

# Interview

## The General Mills Way



Kendall J. Powell

**An Interview with Kendall J. Powell,  
Chairman of the Board and Chief Executive Officer, General Mills**

We have literally reinvented the way we approach innovation in the past five years. Our goal now is to deliver bigger, more profitable innovation. We don't measure success by counting the number of new products. Instead, we measure success in terms of new products that will be sustainable, profitable, and truly different. This focus has driven a 50 percent increase in the number of big ideas launched in each of the past two years – and many of those ideas were first-to-market innovations driving growth for the category overall.

**What are the strengths and opportunities for the business internationally?**

International has been one of our fastest growing business segments. Including our proportionate share of joint-ventures, General Mills has nearly \$4 billion in sales outside the U.S. Today, General Mills products are sold in more than 100 countries around the world, including China, India, Australia, Brazil, Canada, Japan, the United Kingdom, France, and Spain. And we expect these international businesses to lead General Mills' growth over the next five years.

Our global platforms are ready-to-eat cereal, super premium ice cream, healthy snacks, and convenient meals. They are on trend with consumers and these categories are growing.

We saw double-digit sales growth in China last year, for example, and China could account for half our international growth over the next five years.

In addition, we have operations in several emerging markets. With the modernization of the retail trade, a growing middle class globally, and increasing global demand for healthy and convenient foods, we plan to add \$1 billion in sales to our international segment by 2015.

**How important is corporate philanthropy and social responsibility to the culture of General Mills?**

General Mills' mission is "Nourishing Lives" – making lives healthier, easier, and richer around the world. We live that mission through the nutrition we provide, the people we serve, and the planet we share. These values are deeply embedded in our culture. For example, 82 percent of U.S. employees volunteer in their communities.

General Mills awarded more than \$100 million in financial support to communities, schools, and other worthy causes around the world in fiscal 2010 alone.

**How do you focus your CSR efforts and is it important that the programs align with General Mills' business strategy?**

Our commitment to corporate social responsibility is part of the secret to our success. Our strong sense of responsibility and our dedication to helping strengthen our communities has been a core value at General Mills for more than 100 years. It's not only the right thing to do, but it's smart for business.

One example is Partners in Food Solutions, a new nonprofit recently launched by General Mills, which is an innovative new way to leverage the knowledge and expertise of our food scientists, product developers, and technology leaders to improve the lives of thousands by improving the quality and efficiency of food production systems in Africa. It's a way for General Mills employees to give of their time and talents to help solve food production issues for African food producers, thereby providing more available, efficient, safer, high-quality, nutritious foods for African consumers.

**How do you measure the success of your CSR efforts?**

One measure is the sustainability of our own efforts. Are we making a difference? What is the result? Is it a program or initiative that can be sustained and make a difference over time?

For example, we measure our progress in making lives healthier with "the Health Metric," which measures improvements in the nutritional profiles of the foods we produce.

We set very specific goals in the area of sustainability and then measure our progress against them. These goals include specific, quantifiable targets for reducing our water use, our energy use, our greenhouse gas emissions, our solid waste generation, our transportation mileage, and our packaging use.

We even measure the impact of our philanthropy. Are our programs having an impact? Are we making communities stronger?

**What are your key priorities for General Mills looking forward?**

To continue to leverage the strength of our portfolio to grow and expand our businesses around the world. We will do so by focusing on the five key drivers of our growth: innovation; brand building; leading profitable growth for our customers; international expansion; and margin expansion, fueled by Holistic Margin Management, our broad strategy to drive continuous improvement all across our business.

That's the General Mills way. ●

**EDITORS' NOTE** Ken Powell became CEO of General Mills in September of 2007 and Chairman of the Board in May of 2008. He was previously elected President and Chief Operating Officer of General Mills in June 2006. Powell joined General Mills in 1979 as a marketing assistant and advanced through a series of assignments of increasing responsibility including positions in the Yoplait, Betty Crocker, and Big G cereal divisions, as well as Cereal Partners Worldwide. Powell graduated from Harvard with a bachelor's degree in 1976 and earned his M.B.A. from Stanford in 1979.

**COMPANY BRIEF** Headquartered in Minneapolis, Minnesota, General Mills ([www.generalmills.com](http://www.generalmills.com)) operates in more than 100 countries and markets more than 100 consumer brands, including Cheerios, Häagen-Dazs, Nature Valley, Betty Crocker, Pillsbury, Green Giant, Old El Paso, Progresso, Yoplait, Cascadian Farm, Muir Glen, and others. The company had fiscal 2010 global net sales of \$16 billion, including the \$1.2 billion proportionate share of joint venture net sales.

**How is General Mills' business positioned for growth coming out of the global economic crisis?**

We feel we are well positioned, because we're in advantaged categories and our categories are performing well because they are very much "on trend." We offer great-tasting, healthy, convenience foods at good value and that's a good fit with consumers' needs in this economy.

**How have your brands consistently been market leaders and how critical is innovation to the strength of General Mills?**

Innovation drives our business. We are constantly working to develop new products and to bring new benefits to our existing products.

While many companies cut back on innovation during the recession, we continued to invest in innovation. It has been a competitive advantage for us, in terms of performance.