

Cadbury - taking the bitter with the sweets

Todd Stitzer's main claim to fame is his jargon. As soon as he became chief executive of Cadbury Schweppes, commentators noted his fondness for management-speak with phrases such as "smart variety", "uniquely competitively advantaged" and "degrading its premiumness".

Four years on, nothing has changed. At last week's presentation, he talked of the need for "double-hatting" and "more directive in executing".

"It's off-putting," said one investor. "You don't hear Bart Becht [chief executive of Reckitt Benckiser] talking about being 'more directive in executing'; he says 'execution'".

"When anyone speaks like that, it makes you think they do not know what they are talking about."

The comparison with Becht is a salutary one. He has made Reckitt one of the world's most admired consumer goods companies; Stitzer admits that Cadbury has failed to exploit its position as the world's biggest confectionery company.

He accepts that his four years at the helm have been marred by problems such as the salmonella contamination of millions of chocolate bars, accounting fraud in Nigeria and losses in Russia and China.

While Stitzer may not yet have learnt to speak Becht, last week's announcement was full of Reckitt-style language. Out would go the hundreds of sub-brands and range extensions that are distracting management and dividing its marketing spending; instead, it will focus on five core brands - Cadbury's, Halls, Green & Blacks, Trident and the Natural Confectionery Company.

Out go fuzzy management structures and bureaucratic layers; in comes a more streamlined structure - and 7500 job cuts. Out goes the proliferation of factories and locations; in come bigger, more efficient, plant and core growth markets.

It also confirmed plans to sell its US beverages business, maker of 7Up and Dr Pepper.

Cadbury Schweppes said last week that there were no plans to cut jobs at the company's two New Zealand plants, in Auckland and Dunedin.

The big question in the City of London is: can Stitzer deliver?

"The reorganisation shows that Cadbury has fully accepted what the market knew already - it has the best portfolio of brands in the business, but they have been grotesquely underexploited," said Rob Mann, food analyst at Collins Stewart.

In theory, Stitzer should have been a breath of fresh air at Cadbury. He was only the second chief executive from outside the Cadbury family - the present chairman, Sir John Sunderland, was the first - and, as an American, should have been less ruled by the Quaker roots and aura of benevolent capitalism which still permeates the company.

But 20 years of climbing the ladder before becoming chief executive - he joined Cadbury from its American corporate law firm in 1983 - seem to have completely inculcated its attitudes in him.

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