

Telos PRIMO PIANO Scala c

Irene Rosenfeld ranked sixth on Forbes' list of The *100 Most Powerful Women 2009* and among BusinessWeek's *Twelve Best Managers of 2008*, is Chairman and Chief Executive Officer of Kraft Foods.

A 26-year veteran of Kraft.

No more formalisms but let's read five facts from Irene: 1. Childhood career ambition? President of the United States... really! 2. Favourite Kraft product? If I had to pick my favourite it would be Kraft macaroni and cheese, although Oreo cookies are high up on the list too. 3. Why I am passionate about my job? It's great to go to cocktail parties where everyone has an opinion about what you do. But I really enjoy figuring out why people behave the way they do and then using those insights to develop new products or build stronger relationships with our consumers. 4. Hobbies? I play the piano and enjoy rollerblading - preferably on recently paved paths. 5. Something that few people know about you? Growing up, I was extremely athletic - and very competitive. I played four varsity sports in high school and went to Cornell because they had a fabulous women's athletic program (and the academics weren't bad either).. and I love *opera*.

Editorial

Primo Piano Scala c opens 2010 as it closed 2009: interviewing an eminent woman, this time at the head of a major holding. To know the right recipe on how to wake up a somewhat sleepy, if not in crisis, company was very tempting and Irene Rosenfeld, President and CEO of Kraft Foods, did not blench and told us the fascinating story of this successful transformation. The sound improvements in the management are also witnessed by the very last figure concerning the estimates for 2009: a profit of at least \$ 2 for share is now expected, while Kraft previous prediction was \$ 1.97. To reinvigorate a weakened and perhaps little discouraged company by listening to all the stakeholders is a well-known recipe, which is largely professed but little applied. Transforming the result of such listening, also and especially the less pleasant part, in concrete and shared actions is even less put into practice. Focusing on a constant, coherent and transparent internal and external communication means going by the book, but what does it mean in practice? Also a new cheerful and sunny brand, a stylised flower replacing the historic blue hexagon, may provide employees with an injection of optimism and sense of belonging. A patchwork of strategies that can also be found in the vision of Telos: listening, dialoguing and meeting in a tangible and concrete way stakeholders' expectations. Powerful, feared, enlightened and tenacious. Rosenfeld is phenomenal. Her perseverance is coming out in the very last hours. After ups and downs it seems that the acquisition of Cadbury by Kraft has gone through. An American in London? The *smile* to our provocative question on Cadbury takes quite another taste. Irene did it, in spite of the legendary financier Warren Buffett who spoke against the transaction: male and powerful, but not enough for *the lady in rollerblades*.

Mariella Palazzolo

Irene Rosenfeld. Get the right people on the bus...Rosenfeld claims

Telos: When you returned to Kraft in 2006 you said that Kraft had lost *heart and soul*, and therefore you started an activity that you defined *rewiring*. What are the *rules of the road* about leading a successful transformational change organisation as such?

Irene Rosenfeld: I had the opportunity to put into writing such rules in light of the 2009 World Business Forum and briefly here they are.

1. *Get the right people on the bus.* Under our Reframe strategy, we replaced half our executive team in the first year. Today, it combines people from both outside and inside our organization, who bring either a diverse perspective or deep Kraft Foods experience to their positions. These leaders weren't afraid to challenge conventional wisdom and look at our business challenges with a fresh set of eyes. Getting the right people on the bus also meant raising the bar on performance across the company. After giving people ample support and time to meet new expectations, we made the difficult decision to let many underperformers go. However, rather than create an atmosphere of fear, this instilled a sense of optimism and hope because our people now clearly understood what was required.

2. *Give them a roadmap.* Leaders tend to focus on "what to do," but the real issue is more often "how to do it." We therefore provided them with a strategic roadmap. Once we were all reading from the same map, we could move forward as a team.

3. *Engage their hearts and minds.* People often chose with their hearts, not their heads. For too long, our people had been focused on cutting costs ... and it's hard to get fired up every day to come to work and cut costs. We reignited their passion by focusing on something far more uplifting: growth. "Let's Get Growing!" became our rallying cry. We also worked together to redefine the heart and soul of our company through a newly articulated higher purpose and positioning. Finally, we identified the values that would guide our behaviour and embedded them in our new performance standards to ensure they will be more than just words on paper.

4. *Move quickly.* During a transformation, it's understandable to be hesitant about moving too fast, especially at the outset. For example, some of the early changes we made at Kraft Foods caused people to worry that we were going to turn all the lights off and put the organization on "tilt." However, not only have we kept the power on, we've lit our entire village. Major organizational changes create uncertainty, and the point is to move quickly - faster than you are comfortable - because in hindsight, you reproach yourself of not having been even faster.

5. *Communicate frequently, consistently and honestly.* How you manage change can make all the difference. During our transformation, we put a premium on communication from day one. This helped create an atmosphere of openness and



We need to make our brands relevant to local consumers while building on the lessons we've learned elsewhere in the world. Over the last few years, we've significantly grown our international business using a new "best of global, best of local" approach.

trust. We also made a point of celebrating success ... publicly and often. In business, we tend to spend a lot more time thinking about the problems than the triumphs. People need to know that what they're doing is making a difference, and that their leaders notice and appreciate their efforts.

Where those five rules originated from? is there a story behind them?

Yes! Actually always in 2006 we began a turnaround journey by soliciting input from our employees and stakeholders around the world. They were passionate in describing our challenges and opportunities.

Then, we turned their insights into action by unveiling four strategies that provided the framework for our transformation and our return to sustainable, profitable growth.

The strategies were to:

rewire our company for growth by strengthening our leadership team and decentralizing our organization;

reframe our categories by making our products relevant to consumers again focusing on innovation

treat sales as a competitive advantage rather than an overhead cost;

drive down costs... without compromising the quality of our products.

Striving to keep old brand fresh can also be a motto of yours. Is there a story on how you faced a new market with an old product?

We need to make our brands relevant to local consumers while building on the lessons we've learned elsewhere in the world.

Over the last few years, we've significantly grown our international business using a new "best of global, best of local" approach. Oreo biscuit in China is a great example of this. About five years ago, the brand's sales were flattening and we began to lose share.

Something had to change: we began listening to our Chinese consumers. Really listening. We learned that Chinese consumers loved the brand, but found the biscuits too sweet and the package sizes too large. So, we customized Oreo for the local market, reducing the sweetness and developing different packaging and price points for distribution in smaller Mom & Pop stores, we innovated the biscuit on based on Chinese consumers indications, introducing for example wafer sticks, and other products. By better adapting Oreo to local tastes, the brand unlocked explosive growth to become the No. 1 biscuit brand in China, which is the second largest market for Oreo, behind the United States.

Your professional story is of great success. Can you give us key points that young professional should keep in mind?

I have four tips that I like to share with others looking to accelerate their careers:

- *Make a difference.* A business needs to be better for your having been there. One of my favorite sayings is, "If you do what you always did, you'll get what you always got." I've always challenged myself and the people who work with me to take new approaches to traditional business challenges, to push the envelope and constantly ask whether our sacred cows are still producing milk.

- *Take risks.* You must be ready to stand out from the crowd, to take on risky jobs or make tough decisions and face new challenges. In the beginning is a bit scary, but it trains young people to be prepared to take calculated risks and see what happens.

- *Seek out mentors.* A mentor should be someone who can give you an alternative point of view, help you to avoid landmines and otherwise teach you the unwritten rules of company policy.

- *Ask for what you want.* Some of my most significant promotions were for jobs that I had expressed a strong desire for. But that boldness doesn't always come naturally. I can't guarantee success - even if you ask very directly - but it's certainly worth trying before going through the aggravation of changing jobs. I hate to see people frustrated or leaving a company because they have not had the courage to take a chance by refusing to come forward.

Speaking about new challenges. What about Cadbury?

No comment.. with a ☺!