ohio
Image Courtesy of Walter Leedy Postcard Collection,
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Howard Johnson's Motor Lodge, 1960s
Image Courtesy of Walter Leedy Postcard Collection,
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Interior View of Bean Pot Restaurant, Cleveland, Ohio, 1950
Image Courtesy of Walter Leedy Postcard Collection,
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McDonald's Golden Arches Drive-In Restaurant, 1961
Image Courtesy of Cleveland Press Collection,
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McDonald's Drive-In Restaurant
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New U.S. Interstate Highway System, 1962
Image Courtesy of Cleveland Press Collection,
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New Post-War Suburban Housing, Middleburg Heights, Ohio
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A Typical Ohio County Road Scene, 1920s
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View of Child's Cafeteria Restaurant, 1950
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Red Barn Fast-Food Restaurant, 1970s
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