



Jill McDonald: Supersizing McDonald's - Britain's big cheese

The UK McBoss of the fast-food chain, tells James Thompson her recipe for success during a recession

James Thompson

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As chief executive of McDonald's UK, Jill McDonald (whose surname is just a coincidence) is honest enough to admit that the fast-food chain will "always be a polarising brand for some". But it seems British folk who refuse to eat under the famous golden arches are declining in number.

Certainly, the latest figures from McDonald's are a long way from the dark days before 2006, when sales were falling and it was dogged by controversies, such as the one stirred up by Super Size Me, a polemical film directed by Morgan Spurlock.

McDonald's UK has now increased its sales for 22 consecutive quarters, growing by more than 5.5 per cent in October.

Much of this momentum came from Ms McDonald's predecessor, Steve Easterbrook, who, from 2006, helped to introduce the radical new look for its restaurants, a healthier menu, £1.45 lattes and free wi-fi. But Ms McDonald – who joined McDonald's five years ago as the UK's chief marketing officer and took the top job last year – has also played a key role in keeping customers coming through its doors.

Its 1,196 UK outlets now serve more than 2.5 million on an average day and customers visits are up by 90 million this year. This demand extends to applications for entry-level jobs and franchisee opportunities at McDonald's.

For every job McDonald's UK advertises, it gets 15 applicants. With more than a million young people unemployed, this is perhaps not surprising, but it arguably speaks volumes about the level of training the company offers. Ms McDonald – who is the company's first UK female chief executives and also heads up its northern division in Europe – is happy to wax lyrical on the scourge of youth unemployment and the lack of training opportunities.

The 47-year old says: "We grew up in a very different era where it was all about how well you did, how much money you made, and how successful you were. For young people today it is a very different reality... it is pretty bleak."

Ms McDonald says: "If I was the Government I would be focusing on getting young unemployed people back into work [by] continuing to invest in apprenticeship programmes and ensuring that those programmes are focused on the young as well as on slightly more mature workers."

She adds that the Government should also look at "tax breaks or national insurance holidays, to encourage employers to recruit more people".

To shed its "McJob" image, McDonald's has been a big educator of young people and now gets inspected by Ofsted. Its staff have received 28,000 nationally recognised qualifications since 2006, from certificates in adult literacy to a foundation degree in managing business operations.

But the route to becoming a McDonald's franchise is significantly narrower and requires a healthy bank account. The UK chain has significantly increased the proportion of its franchisee-run stores from about 40 per cent in 2006 to 65 per cent today. But it typically takes on only two to three new franchisees a year. Ms McDonald says: "We are inundated and would have 5,000 applicants for one position – it is that sort of scale of interest."

McDonald's seeks candidates with, for example, strong people management skills, experience of running a kitchen and an understanding of finance – but the chosen few must also have plenty of wonga.

Franchisees have to pay a one-off fee of £30,000 for a franchise and a deposit of £5,000 for a training course that lasts up to a year. They also need to be able to cover costs such as monthly rent and service fees. And on top of that they must pay for the cost of a restaurant, which typically ranges from £125,000 to £325,000, of which at least 25 per cent has to be paid without a loan.

This level of demand is not the only indicator of how perceptions of the chain have changed. During August's riots just 15 of its UK outlets suffered damage, though 150 were affected. Was Ms McDonald surprised that more rioters did not target the chain? "A little bit," she says. "We certainly did not see the level of impact that possibly you would imagine from a high street retailer such as ourselves."

But the riots had a profound effect on Ms McDonald and her admiration for its young staff. She says: "Some of these guys and girls were so young, in their early twenties, and I was listening to their stories thinking if it had been me, as a mature adult, I would have been petrified."

On the vexed question of the company's contribution to the UK's obesity problems, she says: "Putting our role in context, out of the 90-plus meals that someone will eat in a month, [only] two to three will be a McDonald's."

But families remain a key target for McDonald's, as illustrated by the latest version of its "re-imaged" restaurant introduced in Milton Keynes in June. Under the internal name of Spirit of Family, the restaurant has an in-built play area, including 12 i-Pad stations, as well as an area with flat-screen TVs that display interactive magic tricks, such as origami with a napkin.

Ms McDonald says it is too early to talk about a roll-out, but she adds: "We would probably look to take elements of it and use them in other restaurants that have a high proportion of family customers." For the record, Ms McDonald took her two children to a McDonald's the day before the interview.

However, despite all her chirpiness, Ms McDonald is gloomy about the outlook for the UK economy.

"Technically we are out of recession," she says. "But I don't think for our customers it feels as if we are out of recession at all." But McDonald's appears to be bucking the downturn, helped by a woman with the perfect surname.

The CV: Jill McDonald

* After gaining a first-class business degree, she started her marketing career at Colgate Palmolive as a graduate trainee. Ms McDonald then joined British Airways as brand manager in 1990. At BA, she held a number of senior marketing positions in the UK and overseas before joining McDonald's in 2006, as chief marketing officer for the UK and northern division.

* She is married with two boys, nine and 10 years old, and lives in Buckinghamshire, near Gerrards Cross. She has a holiday home in Norfolk. Ms McDonald says she has a "broad taste" in music from David Bowie to Snow Patrol. While television does not figure much she likes to watch Merlin and Doctor Who with her kids. However, when they have gone to bed, she "sneakily" likes to watch True Blood.

* Her hobbies are cooking, skiing and sailing. She says her speciality is chilli con carne, or "Jilly's chilli", with the usual ingredients and Lea & Perrins. Ms McDonald also has a treadmill at home, on which she does up to 30 minutes of "fast walking" each day.