

Chapter 7

Proud Heritage: The Use of Heritage Stories in Post-Acquisition Integration

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Kraft Foods

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Becky Haglund Tousey is Associate Director of Archives and Information Resources at Kraft Foods. Before coming to Kraft Foods in 1991 she worked in a state government archives, a university archives and a manuscript repository. At Kraft Foods Becky oversees a corporate archives program which includes staff and repositories spread across several geographies.

Becky is a member of the Academy of Certified Archivists. She is actively involved in the Society of American Archivists and other related organizations in the U.S. She serves as Secretary for ICA/SBL and has participated in many U.S. and international archives conferences, including a Japan-U.S. conference titled “Access to Archives: Japanese and American Practices” held in Tokyo in May of 2007.

Kraft Foods (USA)

Kraft Foods is the world's second largest food company, making delicious products for billions of consumers in approximately 170 countries. The portfolio includes 11 iconic brands with revenues exceeding \$1 billion - Oreo, Nabisco and LU biscuits; Milka and Cadbury chocolates; Trident gum; Jacobs and Maxwell House coffees; Philadelphia cream cheeses; Kraft cheeses, dinners and dressings; and Oscar Mayer meats. Forty-five of its brands have origins dating back more than 100 years. Its world headquarters is located near Chicago in the United States.

The Kraft Foods Archives was established as a corporate function in the early 1980s. Our mission is to responsibly leverage the company's information assets to meet current and future business needs and to enhance brands' and company reputation. We do this by identifying and preserving a dynamic continuum of company records having enduring business value.



Image 1 – Interior of the Kraft Foods Archives

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1. Introduction

Heritage storytelling is an important part of many corporate cultures. These stories often center around the legacy of an individual founder and feature examples of overcoming obstacles, innovative thinking, ethical principles, and so much more. They are part of the fabric or personality of a company and can be communicated and leveraged in different ways. Companies proudly pass down heritage stories to each succeeding generation of employees and share them as well with external stakeholders like consumers, stockholders, and media. The stories can serve to instill pride, foster inspiration, and maintain or enhance the reputation of a company or a brand.

Companies turn to their archives and archivists to find these heritage stories. And whether the stories are only communicated internally to employees, or whether they are disseminated broadly through media channels, it is important from a professional and reputational standpoint that our company and brand stories be authentic. Companies depend on their archives to identify, preserve, and provide access to accurate and defensible information. This is especially true when it comes to heritage stories.

This article focuses on the recent acquisition of Cadbury by Kraft Foods, which provides an example of how heritage stories can help facilitate the integration of two companies into one new company. We even refer to the pre-integrated companies as “legacy Cadbury” and “legacy Kraft Foods.”

2. Kraft Foods

Kraft Foods is the largest food company in North America and the second largest food company in the world. It is not a holding company with many independent subsidiaries, but rather one global company which markets over 70 food brands. The company’s name traces its origins to a Canadian-born entrepreneur named James L. Kraft who moved to Chicago in 1903 and began a one-man cheese selling business. His business grew over the next 20 years primarily as a result of his patent for processed cheese. This patent involved heating and

blending natural cheese to make it more shelf-stable and to reduce the waste and inconsistent quality found in natural cheese at that time.

In the 1920s, Mr. Kraft decided to expand his cheese business into another food category, namely salad dressing. So, he acquired several local and regional U.S. salad dressing companies and integrated them into his organization. James L. Kraft's company became the global, dynamic company it is today by continuing this model of growth through both innovation – organic growth – and acquisition – purchasing and integrating other food companies. The Kraft Foods of today is the result of many formerly separate companies – each with a founder and a unique history – coming together as one.

The Archives program at Kraft was established in the early 1980s. With the acquisition of each new company, the Archives staff has encountered a similar situation. In most cases, the acquired companies had preserved some historical records, but they had no in-house archive program or trained archivist. Old records stored in-house at headquarters or manufacturing facilities likely had an unofficial caretaker, a well-meaning employee who recognized the importance of preserving some company history, but whose own full-time responsibilities left little time for history. Uncatalogued, the records were barely accessible and endangered by less-than-optimal physical protection.

Whatever the volume and condition of an acquired company's existing historical documentation, the Kraft Foods Archives staff performs a "deep dive" into the history of each acquired company. We conduct detailed research into the origins and evolution of the company using all sources available to us, including internal records and external published sources. We seek to understand the structure and scope of the company and its products. We find out where historical records are housed, whether they are in company-owned facilities or external repositories. We review inactive records to identify what has ongoing business value. At the appropriate time, in-house historical records are transferred to their new home at one of our Archives locations, to be catalogued, preserved, and referenced. In doing so, we integrate the records, those heritage stories, and the company and brand history into the fabric of our overall company history.

3. Acquisition of Cadbury

In February 2010, Kraft Foods acquired iconic British chocolate brand Cadbury. This acquisition differed from previous acquisitions in several ways. First of all, in over 100 years of Kraft Foods' history, Cadbury was the first acquisition to transpire as a "hostile takeover." Cadbury did not invite the attention of Kraft Foods, and 45,000 Cadbury employees, as well

as the British general public, resisted the acquisition during the five months of negotiations.

Secondly, once the acquisition was a “done deal” on February 4, 2010, the pace of integration, especially given the large global scope of the Cadbury business, proceeded more rapidly than the integration of any previous Kraft acquisition: the process began immediately, on Day 1.

And, finally, the Cadbury acquisition came with a substantial historical archive based near Birmingham, England, and staffed by two people. So, from an Archives perspective, we immediately had the advantage of knowledgeable colleagues whose roles and responsibilities mirrored ours. We thus gained immediate access to the rich Cadbury history and to staff who were familiar with the sources, the records, and the stories.

It was clear from the months of media attention prior to the acquisition that Cadbury employees are very proud of their company’s heritage and the ethical values of its founder, John Cadbury. John Cadbury, a Quaker, opened a coffee, tea, and cocoa shop in Birmingham in 1824. He based his business on an ethical approach to capitalism. Following his example, his descendants built a model village for their workers, moving them out of the pollution and grime of Victorian Birmingham to the clean air and green, open spaces of Bournville. What the Cadbury family began in the 19th century grew into a multibillion dollar global business of iconic chocolate, gum, and candy brands with operations in 60 countries.

Several Kraft Foods’ brands are household names in the U.K. – *Terry’s* chocolate, *Dairylea* cheese, and *Kenco* coffee. But leading up to February of 2010, Cadbury employees, and most consumers in Britain, knew little about the corporation called Kraft Foods and its heritage. Nor were they aware of the company’s 80-year presence in the U.K. and Kraft’s own pride in the ethical values of *its* founder, James L. Kraft. So, understandably, Cadbury employees feared losing their heritage in the wake of being acquired by an unfamiliar American food company.

The Kraft Foods Archives’ role during the months prior to February 2010 was to support our corporate communication efforts around the rumored acquisition. We provided heritage information and images in response to a large number of media inquiries, though, in most cases, they did not request in-depth heritage stories. They asked for just the “top line” – a picture of James L. Kraft and one or two sentences about his founding a cheese business. Our future colleagues at the Cadbury Archives responded to similar requests for pictures and information about Cadbury’s origins.

4. “Coming Together”

Internally, the Archives role was more pro-active and substantive.

The first step of the integration was a new “Coming Together” intranet site which contained important news and information for employees of both companies. The entire website was designed and populated in a very short time by the Kraft Foods Employee Communications team. It launched on the morning of February 4, accessible to all Cadbury and Kraft Foods employees globally. One of the key sections of that integration site was Heritage, populated with information obtained from the archives of both companies. We were able to respond to the very short design timeline because we could repurpose heritage content that already existed on our respective websites. The Heritage section included biographical information about John Cadbury and James L. Kraft, key historical milestones, and iconic advertising images, all of which began to tell the heritage stories that would be shared in more detail as the integration process continued.

As our sharing of information gathered momentum and we learned more about the history of Cadbury, we were excited to see many parallels to the Kraft history. Common themes and values resonated in the lives of the two founders and in the two companies’ heritage stories. John Cadbury and James L. Kraft were both religious men who brought their personal moral values to their business dealings. They valued their employees at a time when employees were often seen as a commodity. And they were committed to creating quality products and giving back to their communities.

After the “Coming Together” intranet site was up and running, the Archives staff then focused on transitioning heritage content from the legacy Cadbury websites to our Kraft Foods “History” intranet site by adding historical timelines for Cadbury chocolate, gum, and candy brands; advertising images; and bios of John Cadbury and other brand founders. Our “History” intranet site contains a large amount of carefully researched and immediately useable information about our predecessor companies, the founders of those companies, and dozens of detailed histories of brands such as Oreo biscuit, Maxwell House coffee, Ritz crackers, and now Cadbury chocolate and Halls candies, among many others. Our site also links to a database of photographic, advertising, and packaging images.

Concurrent with this project, we revised an existing illustration that graphically depicts, using a road-map theme, how our several predecessor companies came together as one company. The road-map illustration was revised to include a Cadbury “road” and is appropriately titled “Growing Together.” As you can see, this is an attempt to demonstrate the familiar saying “one picture is worth a thousand words.”

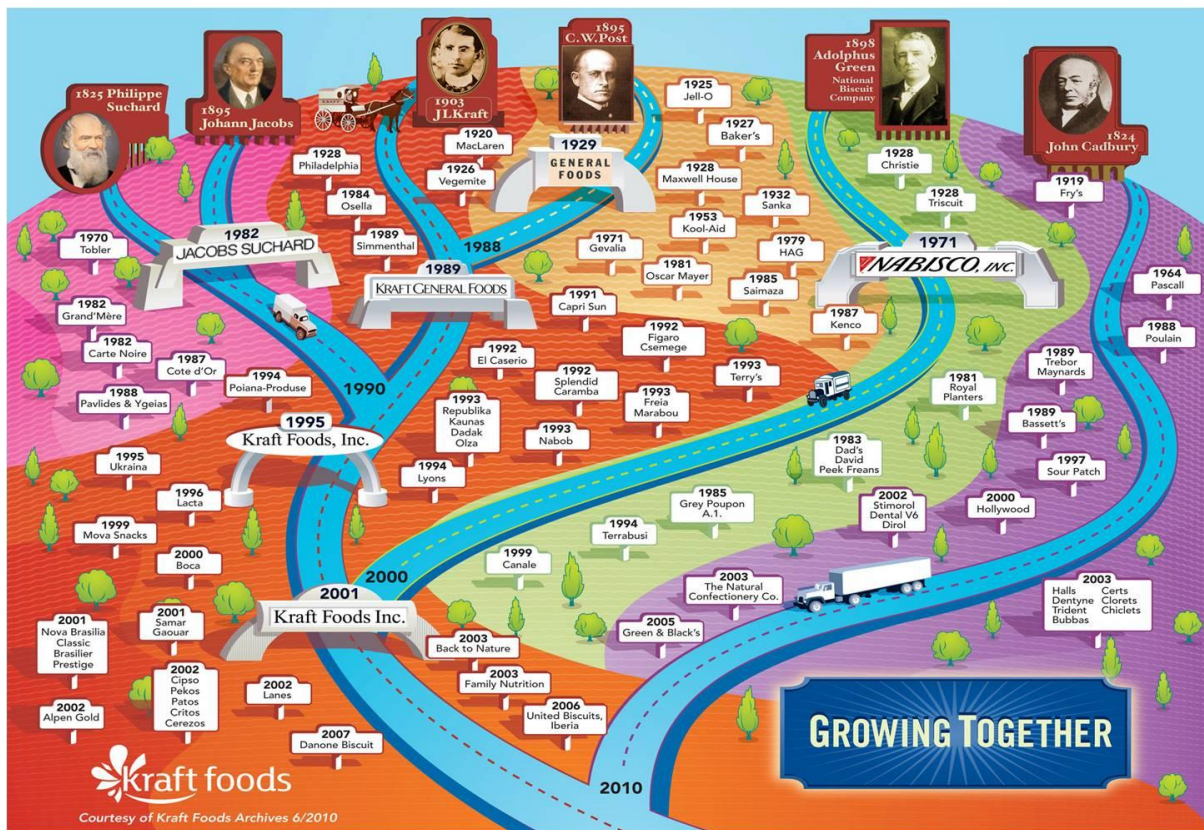


Image 2 – “Growing Together”

The next phase in the integration included face-to-face and virtual meetings where legacy Cadbury and legacy Kraft Foods employees met for the first time as a team. These meetings provided a great opportunity to communicate messages and visuals around our shared values. The Archives staff worked with meeting planners to produce presentations and video clips telling the stories of company founders and the history of the brands that related to each specific location and function. We also provided lists of “fun facts” for groups to use as “get to know you” exercises and trivia games. And we used, and continue to use, the road-map graphic I just described in presentations to both internal and external audiences.

5. Conclusion

So the archives staff at both companies became involved and worked together from the very first days of the integration to educate legacy Cadbury employees about Kraft Foods’ history, and to educate legacy Kraft Foods employees about Cadbury’s history. Because both companies had preserved their past and their heritage stories, we could share them accurately and effectively across different platforms and in different venues to show the similarities in the both companies’ origins and values. We like to think it helped employees find common ground and, in a small way, enabled them to overcome some of the anxiety and suspicion that

an acquisition can bring on. Without the archival documents and images, and without the staff to research and contextualize events and images, it would have been difficult to communicate these common themes and values and leverage those stories to bring the two companies together.

As for the integration of the archives staffs and repositories, located in four different counties, we are continuing to share information and to get to know each other. We are integrating our processes and procedures, our catalogs and databases. We are building a better and stronger team, well equipped to serve the information needs of our clients in the new Kraft Foods.