August 31, 2017

# INVESTMENT LETTER AND COMMENTARY: CINTAS CORPORATION (NASDAQ: CTAS)

## INTRODUCTION

## THE URGE TO MERGE IS ALIVE AND WELL

The year 2015 was a record one for mergers and acquisitions (M&A), and 2016 was not bad either. Globally, M&A activity reached a volume of $4.6 trillion in announced deals in 2015, beating the record of $4.3 trillion set in 2007.[1]

Companies experience the urge to merge because they believe that a bigger company will be a more forceful competitor, strengthening its ability to keep the competition at bay and giving it the power to discourage companies from entering its markets.

A well-planned and well-executed merger will raise barriers to entry, permitting the merged entity to enhance its market domination. Companies that enjoy barriers to entry, like Cintas, are attractive to us.

Fantasizing about what benefits will automatically accrue to a newly merged entity is easy. All it takes is imagination and one or two cups of strong coffee. Realizing these benefits is another matter.

Forecasted synergies often turn out to be exciting on paper but illusory in practice. Execution issues emerge, such as integrating hardware and software. These issues can be insurmountable, or at least take much time and energy to resolve.

Sometimes, the antitrust division of the United States Department of Justice (hereinafter referred to as the Justice Department) makes a ruling that the merger is anticompetitive and that it will not receive the Department's ok without a significant divestiture of some of the assets of the acquired company. Sometimes satisfying the Justice Department and gaining approval of a merger is a difficult or impossible challenge, as witnessed now with AT&T Inc.'s (NYSE: T) struggle to get Justice Department approval of its proposed acquisition of Time Warner Inc. (NYSE: TWX).

## TWO LARGE UNIFORM COMPANIES MERGE

On August 16, 2016, Cintas, enjoying the largest (twenty-five per cent) market share in the domestic uniform rental business, announced that it had agreed to acquire G&K Services, Inc., a smaller, yet still significant, competitor (six per cent market share).

The G&K acquisition prompted me to ask myself two questions. First, what did G&K Services, Inc. have that made it attractive to Cintas? Second, what logic did the Justice Department use to conclude that the combination of the two companies would in no significant way be anticompetitive?

To make the answers to these questions more intelligible, I explore the attractive nature of the uniform rental business, I consider some inconsistencies in our antitrust laws, and I explain why uniformity is essential to brand protection. And, of course, I raise this issue: is the Justice Department consistent in its avowed mission to stop anti-competitive behavior?

## THE BRANDING VALUE OF THE CORPORATE UNIFORM: THE IBM(NYSE: IBM) CASE

IBM (International Business Machines) introduced System/360 in 1964, a product so successful that one year later the company's market share had leapt to 65.3 per cent. IBM's technological prowess, its culture of creativity symbolized by the omnipresent placement of the word THINK on

[1] Fontanella-Khan, James. "Global Dealmaking Breaks 2007 Record." *The Financial Times*, December 21, 2015.

the walls of the company's offices, and its annual multibillion dollar research and development expenditures, could easily explain IBM's dominance in the computer industry, a dominance so sweeping that analysts often, when referencing the industry, described it as "IBM and the seven dwarfs."[2]

In 1969, the Justice Department, wary of IBM's power, terming it to be of monopolistic character, filed an antitrust action to break up the company. (Today there would be no need for the Justice Department to file an antitrust action against IBM. IBM no longer dominates the computer industry, having made the fatal decision in 1985 to outsource operating systems and microprocessors rather than keeping them proprietary.)

On January 8, 1982, after a thirteen-year battle, the court dismissed the Justice Department's complaint that IBM had engaged in anticompetitive practices and that its sway in the computer industry was monopolistic. (The Justice Department's unsuccessful multi-year struggle with IBM might suggest that an attempt to split up today's technology behemoths (companies such as Apple, Google, Facebook, and Microsoft) or, at least limit their power, could well fail.)

In *How to Lie with Statistics* (first edition, 1954, W.W. Norton), Darrell Huff showed that, when it comes to conclusions based on numbers, the truth is malleable. Just as beauty is in the eye of the beholder, he maintained, truth is in the numbers that the statistician chooses to emphasize, a phenomenon that played out in the IBM antitrust decision of 1982, discussed above, and in the Justice Department's review of Cintas's 2016 acquisition of G&K Services, a review which I discuss below.

A friend recalled an experience that illustrates the subjectivity of numbers and the ambiguous or contradictory conclusions that they can produce.

Four years ago, his granddaughter had applied for admission to three well-known prep schools: Phillips Andover Academy in Andover, Massachusetts; Deerfield Academy in Deerfield, Massachusetts (my alma mater); and Phillips Exeter Academy in Exeter, New Hampshire.

My friend's granddaughter had scores much above the median score of students who had taken the Secondary School Admission Test (SSAT) for admission to the three schools. Her grades were good overall, meeting or exceeding the averages for the students accepted at the three schools in the year she had applied for admission. In one year, however, her grades were disappointing.

What happened? Deerfield and Exeter, deciding to focus on her good years, accepted her. Phillips Andover rejected her, placing the most importance on her underperforming year.

At the peak of its power, IBM enforced a dress code that required its salesmen to wear, whether in the office or on a sales call, a dark suit, a white shirt, and a good-looking but not excessively imaginative tie. There was a dress code, too, for IBM saleswomen. IBM's first saleswoman, Gertrude M. Brooks, who was hired in 1936, was careful to dress in sober skirts, maintaining a modest but well-dressed, competent appearance, an appearance that invited, as did the dress or uniform of her male counterparts, respect and engagement from the company's customers.

IBM, understood that its employees, especially its salespeople, were the brand's ambassadors, and that the strength of the brand was inseparable from how the public, and especially the company's customers, appraised its employees.

The IBM uniform, management believed, must always reinforce the public's perception of the IBM salesperson as having a self-aware, self-effacing style, one that would make people feel relaxed, important, and heard, opening the emotional doors to customer engagement. The IBM dress code also spoke of competence, knowledge, pride, and trustworthiness.

[2]The seven dwarfs were Burroughs, Sperry Rand (formerly Remington Rand), Control Data, Honeywell, General Electric, RCA, and National Cash Register.

Departure from IBM's dress code could well invite a critical comment at IBM from your boss, or even an order to leave the office and shop for clothes until your outfit matched the IBM uniform.

> On Jonathan D. Bick's first day as a salesman for IBM [in 1978], he wore what he remembers as a gray suit, a button-down white shirt, a 'sincere tie' and Gucci loafers.
>
> His boss looked him over and thanked him for wearing a suit but pointedly said: 'Why did you wear your bedroom slippers to work?' The boss, he remembers, told him to take the rest of the day off and shop for a pair of wingtips.
>
> That was the legendary IBM dress code – formal to the point of being stiff. (Berger, Joseph. "Black Jeans Invade Big Blue; First Day of a Relaxed IBM." *The New York Times*, February 7, 1995).

INTELLIGENT UNIFORMITY

IBM understood the value of intelligent uniformity, reflected most obviously in a consistently applied dress code.

The power of uniformity could also be conveyed with intangible brand creation, such as the message that The Coca-Cola Company (NYSE: KO) has delivered over the decades: Coca-Cola offers a break from hard work, from worry, from fatigue; a message best expressed in the company's 1929 slogan, "The pause that refreshes."

Or consider McDonald's Corporation (NYSE: MCD) and its understanding of the dual, often exhausting roles that a working woman must manage, especially a single mother with a full-time job. Understanding that women, managing the household or managing their nine-to-five job with or without major household responsibilities, have little free time, McDonald's used empathy, a solicitous approach, and the concept of work and reward to create the impressively effective 1971 advertising campaign that empathized with the day-to-day struggle of the working woman, telling her, "You deserve a break today." This message, consistent with the company's skill in delivering inexpensive food quickly, enhanced the brand's allure and power.

Coca-Cola and McDonald's knew that the power of the uniformity concept could be extended to the product itself. At Coca-Cola, the shape of the glass bottle (later the can) had to be perfect, as did the lettering on the bottle. Of course, the contents always had to have a uniform taste and look, and machines from Mettler-Toledo (NYSE: MTD) made sure that happened.

The Mettler-Toledo machine inspects the bottle's contents, the shape of the glass, and the lettering on the glass, and if any bottle deviates from what the bottle's uniform should be, if any bottle is at all compromised from the viewpoint of uniformity, if the machine finds the tiniest variation from uniformity, it yanks the bottle off the conveyor belt that leads to the packaging line. The irregular bottle will never be seen by the public and never confuse the public as to what a Coca-Cola tastes like, what the bottle looks like, and how the bottle feels.

Nineteen per cent of full or part-time workers who are not self-employed wear a uniform. This translates to approximately twenty seven point seven million people who wear a uniform to work, and at least twenty seven point seven million uniforms (realistically, there must be at least two or three times that number, if you assume each worker needs several uniform shirts and pants so that he has one to wear while the others are in the wash, and that some workers do not wear a uniform all day at work but only in special situations, like when on the manufacturing floor or in the laboratory) that need to be delivered, laundered, repaired, and ultimately replaced.

It is more work than any one company could handle, and the uniform services market is fragmented, split between many small companies, a critical fact in the Justice Department's ruling on whether the Cintas acquisition of G&K was anticompetitive.

**Table One**

**Cintas: Revenue, Earnings Per Share (Diluted) and Dividends Per Share**

*All figures in U.S. Dollars. Fiscal year ends on May 31.*

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue (in millions)** | 5,323 | 4,905 | 4,477 | 4,552 | 4,316 | 4,102 | 3,810 | 3,547 | 3,775 | 3,938 |
| **EPS (diluted)** | 4.13 | 2.88 | 3.43 | 3.05 | 2.52 | 2.27 | 1.68 | 1.40 | 1.48 | 2.15 |
| **Dividends** | 1.33 | 1.05 | 1.70* | 0.77 | 0.64 | 0.54 | 0.49 | 0.48 | 0.47 | 0.46 |
| **Interest Coverage Ratio** | 9.62 | 11.91 | 10.59 | 9.76 | 8.47 | 7.50 | 8.48 | 8.10 | 8.92 | 10.71 |

* $1.70 includes a regular dividend of $0.85 and an extra or special dividend of $0.85
*Source: FactSet Fundamentals*

Uniforms are worn in big cities and small towns, by professionals at jobs that require special safety apparel, by public service workers like police officers, and by high schoolers working afternoons at McDonald's.

Cintas rents uniforms to more than one million businesses of all types and sizes, with the majority located in North America, but also in Latin America, Europe, and Asia.

There are workers who wear white collars and then there are workers who, wearing blue collars, toil in factories, in mining, in sanitation, in restaurants and in fast food eateries. (The color of a uniform does not necessarily denote wage level. Plumbers wearing blue collars make more than the white-collar souls who answer phones in a call center and expend much empathy and energy in soothing a cable customer who has been waiting ten hours for a blue-collar cable employee to show up and fix whatever does not work.)

The white-collar worker typically performs work in an office environment that may involve sitting at a computer or desk. Another type of work is a service worker (pink-collar) who is involved with customer interaction, entertainment, sales, or other service-oriented work.

In the nineteen nineties many businesses relaxed their official and unofficial dress codes. (In February 1995, IBM, for example, announced that it would allow its employees to dress more casually—a decision deemed important enough to merit an article in *The New York Times* (Berger, Joseph. "Black Jeans Invade Big Blue; First Day of a Relaxed IBM" *The New York Times*, February 7, 1995).)

Yet dress codes, unspoken and formally designated workplace uniforms, are very much alive and well.

Many blue-collar workers — and this is important for the business of Cintas — must wear employer-furnished uniforms, a practice that many industrial psychologists believe encourages teamwork and a sense of being part of something profitable and worthwhile, and which has positive effects on the worker's self-image and the consumer's view of the business.

Branded work apparel delivers an invaluable intangible message: it promotes a company's identity and allows employees in uniform to convey a company's image in a positive manner. Uniforms can also have important safety and security uses. Protective work apparel helps protect employees from difficult environments, such as heavy soils, heat, flame, or chemicals. Additionally, uniforms help improve workplace security by identifying employees working for a particular company or department.

On June 19, 2017, Bruce Clemens joined the firm as our Senior Vice President of Marketing. At one of Bruce's former employers, all employees who worked on the production floor were required to wear electrostatic dissipative (ESD) smocks rented from Cintas. These smocks contain a metal mesh that dissipates static electricity, which would otherwise ruin the components on the circuit card assemblies the employees were working on.

Cintas also provided the entryway doormats with the company name on them. Cintas changed out both the smocks and the doormats weekly, taking the dirty smocks and mats to its plant in Tulsa, then cleaning them and returning them to Bruce's employer the next week.

Entryway doormats, a standard presence at thousands of companies around the world, are part of a category of goods known as "facilities service products" that Cintas supplies. Some of these items, such as floor mats and first aid supplies, help improve workplace safety. Others, such as towels, mops, and restroom supplies, help ensure a clean, well-maintained facility, which is safer for employees and more attractive to customers.

If you doubt the value of what may appear to be only superficial appearances, if you believe that the value of the tangible product, such as the taste of a hamburger at McDonald's, can be separated from intangibles, such as the cleanliness of the restaurant, entryway, and interior and the way you are greeted when you approach the counter, compare the feeling you experience when you enter a store owned by QuikTrip Corporation, the Tulsa-based organization celebrated as the nation's best operator in the convenience store category, with the often compromised appearance of other convenience stores or fast food outlets.

In contrast to the carefully groomed QuikTrip with clean floors, frequently windexed windows, and smudge-free coolers, stores operated by QuikTrip's competition often greet the customer with a dirty parking lot (something that Ray Kroc of McDonald's detested), sticky floors caused by soda spillage that has not been mopped up (a tactilely distressing experience particularly displeasing to my colleague, Katie Michaels-Johnson), and fingerprints on the glass entry doors.

In preparation for a June 15, 2010 INVESTMENT LETTER, which I authored, titled "Harriet Hurried Falls In and Out of Love with Family Dollar Stores, Inc. (NYSE: FDO)" (you can read the letter on our web site www.ferimc.com), Katie, with diligence and creativity, spent a Saturday visiting a Wal-Mart Super Center and a Family Dollar store in Tulsa recording prices and ounces on household indispensables such as laundry detergent, shampoo, and dishwashing soap. For that letter, I created the fictional character Harriet Hurried, who shopped at Family Dollar Store #3413, a real store at 401 South Utica Avenue in Tulsa. (Dollar Tree (NASDAQ: DLTR) acquired Family Dollar on July 6, 2015.)

## JUSTICE DEPARTMENT GIVES GO-AHEAD TO CINTAS'S ACQUISITION OF G&K SERVICES

In a news release issued on August 16, 2016, Cintas said that it had agreed to acquire G&K Services, Inc. in an all-cash deal for approximately $2.2 billion. Scott Farmer, Cintas's chief executive officer, claimed that the acquisition of G&K would produce between a hundred and thirty to a hundred and forty million dollars in annual savings, with such savings to be realized as soon as the merged entity's first fiscal year.

What Farmer did not emphasize, and what the company buried later in the news release among the usual cautionary statements, was this: the company had not yet heard from the antitrust division of the Justice Department with regard to one issue: how many of G&K's assets, especially its pre-acquisition routes, would the Department require Cintas to divest before the department gave the go ahead to the merger.

Four large players in the uniform rental business control fifty per cent of the market. Because thousands of other operators split the other fifty percent, the Justice Department considers the uniform rental business to be fragmented and characterized by significant competition.

Cintas and G&K shared some routes before the buyout. By acquiring G&K, Cintas could service additional customers on its routes with little additional fuel and depreciation expense. It was a decision that made sense. It was a smart way to get more customers. But would not a larger company mean a tougher competitor?

Companies make acquisitions for many reasons. Sometimes, for example, they seek better bargaining power with their customers and suppliers. Sometimes the motive is increased efficiencies. In giving the go-ahead to the acquisition of G&K by Cintas without any requirement to divest any of the former's routes (which often overlapped those of Cintas), the Justice Department signaled that this merger would not be anticompetitive because, even after the merger, the department argued there would remain thousands of operators along similar routes. This was interesting logic, but as an investor with a position in Cintas and as an investment manager responsible for a multimillion dollar client stake in the company, I loved the decision.

The fragmented nature of the uniform rental business in the United States worked in favor of Cintas, as the Justice Department put up no barriers to the company's acquisition march. This is unusual. When Dollar Tree (NASDAQ: DLTR) acquired Family Dollar in June 2015, Dollar Tree was required to divest three hundred and thirty Family Dollar stores. The Justice Department maintained that in certain areas where both companies operated, a merger would suppress competition.

Everyone knows that bigger size makes a tougher competitor, but the Justice Department cannot oppose every merger. Otherwise, some argue, we would not have a capitalist system. I suspect that for the millions of Americans who fly coach every year, there is a desire to see the Justice Department tougher on airline mergers.

## CINTAS: PERHAPS NOT EXCITING BUT ROUTINELY PROFITABLE AND MORE IMMUNE TO TECHNOLOGICAL DISPLACEMENT THAN APPLE, GOOGLE, AND MICROSOFT

Cintas has not altered our medium of communication as Apple has done with the iPhone. But Cintas plays an important role in every business day, providing attractive, brightly colored and dignified uniforms to make its customers' workers feel energetic and respected; uniforms that make employees feel good about the work they do.

Cintas may not be symbolic of technological dynamism, but it can boast that it is omnipresent. Every day, in Chicago, Dallas, Boston, and Baton Rouge, its trucks move steadily through traffic, using the company's nine thousand routes to deliver clean uniforms to hospitals, to urgent care centers, to fast food restaurants, to casual dining restaurants, and to upscale restaurant chains such as Ruth's Chris Steak House and The Capital Grille.

The Cintas strategy for success and profitability does not depend upon technological revolution, although there is some of that in the industry. Looking at Cintas, we know that we are not talking about revolutionary or groundbreaking products and services such as the Google search service, the Apple iPhone, or the phosphorescent organic light emitting diodes that Universal Display (NASDAQ: OLED) has created and protected with four thousand two hundred patents (Universal Display purchased seventy-four of these patents from Motorola in 2011).

It is unlikely that Cintas will ever produce anything that has had the revolutionary communication effects of the iPhone or the Facebook page. The Achilles heel of the technological pioneers is that they, too, are vulnerable to game-changing innovations.

**TECHNOLOGICAL INNOVATION: THE GOOGLE EXAMPLE**

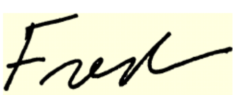
I asked Katie Michaels-Johnson one of my colleagues to contribute some thoughts about one of today's technological juggernauts, Alphabet (NASDAQ: GOOGL). Alphabet is the parent company of Google. I found her comments insightful.

GOOGLE: A REVOLUTION THAT MAY JUST BE BEGINNING

Google started a revolution with a search engine. They made it easier to find what you were looking for on the Internet, which arguably contributed to users spending more and more time on the Internet, which led to Google creating all kinds of software to help you manage your life, online and off. Google Search helps you find your way through the Internet to a particular website, and Google Maps helps you find your way through a strange city to a particular restaurant. You can email a friend to set up a lunch date using Gmail, then enter the date on your Google Calendar, then upload and edit the pictures from your lunch on Google Photo. You can use Google Docs and Google Sheets to collaborate with colleagues on a work project, then go home and relax by watching videos on YouTube, which is owned by Google. Now Google is taking the revolution offline with new hardware devices, from smartphones to smart speakers to wireless routers. The revolution began with a simple search engine, but no one knows where it will end. – *Katie Michaels-Johnson*

Cintas, on the other hand, may not produce the spectacular returns that companies empowered by technological advantages may produce, but Cintas is pretty much immune to a technological surprise. It can wade into the water not worried that when the tide rolls out, investors might discover that Cintas was not wearing any clothes (or not wearing any uniform).

Best,



Fredric E. Russell

SOME COMMENTS ABOUT THE AUTHOR'S BACKGROUND AND WORK BEHIND THIS INVESTMENT LETTER AND COMMENTARY

Fredric E. Russell has a B.A. from Swarthmore College in Swarthmore, PA and an M.B.A and an M.A. from Washington University in St. Louis, MO. He also holds the CPA certificate and, has taught accounting, finance, and history at the university level.

He likes to write, but he understands that the firm must devote its best energies to making money for our clients. Nevertheless, he believes that our INVESTMENT LETTERS AND COMMENTARIES are an indispensable part of our engagement with our clients, giving them an understanding of what we think is important in our investment decisions.

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This letter is not a recommendation of purchase nor does it purport to offer advice regarding the purchase or sale of any security or industry sector.

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Our web site: www.ferimc.com contains an archive of Investment Letters.

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Clients and employees (through taxable and tax-deferred accounts, including the Fredric E. Russell Investment Management Co. 401(k) Plan and accounts controlled by Fredric E. Russell) own, as of August 31, 2017, **12,250 shares** of **Cintas Corporation (NASDAQ: CTAS).** We may liquidate, decrease, or increase our position in Cintas Corporation at any time, without notice before or after we do so. This letter is not a recommendation of purchase or other action.

We first purchased the common shares of Cintas on November 29, 2016. The total cost of all purchases is $1,427,433.45 and the market value of our Cintas position was $1,638,682.50 as of August 30, 2017. Our objective is always to find companies with pronounced competitive advantages, such as the size of the market share in the uniform rental business that Cintas enjoys.

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BRUCE CLEMENS JOINS THE FIRM

Bruce Clemens joined the firm on June 19, 2017. Bruce has three decades of experience in technical and intangible sales. He holds a Bachelor of Science degree in Marketing from Oklahoma State University, where he specialized in accounting and marketing research. When not working, Bruce enjoys gardening and exercising and socializing at the St. John Siegfried Health Club.

Bruce has developed long lasting personal and professional relationships and works to exceed client expectations. Bruce is highly personable, a great listener and loves to meet new people. Talk to Bruce and see if he is as personable as I think he is. You can get in touch with him at the firm or you can see him at the St. John Health Club.

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## POSTSCRIPT

### THE WRITER EXPERIENCES THE BEST THING THAT CAN HAPPEN TO HIM ON A HOT SUMMER'S DAY IN TULSA, OKLAHOMA: FINDING SOMETHING COOL TO EAT OR DRINK AT THE GOLDEN ARCHES

The writer will not have his feelings hurt if you do not read this postscript; it is optional or supplementary and not required reading and recommended only for those readers still standing after getting this far with this letter.

### NO SURPRISES: UNIFORMITY AND PREDICTABILITY ARE CORE MCDONALD'S VALUES

### THE WORKERS WEAR THE SAME UNIFORM, THE GOLDEN ARCHES ACT AS UNIFORM SYMBOLS OF HOSPITALITY, AND THE HAMBURGERS, WITH THE SAME AMOUNT OF PICKLES AND KETCHUP, OFFERS NO SURPRISES

The other day I found myself in one of the industrial areas of Tulsa. It was early August and the powerful Oklahoma sun was beaming off warehouses. With few trees to neutralize the sun's power, I began to feel my thirst, made more acute psychologically by the barren landscape, and by the fact that I had just finished an hour and a half swimming workout with the Tulsa Masters swimming team at the marvelous fourteen million dollar Jenks Aquatic Center. (The pool at this facility, fifty meters long and eight lanes wide, conforms to all requirements necessary to set Olympic records, including a constant seventy-eight degrees temperature, the same water depth at all parts of the pool, and other specifications.)

Just as I was about to get concerned about my thirst, the Golden Arches at 4122 South Garnett Road appeared. Perhaps ice cream will be the answer to the feeling that I was in the middle of the Egyptian desert, I thought. I exhaled, knowing that my experience at McDonald's would be uniform, from the way I ordered, to the food I consumed. What I did not count on was the pleasant surprise of encountering employees in new uniforms designed by Waraire Boswell and Bindu Ravas.

After I lined my car up in one of the two drive-through lanes, the voice came over the speaker, welcoming me to McDonald's and asking me what they could do for me. I asked for some water and a chocolate shake and plenty of napkins, as it was foreordained that I would make a mess with the ice cream, and I wanted to limit the inevitable damage to my car's leather seats.

The attendant with the speaker-activated voice gave me the amount I owed and asked me to pay at the first window. Now as I am sure that as everyone reading this letter and commentary knows, the drive-through fast food culture demands considerable athletic skill to retrieve the correct change (an almost impossible feat) or some bills from the wallet and align the car so that you can hand the coins or the bills to the attendant at the first station, all while performing these feats as efficiently as Tom Cruise on Mission: Impossible.

You may laugh, but this is a challenge, at least for me. Everything has to be aligned perfectly: the distance from the car window to the employee's outstretched arm, the time of holding the money, and the composure of the driver who must maintain his cool while this monetary two-way baton exchange takes place, especially when he looks in the rearview mirror and cannot help seeing the agonized, impatient face of the driver in the car behind him.

Things are made more tense if you misjudge the space between the employee's outstretched hand ready to receive your money and your outstretched hand ready to deliver the money. This has happened to me and the solution is not easy. You could back up the car and move the car closer to the window, but that assumes that there is room to back up.

Just as you are impatiently craving a hamburger, fries or some ice cream—or if it is three o'clock in the afternoon and you experience a craving for breakfast which McDonald's is now set up to meet that desire—the drivers in the cars behind are no more patient than you are. They want their food and their drinks now. There is no negotiation: the car behind you is no more than a few inches from your car. To solve the problem, I had to exit the car and hand the attendant the money on foot. Thankfully the young employee was patient and gave me a warm smile as he handed me my change and a receipt.

I was about to write that he had delivered my shake to me. No, I had not finished the fast food obstacle course. Now, feeling empowered by my improvised solution to my imperfect parking prowess, I experienced a renewed sense of self-confidence and drove to the second window, relieved that I had passed the first test. I maneuvered the car close to the window, and there another friendly young person handed me my order.

As he delivered the drink and the ice cream into my hands I noticed that he was wearing a McDonald's shirt with the number 55 emblazoned on the sleeve. I asked him what 55 meant and he said that he believed that it represented the year McDonald's was founded.

The McDonald brothers opened their hamburger stand in San Bernardino, California in 1948. Ray Kroc, who had sold the brothers multiple milkshake mixing machines, bought the global rights to operate restaurants under the McDonald's name and opened his own McDonald's franchise in 1955.

However, it was not Kroc but his chief financial officer who realized that the way to make real money, high returns on capital, was not to sell hamburgers but to buy land and lease it to the franchisees, a practice that became more profitable as the McDonald's brand, known for obsessive attention to detail and respect for uniformity, became a worldwide brand, enabling the company to charge steep fees for real estate rental as well as a franchise fee which the company leveled at eight and a half per cent right off the top, that is from the franchise owner's revenue, a fee that he had to pay whether or not his franchised restaurant was profitable. Of course, few McDonald's restaurants ever lost money.

I wanted to engage the young man in his McDonald uniform in a discussion on the history of McDonald's, but I could see he had little time for investment trivia. His concern was to deliver food and beverages in a uniformly pleasant manner to the never-ending line of cars at this window.

After I had the ice cream firmly in my hand, I had to marvel at McDonald's efficiency. There was one thing, however, that disturbed me. It is not a complaint or frustration of any real significance, and certainly I do not expect the reader to bestow any empathy or even sympathy for my frustration. Nevertheless, here it is: frankly I do not understand why McDonald's gives the customer a receipt for a drive through purchase. How many times does the superefficient company make a mistake in a drive through transaction, and if there has been a mistake does anyone really believe that any customer is either going to go through the drive through again to protest the accuracy of a transaction that in all likelihood would be no more than seven or eight dollars?

Furthermore, if you spend a good part of your day in a car, moving past drive through windows, and consuming a fast food diet of hamburgers, French fries, and Coca-Cola, there are two expensive facts, two unpleasant realities, you must confront.

First, there is no way, despite the fact that you read one diet book a week, listen to one diet podcast a week, and use mindfulness, yoga, and Pilates, individual and group therapy, swim a mile to a mile and a half five time a meet, and drink one glass of red wine every day to get that wonderful resveratrol, to control any self-destructive diet impulses you have. Even if you figure out why you eat, when you eat, and when you eat too much, you are surely going to put on a pound or two every year if you succumb to the entreaties of the fast food establishment, unless you are motivated to be anorexic or you are a world class triathlete.

Second, and this is an insidiously powerful fact about the drive through, eat-in-the-car culture, your car, no matter how fastidious you are, no matter how much you worship cleanliness, order, and precise organization, will soon be littered with sandwich wrappings, French fries, soft drink containers either plastic or Styrofoam, napkins, straws, remnants of a Big Mac or a Whopper or other culinary delicacy, with so much paper detritus and waste that your car, no matter how pristine you wish it to be, looks like the cafeteria in one of the University of Oklahoma dormitories reserved for the football team immediately after a chow down.

(The year of the company's founding or birth could go back before 1955. In 1948, the McDonald brothers opened the hamburger stand they operated in San Bernardino, and whose fast food establishment was copied by a salesman named Ray Kroc who had sold the brothers several malted milk machines and saw the potential of a hamburger, uniformly constructed, one squirt of ketchup, one squirt of mustard, and one pickle, the uniformed hamburger delivered to appreciative consumers who lined up outside the restaurant, bought their hamburger, sometimes with French fries and sometimes not, and then consumed the McDonald's offering in their car or on a bench in the park, but not inside the restaurant.

Excluding the patrons from the restaurant was sign of respect for the gods of efficiency, cleanliness, and profitability. Later, when the McDonald's menu expanded, the company, now a sizeable factor in the fast food industry, figured out that you could sell more items, make more money per hour of operation, and make McDonald's more of a habit, by offering in-house dining, and they encouraged customers to view coming to McDonald's as a refreshing break from their usual surroundings with the slogan "You deserve a break today." As of December 31, 2016, there are 36,899 McDonald's restaurants worldwide. Seventy per cent of McDonald's US sales take place at drive throughs.)