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[After 'surprise' retirement, Campbell needs CEO with 'qualities that mimic Apple': Experts](#)

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In an abrupt and surprising announcement, Campbell Soup Co. on May 18 announced Denise Morrison retired from the position she's held for seven years.

The South Jersey company may want to find a new leader with qualities akin to those of media giant Apple, experts say, as companies continue shakeups at the C-suite level and have to steer in the face of digitalization.

Morrison joined Campbell in 2003 from Kraft Foods, where, as executive vice president and general manager, she oversaw brands like Planters nuts, Lifesavers and Altoids. She eventually became Campbell's 12th CEO in 2011 — the first woman to fill the role. Keith R. McLoughlin replaces Morrison as interim CEO, Campbell announced on Friday.

The news "comes as a surprise," said Brittany E. Weissman, consumer analyst at Edward Jones, in a note to investors. "Morrison has faced some missteps as CEO — declining soup sales and C-Fresh execution issues — and the sudden departure likely reflects ongoing execution issues," Weissman said. Returning the C-Fresh segment to profitability has been "more challenging than expected," the note reads.

Morrison's retirement comes months after other leadership changes: Mark Alexander, president of Campbell's Americas Simple Meals and Beverages, left the company, and Luca Mignini was promoted to COO. Mignini was previously president of Campbell's global biscuits and snacks division.

"While we are pleased to see the company take a bolder step to improve results, we believe this change adds uncertainty to Campbell," Weissman said. "We also believe this adds execution risks to integrating Snyder's-Lance."

Campbell Soup Co. in late March this year completed its \$6.1 billion acquisition of Charlotte, N.C.-based snack company Snyder's-Lance — a move that meant snacks will make up nearly half of Campbell's annual net sales, the "best part" of the acquisition.

Not much has been said about Campbell's CEO succession plan or what an ideal candidate would be. During the company's third-quarter earnings call on the same day Morrison's retirement was announced, officials said they would conduct a thorough review of their strategic plan and portfolio composition.

Weissman, in her note, said she believes C-Fresh will be a focus during the review; Campbell recently lowered its longterm outlook and the estimated value of the segment.

"That's what we're focused on right now," interim CEO McLoughlin said of the strategic review during the investors call. "Part of that work will be input to the board on the candidates' qualifications and potential."

"There are talented candidates in the company [but] we will focus on the mission we have at hand and getting things back on track," McLoughlin said. "We're facing tough market conditions. ... We have urgent work ahead of us, and we'll face them head on."

Campbell may have had a few missteps along the way, but the center of the grocery store continues to struggle because consumers gravitate toward the store perimeters where fresh foods are located. "This could be the first of many shakeups in Big Food," said Lou Biscotti, partner and practice leader of the food and beverage sector at Marcum, a public accounting and advisory services firm.

"I've been saying for a while that they waited too long to make changes. Even with recent acquisitions the bleeding continues," Biscotti said of Campbell.

After the Snyder's-Lance acquisition and tilt toward snacks, Morrison's eventual successor will essentially lead a different company.

"The snack supply chain is different from making soup, thus it would require a new skill set to manage it," said Thomas Fung, assistant professor of marketing and supply chain management at Temple University's Fox School of Business.

Fung held various high-level roles from 1980 to 2009 at Campbell, specifically in operations and competitive analysis.

"Morrison's decision to retire early, at age 64, certainly signaled the company's desire to make major change in leadership," Fung said. "The typical shelf life of any CEO is about seven years, and Morrison clearly met that artificial criteria."

The past year signaled a sea of change at the C-suite level. From January through April this year, 450 CEOs of U.S. companies stepped down, according to a report by Challenger, Gray & Christmas Inc., a global outplacement consultancy and executive coaching firm.

That figure represents the highest January-April total since 2014, when 460 CEOs left his or her posts. January (139), February (113) and April (109) represented the highest monthly CEO turnover reported since at least 2011. About 96 CEOs stepped down in March this year.

Major food companies Kellogg, General Mills, The Hershey Co. and Mondelez in 2017, between March and September, named new CEOs.

Campbell's interim CEO, McLoughlin, was president and CEO of Electrolux AB, a global manufacturer of household appliances, from 2011 until 2016. He first joined that company in 2003 as executive vice president as well as head of Major Appliances North America. Prior to Electrolux, McLoughlin was at E. I.

du Pont de Neours and Co. for 22 years in senior leadership roles. He's been a member of Campbell's board of directors since 2016.

"The interim CEO comes from an appliance giant, which is not a food company, and he may experience difficulties in the transition," Marcum's Biscotti said of Campbell's McLoughlin.

Coming from a different professional background, however, does not always create setbacks. Fung uses the analogy of how IBM evolved from making adding machines and typewriters early on to what it does now: cloud computing and artificial intelligence called Watson.

"Going through from the mid-80s into the early '90s, IBM was seeing a large-scale change in technology, with the advancement of personal computing," Fung said. "Lou Gerstner was brought in from Nabisco to run IBM, the so-called whiz kid that could go from managing chocolate chips to computer chips."

Gerstner, Fung said, was a former McKinsey consultant who brought a much-needed clarity and urgency to IBM. Digitization changes how brands are marketed, and it changed the entire consumer communication ecosystem, he said. "The next CEO at Campbell would need to hone a different set of core competency that could effectively identify consumers' current needs — and anticipate their future desires, before they realize that they could never live without products yet to be manufactured," Fung said.

What Campbell needs is "a CEO with qualities that mimic Apple," Fung said.

Campbell in March this year named Publicis Groupe as its agency partner for the soup company's U.S. Retail, Canadian and Asia Pacific creative, digital, technology and consumer promotion business. The company said the move reflects "Campbell's ongoing efforts to modernize its marketing model and integrate communications across disciplines."

Campbell also recently created a new accelerator unit to drive growth in faster-growing spaces, including C-Fresh, and a new digital and e-commerce unit was announced and created last year. Gauging a CEO's performance requires multiple dimensions, including financial performance, market presence, innovations, social responsibilities, employees and community development, Fung said. Stock price doesn't necessarily correlate to the true performance of a company, but "it is widely accepted as the benchmark," he said.

"Bolthouse Farms was acquired in 2012 under Morrison's tenure, [and] the 'fresh strategy' clearly drove the stock performance for five years," Fung said.

Product innovations play key roles in commercial success.

Bolthouse Farms went from being a "primarily vegetable juice product platform into other categories," but soup is still Campbell's most profitable product category.

"The continuing declining soup sales over the past decade has negatively impacted earning potential, which is reflected in the stock price," Fung said.

Prior to her sudden departure, Morrison was recently named among the most reputable CEOs in the world.