



# Man of many tastes

As if Pierre Woreczek didn't have enough to occupy him as corporate vice president, chief brand and strategy officer at McDonald's Europe, Ruth Mortimer discovers that off-duty he is a guitar hero

I first spot Pierre Woreczek eating one of the brand's salads in the canteen at the McDonald's headquarters in Versailles, France. He is gesturing cheerfully. He is equally animated when talking about the company later in a tasteful glass office largely devoid of overt branding messages.

His enthusiasm is no great shock but Woreczek's frankness is a pleasant surprise. The McDonald's brand has long stood in many consumers' eyes for global homogeneity as a faceless international corporation. But Woreczek is anything but bland. He uses the word 'mistake' liberally and talks a lot about the brand's intentions to be more open – "even with things that are uncomfortable for us".

"In the US, McDonald's is a cultural thing; it's part of their history," he argues. "In Europe, that's not the case, so we have to prove we deserve to exist. We always need to be ahead of the curve. We cannot slow down because we need to grow."

McDonald's is certainly growing in Europe. It has turned itself around since 2003, when the brand seemed to be suffering from a failure to change to meet consumer desire for a healthier lifestyle. Europe now accounts for 39% of global earnings, with operating income of \$2.3bn (£1.1bn) last year.

## Choice paradox

The turnaround is largely due to Woreczek and European president Denis Hennequin, who have managed to balance the brand on a set of contradictions: you can still have a beefburger and fries but you can also choose a salad or smoothie. You can grab the brand's fast food or lounge around in a remodelled café-style restaurant designed to keep customers sipping their lattes for hours at a time.

Fittingly, Woreczek comes across as a man of contradictions himself. He works for one of the most criticised companies in the world, yet he doesn't blink at difficult questions about obesity. He talks with excitement about soft business topics such as engaging staff but never forgets to mention the drive for the bottom line. He is intensely serious about strategies and then throws in a cheeky comment.

Edouard Malbois, founder of food innovation firm Enivrance and a friend of Woreczek, jokes that the Frenchman is like a "strange virus in a corporate system" – a free thinker who, conversely, thrives in a global setup like McDonald's.

Perhaps Woreczek's adaptability makes him ideal for his diverse brief, overseeing marketing, sustainability, food innovation and design. He says it is a logical grouping of "every-

thing that touches the consumer under the same banner".

The contradictions in Woreczek's life go back to his school-days when he couldn't make up his mind whether he was a dreamer or realist. He laughs: "I was always balancing myself with the more creative elements and the rational. I thought I was not creative enough to be an artist but being too rational was a little bit boring."

He thought a good compromise would be advertising. But an early brush with a large agency in Paris left him feeling the people involved were "superficial and arrogant" so he joined the marketing team at coffee firm Jacob (later Jacob Suchard).

Woreczek enjoyed his time there, citing his boss, Pierre Jacquesson, as an inspiration: "Everything was possible with this guy. He was like a Ferrari – vroooooom! He just tried to make it happen and make new products. He was really fun."

## Fever pitch

But Woreczek was lured back to the agency side, ending up at boutique ad shop Jean & Montmarin. He says he loved pitching for clients: "It is like a game. You have to win. If you don't win, you don't grow and then you die. It was a funny, challenging part of the business where, thanks to your strategy, thinking and creative ideas, you can win or lose a lot of money."

He joined McDonald's in 1996 – on the first day of the BSE crisis – and left to join Cadbury in 2001. While the latter post gave him a unique opportunity to work on merging the company's different business streams, he says Cadbury was more traditional and less progressive than McDonald's.

When Woreczek returned to McDonald's in 2003, he found it a completely different business from the one he had left just a few years earlier. It had introduced 'Plan to Win', a strategy designed to make the business think about its work from the viewpoint of the consumer experience, rather than traditional, process-driven thinking. Woreczek grins: "It was such a big change."

He says he is happy to prove his worth at McDonald's for the long term – unless he gets the chance to be a rock star. His youthful dream of being a guitarist still appeals to him as he approaches 50. He reveals: "I am playing every weekend."

"He's another person on-stage," reveals Malbois. "It's like a domestic animal becomes a lion... he loves the limelight."

"When you have a passion, it takes up all your time," Woreczek admits. But it is not immediately clear whether he is talking about music or McDonald's.

Q&A overleaf

# A strong vision for Europe

Pierre Woreczek explains to Ruth Mortimer why McDonald's strategy in Europe is so different from its operations in the US and Asia – and why constant learning is essential to thrive



**PIERRE WORECZEK**

Age: 49, born in Boulogne-Billancourt, France.

**Education:** Business School: Hautes Etudes Commerciales (HEC)

**Career:** 1981, brand manager, Jacques Vabre Coffee (Jacob Suchard); 1986, marketing group manager, Grand-Mère Coffee (Jacob Suchard); 1988, account director, Ecom & Partner; 1988, senior consultant, Jean & Montmarin; 1992, partner, Jean & Montmarin; 1996, director of marketing and research, McDonald's France; 1999, vice-president of marketing and research, McDonald's France; 2001, general manager of marketing and development, Cadbury Schweppes, France; 2003, vice president of European food studio, McDonald's; 2005, chief brand and strategy officer, McDonald's Europe; also corporate vice-president on the European board.

**RM: What is it about the McDonald's brand that attracts you?**

**PW:** McDonald's is not a product, it's not a company and it's not retail. It's all of this. You have to manage every dimension. You might know that Ariel has Procter & Gamble behind it, but few people on the street will know. Here we are selling McDonald's products and every time you do something wrong with those products, it impacts on the company. When you do something wrong with the company, it impacts on the products. You work on all dimensions – product, corporate, social and ethical.

**RM: What lessons have you learned from working at a brand hit with so many global challenges and negative headlines?**

**PW:** I started here on 1 April 1996 – the first day of the BSE crisis. That was a shock. Everyone had said McDonald's wouldn't succeed in France because of cultural habits. But it was succeeding because it was somewhere to relax and a place for families to go where they felt safe. With BSE, suddenly the safety disappeared. People were anxious – was the meat poisoned?

Suddenly franchisees said: "This is my business, I invested in it. What are you going to do?" To be honest, you don't have a clue. The human and business reaction to not trusting something is to propose something else.

So we said: "We will still propose beef but also chicken." What happened? People were not coming to us for chicken. If you are in the mindset of "are they trustworthy?" and you see something else proposed, you think: "Oh the beef is not safe." So it was a huge lesson for us in how human beings think. When BSE happened again, three years later, we did it right.

When you are famous for something, build on it. Trust it. Translate this trust into everything you do; don't let anyone think for a second that you don't trust what you do.

**RM: So if you trusted what you did, why introduce salads later on when you were criticised over obesity, rather than just sticking with your classic menus?**

**PW:** That was different. We had learned a lot from BSE, anti-globalisation and the deaths in the store [after a bombing]. We had faced this kind of questioning. We said: we cannot blame others for perception. Perception is what you create, even if it is not what you do. If perception is wrong, it is because you do something wrong in the way you communicate.

So we changed everything in the strategy – the way we communicate, transparency and the policy of improving and enhancing everything. So when obesity came in, we were ready to discuss it openly. I don't think people expect you to have an answer for everything. They expect you to listen, care and try to find solutions. When we introduced salads, we said clearly: "We don't believe we're worse than anyone and there are many reasons for obesity but as a major food company, we have a role to play".

We looked at our offers and tried to inform people about what is in their hands when they're buying it, so they can judge. Since you never buy one product – you bundle things – we tried to give flexibility to that bundle. So you can find the right meal for you. We showed a willingness to move.

## “I don’t think people expect you to have an answer to everything, but to listen, care and try to find solutions.”

**RM:** You left McDonald’s and came back again. What made you decide that there was more to do at the brand?

**PW:** Before I left, it was about pushing international development, but when I came back, it was different. [Late president] Jim Cantalupo said: “We will not invest a lot more in openings but focus on our existing customer base and become a consumer-driven company.”

That may seem obvious for packaged goods companies but for McDonald’s, it was a revolution. The money was invested in everything that could improve the way a McDonald’s customer experienced the store.

Cantalupo, [late president] Charlie Bell and [retired chief marketing officer] Larry Light created the ‘Plan to Win’ and set out to change McDonald’s whole way of thinking. I was amazed to come back to such a different company.

**RM:** Explain how ‘Plan to Win’ works. Does McDonald’s dictate all its strategy centrally from the US?

**PW:** A lot of learnings are digested by top management from around the world. [Current president and chief operating officer] Ralph Alvarez is travelling like hell and he loves to hear from everyone. He’s making his own point of view, feelings and priorities by experiencing what happens in different areas. Then he creates an operating framework. The [corporate] centre gives us the framework based on the discussions from a back and forth approach; it’s from the top down and then [bottom] to top. Everyone applies the framework in a way that’s consistent to their culture.

‘Plan to Win’ enables us to filter everything we do in terms of place, people, product, price and promotion. It’s not a strategy in itself – it just reminds you that you don’t have the right approach if your strategy doesn’t deliver those five things.

**RM:** Is McDonald’s marketed differently depending on geography and culture?

**PW:** In Asia, you’ll see a different translation of the global vision than in Europe. Asia’s culture is very much about pace, accessibility and convenience first. In the US, 65% of visits are driving based. In Europe, the average is 35-39%, so many more people go into the store. In Europe, we wanted to make McDonald’s a place where you can experience a lifestyle. We put a lot into remodelling interiors and the experience people have inside.

**RM:** If you’re encouraging people to stay longer with a range of café-style products, aren’t you moving into Starbucks’ territory?

**PW:** Starbucks is right that if you put an experience around

the best possible product, you will win. It was obvious that the out-of-home coffee market was going to grow. We wanted to be ‘the best place for coffee at a more reasonable price’.

It’s working. But it is different for different countries. In Italy, if you don’t serve espresso, you don’t count as a brand. So McCafe in Italy was a way to show Italians we understand the culture. Whereas in Germany, it was really about: “We will be the best place to get coffee.”

**RM:** Is the fact that McDonald’s runs on franchises a problem in developing a strong internal understanding of the brand?

**PW:** In Europe, we have three strategy pillars: upgrading the customer and employee experience, building transparency and local relevance. All the strategy for Europe is built around those three things. We talk about upgrading customer and employee experiences together because they naturally fit together. In France, before talking to customers about the brand, we spent nearly two years talking to franchisees.

**RM:** Why have you introduced ways for employees to get nationally recognised education qualifications in certain markets?

**PW:** A company is always operating in three different circles. The first is how you operate your business, trying to make the best product and so on. The second is – to quote Marks & Spencer – how you do business. It’s about ethics: are we sustainable and taking care of the health of our people? The third is how you impact society.

McDonald’s can also make such decisions. Why not help people who have stopped their university courses [to work] or are still doing them? Why can we not be a place where they can continue to spend part of their time learning?

We thought about the nature of people joining us. We know turnover will be big within a crew. It would be great to reduce turnover but we cannot imagine crews staying for years – it’s not the way we manage it. But they can leave with a good memory of the job and their development here.

There are also opportunities if you’ve managed people at McDonald’s. If you are a crew manager, you are looking after a lot of people and taking tough decisions. Helping managers grow in the company is also part of learning.

**RM:** What more is there for you to do at McDonald’s?

### McDonald’s Europe facts

- Europe is McDonald’s second-largest market after the US
- There are more than 6,400 restaurants in Europe
- More than 4,100 European restaurants are franchised
- The brand serves 10 million people each day
- McDonald’s Europe employs 285,000 people
- The biggest European markets are Germany, UK and France

**PW:** I believe in the ‘learning company’ that permanently wants to enhance processes by improving the quality of the information it has. Lots of companies just want to update their information and move on. For me, it is about having the best information so you can find better solutions. ■

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