

King Of The Castle

Sherleen Mahoney

White Castle remains a family-owned business after 96 years

In a fast-paced world that's constantly changing, White Castle, America's first fast-food hamburger chain, is still a family-owned business after 96 years. It still offers the same classic sliders that fans have loved since Billy Ingram and his business partner, Walt Anderson, opened the first restaurant in 1921. Today, the company is led by great-granddaughter Lisa Ingram, and nine fourth-generation and one fifth-generation family members are still involved in the business. Understanding what the company does best and having a sense of purpose has kept this enduring brand one of the most successful fast-food chains in America.

"Our vision is feeding the souls of craver generations everywhere, and our mission is making memorable moments every day," said Jamie Richardson, Vice President of Government and Shareholder Relations at White Castle. "These guiding principles shape all we do."

White Castle's classic sliders are made with 100-percent beef, steam grilled on a bed of onions, topped with a pickle and served on a bakery-fresh bun. Five holes are strategically placed in the hamburger patties so they cook with out being flipped.

There's also grilled chicken, Alaskan pollock, black bean and veggie sliders, as well as a line of Belgian waffle breakfast sandwiches, made with fresh-cracked eggs.

"It's something you'd make for yourself on a Saturday morning," Richardson said. All menu items are available at any time.

For cravers who don't live near a White Castle restaurant, the classic sliders are available in grocery stores in all 50 states and Canada. The segment accounts for nearly 25 percent of total sales. The cheeseburger is the No. 5 selling item in frozen-food sales and No. 1 in vending machines. It's the same recipe with a slight variation to the bun to accommodate for a microwave instead of a grill. There's also no pickle because it doesn't fare well in a microwave.

To ensure the highest quality and consistency, the company owns three meat plants, two bakeries and three frozen hamburger plants.

While White Castle's leadership has seen the burger market grow and evolve into the revolution it is today, they are not interested in changing their famous, original recipe.

"We love our 2x2-inch sliders; it's who we are. Why would we want to walk away from perfection?" Richardson said. "We don't find that trend tempting. The more things change, the more we crave the same."

Heart of the Castle

White Castle's culture of treating people with dignity and respect has engendered loyalty that retains employees for decades.

"Billy would say, 'We have no right to expect loyalty except from those to whom we are loyal,'" Richardson said. "He also would say, 'Happy employees make happy customers.'"

Twenty-five percent of the employees have been at White Castle for more than 10 years, which is remarkable in the fast-food industry. And of the top 450 restaurant operations leaders, 442 of them started behind the counter in hourly roles.

The company demonstrates its loyalty to employees by offering special incentives, such as a Castle SharesTeam Member Relief Program that offers grants up to \$1,500, a High Potential Program that puts employees with drive and talent on a faster track, education scholarships for team members and their families (more than \$1.5 million have been awarded to date), and a holiday bonus that distributes up to 1 percent of sales to team members based on time of service.

By valuing and investing in employees, engagement and satisfaction receive high marks.

Each year, the team member survey receives a 90-percent response rate, and the engagement scores are 20 to 25 points above average in each category.

This culture of kindness and generosity, created by Billy Ingram, has impacted the hearts and minds of countless team members.

Celebrating Cravers

White Castle established May as National Hamburger Month. It is a time to celebrate America's love of hamburgers and the legions of White Castle cravers.

Each May, the company offers special promotions, such as free sliders, and invites fans to share their favorite White Castle stories. The best ones are inducted into the Cravers Hall of Fame. The inductees are invited, with travel expenses covered, to a ceremony to share their stories. The Hall of Fame includes stories about White Castle-themed tattoos, costumes and urns; long road trips to visit restaurants; family celebrations and traditions centered on sliders; and tributes to loved ones.

Some famous inductees include movie stars John Cho and Kal Penn, rocker Alice Cooper and most recently, the legendary Stan Lee.

"The Cravers Hall of Fame celebrates the most devoted and authentic White Castle fans in a way that is nourishing and good," Richardson said. "They are the embodiment of why we exist—and the visual demonstration of what it means to 'feed the souls of craver generations everywhere.'"

A History of Conservation

As a company that experienced the Great Depression and World War II, the brand persevered, in part, by adapting well to change and embracing strategic conservation efforts.

During the Great Depression, the company emphasized its great value by promoting coupon offers, keeping prices low without sacrificing quality. Ingram also relocated the home office from Wichita, Kan., to Columbus, Ohio, to be more centrally located to the restaurants.

During World War II's labor shortage, the company had to operate lean. It hired younger males and females, and sugar, coffee and meat shortages required the company to minimize sugar usage, offer different drink options and serve egg sandwiches.

In the 1960s, the bakery started recycling its cardboard delivery boxes, reusing them up to seven times before discarding them.

In the last decade, White Castle has been increasingly committed to energy and water conservation and waste minimization.

"Not only is it the right thing to do, our team members and customers want to work for and support companies that value sustainability," said Shannon Tolliver, Social Responsibility and Environmental Sustainability Manager at White Castle.

According to the company's last biennial How Green is White Castle survey, 68 percent of team members felt environmental sustainability was "important" or "very important in their personal lives" and 74 percent are "interested" to "extremely interested in food diversion programs at work."

While White Castle produces a minimal amount of food waste because meals are cooked to serve, the company still aims to divert as much landfill waste as possible.

The home office and the restaurants in the Minneapolis and Cincinnati regions compost food, hamburger boxes, towels, coffee filters and grounds.

According to the company's latest "Social Responsibility Overview" report, the Minneapolis region and the Cincinnati bakery diverted more than 20 and 42 tons, respectively, to composters and animal feed providers. The meat plants also sent more than 80 tons to a meat renderer that converts it to grease.

More than 92 percent of restaurants have a recycling program. The ones that do not recycle either do not have a cost-effective provider or do not have enough dumpster space.

The restaurants also sell their used cooking oil to refiners of biodiesel fuel.

Additionally, the retail food plant in Vandalia, Ohio, is LEED Gold-certified. It achieved the distinction by:

- Reserving 5 acres of land for vegetated open space
- Protecting nearby streams from pollution and erosion by controlling water runoff quantity and quality
- Insulating buildings with high-performance windows and energy efficient HVAC equipment

- Tracking utility usage
- Purchasing green power

Lastly, the home office also made improvements to its waste reduction and recycling program. The office has centralized waste and recycling areas and encourages waste-can-free offices. Team members are accountable for taking their waste to the refuse and recycling areas, and trash can liners are only discarded when they are wet or dirty. The changes resulted in a 63 percent reduction in waste costs, a 49 percent reduction in waste tonnage and a 50 percent reduction in waste can liners.

White Castle has demonstrated a history of adapting well to changing times while remaining true to its core values and mission.

In-Castle Support

The White Castle facilities team manages approximately 390 restaurants in 13 states with more than 130 in-house technicians. To cover 10 regions, eight regional service supervisors manage the technicians, along with two service and facilities managers who each supervise four of the service supervisors and a regional team of their own. A corporate facilities project manager and a facilities coordinator help outsource the tasks and projects that are not performed in-house.

Each supervisor, along with their team of service technicians and outsourced partners, maintains 20 to 78 stores within their region. They are responsible for keeping all equipment operating and the building and grounds maintained.

"Our technicians each have a specialty, and they all work together to take care of their stores with a sense of ownership and pride," said Greg Clark, Director of Construction and Facilities Management at White Castle. He has been with White Castle for 34 years, starting his career working behind the counter at 17 years old. He worked his way to the service department, which is now the facilities department. While working full time, he also earned a mechanical engineering degree.

Clark found RFMA in 2014 when the company decided to restructure the construction department to include facilities.

"I thought, 'Great, but how do we do that?'" Clark said.

In his search for resources and answers, he found RFMA. He recognized the valuable opportunity to network with and learn from experienced professionals who run such hybrid departments. Clark was especially interested in speaking with facility professionals who rely on in-house technicians.

"Before 2014, we had 11 regions doing 11 different things in service departments," he said. "Today, we're a cohesive group working together and sharing best practices and new ideas with each other, which has made us more efficient. We see the value in RFMA, which is why this year, we took seven people from facilities to the annual conference. In the past, we would take two or three, but we're adding more and more people to attend."

Clark has partnered with a number of RFMA member vendors.

One of those vendors is Corrigo. The platform is used to dispatch the in-house technicians and manage preventive maintenance schedules. To request repairs, the manager on duty enters the work-order request and the assigned technician instantly receives the task on his or her mobile device. The platform also sends alerts when preventive maintenance is needed.

The service supervisor dispatches vendors for specialty items and complex jobs, such as fire prevention, pest control and back flow preventers. For example, vendors were called to help install Coca-Cola Freestyle vending machine in 340 locations, which also included adding a new self-service counter and ice machines.

"We needed help to roll out this project in three months," Clark said. "Our team can't maintain all the stores and do the installs at the same time."

Clark credits the accountability and the responsiveness of his team.

Last year, a fryer in a New Jersey White Castle restaurant leaked and created a grease build up on the floor, which caught fire. The Ansul system was triggered, with a fire extinguishing chemical targeting the vats, but the fire was located on the floor behind the fryer. New Jersey's Bravest was needed to extinguish the fire. The facilities team and vendors rebuilt and reopened the restaurant in less than a week.

"If it wasn't for our service team and the partnerships we've developed over the years, it wouldn't have come together so quickly," Clark said.

Currently, the construction and facilities team is busy rolling out its Kitchen of the Future prototype.

The exterior retains the castle structure with the tower and turrets, but the porcelain enamel is replaced with stone and brick. There's also a new blue, orange and white polygon sign.

"The castle defines and inspires us," Richardson said. "It is not only part of our name, it's part of our identity. While we want to be relevant, we have a reverence for where we come from."

Inside, the open concept places the kitchen, with eight custom-sized 30-plate Accutemp hamburger griddles, in the center of the room. Older restaurants typically have five or six griddles. As customers place their orders, they can watch their food being prepared. The open space offers a kitchen-theater experience as well as complete transparency. The layout also allows for improved communication between the kitchen staff and offers more counter space, which can be used to accommodate more limited-time-offer items, such as the Bacon Jam with Smoked Cheddar Slider that was available this spring.

In the dining room, blue, orange and white design elements create a fun space. Black-and-white photos showcasing the company's history are proudly displayed on a wall. Clear dividers conspicuously define the space while maintaining an open and airy feel. There also are TVs throughout the space and complimentary Wi-Fi.

Thirty have been built so far, and eight are planned for this year.

Existing buildings are scraped and rebuilt into the prototype design. The building is closed, knocked down, and a new one is built in approximately 18 weeks.

The company plans to re-image 10 to 20 restaurants each year, applying its thoughtful and conservative approach to growth as well as its remodels.

"As a family-owned business, White Castle is purposeful about its investments," Clark said. "Our priority is investing in our people first and taking a measured and thoughtful approach to investing earnings back into our neighborhoods through charitable giving and keeping our restaurants fresh and inviting."

An Enduring Legacy

While White Castle may have a small footprint in the number of restaurants, its influence spans generations. The original sliders have been satisfying cravers for almost a century. The company has even inspired pop songs and headlined a cultclassic movie. As a family-owned company that still embraces founder Billy Ingram's humble vision, White Castle remains a pillar of permanence and strength.

Opening the Castle

In the early 1920s, Americans had a dim view of ground beef.

"It wasn't something moms fed to their kids," said Jamie Richardson, Vice President of Government and Shareholder Relations at White Castle.

So, in 1921, when Billy Ingram and his business partner, Walt Anderson, opened the first White Castle, they knew the focus had to be on cleanliness and purity. Serving affordable and readily available hot and tasty food for families was top of mind as well. The name was based on "white" for cleanliness and "castle" for permanence and strength. White Castle enjoyed rapid success and created the quick-service restaurant industry so many chains thrive in today.

Hollywood Calls

In 2003, Jamie Richardson, Vice President of Government and Shareholder Relations at White Castle, received a call from a Hollywood, Calif., studio. A producer described a movie concept in which two likable underdogs stumble into a misadventure while trying to make their way to a White Castle. She was requesting approval to use the brand's name. Once Richardson realized it wasn't an April Fool's Day prank (he received the call on March 30), he asked to read the script. The studio obliged. After reading the script, Richardson approached Bill Ingram, who was the CEO at the time, with the request. Richardson described it as an R-rated movie that is a love letter to White Castle. Ingram had one question, "Does it make fun of our team members?" Richardson said no, it was actually very complimentary. Ingram gave his approval, and "Harold and Kumar Go to White Castle" was released in 2004.

"The movie connected us with a new generation of cravers," Richardson said. "When the film opened in June 2004, we saw a dramatic increase in sales. It was the first time in our history since opening in 1921 when our restaurants almost ran out of hamburgers."

The following year, when the DVD was released, White Castle experienced another great year.

The brand still maintains a good relationship with John Cho, Kal Penn and Neil Patrick Harris.

White Castle Family

White Castle has been led by family members since 1921. Founder Billy Ingram ran White Castle until 1966 when his son Edgar Ingram took over as president. Edgar served until his son, Bill Ingram, became president in 1980. Bill's daughter, Lisa Ingram, became president in 2013. Bill Ingram continues to serve as chairman of the board of White Castle, a role he has held since 1992.

Other fourth-generation family members include:

- Brian Ingram, Telecommunications Analyst
- John Kelley, Chief People Officer
- Meg Kelley, Corporate Events Manager
- Kate Richardson serves on the Board of Directors
- Jamie Richardson, Vice President, Government and Shareholder Relations
- Brad Rife, Assistant Vice President of the Retail Food Products Division
- Dave Rife, Assistant Vice President of Manufacturing
- Erin Shannon is a Corporate Relations Manager
- Shannon Tolliver, Environmental Sustainability and Social Responsibility Manager

One fifth-generation family member is Matt Rife, Assistant General Manager of a White Castle restaurant.

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