



Sweet taste of success

A Tennessean changed restaurant history with Kentucky Fried Chicken

Jack Massey goes down as one of the great businessmen in the history of the Volunteer State. Born in rural Georgia in 1904, Massey moved to Nashville on the eve of the Great Depression to be a pharmacist. He eventually started his own drug store, then a chain of drug stores and then a surgical supply company. He sold Massey Surgical in 1961, ostensibly intending to retire.

But retirement didn't take, as they say. Quickly bored with playing golf and gin rummy, Massey looked around for a company to buy. That search eventually led him to a Kentucky lawyer named John Y. Brown Jr., and thus to a pernickety, white-suited, goateed entrepreneur named Harland Sanders. In 1964 Brown and Massey convinced Sanders to sell them his bustling restaurant business, called Kentucky Fried Chicken.

The next four years changed the history of restaurants and franchising. When they bought KFC from Sanders (an honorary Kentucky Colonel) the business was nothing like the chain we know today. Sanders' pressure-cooked chicken was mainly sold as a menu item at mom-and-pop diners; stand-alone locations were the exception rather than the rule. The company did little advertising. The Colonel's agreements with his franchisees were mainly done on the honor system, with very little written down.

Massey and Brown changed all this, turning Kentucky Fried Chicken into a fast-growing chain of stand-alone fast food restaurants and launching a national advertising campaign to tell the world about it. Soon, new franchisees were moving into markets that before this time had never heard the phrase "secret recipe of 11 herbs and spices." The company went public, its stock doubled, doubled again and became one of the most talked-about companies on the New York Exchange. Its

QUESTION: Who is the only American to ever take three unrelated companies to the New York Stock Exchange?

HINT: He was a Tennessean.

success led to an entire wave of copycat businesses. Eventually he and Brown sold the business for \$240 million — not a bad return on a \$2 million investment.

As Jack Massey later recalled, none of this ever would have occurred were it not for the Colonel's horoscope. You see, Harland Sanders believed in astrology. When the idea of selling his business first came up, it was hard to know just how he stood on the idea; the Colonel

would dismiss it one day and talk about it as if it were inevitable the next. Finally, Massey went into Sanders' office and made him a written offer. Sanders looked at the figure, opened up his drawer, read his horoscope, and agreed to sell it. (Massey later said that he knew what the Colonel's horoscope said before he made the offer, and it was especially dramatic and optimistic that day.)

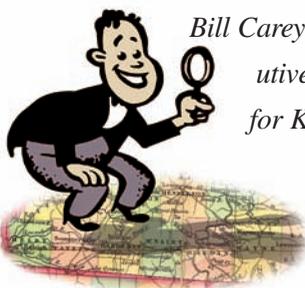
By 1968, Kentucky Fried Chicken was the largest fast-food business in America, and Massey and Brown were millionaires many times over (as were many of KFC's franchisees, including Dave Thomas, who later started Wendy's). But Massey still didn't retire. Instead, he pulled back from his involvement at KFC and co-founded, along with three other Nashville men (Dr. Thomas Frist Sr., Dr. Thomas Frist Jr., and Henry Hooker), a chain of hospitals. Dismissed at first because of Massey's connections to the chicken business, Hospital Corporation of America eventually became the leader in an entire new sector of the economy called for-profit health care.

Today, HCA remains one of the most important companies in Tennessee. It owns 172 hospitals and has large market shares in cities such as Dallas, Kansas City, Houston, New Orleans and Nashville.

That's two companies. The third? In the early 1980s, Massey became convinced that there was room for another fried chicken chain. He led a group of investors who started Winner's Corp., the parent of a chain of restaurants called Mrs. Winner's. In 1984 Winner's Corp. made it to the New York Stock Exchange. Tennessee's Jack Massey thus became the first American ever to take three companies to the so-called Big Board.

Massey died in 1990. Today the Nashville landscape is filled with things that he created, co-founded or financed, such as the Maryland Farms office park in Brentwood; the Massey School of Business at Belmont University; and, most importantly, Nashville's health care industry. ☺

Tennessee History for Kids



Bill Carey is a Nashville author and executive director of "Tennessee History for Kids," an online Tennessee history textbook. For more great stories of Tennessee history, go to www.tnhistoryforkids.org.

HISTORY LESSON  by Bill Carey, the Tennessee History Guy



From left are Jack Massey, Colonel Harland Sanders and John Brown in 1964