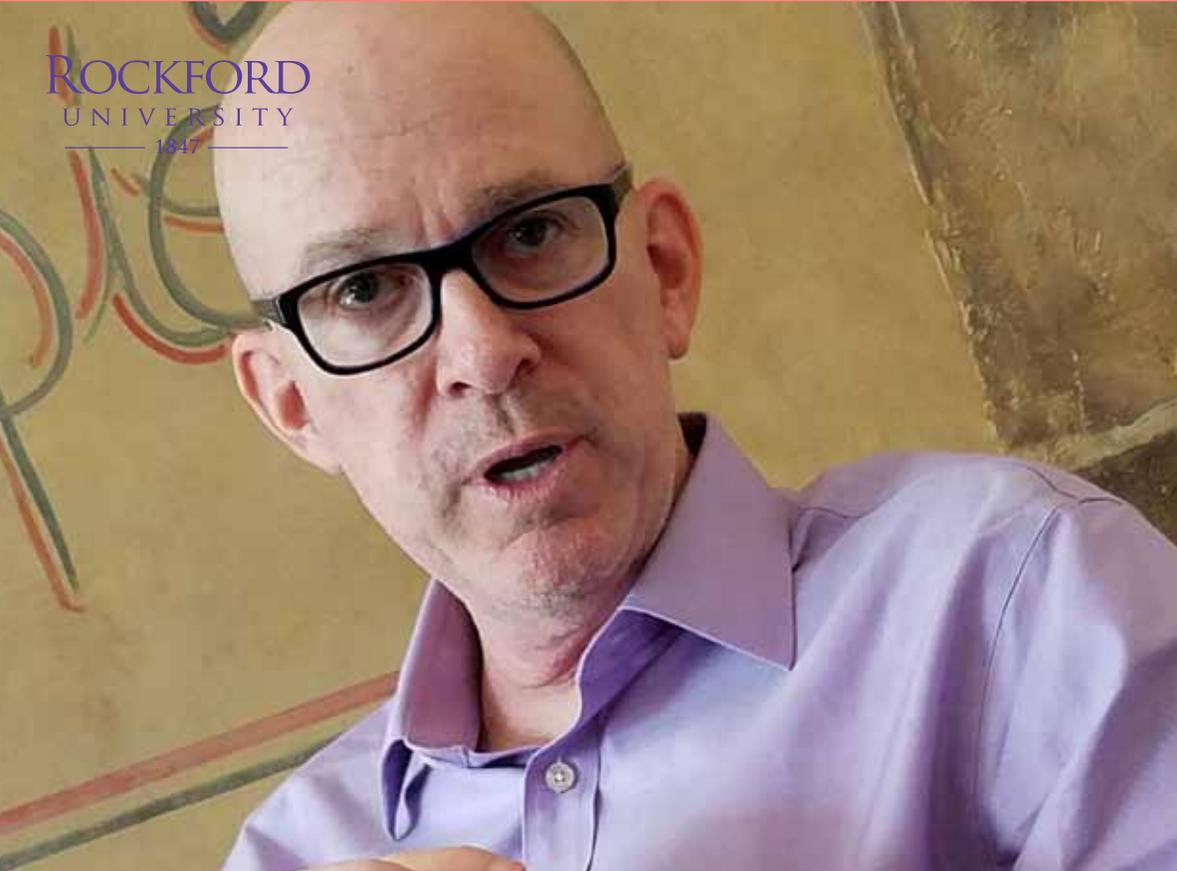


# KAIZEN

CONTINUOUS  
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## JOHN FRENCH ZEN AND THE ART OF RESTAURANT FRANCHISING

Page 1

## ALSO INSIDE 2018 GUEST SPEAKER SERIES

Page 4

### Newsletter of the Center for Ethics and Entrepreneurship

Editor: Stephen Hicks, Ph.D

Managing Editor: Jennifer Harrolle

Designer: Leah Pripps

## INTERVIEW: JOHN FRENCH

*John French's business career spans decades. He is the former President of development at Johnny Rockets and was the first franchisee of the restaurant group. We spoke with Mr. French about his experience building the Johnny Rockets franchise as well as his thoughts on Buddhism, business ethics, and education.*

### Early life and education

**Kaizen:** You grew up in Connecticut?

**John French:** Actually, I was born in New York, and my parents shipped me off to boarding school when I was 13 years old to a school called The Hotchkiss School, which is an elite New England boarding school. So I received what I think most people would consider to be a classical education. We had four years of required Latin and two

years of required Greek. We had to take multiple philosophy courses, modern languages, classic history—so it was a very well-rounded liberal arts education.

It was also an academic pressure-cooker, and I came in from a public-school background and a middle-class family. This was in the late 1970s. Keep in mind a lot of these boarding schools were breeding grounds for the Boston Brahmin group, or the equivalent out of New York. So, for example, I graduated just after Bill Ford II, who's now Chairman at Ford Motor Company, Wendell Mars, of the Mars Company, Tori Rockefeller. My father was a salesman. He sold adding machines in mid-town Manhattan. I started at the Hotchkiss School, went through four years of boarding school, was very grateful for my education and for my mentors, but do not have a particularly fond memo-

continued on page 2



## FROM THE EXECUTIVE DIRECTOR:

This issue of *Kaizen* features our interview with entrepreneur John French, whom I met with at a conference at the University of Florida, Gainesville. The story of Mr. French's adventures in developing the Johnny Rockets restaurant from its single location in California into a worldwide chain—as well as his experiences with making and flying airplanes, philosophical Buddhism, and interacting with business luminaries such as Steve Jobs—makes for dramatic reading.

This calendar year the Center has brought nine guest speakers to campus, with expertise in fields ranging from economics to automation and employment to business management to sports ethics to entrepreneurship. We also report on some of their visits in this issue.

At the Center's web site, we continue to build up our collection of resources on entrepreneurship and business ethics. All previous issues of *Kaizen* are available there featuring our news and extended interviews with entrepreneurs in a wide variety of exciting fields—from architecture to technology to marketing to venture capital to sports to documentary film and more.

Please visit us online at [www.EthicsandEntrepreneurship.org](http://www.EthicsandEntrepreneurship.org).

Stephen Hicks, Ph.D.

## ACTIVITIES:

*Explaining Postmodernism: Skepticism and Socialism from Rousseau to Foucault* was published in an audio-book edition and is forthcoming in Arabic translation in 2019. His *Nietzsche and the Nazis* is forthcoming in a new Polish edition in 2019.

During and since the summer of 2018, Dr. Hicks has been a Visiting Professor, University of Kasimir the Great, Poland. He also gave invited lectures at: the Representational Art Conference in Leeuwarden, Netherlands; Jagiellonian University, Krakow; the Museum of the Second World War, Gdańsk; the Scientific Society of Bydgoszcz; Lafayette College, Pennsylvania; the University of Illinois, Springfield; and at student organizations at the University of Florida and the University of Minnesota.

ry of my boarding school years.

**Kaizen:** Because of the pressure-cooker atmosphere?

**French:** It wasn't so much a pressure cooker from a cognitive standpoint, but more of a social disconnect in that my friends and background and experiences were not, shall we say, as sophisticated and as worldly and rounded as my fellow students. So I had a very lonely four years in boarding school, which was both good and bad.

**Kaizen:** Where did you go after that?

**French:** I went from the Hotchkiss School to Georgetown University. Frankly, I applied to Harvard, Tufts, Columbia, and Georgetown. I basically chose my university based upon the city in which it was located. So many individuals I knew from Hotchkiss were heading to Harvard, Princeton, Yale, etc. In fact, Hotchkiss was founded as a Yale preparatory school. I just wanted to get away from that whole environment

**“I want something exciting, and want something that is new, that is cool, that's hip. Aesthetics were important to me.”**

**Kaizen:** At this point, did you have career thoughts? You mentioned that you were philosophical.

**French:** I was philosophical, but I viewed that more as a hobby, not as a vocation. I did not see myself staying in academia because I saw what my friends had at The Hotchkiss School, and with all of their material possessions, they seemed pretty happy. I thought it would be pretty cool to have a house in the Riviera, an Aston Martin, a private plane, a sail boat or to have some of these cool toys that I never had. I said, “Well, how do I get this? How did you guys get this?” Most of their fathers earned it through managing other people's money, or in some cases, inheritance. But I thought, “well, I don't have the inheritance behind me, so the best way to do it is to go through business school.” And so I chose Georgetown's McDonough School of Business – before it was prefaced by the word, “McDonough.”

**Kaizen:** So you're thinking business education.

**French:** I was thinking business education because I really liked the toys and opportunities that my friends at Hotchkiss had, and I wanted to have those same opportunities. I didn't see anything wrong with that, and it didn't seem to be conflicting with anything else I wanted to do.

## Starting the Johnny Rockets franchise

**Kaizen:** You had an entrepreneurial streak.

**French:** Indeed. I've certainly developed one by this point. When I looked at the corporate world, I just saw myself sitting there 20 years henceforth and basically doing the same thing as when I first joined them.

**Kaizen:** You want to make money, but you also want something exciting for you.

**French:** I want something exciting, and I want something that is new, that is cool, that's hip. I also have somewhat of a fashion sense. Aesthetics were important to me, so I was

looking in the fashion industry and in the hospitality industry. I was looking for some place that I could put some creativity and my given knowledge base—which at that time was very limited—to work. I knew people with Barnett Banks, and I came across this restaurant in southern California called Johnny Rockets.

**Kaizen:** How were you now in California?

**French:** I was visiting a friend who was in law school at UCLA, and he said, “There’s this really cool restaurant that just opened up on Melrose Avenue in southern California.” Melrose Avenue at that time was a very avant garde, somewhat seedy area of Los Angeles. There was a dilapidated food store on one side and a retail store on the other side called “Retail Slut.” This entrepreneur had opened up a restaurant called Johnny Rockets. All it had was 14 counter seats, patterned after a 1928 White Tower, not to be confused with White Castle. It had this glistening stainless steel, open cook station. Think of a Waffle House without any booths but very upscale. Lots of chrome and 1920s – 40’s pictures.

**Kaizen:** A very focused concept and style.

**French:** It had a very cool style. It was retro 1930s. Not ‘50s but 1930s. And when you walked in, the entrepreneur had very deliberately realized that small spaces tend to attract people because you don’t need many people in a small space to create energy. Large cavernous restaurants, if you’re not busy, if you’re not at a lunch rush or a dinner rush—

**Kaizen:** It’s alienating.

**French:** Very alienating. There’s not much excitement or

“He designed it very tiny because he’d rather have lines out the door waiting to sit at one of the 14 counter seats.”

energy going on. He designed it very tiny because he’d rather have lines out the door waiting to sit at one of the 14 counter seats, and I instantly recognized why he did this. And so I look at the concept. I remember standing there for three hours watching people come in and out. I did eat there. He had a very limited menu. It was very tightly focused.

**Kaizen:** This is like the Ray Kroc and McDonald’s story.

**French:** It is! It is very similar.



John French posing for Johnny Rockets promo picture

**Kaizen:** When is this?

**French:** 1989.

**Kaizen:** Is there any direct influence from Ray Kroc on the Johnny Rocket’s founder? Had he done a case study?

**French:** Absolutely not as far as I know. His name was Ronn Teitelbaum, and he passed away a number of years ago from brain cancer. Ronn actually came out of the fashion industry. Ronn and Ronn’s father owned Eric Ross and Company, which at that time was essentially the furrier to the stars in Beverly Hills. So their clientele were performers like Clark Gable, Rock Hudson, Doris Day, Elizabeth Taylor—the stars of the golden era of Hollywood. This is the environment in which Ronn grew up. Ronn had a certain aesthetic sense that transferred from the fashion industry easily into the restaurant industry. There are a lot of crossovers.

**Kaizen:** Did he have one store?

**French:** One.

**Kaizen:** This was the prototype?

**French:** This is the prototype. This was the first store.

**Kaizen:** So you walk in and you’re captivated.

**French:** I’m captivated, and I have a tendency to look at every little tiny detail. I noticed, for example, on the edge of the counter there was a piece of extruded aluminum that was very highly polished that went all the way around the counter top. And then there was a laminate top that had these flakes in it. I looked at it and I saw that the flathead screws were all lined up with the channels inside the extruded aluminum counter trim, and I was curious if that was deliberate...because when most people turn a screw, it ends up wherever it ends up.

But every screw was exactly in line with the channel. So when I finally met Ronn, I said, “Ronn, I love this concept.” I said, “Would you ever think of franchising it?” And he

# Spring 2018 Guest Speakers



Speaker Jason Hill

Professor Jason Hill of Depaul University in Chicago visited Rockford University in April and spoke on opportunity and discrimination and on his book *Becoming a Cosmopolitan*.



Speaker Marta Podemska-Mikluch

Professor Marta Podemska-Mikluch of Gustavus Adolphus College in St. Peter, Minnesota, visited in April and spoke with our students about health economics, regulation, innovation, and freedom.

said, “No, not at the present moment. I’m just trying to get it going. We’ve only been open a short time.” He said, “Obviously it’s crazy here.” And I said, “Can I ask you one question?” He said, “Sure.” I said, “All the screw heads that you put in a straight line—was that deliberate or did you just happen to have an obsessive-compulsive carpenter?” He said, “You saw that?” And I said, “Yeah, I saw that.” He says, “No, that was absolutely deliberate. There isn’t one square millimeter of this restaurant that isn’t deliberate. There’s a reason behind everything in this restaurant.”

**Kaizen:** Like a painter or sculptor. Every square millimeter is calculated.

**French:** Correct. And he says, “Imagine my restaurant as this amorphous substance. If I were to push ever so slightly into this substance, it would change something else somewhere in the substance.” He says, “The fact that

you recognize that actually catches my attention.”

**Kaizen:** Of course: “You’re my kind of guy.” How old were you at this point?

**French:** Mid-twenties. I said, “I noticed this, and I noticed this, and I noticed this. And then I noticed on a grander scale, you’ve kept a really tight footprint. This restaurant can’t be more than 900 square feet.” And he said, “That’s approximately correct. It’s 878 square feet.” I said, “You only have 14 counter seats, but I noticed you’re turning the diners really fast.” And I said, “That obviously has to do with your tight menu, because you don’t have that many options. You have two hamburgers, a grilled cheese sandwich, a peanut butter and jelly sandwich, four different types of shakes and malts, and fries” They were using the old Ray Kroc, Prince-Castle, five-spindle, malt and shake makers. And he said, “Yeah that’s the key.” He said, “The key to high cash flow and to high revenue and to making money is to keep the restaurant high energy, tight, always crowded, with a very limited menu and very limited stock so you don’t have very high carrying costs.”

**Kaizen:** When people come in they either know what they want because they’ve been there before or their decision time is quick, so there’s a faster turnaround.

**French:** Yes, and there was always music playing. The jukeboxes were original Seeburg 100 Wall-O-Matic jukeboxes from the 1940s.

**Kaizen:** So at this point do you have a job or are you looking?

**French:** I’m looking. I’m looking for where I want to go... and also thinking about how I am going to raise money to build one of these.

**Kaizen:** So he likes you because you notice things. You’re his kind of guy. You have the franchising idea, but he’s resistant at that point.

**French:** Yes.

**Kaizen:** So how did you guys work out an arrangement?

**French:** It took about six months. Basically all I do is keep bugging him. I would literally call him once a week, and I would ask him how business is going and all sorts of questions about his restaurant. I would just keep peppering and peppering and peppering. He called me back six months later and said, “Listen, you and I have been talking for a long time now. You get it.” And he said, “In the fashion industry, we say either someone gets it or they don’t get it. There’s no way to articulate how to create a new fashion concept from nothing. It’s an emergent. It’s something that comes from nothing and all of a sudden is something. It comes out of someone’s imagination. Either it just comes to you and it’s natural or it isn’t.” And he said, “You get it. I can tell you absolutely get it.” He said, “What are you thinking?” And I said, “I’m thinking I’d like to develop these in the state of Florida, and I’d like to develop maybe a half a dozen of them.”

**Kaizen:** The aesthetic is a fit, if you’re going with South Beach.

**French:** Correct. The aesthetic would be a fit.

I figured we also needed high foot traffic because it was just hamburgers, shakes, malts, fries. What's more basic than that? So I looked for areas that had very high foot traffic, and I identified about a half a dozen sites. Ronn flew out from California and looked at them. He liked some of them and didn't like other ones. We started with one or two that he really liked, and he gave me the plans, introduced me to his architect, and the rest was history. I started developing these restaurants in the state of Florida.



John French (second from right) with Ronn Teitelbaum, founder of Johnny Rockets (second from left)

In the meantime, I wasn't the only one who recognized the genius of the concept, and the another franchisee, Lloyd Sugarman, who still is a franchisee of the Johnny Rockets group, came in and he developed the San Francisco Bay area. He's also a serial entrepreneur. But Lloyd started with Johnny Rocket's, as I did, and we developed in different markets.

This went on for probably about four or five years of development. We're now entering early 1990 or somewhere in that range.

**Kaizen:** You were in your late twenties or early thirties?

**French:** Exactly. I had one bomb of a site, and I had some home runs.

**Kaizen:** What happened next?

**French:** So what happened next is I got a call one day

**“This was essentially a Fortune 500 board that was joining this company that had maybe a total of \$50 million in gross sales.”**

from Lloyd Sugarman, “Did you hear the news?” I said, “Well no, what news?” And he said, “Well, it looks like Ronn and his primary investor are going to be bought out by a group of hedge funds and private venture capitalists, as well as some individuals.” And I said, “Really? The parent company is?” And at this point they probably had 30 restaurants, including mine and maybe half a dozen franchisees. And I said, “Well, who's involved in this whole thing?” And he said, “Well it's being led by a guy named Mickey Drexler,” who at that time was chairman and CEO of Gap.

When Mickey came in, he brought with him a guy by the name of Herb Simon of Simon DeBartolo. Simon at that time was the largest developer of real estate in the United

States. So Herb Simon sat on the board and Mickey Drexler sat on the board. And even though he wasn't an official board member, a good friend of Mickey Drexler's was Steve Jobs. Steve would stop by on occasion, and he ultimately ended up advising Mickey and the board. And, in addition to that, we have one of the largest private equity fund managers in the world, Alan Patricof, now of Apax Partners joining the group.

**Kaizen:** So this phone call is huge news.

**French:** This was huge news. This was essentially a Fortune 500 board that was joining this company that had maybe a total of \$50 million in gross sales. That's it. That's all we had at the time. And I said, “Wow, so what kind of capital are they bringing behind them?” And Lloyd said, “Somewhere between \$400 and \$500 million.” And I'm thinking, “Well that's about 700 to 800 restaurants, minimum.” And Lloyd goes, “Yeah. They are looking at taking this concept worldwide.” And I said, “That's very interesting, who do they have as the CEO?” And Lloyd said, “They're trying to bring on a gentleman by the name of J. Jeffery Campbell.” Jeff Campbell is a very well-known CEO. At the time he had just come over after being CEO of Pillsbury and, prior to Pillsbury, he was CEO of Burger King.

At that point I was like, “Well, okay, this is news, but it isn't really affecting my life. I have restaurants to run.” I was trying to continue with my life. Then I got a call from Jeff Campbell, and he said, “Look, I'm just swinging around talking to the franchisees, and you're the last one that I haven't gotten to yet.” And he said, “I've spoken to the other franchisees and every single one of them said you've got to speak to John French.”



Johnny Rockets at The Pointe, Orlando

## Philosophy and business ethics

**Kaizen:** What's going on in your philosophical life? At some point you developed a strong interest in Buddhism.

**French:** That actually was concurrent with my building of Johnny Rockets. I found a Buddhist Master. His name was Daido Roshi. He was the abbot of Zen Mountain Monastery and founder of The Mountains and Rivers Order of Zen Buddhism up in New York State in the Catskills. I became a Zen Buddhist. I still am a Zen Buddhist. What appealed to me was I was brought up in a Christian tradition, but it was too anthropomorphic for me. I just never could quite get my head wrapped around it.

**Kaizen:** What was the appeal of Buddhism?

**French:** Its reliance on rationality and empirical evidence. I have a scientific bent. I want to see it. If I can't see it, if I can't measure it, if I can't at least duplicate, experientially,

**“The way I see it, ethical behavior comes from inside. It doesn't come from outside. You can't teach me to be ethical.”**

what you tell me, I'm not going to believe you until I'm able to do so. I asked my teacher, Daido Roshi, “Is this a religion? Is Zen a religion?” It's a very interesting question. He says, “Well, it all depends on what you mean by the word 'religion.’” And that's a separate conversation.

But he said, “If you're religious you can practice Zen. If you're not religious you can practice Zen. If you don't know or don't care you can practice Zen. That's the best way I can answer for you.”

**Kaizen:** You mentioned Steve Jobs before. Steve was known to have an interest in Buddhism as well.

**French:** Steve was an incredibly spiritual individual. A

great deal of Steve's life perceptions were influenced by eastern philosophy and from calligraphy, which he had talked about numerous times in terms of his development of the aesthetics of his products. And Mickey Drexler was the other individual who also had a great interest in eastern philosophy.

We would have very lengthy, sidebar conversations, on this topic. Mickey had a beautiful house up on Nob Hill in San Francisco. Mickey was a short guy, and he would always take the highest chair in the room. Steve and I would just lay out on the floor, and a few other people would occasionally join us. It was very cool.

Our conversations would go in 80 different directions, but it was this tremendous breath of fresh air. It's kind of like in West Texas where we raised our daughters. On a 112 degree day, a thunderstorm appears out of nowhere, comes through, and all of a sudden the winds would pick up and it would be 60 degrees, and everybody would just take this really deep breath. I can't articulate to you what we got out of it, but we were getting a ton out of it.

**Kaizen:** Putting it all together: you have huge entrepreneurial experience, philosophical interests, rich aesthetic interests, but you're now also doing business ethics.

**French:** My objective, my forthcoming Ph.D. research at Emory University, is as follows: The way business ethics is presently taught doesn't work. It simply doesn't work. I've had this discussion not only with Georgetown but with Penn at Wharton. I said, “Frankly, it's most of your graduates that are causing all the problems. McDonough, Wharton, Harvard, you name it.” And I said, “These are check-the-box courses for these students. They don't care. I've seen it for 30 years in the field. You're way too late in the game by the time you get to them.” Ethics needs to be pushed down to the grade school level. Ethics needs to be taught at the grade school level or even elementary level.

And so when you say that, what do you actually mean? What are you going to do? What is the effective pedagogy? How are you going to go about teaching ethics? This is what my Ph.D. research is involved in. And what I'm doing is I've spent some time in India, and I'm planning on taking, essentially, the four noble truths along with the eight-fold path of Buddhism and incorporating that in as unthreatening a way as possible. I don't want to bring religion into my classroom, but I want to discuss the foundational concepts of Buddhism without all the jargon.

And the way I see it is, ethical behavior comes from inside. It doesn't come from outside. You can't teach me to be ethical. I don't care if you give me case studies to analyze,

the philosophical underpinnings of ethics, or simply codes and laws that must be followed for a particular domain to function such as business. Ethics is how I perceive your relationship to me. Ethics is how I perceive myself. Ethics is how I perceive what I should do in my life, what's important in my life. Ethics is how I perceive reality. Ethics is the answer to the question, "Who am I?"

**Kaizen:** Abstract rules or principles that are grafted onto you.

**French:** Yes. And this is something eastern philosophy has a significant jump on over us here in the west. Because for at least 5,000 years, or 2,500 years in the case of Tibetan Buddhism, for example, these people literally sat in caves and they examined their interiors. They examined their thoughts. They examined their feelings. They examined everything in such minute detail.

**Kaizen:** Our primary audience at the Center for Ethics and Entrepreneurial is university students—many of them thinking business and entrepreneurial careers. So you're arguing it starts young, and that you need to integrate a philosophical conception of life that you have developed personally—and then apply it in your day-to-day living. Is there any way you can take that and some kind of key advice to young people who are still exploring? What's the most important thing that they need to focus on while they're still in school?

**French:** I'd tell them a good place to start is think from the end. Think from your death bed. We're all going to die, and it's going to be a lot sooner than you think. It can be so morbid to think about for the majority of people, but that's the truth. We live our lives. The problem, and the reason why we often have so many problems in our lives, is we live our life as if our body is going to live forever, but its not. Realize this first. We are not our body.

**Kaizen:** That's a hard lesson for 20-year-olds.

**French:** That's a very hard lesson for them to absorb. But I say to them, "I'd like you to think from the end." And that's where I start with them. You obviously want your life to mean something. Everybody has these goals and usually these very idealistic, far-reaching goals...

**Kaizen:** It's the big project of tracing it back to where you are now and what that narrative is going to be or when that top timeline is going to be.

**French:** Exactly. And ultimately it always comes back to you ...

To read the rest of our interview with John French, visit [www.ethicsandentrepreneurship.org/kaizen/](http://www.ethicsandentrepreneurship.org/kaizen/). This interview was conducted for Kaizen by Stephen Hicks.

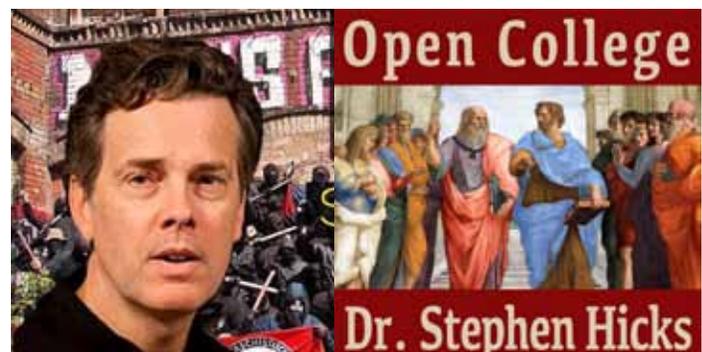
# CEE NEWS



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Check out our previous issues of Kaizen at our site: [www.ethicsandentrepreneurship.org/kaizen](http://www.ethicsandentrepreneurship.org/kaizen).



Stephen Hicks has launched his new Open College podcast series. His most recent episode discusses Violent Politics; Lessons of Marxist Philosophy. Follow the podast on twitter @OpenCollegePod. The podcast is available on iTunes, SoundCloud, and Stitcher.

# In the next Kaizen



## Feature

Interview with  
Leslie Marsh on  
entrepreneurship  
in Canada

## Also

Guest Speaker  
Greg Sadler on  
Stoicism, ethics, and  
leadership  
Shawn Klein on fan  
morality and concussions  
in the NFL

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