

Timeless Values

An Interview with Denise Morrison,
President and Chief Executive Officer, Campbell Soup Company

EDITORS' NOTE Denise Morrison became Campbell's CEO in August 2011, after more than eight years at Campbell and more than 30 years in the food business. Morrison joined Campbell in 2003 as President-Global Sales and Chief Customer Officer. She then served as President-Campbell USA and Senior Vice President and President-North America Soup, Sauces and Beverages. She was named Executive Vice President and Chief Operating Officer in 2010, and she was also appointed as a director of Campbell's board. Previously, she was Executive Vice President and General Manager of Kraft Foods' Snacks and Confections divisions. Her extensive food business experience also includes senior leadership roles at Nabisco, Nestlé, and Pepsi-Cola. She began her career at Procter & Gamble. Morrison was named to President Barack Obama's Export Council in 2012. Morrison earned her B.S. degree in economics and psychology from Boston College, graduating magna cum laude.



Denise Morrison

to William Bolthouse, who started Bolthouse Farms, and Neil Grimmer – who currently works for Campbell – who founded Plum Organics.

These are founders with a vision who innovated, always putting the consumer first.

No matter where you go in Campbell, this is something everyone takes pride in.

Is it difficult at a certain size and scale to avoid losing that entrepreneurial feel or innovation edge?

It is challenging. The normal tendency for people is to seek what's comfortable, but change is the new normal we're all dealing with.

So being comfortable with change is the way we all need to be at Campbell today. And when you set that expectation, people rise to the occasion.

COMPANY BRIEF Campbell Soup Company (www.campbellsoupcompany.com) is a manufacturer and marketer of high-quality foods and simple meals, including soup and sauces, snacks, and healthy beverages. Founded in 1869, the company has a portfolio of market-leading brands, including Campbell's, Pepperidge Farm, Arnott's, V8, Bolthouse Farms, Plum Organics, and Kjeldsens. Campbell is a member of the Standard & Poor's 500 and the Dow Jones Sustainability Indexes.

What has made Campbell Soup Company so special? What is the secret to its success?

What makes this company successful are its timeless values of character, competence and team-work – and we recently added courage. These values are essential in terms of building the company from its great heritage to the future.

This company was founded by entrepreneurs, whether it was Dr. John Dorrance, who invented condensed soup; Margaret Rudkin, who founded Pepperidge Farm; or the Kjeldsen family, who began selling cookies in a small Danish village in the 1930s. Fast forward

How do you maintain your focus on new products while making sure they remain true to the values you touched on?

We are introducing more than 200 new products this year. In looking at our innovation pipeline when I took over as CEO, particularly in our North America Soup and Simple Meals business, it was pretty grim. I knew we had to change our innovation process.

So I actually studied the IDEO model, an innovative design company that is very good at what they do, and I observed that they had small teams that were cross-functional working on things that were exciting and things they were interested in.

I came back and identified talent in our base business – though I left talent there too – and I formed new breakthrough innovation teams with a marketer, a salesperson, R&D, a chef, consumer insights, and packaging engineers – so it's like a little company with big company resources.

These start-up breakthrough teams study the consumer insights and come up with faster-growing spaces to create disruptive innovation.

We've been able not only to increase our rate of innovation but sales increased by 12 percent in the last fiscal year, and U.S. soup sales were up 5 percent.

We're getting products to market in one year where it used to take us two years.

With that much product coming online, are you concerned about managing the growth?

No, because it's distributed among our Soup and Simple Meals business, Pepperidge Farm, Bolthouse Farms, Kelsen Group, and Plum Organics. So the distribution of those products is the responsibility of many.

We're putting innovation at the core of the way we work.

How is your partnership with Green Mountain faring?

Partnering is very important, and it's especially important when you can find a win-win.

In the case of Green Mountain, in terms of developing the Campbell's Fresh-Brewed Soup K-Cup packs, the win is moving soup to the afternoon snacking opportunity; for Keurig, it's also the afternoon. They largely have a business in the morning with coffee, and we largely have a business at lunch or dinner with our soup. So this afternoon snacking opportunity is a win-win for both of us.

Do analysts understand the type of innovation taking place and where Campbell is going?

When I took over as CEO, I laid out the fact that our company had more work to do within innovation, and my organization set up and communicated a strategic framework that centered on three growth strategies: to profitably

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grow our North America Soup and Simple Meals business; to expand our international presence; and to continue to drive growth in snacks and healthy beverages.

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Each time I connect with the analyst community or external constituents, I give them an update on where we are with that strategic framework. The framework translates to a dual mandate: to strengthen our core business while we expand into faster-growing spaces.

So I will always talk about core soup, core beverages, and core baked snacks, and go into the three acquisitions we made and the two strategic alliances we entered in Mexico so they get a balance of what we're doing on our core and what we're doing to boost growth in faster-growing spaces.

How much focus is there on the international side and are you looking to shift the balance internationally?

We've sold our European Simple Meals business, but that wasn't Campbell getting out of Europe – in fact, we just bought a company in Denmark, cookie-maker Kelsen Group.

It was the fact that those brands are great local brands in the region, but we want brands that we can grow around the world; this was a strategic decision.

Because 70 percent of the growth in food is going to come from emerging markets in the next decade, we need to be in markets like Asia-Pacific and Latin America. We have a big business in Australia and in Southeast Asia; we have partnerships now in Mexico; and we have a joint venture in China that's still small. The acquisition of Kelsen gives us a position in baked snacks in China and Hong Kong, and expands our presence in new geographies like Indonesia and Malaysia.

But, as a percentage of sales, our sales are still largely concentrated in North America, so international expansion is a good opportunity for us.

Have you made significant investments in technology, and is technology changing how you operate?

Technology is changing the way everyone operates. Consumers have control over the content they view, and are more engaged with brands which have an important purpose in their life. So we are working to position our brands purposefully. We aspire to be the most digitally fit company in CPG. We have a whole digital fitness guide, be it communicating with consumers, working it into our marketing mix, the way we connect internally in communication or understanding social media and how to leverage it. We're not experts at it yet, but we're all over it. We have actually hired new talent to come into the company and build this capability throughout the whole organization.

How do you focus your diversity efforts and build an inclusive environment?

Diversity and inclusion is a very important part of building a high-performance culture. We've been a culture that has been highly engaged but converting that high engagement to higher performance is an absolute must. Diversity of thought is a huge part of that.

I truly believe that diversity is an important part of jump-starting innovation as well.

Is progress being made? Do you see opportunities for women at senior levels growing?

We have made tremendous progress at the entry-level positions and into middle management, up to the vice president level, but we have more work to do at the top levels of corporations.

I personally do a lot of work in the area of mentoring and sponsoring, and passing my experience on to get the next generation of women ready for the C-Suite.

Is it important that the areas you support within corporate responsibility align with the business objectives?

Corporate social responsibility is in our DNA. We have always been a company that has been about making a profit and making a difference. A good example is our work in Camden, New Jersey to reduce childhood obesity. We made a pledge to reduce childhood obesity by 50 percent over the next 10 years. We have a whole team of people working on our Healthy Communities program in a collaborative way with organizations like Cooper Hospital and Rutgers, as well as the Mayor. If you can make a model work in Camden, you can make it work in any city in the U.S.

Forty-percent of the kids in Camden are obese; and they're food insecure too – so while you're tackling obesity, you're also tackling hunger.

This is one of many examples of where our effort lines up with who we are. We provide consumers with nutrition and wellness choices, and we're proud of that.

If I asked some of those who have worked for you what it's like to work with Denise Morrison, what might they say?

They would say I'm a velvet hammer, in that I set high expectations but I have a great respect for people and their potential. I have a high expectation because I believe in the potential of people, and if you can unleash that, companies can do amazing things.

Do you ever take time to reflect on all of the company wins?

It's not my nature to reflect on past successes – it's my nature to always ask what we're doing next.

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But when I look at the accomplishments that the people at Campbell have achieved, I'm very proud of that. Even still, we have much more to do.

As a CEO today, are you able to turn off the business?

Being a CEO is a 24/7 position, and I'm happy to do it because I love the work. But I also think that balance sets a false expectation of perfect equilibrium. I like to think of it more as integration. I look at my work and life and I integrate both of them. I set priorities accordingly and, at the end of it, I hope it all balances out. ●