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BUSINESS MODEL CANVAS (BMC)

McDonald's Corporation

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1.0 Introduction

Started from a small restaurant at California owned by two brothers, Dick and Mac McDonald, McDonald's today is the largest fast food company in the world. The McDonalds brothers were born in a poor family. Before they entered the food industry, they had interest in directing and producing movies. Due to that interest, they bought a theater in 1930. However, the business does not go well, and they eventually called it quits after seven years. That is when they decided to try their luck in the food business and opened McDonald's Barbeque.

The business in the food industry surprisingly brings lucks to McDonalds brother. Despite the good business they had, it all started to grow bigger when Ray Kroc visited their restaurant and suddenly become interested. Roy Kroc was a businessman who sells paper cups and multi-mixer milkshake machines, which the reason why he visited their restaurant in San Bernardino, California. It is claimed that they needed a few multi-mixers from him.

The normal trip was then become more interesting when Kroc claimed that he was impressed by those brothers and loved the effectiveness they had in their operation. Back in 1954, McDonald's were the only one who applied "Speedee Service System" which is now known as fast service that commonly practices by fast food restaurant. During that era, McDonald's only focusing on a few menus which are hamburgers, fries, and beverages. This indirectly made them superior in what they were doing as they can keep the great food quality with fast served services.

2.5.2 Franchise fees

Their main revenue stream is through franchise fees. Most of McDonald's restaurant worldwide are owned and operated by a small and mid-sized businessmen and women. From this, the company will obtain a franchise fee which about \$45000 and the ongoing monthly service fees that equal to 4% of gross sale for each restaurant from the franchisees. Franchising is one of the keys for McDonald's to succeed in long-term as it able to give an individual the global experience and opportunity in managing a business. A franchisee will have the power to control the purchases, staffs and prices.

2.6 Key resources

Key resources describing the most important assets needed to make the business model work. It can be divided into physical, financial, intellectual or human.

2.6.1 Unique recipe

One of the key resources for McDonald's is their unique recipe. Their delicious juicy burgers, crispy french-fries and creamy ice cream are the main reason of customers' loyalty. The taste of their Cheeseburger or Sundae are very special for customers. Their unique recipes are the reasons why people always come to them as they cannot receive any similar taste and such satisfaction from any other fast food restaurant. It is agreed that McDonald's is the most tasteful fast food.

2.6.2 Strategic locations

Other than that, the strategic location of McDonald's outlets and restaurants worldwide are also one of McDonald's key resources. The availability of the restaurant at most countries, which about 38 000 restaurants worldwide and the strategic location

about leadership, business growth, operation and customers appreciation in order to produce a successful future restaurant manager.

2.8 Key partnerships

Key partnership is the relationship that a company have with other business, governmental or non-consumer entities that help business model work. It is important for a key partner to share the same vision and not only rely on chemistry.

2.8.1 Franchise holders

One of McDonald's key partnership is their franchise holders. Both the company and franchisee have mutual interest which to sell the product and eventually gain profit. The franchisee will obtain resources like raw material from the company while the company will get profit through franchise fees and monthly service fees. This shows that both parties are important for each other in order for them to achieve their target. The good relationship between them is one of the reasons why McDonald's can expand worldwide strongly.

2.8.2 Coca-Cola

Other than that, The Coca-Cola Company is also one of McDonald's key partnership since 1955. That year, McDonald's and Coca-Cola shared the same vision which to expand globally. Until today, both companies have helped each other in marketing and cooperate in many events. Customers claimed that McDonald's provide the best taste of Coca-Cola as they really took extra care in the process of sending the Coke syrup. This shows that Coca-Cola always try it best to deliver their product and