McDonald's Supply Chain

Incorporating a Consumer Perspective
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US Supply Chain
Overview

• Our Storied Past
• Business Evolution
• Customer Evolution
“Be a good citizen. Have a real sense of community. Be involved in the life and spirit of the community you serve.”
the 3-legged stool
Annual 2015 Purchases: $11+ Billion F&P

680 MILLION lbs beef
470 MILLION lbs chicken
36 MILLION lbs of fish
1.35 BILLION lbs potatoes

170 MILLION dozen eggs
98 MILLION lbs lettuce
220 MILLION lbs cheese
52 MILLION lbs coffee

*Based on 2015 McDonald’s U.S. Purchases
Where do we ship beef?

We have 32 Distribution Centers that supply all 14,000 US restaurants.
Where does our beef come from?
MILLION
EVERY
DAY

28
MILLION
EVERY
DAY
Agriculture Today - % of Population Involved in Farming

- 1810: 23%
- 1910: 30%
- 2010: 2%

Comparison over time.
100% beef.
Welcome to the age of the customer

Mass Manufacturing makes industrial powerhouses successful (Ford, Boeing, GE, RCA)

October 2013, “Competitive Strategy in the Age of the Customer”
Welcome to the age of the customer

Age of Manufacturing

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Age of Distribution

Global connections & transportation systems make distribution key (Wal-Mart, Toyota, P&G, UPS)

Age of Information

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Connected PCs and supply chains mean those that control information flow dominate (Amazon, Google, Comcast, Capital One)

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Age of the Customer

Empowered buyers demand a new level of customer obsession (Southwest, Amazon, AmEx)

October 2013, “Competitive Strategy in the Age of the Customer”
Social Media #1 Source for food Information
Food Quality – Consumer Perceptions/Expectations

Emerging:
New trends will continue to shake out

Mainstream:
An established trend that will continue to grow

Universal:
Will not change

Source: “Understanding Young Adults”, Global Consumer & Business Insights, January, 2007
“We are business people with a solid, permanent, constructive ethical program that will be in style 20 years or 30 years from now, even more so than it is today.”

– Ray Kroc, 1957
Q. Please tell me how much you trust each of the following institutions to operate in the best interest of our society. Would you say you have a lot of trust, some trust, not much trust, or no trust at all in...?
Global Food Vision: Food Sourced Responsibly

As one of the world’s largest food companies, we will use our scale to drive continuous improvement and innovation in responsible sourcing, to help realize a food supply where people, animals and the planet thrive.

- Address climate change
- Preserve forests
- Protect water resources
- Reduce waste

- Respect & protect human rights
- Promote economically viable farming
- Promote the health and welfare of animals
McDonald’s Scale for Good

We’re Using Our Scale for Good

37,000 restaurants
100+ countries
69 million people every day
Thank you!