

Super



Love, Sydney
This Aussie
McDonald's is
emblematic of
the global restau-
rant chain's new
design direction.

Style Me

Inside the *\$2.4 billion plan* to change the way you think about the most iconic restaurant on the planet. **By Ben Paynter**



For lunch, Denis Weil chills out in the contemporary lounge he created. Reclining in a leather-backed Lipse chair designed by Wolfgang Mezger, he munches a southwestern chicken salad and sips a berry smoothie. The ambiance is foodie chic: hardwood floors, sleek white tables, a wooden-slat ceiling, and tranquil lighting from a low-hanging ceiling lamp.

Weil spritzes a lime over his salad, enjoying the laid-back vibe that lets him focus on the food. “I love this salad, it’s so cravable,” he coos in a slight European accent. Just then, Weil’s colleague Jim Carras strides past, interrupting his reverie. “Hello, Denis, I see you are sitting in the cool section.”

Weil chuckles, because, technically, he *is* in the cool section. His contemporary lounge sits smack in the middle of a newly revamped McDonald’s in Oak Brook, Illinois. Yes, McDonald’s. Weil, McDon-

misses it as his “midlife-crisis car.” His casual attire of a blue button-down shirt and loose-fitting khakis makes him look more like the guy in front of you at the register than some ultra-hip designer. “There is a mythology that design is a glamorous, personality-led activity,” says Tim Brown, CEO of Ideo, who has consulted with Weil on McDonald’s customer experience. “Denis really represents that you don’t have to wear a black turtleneck to do it.” Brown calls Weil an “experience engineer” who isn’t afraid to tap customers for input.

Which fits perfectly into McDonald’s everyman aesthetic. “It’s a community center,” says Weil of the restaurant, meaning McDonald’s is one of the few places cheap and casual enough to be accessible to nearly everyone. “There are very few public places left where private things happen.” The restaurant in Oak Brook has been divided into four “seating zones,” each designed for a different activity—chilling out, working, casual dining, and group events. That each space also connotes a different maturity level that might lead to a specific menu choice is precisely the point.

McDonald’s grown-up thinking about design is part of its “Plan to

“If you **have a restaurant** that is appealing, contemporary, and relevant,” says McDonald’s president Don Thompson, “the **food tastes better.**”

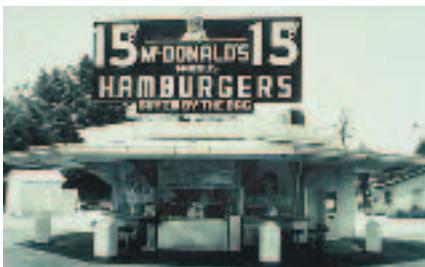
ald’s VP of concept and design, has spent the past five years educating Carras (VP of U.S. restaurant development) and a host of other executives and franchisees throughout the \$23 billion company that a McDonald’s restaurant doesn’t have to mean primary colors and fiberglass booths.

All the more funny is the fact that Weil isn’t particularly cool. When the stout 49-year-old pulls up in an Audi A5, he quickly dis-

Win” growth strategy, initiated in 2003 when executives realized their core markets had gorged on expansion. From 1974 to 2003, the company supersized from 2,259 storefronts in the United States and just 13 internationally to more than 30,000 in 100-plus countries, each one basically a facsimile of the one before it. “We just stopped figuring out how to make things modern and relevant,” says Ken Koziol, VP of innovation. The company was battered by criticism from *Fast Food*

McDonald’s Design Heritage

The fast-food giant has built its success on ideas that bubble up from anywhere.



1948

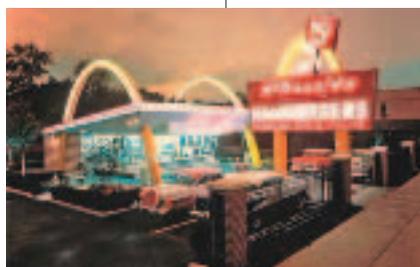
First McDonald’s

The McDonald brothers reinvent their San Bernardino, California, carhop with a limited menu and an all-glass storefront that adds theater as customers watch the cooks.

1955

First McDonald’s Franchise

Ray Kroc opens a McD’s in Des Plaines, Illinois, adding two attention-grabbing golden arches. “One of the original customers told me that he had to check it out to see what it was all about,” says company archivist Mike Bullington.



1962

Indoor Dining Introduced

A franchisee in Denver adds the first indoor dining room, a step beyond the “warm front” glass enclosures that Midwest and Northeast stores used around the ordering windows.

1967

First International Store

As the company opens its first store in Richmond, British Columbia, it trades in its original burger-faced Speedee logo for one based on its already famous structure: two stylized arches.



McDesigner
 Denis Weil adds
 flair to McDonald's
 plate while being
 ever mindful of
 operations.



Nation and antiglobalization forces, and it seemed to be searching for a future beyond burgers and fries, experimenting with home-style meals (Boston Market), burritos (Chipotle), coffee (McCafé), and even DVD rentals (Redbox). The Golden Arches increasingly looked like a corporate shrug, and its stock price dipped below \$13 a share.

Since that nadir, the Plan to Win has helped drive the stock up 437%. The strategy's three pillars are menu innovation, store renovation, and an upgrade of the ordering experience. McDonald's efficiency and its continued expansion of premium menu items—snack wraps! sweet tea! frappes!—has helped boost the average annual store gross by 25% over the past six years to around \$2 million.

The next phase, McDonald's execs say, depends on design. "People eat with their eyes first," says president and COO Don Thompson. "If you have a restaurant that is appealing, contemporary, and relevant both from the street and interior, the food tastes better."

Next year, McDonald's will launch its first total makeover campaign since the Carter administration, allocating \$2.4 billion to redo at least 400 domestic outposts, refurbish 1,600 restaurants abroad, and build another 1,000. The company's European and Asia-Pacific regions have already seen success with the new styles: Second-quarter sales in Europe, for example, were up 5.2% year over year, an uptick the company credits in large part to revamped stores. Over the past two years, Weil has tested modern renovations throughout the United States, in such varied locales as Manhattan, Los Angeles, and Kearney, Missouri. In July, the company reported a 6% to 7% sales jump at U.S. stores that had been redesigned. Weil adds that when McDonald's puts enough refurbished stores in a market, customers alter their perception of the brand: The new look even makes them more likely to try new menu items.

"As the younger generation starts to see McDonald's as a place you go to eat instead of just picking up food, you could very well change their behavior for years to come," says Darren Tristano of restaurant consultancy Technomic. "The next step," he says, "is to draw people in for a dining experience."

But Weil can't just wave a hot apple pie and redesign McDonald's. "We are blessed with creative tensions," he says, chuckling again. Those tensions are more organizational and operational than truly creative. McDonald's is a decentralized beast—81% of its restaurants are run by franchisees (McDonald's calls them "owner-operators"), a constituency divided by not only national borders and time zones but also by cultural expectations. Design also has to function within what the company calls the "system"; no changes can interfere with its operational prowess. The question, Weil says, is, "How do you increase service speed and efficiency and optimize the customer experience at the same time?"

The answer will soon pop up in a neighborhood near you. Weil has



1968

First Mansard-Roof Style

A franchisee in Matteson, Illinois, introduces the French, four-sided roof—a signal that sit-down dining has gone mainstream. The design is replicated for two generations and imitated by McDonald's competitors.

1971

First PlayPlace

A franchisee in Chula Vista, California, puts his own twist on the "You Deserve a Break Today" campaign, offering tired parents the first playground. It becomes a symbol for dining "democratization," Bullington says. "Just bring the whole family."



1975

First Drive-Through

The first drive-through prototype? A franchisee in Sierra Vista, Arizona, skirts an Army regulation requiring fatigue-clad soldiers to stay in their cars by knocking out a wall in his kitchen to serve them.



1999

The Resurgence Begins

Designer Philippe Avanzi consults on restaurant designs in Paris and later all of Europe, creating the first node of Denis Weil's newly localized design network.





created what he calls a “living network” where ideas bubble up from McDonald’s global partners—owner-operators, suppliers, outside design firms—and are relentlessly filtered and tested by Weil and his team. “One of the strengths of my job is to conceptualize what happens in the marketplace and distill the principle out of it,” Weil explains. This year, he will host representatives from 25,000 restaurants at his Innovation Center, in Romeoville, Illinois, to propagate the best ideas systemwide. “This is not snazzy stuff,” Ideo’s Brown says, “but McDonald’s has become one of the few companies that does design management well.” Thompson says of Weil, McDonald’s most senior design exec ever: “He’s become our centerpoint. We never really had that.”



The design revival of America’s most iconic fast-food company actually started in France. On a recent overcast day at Le McDonald’s across the street from the Louvre, the restaurant is packed with the usual throng of gawky American and Russian tourists but also some workers on lunch break from the haute-couture shops around the museum district. Two curvy Parisian shopgirls gossip about the company’s face-lift over a tray loaded with staples: Big Mac, Chicken McNuggets, large fries, and a soft drink. “We only have an hour for lunch, and it’s fast and cheap,” says 26-year-old Anaïs Sidali, not quite giving credit to the new aesthetic. Yet she and her friend, Camilla Jansson, have become regulars, and they prefer to eat their fast-food bounty in the McCafé part of the restaurant, with its dark, tasteful booths and counter seating punctuated by a cluster of red and white modernist chairs.

A decade ago, in the midst of French globalization protests and charges of cultural imperialism, Pierre Woreczek, chief brand and strategy officer for McDonald’s Europe, realized that the giant clown and prefab furniture had to go if McDonald’s was to have a future on the continent. “Everything that was global was seen as not very quality, but efficient and profit-driven,” he says. Woreczek tapped one of France’s leading designers, Philippe Avanzi, to provide some much-needed “intuition” about how to fix the carnival atmosphere. “I think it was very important to have someone who was able to create and express his own thinking outside the company,” Woreczek says.

Avanzi had to work within a specific constraint. The French don’t snack—they eat a big lunch—so making any change that affected the restaurant’s high seating capacity would be a mistake. Instead, he added some contemporary touches: glass partitions, Arne Jacobsen chairs, and more avant-garde wall graphics (one looks like a giant thumbprint). “Too much design would have been like a caricature,” Avanzi says. “We want to create surprise and excitement where people don’t expect it.”

It appears to have been just enough. In 2006, Weil made Avanzi the central designer for all of Europe, and sales skyrocketed from \$7.1 billion just before Weil made his move to \$9.3 billion four years later, a bump from about 35% of total company sales to 40%. European customers spend about three times more per visit than their U.S. counterparts, on what’s basically the American menu. “It’s cheesy. It’s unhealthy,” Jansson adds conspiratorially, relishing her guilty pleasure as some kid tromps past with a French-accented Shrek figurine.

Inspired by the European success, Weil has appointed a corporate design leader for each of the company’s operating regions; that person contracts with a regional designer who can figure out what other local design elements might make a space feel individual and authentic. “We are not competing with our direct competitors anymore,” Woreczek

Around the McWorld

The fast feeder is slowly rolling out its new exterior and interior looks in every corner of the globe.



1

1) OAK BROOK, ILLINOIS

The “Fresh + Vibrant” lounge by Studio Gaia has comfortable, rearrangeable chairs and a coffee bar separated from the chaos of the main retail area by a partition. Near the windows, there is a cafeteria-style dining area with a tiled floor.

6) SYDNEY
Tom Williams of Juicy Design accessorizes each dining area differently to evoke distinct emotional responses. Varied mood lighting makes public spaces more private.



6





3) SHENZHEN, CHINA
A central dining area and a more casual meeting alcove are divided by a space-saving wall and ceiling moldings while the darker color palette and the darker color palette hints at a space-age vibe.



2) PARIS
This LIM design—short for “less is more”—by Philippe Avanzi, creates simple contrasts such as curvaceous chairs and vertically striped walls. Left: Ordering kiosks empower customers to make faster decisions while cutting down on counter chaos.



4) GÖTEBORG, SWEDEN
Raised bar tables with ergonomic stools and free Wi-Fi are intended to draw in businesspeople. The glass partitions create an illusion of privacy.



5) GERMANY
Above: A deconstructed mansard roof in Kircheim pays homage to the classic—and now outdated—design that circled the globe. Right: A McCafé in Berlin with Arne Jacobsen’s Swan chairs encourages customers to relax amid images of coffee iconography.



“Design is doing something with intent,” says Weil. “You have to make the argument that it’s customer experience that drives sales.”

“We don’t **design in a vacuum** here,” Weil says.

“If an idea doesn’t come alive in the restaurant, it doesn’t work. **Once you can see it, you can show it.**”

says. “We are competing with the streets,” noting that each region will need to seem more in tune with what is hip to attract customers.

In addition, Weil solicits ideas from leading design firms such as Ideo, Rockwell Strategic, and boutique firms around the globe. “I was surprised by the latitude we were given,” says Tom Williams of Sydney-based Juicy Design, who pioneered local design concepts in Australia and is now working on stores in Asia. “Our challenge was to make things unique.”

Brown at Ideo adds that rather than accept other people’s ideas wholesale, Weil tests each concept in-house to figure out whether to challenge or refine it. “The delicate balance that any long-standing brand has is how to modernize without losing the value of your heritage and becoming something shallow and insubstantial,” Brown says. “I think you have to experiment a bit.”



“If Martians came down to Earth and visited a McDonald’s, a post office, and a bank, they wouldn’t be able to tell the difference,” Weil says while enjoying a late-morning snack of fries and Chicken McNuggets. (Weil grew up in a kosher household, so he never tasted much of McDonald’s wares until recently.) “They would just see that everything starts with a line, has a counter that acts as a divider where the money exchanges, and has something hidden going on way in the back.”

Weil’s Martian reeducation camp—and his experimentation lab—is a windowless 250,000-square-foot warehouse adjoining a Happy Meal-toys distribution center. This is McDonald’s top-secret Innovation Center, a cacophonous test bed capable of modeling the interior kitchen and dining rooms of three restaurants at the same time. It’s hidden in plain sight, nestled amid other warehouses and homogenous strip malls in the south Chicago suburb of Romeoville. Code name: Switzerland, but that’s not because Weil was born in Zurich. It’s a neutral design zone open to all of McDonald’s partners to try their own simulations. The hope is that data sharing can help everyone profit.

During a recent visit, center director Melody Roberts, whom Weil poached from Ideo, is using one of the model restaurants to test out a new menu design. At the same time, the space is being prepped for a contingent of Russian operators visiting the next day. (The Russians are coming!) Banks of cash registers are aligned, and about a dozen people are hustling behind the counter as they try to simulate one of Russia’s fearsome lunch rushes. (The Russians are coming!)

Aesthetically, the place feels anything but appetizing. A pile of unused kitchen equipment sits along one wall. Power cords dangle from rafters with missing ceiling tiles, better for unplugging and reorienting everything during set changes. All of the props are foam core so they can be altered quickly, but there’s little to muffle the echo of beeping cooking timers. The air reeks of french fries.

Weil’s lovin’ it: He’s made and remade his career precisely through this sort of gonzo experimentation. Before he joined McDonald’s in 2001 as the entrepreneur-in-residence in charge of nurturing non-burger experiments like McCafé, he’d earned a degree in chemical engineering and tried everything from product development at Procter & Gamble’s Pampers division (combating saggy diapers) to being a brand manager for Hugo Boss to running an Internet-dating company before finally going back to school in 1998 to get his master’s in design planning from Illinois Institute of Technology. “I’ve been on a quest to figure out how to merge design and business,” he says.

Today, Weil isn’t trying to prove a particular hypothesis. He patiently stands just offstage, watching intently as a mother whose name tag reads KAREN takes her son Joey onto the customer-packed Russian set. They’re a real family who agreed to be here in exchange for a free meal and a peek inside the skunk works.

Karen and Joey huddle over a laminated menu with images of food items, ignoring the text-driven overhead menu board. They are being trailed by a two-person documentary crew from Conifer, a behavioral research firm. One woman scribbles on a yellow notepad while another records the action with a handheld camera. Weil and Roberts



Sausage Factory
McDonald’s Innovation Center is a test lab for evaluating new dining and ordering ideas.

will later parse the play-by-play for broader themes.

A few minutes later, the mother and son try a prototype of a self-ordering kiosk. “Oh, you already know what you are ordering,” Karen exclaims, when Joey starts interacting with it like a video game. Self-ordering has been added in many European stores, helping to alleviate hectic noontime traffic. (McDonald’s France, for instance, does 70% of its business during lunch.) Whether either adaptation makes it to the United States is not Weil’s current concern. “The mom and son shared a moment while looking over that menu,” he says. “And the kid obviously felt empowered by the kiosk. It gives customers more control and makes it easier to make decisions. Those are the directions we might want to explore.”

Such insights are emblematic of the Innovation Center’s role as a clearinghouse for ideas from around the globe. Weil, who has been smart not to concede too much control to design consultants who might not fully understand how operations and aesthetics need to mesh at McDonald’s, says, “We don’t design in a vacuum here. If an idea doesn’t come alive in the restaurant, it doesn’t work.” That’s why Weil will routinely pull his team out of a conference-room brainstorming session onto the lab floor, shuffling equipment and cutting foam core to make his points more quickly. “Once you can see it,” Weil says, “you can show it to an operations person and they can see the differences and they usually get it.” And if they don’t? “Repeat often,” he says. “This is the only way to line up what we are doing with our business needs.”

To show me just how precise he’s willing to get, Weil invites me to help him evaluate the operations side of the Russian lunch rush. There is a crowd of mock customers picking up fake orders and handfuls of ultra-green fake change. The company uses real-time data pulled from actual customer orders at restaurants to make sure the test kitchens can simulate exactly both traffic flow and capacity. Weil and I pull a ticket for two, but when we finally approach the crowded register to get our order, things are at a breaking point: The cashier makes change quickly, but just before we leave, a server reaches out and steals our medium Coke off the pickup tray to give to another customer. “Was that supposed to be part of the simulation?” Weil asks aloud, a bit bemused. He shrugs, murmuring, like a sitcom punch line, the one highly unpredictable thing he must contend with: “Human behavior.”

Weil’s scientific design method has led to some subtle but important changes in redesigned stores. Although condensed kitchen setups make it impractical to showcase how all the food is being made to order—in the spirit of the early McDonald’s of the ‘40s and ‘50s—Weil has restored some live entertainment value by positioning McCafé barista stands next to the registers. Customers can view their drinks made with traditional espresso machines that pull fresh shots and steamed milk on demand—just the way Starbucks used to

Where’s Ronald McDonald?

We investigate the curious disappearance of one of the 20th century’s great brand mascots.



Have You Seen This Clown?
Beloved weatherman Willard Scott was the original Ronald McDonald.

What’s missing from Denis Weil’s newly redesigned McDonald’s? It’s more like who: Ronald McDonald, Ad Age’s second-greatest ad icon of the 20th century, seems to have vanished. Activists have called for Ronald to retire (and not because he now clashes with the decor), but McDonald’s, when asked, swears he’s still got a vital role to play. CEO James Skinner gave Ronald the dreaded vote of confidence at the 2010 annual shareholder meeting. Sure, he’s got his charity work (Ronald McDonald House Charities), the occasional Happy Meal box cameo, and live appearances. If he could just book an ironic Super Bowl ad, he could be the next Betty White. McDonald’s won’t use him in national spots, so he’s moved on to plan B. At Sundance this year, he played a criminal in *Logorama*, an animated short satirizing our brand-saturated culture. Maybe Ronald and the No. 1 icon, the Marlboro Man, are planning their comebacks by hooking up with Sylvester Stallone. Look for them in *The Expendables 2*.

do before it got too big. At breakfast, employees must stir a cup of oatmeal (which Weil enjoyed the first morning I met him) a minimum of 12 times before serving it to the customer, both to mix the ingredients properly and to signal homemade goodness. Weil has also redesigned menus with larger-than-life photos of the food—a 21st-century stab at telegraphing quality.

Because drive-through orders represent approximately 60% of sales at fast-food restaurants, Weil actively tests possible on-the-go improvements using golf carts in the Innovation Center. Weil and his team have a patent pending on a design that adds an additional window for people with enormous orders. The drive-through of the renovated Kearney store, a rural outpost just past Kansas City’s suburbs, features two lanes of cars lined up at two different ordering

“Dialing up the **design in a restaurant** makes it a little stronger,” Weil says, “but it will lose freshness faster, so we have to **update more** frequently.”



kiosks. This rejiggered drive-through isn't going to find its way into MoMA, but functionally, it's genius: It consolidates the traffic around the restaurant so everything appears much less gridlocked.



“Denis is big on frameworks,” says Sigi Moeslinger, whose New York-based Antenna Design created the interfaces for the ordering kiosks Weil is experimenting with. “He’s big into producing things that are transferable and sharable throughout the whole company.”

Once ideas pass Weil’s muster in the Innovation Center, he has to infuse them throughout the company, trying to sell thousands of owner-operators on overhauling. At this stage, Weil seems like an interior decorator presenting a portfolio with various color patterns, price points, and suggested uses. “I have to develop a better analogy,” he says. (And when he does, he’ll probably prototype it.)

At a corporate conference in April, Weil debuted what he calls Design University, a soaring tent filled with booths showing examples of innovations that have happened around the world, from LED sign lights to clean and open beverage stations to variations of an

prising considering this isn’t the first time the company has asked its franchisees to buy into its design learning curve. In 2006, a number of franchisees balked at the expense of adopting the Arcade exterior when it was initially conceived. And over the past seven years, 4,700 stores have invested in less-ambitious interior remodels that are now being superseded by McDonald’s new offerings.

“It’s a very contemporary and inviting restaurant,” says Paul Hendel, an owner-operator with 19 franchises in New York, of the European model. Last October, he redid his 186-seat restaurant in the Chelsea neighborhood using the French-inspired design. With its open glass-front entry, multicolored chairs, and oasis-like second floor, his joint saw an immediate sales rush. Though he won’t share numbers, Hendel says he’s serving more customers with a higher check average than ever before. That prompted him to invest in a new “wow” gadget: a handheld order taker that will allow roving waitstaff to funnel orders from the back of the lines into the kitchen.

Still, even when a redesigned restaurant does well, a question remains: What happens when the novelty factor wears off? “Dialing up the design in a restaurant makes it a little stronger,” Weil says, “but it will also lose freshness faster, so we have to update more

“McDonald’s has become one of the few companies that does design management well,” says **Ideo CEO Tim Brown.**

all-black uniform. Weil built three full-scale replicas of his primary restaurants of the future, all now available for order. Each is intended to fit a specific worldview. The U.S. store model, called Arcade, has a modernist white blocky facade, sharp angular yellow awnings, and a stylized single-arch sculpture that echoes the Ray Kroc McDonald’s of the 1950s. The European model, known as a folded design, has a deconstructed version of the company’s 1970s mansard-roof style. The Australasian model is more futuristic, as symbolized by a large red “blade” shaped like a chimney jutting skyward.

A computer lab let the 13,000 attendees tinker with how to incorporate the new exterior and interior designs into their existing buildings. (Many of the U.S. designs came from Studio Gaia, which did the exclusive Tao restaurant and lounge in Las Vegas.) Slogans like **DO IT RIGHT. DO IT FULLY** adorned the walls, a nod to Weil’s belief that total remodels pay off much more than doing an interior alone. McDonald’s recently opened a wave of 13 new stores in Tokyo on the same day, so information was available on how coordinated marketing blitzes can attract attention. Standing at the exit with a mortarboard on his head, Weil offered each person who attended Design U. a key chain with a tape measure and level to spur them to go home and get started.

The one change Weil hopes to institutionalize systemwide is a recalibration of the register area. A restaurant’s historical traffic flow dictates the number of registers. Weil has added an overhead screen that flashes order numbers for pickup to alleviate a clogged register area. At the revamped restaurant in Kearney, that means just two active registers and tons of wide-open counter space for picking up your order.

The ultimate decision of whether to embrace a redesign and which iteration might work best lies with owner-operators. As an inducement, McDonald’s is offering to pay about 40% of the estimated \$400,000 to \$700,000 cost of renovations. That’s not sur-

frequently.” Williams, the lead Australian designer, says that by reshuffling, reupholstering, and switching out graphics, his first store design in Melbourne, built in 2000, has lasted a decade. “A lot of the planning principles we use have longevity to them,” he says. Williams has spent about \$120,000 on two evolutionary refreshes versus four times as much for a complete overhaul. He says Weil’s new templates have a cleverness that won’t get stale as they become more ubiquitous and familiar, because operators can do little things such as rearrange the furniture because it’s not bolted down. “Yes, let’s make them relevant,” Williams says, “but let’s also make them last.”



After finishing his lunch in Oak Brook, Weil heads over to a garbage can to demonstrate his latest innovation. Rather than the usual swinging gate in front of the trash bin, this one is open faced with a slimmer, oval-shaped slot that still seems to shield customers from an unpleasant view or smell. He leans over and slides his trash off the tray and into the receptacle. This is the last step in the customer experience. “It always took two hands to operate,” he says, one to hold the gate open and one to fumble with the tray. “I wanted it to be quick and easy, to leave the customer with a good impression as they leave.” A second later, a woman hurrying back to work steps past Weil and tries to dump her own tray of burger containers and dirty napkins into the bin. She intuitively understands the design and tips the tray at an angle, one-handed. The garbage refuses to slide off. “Eeeep!” she squeaks as she loses her grip on the back of the tray. We all watch it tumble into the trash. Weil cringes while she gingerly fishes it out. “That only happens one in a hundred times,” he says. Time to go back to the Innovation Center. **FC**

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