

## From Boarding House to the Boardroom: A Personal Interview with Truett Cathy

G. Farrell Gean<sup>1</sup>, Virginia Y. Gean<sup>2</sup>

(1. Pepperdine University, Malibu, CA 90263, USA; 2. California Lutheran University, Thousand Oaks, CA 91360, USA)

**Abstract:** A personal interview with Truett Cathy reveals three underlying principles that collectively form a frame of reference which guides the decision-making of this successful leader of Chick-fil-A. These three principles are: Golden rule philosophy, a remarkable work ethic, and consistent convictions. These principles are inherent in the organization's stated corporate purpose: To glorify God by being a faithful steward of all that is entrusted to us. To have a positive influence on all who come in contact with Chick-fil-A.

**Key words:** Truett Cathy; interview; Boarding House; Boardroom

**JEL codes:** M3

### 1. Introduction

Integrating his spiritual principles with business practices that focus on the value of people, has made Truett Cathy a real-life Horatio Alger story. By applying such biblical principles as honesty, respect for others, and fairness, he rose from a boy in a boarding house to a billionaire in the boardroom.

President Jimmy Carter said it this way: "Truett Cathy's commitment to principles has enabled him to achieve both spiritual and financial prosperity....His simple philosophy led him to become a mentor and role model to young people, a customer oriented restaurateur, a community leader and philanthropist. It is one of the most remarkable success stories of our time." (Cathy Truett, 2002).

The goal of this article is to present a description of this successful path as told in his own words by the founder of Chick-fil-A himself in a personal interview at his office in Atlanta, Georgia. At certain times during the interview he would instruct us to consult a particular resource wherein he had described more completely a point he was attempting to make. So throughout the article that follows, there will be references to these sources interjected at the time in the interview he referred to them. In this way a continuous flow of Cathy's interview can be achieved.

### 2. Historical Background

Cathy began the interview by providing us a brief, historical background of his business career. This

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G. Farrell Gean, Ph.D., Associate Professor, Pepperdine University; research areas/interests: finance, accounting. E-mail: [farrell.gean@pepperdine.edu](mailto:farrell.gean@pepperdine.edu).

Virginia Y. Gean, MBA, CMA, Visiting Professor, California Lutheran University; research areas/interests: leadership, ethics. E-mail: [vgean@callutheran.edu](mailto:vgean@callutheran.edu).

overview proved to be an effective perspective as he would make references to this background throughout the interview when discussing both spiritual and economic principles.

Although he would tell us later that he started his first business at the age of eight, his career as a restaurateur began in 1946 after WW II when he was 25 years of age. He opened his first restaurant south of Atlanta. It was not an accident that this restaurant was very near a Ford Motor Company assembly plant and Delta airlines near the Atlanta airport (Cathy Truett, 2002, p. 36). Cathy's clever business acumen was demonstrated early in his career by locating where he knew the close physical proximity would assure customer demand.

Cathy and his brother, Ben started their restaurant, called the Dwarf House in 1946 with \$10,600 of which \$4,600 was from selling cars and \$6,000 was from a loan. The restaurant was open six days a week and 24 hours a day excluding Sundays. Cathy firmly believed that Sundays were for spiritual worship and for his employees to spend quality time with their families. That tradition of being closed on Sunday continues to this day, a very rare business decision that is rarely seen in retail.

Only three years after the Dwarf House was started, tragedy struck and his two brothers were killed in a plane crash in 1949. Cathy faced his journey alone, but it also made him stronger in his spiritual life.<sup>1</sup>

Cathy's spiritual path was honed as a young boy by his Mother and a Sunday school teacher by the name of Theo Abbey who was a father figure and a mentor to Cathy all his life. Abbey instilled many of the spiritual principles that continue to form a frame of reference in Cathy's decision-making to this day (Cathy Truett, 2002, p. 29).

In 1967, the Chick-fil-A sandwich was introduced. The A stood for A1 quality, and this marketing brand had to be used rather than the dictionary word, fillet. The Chick-fil-A restaurant became one of the fastest growing chain of restaurants and in 1982, the Chick-fil-A Executive Committee comprised of Cathy and seven other individuals set out to commit to a Corporate Purpose which was: To glorify God by being a faithful steward of all that is entrusted to us. To have a positive influence on all who come in contact with Chick-fil-A. This plaque which rests at the front door of the main corporate headquarters serves as a reminder to all those who work at Chick-fil-A of the higher purpose that is being served.<sup>2</sup>

Approximately 45 years later with an estimated 2000 Chick-fil-A locations, annual sales volume of \$4 billion has been reached. Today, the corporate offices are located southwest of Atlanta on a woody lot of 80 acres with 600-700 employees, where there are day care facilities and walking trails. Priceless art along with exotic, antique cars are located inside the office buildings. A friendly atmosphere pervades the headquarters as Cathy respectfully demands. This beautiful compound is the culmination of a lifetime of work for Truett Cathy. With his very humble background, Truett Cathy became the business and spiritual giant of a company based on his core principle beliefs, of God, family and community that is the essence of Chick-fil-A.

### **3. Spiritual/Business Leadership Principles**

Three critical principles underlying the successful leadership of Truett Cathy were deduced from the interview. These three principles are (1) the golden rule philosophy, (2) a remarkable work ethic and (3) having consistent convictions.

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1 Truett Cathy, *Interview in Chick-fil-A Corporate Office*, Atlanta, Georgia Headquarters.

2 Truett Cathy, *Interview in Chick-fil-A Corporate Office*, Atlanta, Georgia Headquarters.

#### 4. Golden Rule Philosophy

One of the Christian principles that has permeated Cathy's business decision-making is something Jesus taught in his famous sermon on the mount as recorded by Matthew in the seventh chapter of his gospel. Jesus said, "Do unto others as you would have them do unto you."<sup>3</sup> He began by telling us that every person who visits Chick-fil-A's corporate headquarters receives a golden ruler as a reminder of this marvelous, spiritual truth.<sup>4</sup>

Gandi once claimed that the Sermon on the Mount was the apex of sound, moral teaching.<sup>5</sup> Apparently Truett Cathy shares this view. He applies this principle to employees, customers, vendors, operators, and to the community at large.

It was inferred early on in the interview that while his values are based on firm biblical principles, he applies them in a gentle, kind manner. He is tough with ideas but tender with people. This is a rare balance that has allowed him to build relationships of trust, loyalty and commitment. So while applying the golden rule by focusing on helping others around him make a success of their lives, he has achieved incredible personal and economic success of his own.

#### 5. Remarkable Work Ethic

Mr. Cathy shared his story in a linear, chronological manner beginning with his first attempt as an entrepreneur at the age of 8. He would buy 6 cokes from the store at 25 cents and pull them in a little wagon through the community selling them at 5 cents each for a 5 cent profit. When customers let him know they could buy 6 for 25 at a store, he changed his business model and built a stand in front of his house and put them on ice and targeted sales people walking the street. He was a flexible strategist from the very beginning.<sup>6</sup>

He had a very humble upbringing during the Great Depression, with parents that were unable to meet the financial needs of the family. He contributes his untiring work ethic to being born in poverty. Six years prior to his birth a fire destroyed his family home and all of the contents. His family had no insurance to cover the home or any of the possessions, and with that type of financial burden, it was the responsibility of the entire family to work hard to buy the necessities of life.

His Father began a career as a farmer and he took great pride in growing corn, cotton, and raising cattle, swine and honeybees. However with the advent of the boll weevil, his Father quickly went broke.

The land during the Depression was not worth the taxes that were owed, so they soon moved the family to Atlanta, Georgia where Truett Cathy's Father became an Insurance Salesman with Life and Casualty Insurance Company of Nashville, Tennessee selling policies and collecting premiums. His Father earned little money and achieved little success, and it became increasingly apparent that his Father would be unable to support his wife and children. Therefore they had no other option than for Truett Cathy's Mother to step in to become the major breadwinner (Cathy Truett, 2002, p. 13).

In order to meet the increasing financial needs of the growing Cathy family, Truett Cathy's Mother began to accept boarders in their rented house in Atlanta, Georgia in order to make ends meet. For a dollar a day a boarder got two meals a day and a bed to sleep in. With only one bathroom, it was necessary to share this with the family,

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3 Matthew 7:12.

4 Truett Cathy, Interview in Chick-fil-A Corporate Office, Atlanta, Georgia Headquarters.

5 <http://www.2006torino.org/sermon.htm>, Conversation between Gandi and the former British Viceroy of India, Lord Irwin.

6 Truett Cathy, *Interview in Chick-fil-A Corporate Office*, Atlanta, Georgia Headquarters.

seven children along with seven to eight boarders. Needless to say Cathy's Mother had little time to rest or relax while she did the cooking, and cleaning, seven days a week. Much of her time was spent in the kitchen, cooking and with her innate sense of food, she did not use recipes, but created her own recipes. As a young child, Cathy helped his Mother with these chores and it was in this kitchen that Cathy learned how to cook and take care of both his family members and the boarders that were renting at their home.

There was one dish that made a big impression on young Truett. His Mother would season her chicken with salt and pepper and put it in the ice box overnight. The next day she would fry the chicken and cook it in a big iron skillet with a lid to keep the chicken tender and moist. This became the inspiration of the Chick-fil-A Sandwich which Truett introduced and became the foundation of the Chick-fil-A restaurant chain (Cathy Truett, 2002, p. 13).

Young Cathy became enamored with cooking as he grew up and continuously would cook and bake beside his Mother. Their breakfasts would include eggs, steak, biscuits with cream gravy and the leftovers would be used for lunchtime at school. Other meals included salted fish with salmon croquettes, when the food inventory was tight. Cathy began to judge the financial condition of the family by how much the cupboards were stocked with inventory of food supplies.

Cathy and his family were reared in the Church and the only time that he would see his Mother rest was during the radio program the "Old Fashioned Revival Hour" that would broadcast from California. That time was for her devotional and listening to Charles E. Fuller preach and read the scripture (Cathy Truett, 2002, p. 17).

The lessons that he learned at home instilled in him the importance of discipline, hard work, good manners and being financially responsible. His parents were very strict and his Father did not hesitate to punish Cathy as a child and a young adult for disciplinary actions. His Father took great pride in keeping his children in line, and outwardly he seemed to be a very congenial man, but at home, he was very hard on his wife and his children. While his Father had a great deal of pride, Cathy believed that his Father was permanently scarred from not being able to be the major breadwinner of the household and took it out on his children and his wife.

Oftentimes, his parents would argue and it deeply affected his upbringing. Cathy often dreamed of living in a home with a peaceful environment. He would also dream of one day being able to provide his own family with a stability that would be based on love, honor, serving others and his creator and having peace in his household.

As a young child, Cathy admired one of his neighbors who would sell cupcakes in her front yard for a nickel a piece. At times he would buy a cupcake when he had a spare nickel and he learned that during the Depression, he should also create a business so that he could become more independent. Thus he began the business of selling cokes as described earlier. This self-discipline and drive began as a young child and continued throughout his adult life.

At the time, Cathy was so shy that he had a stuttering problem, and his Mother wrote his name on a card so that when he sold these Coca-Colas door to door that they could read his name, as he was unable to speak clearly. The other neighbors in the neighborhood soon also had their own sales of Coca-Cola and Cathy realized that he would need to differentiate his product from his competitors.

His idea was to ice down the Cokes and was able to sell them for more than a nickel each. Business became so good that his Mother helped him build a Coca-Cola stand with lumber and he was soon selling in cases with twenty four bottles at a cost of eighty cents and sell them directly from the Coca-Cola truck, which doubled his profit to forty cents per case. He increased his product mix to include such soda as Orange Crush and Nu Grape, and also began to purchase the ice directly from the ice man in the horse drawn carriage for eight cents per eight

pound block of ice.

Soon Cathy had enough money to purchase a bicycle for four dollars and decided to sell magazine subscriptions which included the Ladies Home Journal for fifteen cents a copy, with a four cent a magazine profit margin. He also sold the Saturday Evening Post for a penny and a half cent profit. He also helped a neighbor with his newspaper route. His friend was three years older, and Cathy followed his friend's advice explicitly. He was always driven to be the best that he could be to provide excellent customer service.

On one occasion, young Cathy met a beautiful girl named Jeanette, who he was immediately smitten with and after he moved out of the neighborhood, it would be ten more years before he would see Jeanette again.

At twelve years of age, Cathy began selling the Atlanta Journal newspaper throughout the neighborhood. He continued to contribute toward the family's expenses, since he understood that his Father was unable to do so. Often he would purchase the groceries with his hard earned cash, instead of putting them on account from the grocery store. Even though Cathy worked tirelessly as a young child, he would understand that his contributions would be insufficient to support the entire family.

In 1935, when Cathy was fourteen years of age, the family moved into a federally subsidized housing project in Atlanta. At the time that the family moved out of their home, they still owed various suppliers and were unable to pay their bills. This was deeply disturbing to him and his Mother. It would be years later while Cathy was in the Military that he was able to pay the bills that had been owed during their move. The amount was owed to the local grocer for thirty five dollars.<sup>7</sup>

At their new home, the other siblings had grown, and moved away and there were only two children left living at the federally subsidized rental, Truett and his younger brother, Ben. They would start another newspaper delivery business which would encompass the entire multiple apartment complex with over nine city blocks and deliver the Atlanta Journal. Their competition with other newspapers included The Atlanta Constitution and The Atlanta Georgian. This was a daunting task, since the customers were not known throughout the apartment complex. Both Ben and Truett knew that they would need to get to know the customers on an individual basis in order to beat the competition, and it was a great learning experience to put the customer first, and on a first name basis. They made it a priority to always take care of the customer. They had to prove to each customer that they would do the job right and follow up with their customer. It was the basis for the business strategy that would be critically important to building the restaurant business of Chick-fil-A.

This principle of taking care of the customers was also a biblical principle of treating others as they would have treated you. As discussed in the previous section, the GOLDEN RULE philosophy became the backbone of the ideas which drove the success of the Chick-fil-A Restaurant Chain.

Cathy and his brother would continue to deliver the newspapers until Cathy enlisted in the Army. Often they would be rewarded with sales awards by the Atlanta Journal which would include gifts and several vacations to the beach, where neither he nor his brother had ever visited. On Sundays, Cathy's day began before sunrise so that he would have sufficient time to deliver the newspaper. Many of the other delivery boys had the help of their Fathers since the Sunday papers were too thick to fold. However, Truett's Father was never there to help and he often felt cheated by his Father, who did not tell him that he loved him.

It was the love and admiration of Cathy's Sunday school teacher, Theo Abbey, that brought about a big change in the life of Cathy. Theo Abbey took a special interest in the young boy on camping trips, in fellowship

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<sup>7</sup> Truett Cathy, *Interview in Chick-fil-A Corporate Office*, Atlanta, Georgia Headquarters.

during their Sunday school classes, and in church. It was during the cultivation of this relationship that Cathy felt the love of a Father figure. As he grew to an adult, Cathy, recognized that it was the model of Mr. Abbey that he wanted most to model as a Father to his own children and a Father figure to other children, a business leader and a servant leader.

As an adult, Cathy would be a substitute Father to those children who did not have Fathers growing up as he had not, and for fifty years, he taught thirteen year old boys in Sunday school class. It would be one of the most enriching areas of his personal life.

As Cathy was getting ready to graduate from High School at Commercial High, he chose business courses as bookkeeping, typing and a course called Everyday Living, which was based on everyday life that would encourage polite and gentile qualities, such as how to introduce yourself to a stranger, removing your hat when a lady is present, and how to dress appropriately for an interview.

After graduating from High School, Cathy enlisted in the Army and due to health reasons, never served active duty overseas but worked in an administrative level in Atlanta, Illinois and Washington State. By the time, that he was ready to be discharged, Cathy was able to spend the last remaining weeks with his ailing Mother, who at the age of sixty five died from a ruptured appendix and peritonitis. He claimed that he was fortunate to have been born in poverty. Certainly the adversities just discussed forged into him a marvelous work ethic.

## **6. Consistent Convictions**

Cathy thinks his policy to close business on Sunday of each week is a most important key to the success of Chick-fil-A. He asked me what would his children think about his personal convictions if all they heard on Sunday was ringing of the cash register. Christianity is a way of life rather than a body of theory he emphasized. This policy sends the proper signal to your customers, employees, and all people associated with your business. Hypocrisy among adults is the loudest cry we hear from young people today.

Furthermore he added, that this “closed on Sunday” policy allows him to attract the kind of people they want to operate the franchisees. He wants those who desire Sunday as a day to have time to worship their personal creator and to spend quality time with their families.

He transitioned in the interview to begin talking about how critical it is to look for unexpected opportunities; especially those to convert a frown into a smile. He particularly liked to talk about making children smile.

His son provided us the following insight when he realized we were writing an article on how his father integrated his spiritual values into his business decision-making: “Dad’s love of people is a great motivator. We need to nurture and care for that perspective. Sometimes we allow our egos to get over-inflated, and we need to relate back to Dad’s mindset, to glorify God, not praise ourselves, and to put other people before ourselves.” (Cathy Truett, 2007, p. 63).

Throughout the years, Cathy has had the opportunity to mentor with hundreds and thousands of teenagers during his tenure as a steward for over 7-8 decades. He is committed to helping and serving the teenagers in need with a divided home. This has always been a mission for him and it has been through the Chick-fil-A restaurant chain that he believes that he has been able to obtain a higher purpose in serving the Lord for the good of others. This venue has given him incredible opportunities to do just that, which is reach out to others in need.

Also the franchisees or operators as they are called seek out teenagers to work there and through their training and mentoring program are able to encourage them by being a positive influence in their lives. In 1973,

Chick-fil-A established the Team Member Scholarship program to encourage employees of the restaurants to continue in their education. In 1996, the Team Member Scholarship was replaced with the Leadership Scholarship program, placing a greater emphasis on community service and further development of leadership. A \$1,000 scholarship would be awarded to those employees who graduated from high school, admitted to college, participate in community and school activities, develop strong leadership capabilities, a strong work ethic, teamwork and a great desire to succeed. To date the Chick-fil-A company has given out nearly \$30 million in scholarships, and also created the WinShape Centre Foundation. The WinShape Center Foundation provides foster homes and a summer camp for boys and girls (Cathy Truett, 2004).

He concluded the interview with the following quote: “We all know that the scorecard of any business is the profit it produces. Without profit, we cannot take care of our employees, our families, or contribute to the betterment of our communities. The question is how do we balance the pursuit of profit and personal character? For me, I find that balance by applying Biblical principles. I see no conflict between Biblical principles and good business practice.”<sup>8</sup>

## **7. Conclusion**

I think the best way to communicate how Cathy has integrated spiritual principles into his successful leadership of Chick-fil-A is to share the content found on four, different plaques located on the walls throughout the corridors of the corporate headquarters. I think the three principles that we just discussed: golden rule philosophy, remarkable work ethic, and consistent convictions are inherent in the following wonderful passages:

(1) “Do unto others as you would have them do unto you” (Matthew 7:12)

(2) “A good name is more desirable than great riches; to be esteemed is better than silver or gold.” (Proverbs 22: 1)

(3) Instruction is What we Say, Influence is What we Do, Image is What we Are.

(4) Story of Our Corporate Purpose—“To glorify God by being a faithful steward of all that is entrusted to us. To have a positive influence on all who come in contact with Chick-Fil-A.”

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8 Truett Cathy, *Interview in Chick-fil-A Corporate Office*, Atlanta, Georgia Headquarters.