SUPER ANALYSIS ICEBERG
Why Dick and Jane Don’t Ask: Getting Initiation Barriers in Negotiations

CaseiSm.com
Ray Kroc Begs McDonald Brothers to Franchise

CaSeiSm.Com

- Kroc becomes the national franchising agent
- He gets 1.9% of gross sales
  - Just kidding; McBros. get 0.5% of that
- Kroc can make no changes without written consent!
Krock Builds 228 Stores in 6 years but with resistance from McDonald Bros.
The Big Buyout in 1961

McBros. hand everything over to Kroc for $2.7 million

Sometimes

IN CASH

Cheese Quarter Pounder

Diet Coke

Fries

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What Did Kroc want?

- To completely end the relationship with MCBroS
- To fully develop McDonalds into his vision
- To have full control

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What Did CaSeiSm.Com Dick & Mac want?

- Rid themselves of Kroc (they didn’t like his style)
- They wanted Kroc to PAY
- To maintain their burger stand at home, never wanted to expand
BATNA

Ray Kroc:
- Walk away from McDonald brothers
- Find another fast food company to enhance
- Contract was up - he would have to leave

McDonald Brothers:
- Get rid of Ray Kroc
- Find a new man to run operations
- Maybe get run out of business by larger fast-food company
- Lose Kroc's extensive knowledge of industry