



## Mc Donald's Corporation Plc

Mc Donald's has many areas of management, each area of management such as finance, Promotion and Production all have their own mission statements along with aims and objectives. The whole Mc Donald's Corporation's mission statement is known as the Mc Donald's people promise **"We're not just a hamburger company serving people; we're a people company serving hamburgers."** For McDonald's to achieve their goal of being the world's best quick service restaurant experience, they must have the best experience for all McDonald's employees. So they formalized their beliefs into the People Vision and People Promise.

The words as "may," "will," "expect," "believe," "plan" and other similar terminology. These statements reflect management's current expectations regarding future events and operating performance of Mc Donald's. These forward-looking statements involve a number of risks and uncertainties. Effectiveness of operating initiatives such as success in advertising and promotional efforts, changes in global and local business and economic conditions, including their impact on consumer confidence and interest rates, food, labour and other operating costs.

Their People Promise is which they claim reminds the people what they can expect and how high Mc Donald's goal is: To be the best employer in each community around the world.

Mc Donald's intend to achieve objectives through disciplined action focused on five drivers of superior customer experiences being people, products, place, price and promotion. The net result should be improved momentum in comparable unit sales, margins and returns.

President and Chief Operating Officer Charlie Bell discussed McDonald's four business objectives: attracting more customers, getting existing customers to visit more often, building brand loyalty and increasing productivity to increase margins and profitability. Bell noted, "We will achieve these objectives by concentrating on the five drivers of superior customer experiences – people, products, place, price and promotion. Delivering on all five of these business drivers will result in enduring profitable growth for McDonald's global business."

They also are working on a number of efforts to speed service and to offer product innovations responsive to customer tastes for additional wholesome choices. They nationally launched a new line of Premium Salads served with warm grilled or crispy chicken encouraging initial results. They also claim to be adding more choices to Happy Meals. In the U.K., They've introduced no- sugar-added drinks, organic milk and fruit as Happy Meal options in an effort to diversify their food and aim towards losing their unhealthy food image. Kids can now choose a toasted cheese and tomato sandwich, raisins and orange juice.

"I am confident that our current strategies and more disciplined approach will improve the customer's experience in our restaurants and ultimately increase restaurant cash flow and shareholder value."

"We are committed to lower levels of capital spending until we have achieved a significant improvement in sales, margins and returns at our more than 30,000 restaurants. We also are committed to becoming more relevant to the lives of today's consumers," Cantalupo added. "McDonald's will pursue realistic growth targets. Over the next 12 to 18 months, we will build a rock-solid foundation that can deliver reliable top-line and bottom-line growth, and improve returns on invested capital. All this will deliver superior returns to shareholders."



McDonald's financial department sets its own financial targets which they pass on to other departments after much research has been done.

Executive Vice President and Chief Financial Officer Matthew Paul said, "Beginning in 2005, the Company is targeting annual System wide sales growth of 3 percent to 5 percent, annual operating income growth of 6 percent to 7 percent, and steady improvements in returns on invested capital."

He added, "We are focusing resources and efforts around the world on growing comparable sales – while reducing restaurant additions. Our top priority is to lift operational levels of existing restaurants. We can do that without investing huge amounts of capital."

McDonald's revised capital expenditure plan of \$1.2 billion for 2003 is \$800 million less than in 2002 and \$700 million less than previously announced. About \$560 million of that \$1.2 billion is for new restaurants, and \$490 million is for existing restaurants. This spending reflects reductions of \$600 million on new restaurants and \$170 million on existing restaurants, compared with 2002.

The Company intends to strengthen its financial position by paying down \$300 million to \$700 million of debt this year. The Company also plans to return a significant amount of cash to shareholders, through higher dividends and share repurchase.

In concluding the meeting, Cantalupo said, "It comes down to a willingness to confront harsh realities and then having the focus and discipline to act decisively, again and again. They have set realistic growth targets, reduced planned capital expenditures significantly and established three-year goals for Company performance. They have a plan, with definite measures that they will track.

For McDonald's to achieve any aim, objective, target or goal they ensure that there employees, owner operators and suppliers reflect and represent unique talents, strengths and assets of their diversity in order to be the World's best quick service restaurant experience.