



Diana Thomas
Dean of Hamburger University
and vice president of training,
McDonald's USA

OLD SCHOOL GETS NEW ROLE

By Pat Galagan

Hamburger University Dean Diana Thomas is a key player in McDonald's Plan to Win.

When companies fall on hard times, a common knee-jerk move is to shut down the corporate university and sell the buildings.

Once-renowned corporate colleges are now venues for weddings and bar mitzvahs. Not so for McDonald's Hamburger University. Its main campus in Oak Brook, Illinois, and its six global training centers around the world are not only vital centers of learning but are key to the implementation of the company's turn-around plan.

Diana Thomas, dean of the university and vice president of training, McDonald's USA, in close partnership with McDonald's chief operating officer, Ralph Alvarez, is leading the revitalization of the 45-year-old university. Both see the university's role in implementing change and improving performance throughout the company.

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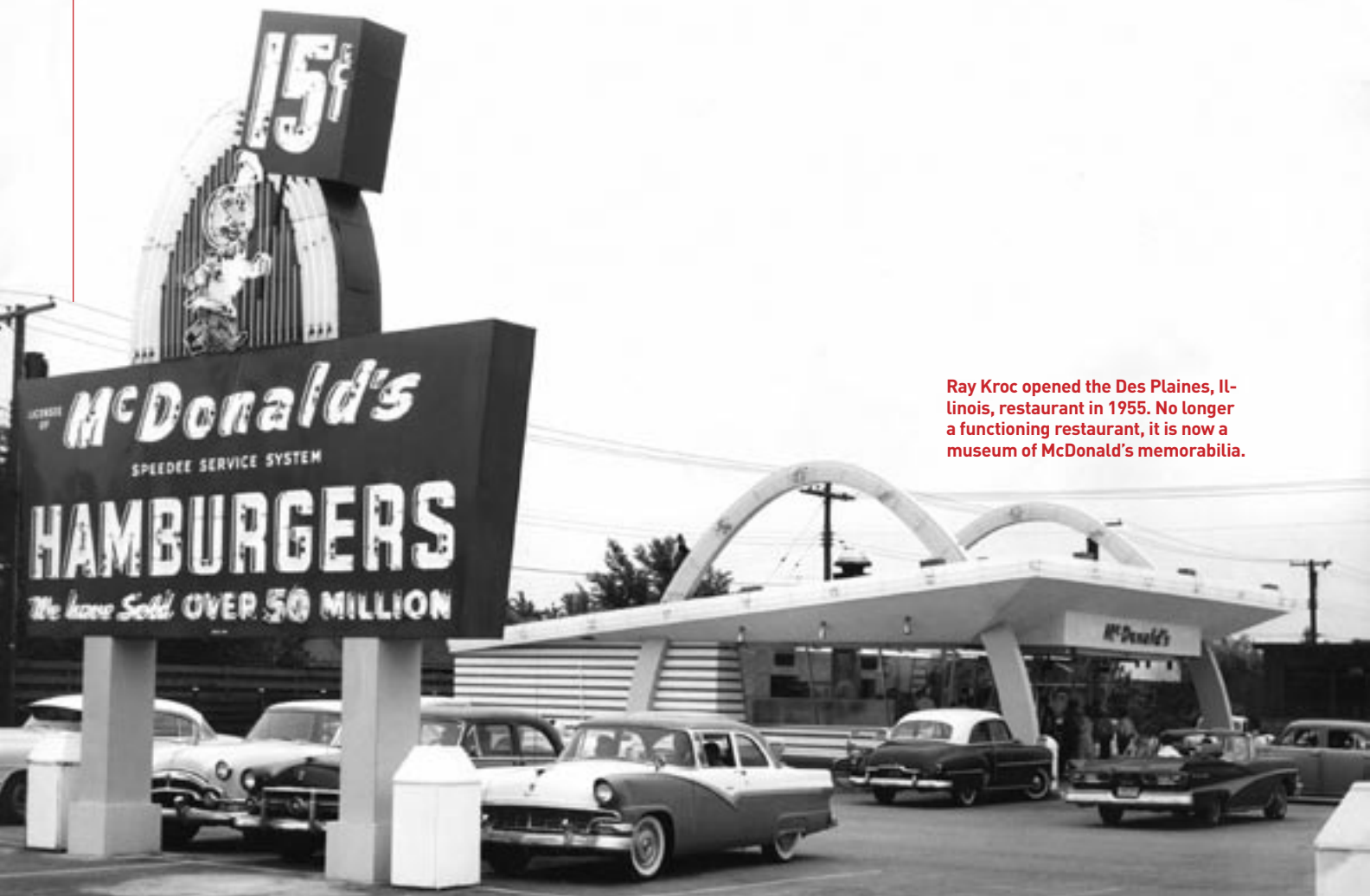
*-Diana Thomas
Dean of HU, vice president of training*

Started in 1961 in the basement of a McDonald's restaurant, the university's fortunes have followed that of the company. Once a premier example of a corporate university with an attractive campus and college-like lecture halls, it began to slide into irrelevance in the 1990s. Attendance was down. Its Hamburgerology degree was not coveted. Company training was dispersed around the globe, and there were no plans or resources for venturing into learning technology as other corporate universities were doing.

But then came The Plan to Win, an aggressive strategy to reverse McDonald's disappointing business performance by focusing on customers and giving them a consistent experience. The university became central to introducing and rolling out the five-point plan that highlights people, products,

place, price, and promotion. Introduced in April 2003, the plan imposed common metrics and accountability for results across the entire company. It also redirected focus back to restaurants, food, and customers. Soon after the plan launched, the company began to see performance improve. Revenue increased 7 percent in 2005, and the stock price has nearly tripled since 2003. In three years, McDonald's has returned \$4.3 billion to shareholders via dividends and buybacks. As of August 31, 2006, McDonald's had reported 41 consecutive months of positive comparable sales in the United States and 40 consecutive months of positive comparable sales worldwide.

Introducing and teaching the elements of The Plan to Win and the metrics that support it is the job of Hamburger University. “We decided to



Ray Kroc opened the Des Plaines, Illinois, restaurant in 1955. No longer a functioning restaurant, it is now a museum of McDonald's memorabilia.

use HU as our global center for excellence in training and developing our leaders to execute The Plan to Win,” explains Thomas. Restaurant owners and operators, newly appointed restaurant managers, and corporate staff come to HU to learn how to support the plan.

In the last four years, Hamburger University has seen a spike in enrollment, and more importantly, a spike in relevance. Thomas is a key player in realizing the company’s growth strategy. “In every class we talk about our focus on sales, guest counts, and cash flow, and how we are aligned to the strategy,” says Thomas.

A route to the top

Employment at Hamburger University has become a path to bigger things. “I have a waiting list of people who want to work here,” says Thomas, “because it’s so central to what the company is doing.”

Thomas recently cut the ribbon on a renovated wing of Hamburger University’s main campus building in Oak Brook, Illinois, where learning labs and dozens of small breakout rooms have replaced the big amphitheatres. Action learning, interactive classes, and hands-on labs set it apart from the old-style corporate universities.

“The straight lecture is a thing of the past,” says Thomas. “Our students learn and practice, and learn and practice.”

The university also develops a core curriculum that is deployed around the world in hundreds of regional training centers. Crew members start their training in a restaurant learning all the crew stations and understanding how to meet customers’ expectations. Assistant managers attend regional training classes to learn how to run shifts and troubleshoot restaurant systems. Managers and executives go to the main campus in Oak Brook to learn business and leadership skills. Many courses count toward college credit. The American Council on Education recently approved the application of 46 credits to degrees at traditional colleges. McDonald’s is the only current restaurant company whose courses have ACE accreditation.

“One of the exciting things about McDonald’s,” says Thomas, “is that there is learning at every level. Being a continuous learner has been associated with opportunity and success at McDonald’s since the early days.”

Thomas’s career is a prime example. She started at McDonald’s as a crew person while working on her college degree. Despite pleas from her father to “get a real job,” she stayed on at McDonald’s after college, earning a master’s degree and then an MBA while steadily climbing the corporate ladder. In her 27 years at McDonald’s she has worked in HR, global training, and operations at the regional and corporate levels. “I’ve had four or five career paths within McDonald’s,” she says. “Opportunity like that is what makes people stick around. I’m proud to have a McJob.”

By the numbers

McDonald’s is a numbers-driven organization. The curriculum at HU teaches managers what drives performance and how to analyze and adjust factors that make a difference to key metrics such as customer satisfaction and sales.

A major focus of McDonald’s training is product knowledge: how to cook, assemble, serve, and explain dozens of menu items. McDonald’s has been expanding its menus to meet customers’ regional food preferences: toasted Riceburgers in Taiwan, salads in the United Kingdom, the McLobster in New England, Passover buns in Israel, and iced coffee in Australia are just a few examples. A well-trained McDonald’s manager in the United States can tell you how often they brew the new premium coffee and what’s in the Asian salad. She can also show customers information about the nutritional differences between a Double Quarter Pounder with Cheese and a Fruit Salad.

“The competition can be quite keen among students to see who has mastered the most operational knowledge,” says Thomas. A popular competition called “Hot Hamburgers” pits teams of students against each other to display their knowledge of the numbers that drive quality and consistency in food preparation: how long to complete an

order, the exact weight of a hamburger, or the right temperature for cooking French fries.

A business partner

Thomas’s leadership of learning at McDonald’s finds its success from a strong relationship with the company’s top management.

“As I network with peers outside McDonald’s, one of the biggest things I hear is how my counterparts are struggling to get support from top management. I’m lucky in having access to the top leadership. They want and appreciate that kind of interaction.”

Thomas has earned access and trust by showing she understands the business, not just from having worked in it but by continually aligning the work of Hamburger University with the corporate goals for customer growth and satisfaction.

“We train to the customers’ standards,” says Thomas. “As the lead for the measurement process for the United States and as part of the global measurement team, I’m able to continually measure our progress by looking at actual data from the restaurants and making changes and improvements. It’s like continual needs assessment.”

She also looks to the future. “In training, we are never satisfied with staying the same. As soon as we finish one course we revise and edit,” she says. “And we are always looking for new ways to use technology.”

Hamburger U’s program developers use rapid prototyping to develop just-in-time e-learning modules and job aids for restaurant staff. Crew members can log onto a restaurant computer to learn the assembly procedure for a new menu item or refresh their knowledge of operational metrics.

“Our learners are changing and as we think about them and our future learners we have to learn more about how we can meet their needs.” **T+D**

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