

SHARING TRADE SECRETS

Fast Food Service Slowly Catching on in Russia

Setting up business in Russia may take a little bit of time and necessitate much perseverance and patience... but in the end, it can pay off handsomely. Just ask McDonald's Restaurants of Canada Limited (MRCL).

In just over six years of operation in Russia, MRCL's five Moscow restaurants alone have served close to 120 million customers.

But the road to success didn't come easy.

Long negotiations

It took McDonald's 12 years of solid negotiations — initiated by MRCL Senior Chairman George A. Cohon — before an agreement was signed with the Food Service Administration of the Moscow City Government, back in 1988.

"Throughout these arduous negotiations," says Cohon, "the Canadian Embassy in Moscow was always there to support us with advice and help open doors."

This led to the creation of a joint venture partnership, Moscow-McDonald's (MM), and the opening of its first restaurant — in 1990.

Since then, MM has opened another five rubles-only restaurants in Moscow and is poised for a repeat performance in St. Petersburg, Russia's second-largest scientific and commercial centre.

Location, location, location

In Moscow itself, McDonald's selected carefully the locations of its restaurants.

The first one, right on Pushkin Square, serves on average over 40,000 customers a day, making it the busiest McDonald's anywhere in the world, and with the largest crew — over 600 employees.

This was followed, in 1993, by the Ogareva Street Restaurant, located in the McDonald's Build-



Moscow-McDonald's, the world's busiest

ing, just minutes from the Kremlin and Red Square; and in the same year, the Arbat Street Restaurant, with buildings dating back to the 14th century and reflecting Russia's rich cultural heritage.

Then came Prospect Mira Restaurant, with its modern exterior design and interior decor focusing on sports, as the restaurant is located next to a large sports complex built for the 1980 Summer Olympics.

On the same day, McDonald's Sokolniki Restaurant opened — right next to the city's fire obser-

vation tower — displaying many facets of fire fighting.

Last but not least, MM opened its most recent restaurant just last month, again offering a new and unique service conveyance to its customers: a 100-seat free-standing restaurant that also includes Russia's first drive-through facility — on the busy Moscow-St. Petersburg highway.

Reinvesting in the community

"These themes help illustrate McDonald's basic corporate philosophy of 'Giving back to the community,'" says Cohon who is also Vice Chairman of Moscow-McDonald's.

As a matter of fact, MM has teamed up with the Moscow Fire Department to develop a fire safety awareness program for schools and families, with the commitment to promote fire safety and prevention through the Sokolniki Street Restaurant.

In the case of the Arbat Street Restaurant, MM invested the equivalent of US\$3 million — from revenues generated by the Pushkin Square Restaurant — in the research, restoration and reconstruction that took over two years to complete.

The well-known red-shoed clown

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