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SELLING HERSHEY

A Business Fable for Our Times

> I think what makes a good CEO today is what will always make a good CEO and what has in the past: strong values, great personal integrity, and a willingness to make the tough calls. But it certainly requires an openness and transparency with the multiple constituents, whether it be shareholders, the board, employees, customers, or suppliers. And those characteristics don't have a shelf life in terms of when it's good or not good to apply them.
>
> —*Rick Lenny*, CEO, *Hershey Foods Corporation*[1]

Trouble in Utopia

July 25, 2002, was a day like any other in the picture-perfect town of Hershey, Pennsylvania, home of the world-famous Hershey bar.[2] Tourists strolled Chocolate Avenue, gawking at streetlights shaped like Hershey Kisses and shopping for candy-themed souvenirs at the dozens of gift shops. Bedazzled children and obliging parents lined up for tours of Hershey's Chocolate World and squealed with delight on the ten roller coasters at nearby Hersheypark. Those with more sedentary tastes relished a whipped cocoa bath or chocolate hydrotherapy at the Hotel Hershey's pricey spa, or simply savored the sweet aromas from the factory whose assembly lines generated a nonstop supply of Mr. Goodbars, Reese's Peanut Butter Cups, and Kit Kat Bars. All these pleasures had one thing that united them even more than their chocolate flavor: the steady stream of income they produced for Hershey's twelve thousand residents, nearly all of whom had a connection to the company after which their town was named.

It was a day like any other—until the news that turned July 25, 2002, into what the townspeople of Hershey still call Black Thursday. It came in a story in the *Wall Street Journal,* which revealed that the board of the Hershey Trust, the charitable organization that owned a controlling stake in the Hershey Foods Company and thereby in the future of everyone in town, was planning to sell the company to the highest bidder.[3]

The news flashed through town. The questions followed in an instant. Who might the new owners be? What would they do with the Hershey plant, the theme park, the spa and hotel and gardens, and all the other attractions that had made their town a center of tourism? What would happen to the chocolate-related jobs that drove the local economy? Would Hershey, Pennsylvania, become a ghost town?

No one could say.

It is a story that has been told in one company town after another all across America: corporate interests, under pressure to pursue short-term gains, decide to sacrifice the local economy, culture, and tradition in pursuit of profit. And in some towns, after a period of dismay and anger, the citizens quietly accept their fate.

Not in Hershey.

A coalition of angry citizens formed within hours. It included former CEOs of Hershey who hated the idea of selling the company they'd nurtured; leaders and members of Chocolate Workers Local 464 of the Bakery, Confectionery, Tobacco Workers and Grain Millers International, the union that represented twenty-eight hundred employees at the Hershey plant; alumni of the Milton Hershey School, the remarkable educational center for orphans created by company founder Milton S. Hershey himself; and thousands of business owners and residents of central Pennsylvania who feared the death of a town they cherished.

A week later, five hundred townspeople converged on Chocolatetown Square for the first protest rally in the history of bucolic, conservative Hershey. The protestors clustered under the trees in the little plaza, handed out leaflets, carried signs reading “Derail the Sale” and “Milton’s Dream Has Become a Nightmare,” and cheered a series of fiery speeches as startled tourists looked on. Former Hershey chairman and CEO Dick Zimmerman angrily denounced the sale idea as unnecessary and unwise. The president of the Hershey School Alumni Association, New York attorney Ric Fouad, appealed to Milton Hershey’s founding vision. And union leader Bruce Hummel mocked the board as sacrificing the community for profit. “You don’t sell the children to save the house,” he roared. The crowd roared back.

The rally was only the start of a series of headaches for the top brass of Hershey Foods and the leaders of the trust. And it came as quite a shock. The emergence of a broad coalition of activists vowing to fight the sale was the last thing they had expected. How had it happened? And how on earth had Hershey’s leaders so badly misgauged the reaction to their plan?

Patriarch of Chocolate

The connection between the town of Hershey and its largest employer is more than geographic or even economic. The fate of the company and that of the community are closely entwined, and that’s the way Milton S. Hershey wanted it. The deeply religious Hershey, a member of the socially conservative Mennonite sect, wanted his wealth to be used “for a purpose of enduring good,” and he viewed his little Pennsylvania town as a Utopian community, designed and managed for the good of all its inhabitants.[4]

Hershey built the town in the early years of the twentieth century. Through his Hershey Improvement Company, he founded most of its leading institutions, including the local bank, department store, zoo, and public gardens modeled on those at the French royal court in Versailles. He laid out the bucolic street design, built a trolley company, and designed houses for factory workers and bigger houses for corporate executives. He even founded a community college that local residents and company employees could attend free of charge. During the Great Depression, despite a 50 percent drop in chocolate sales, he kept the workers from his factory busy building a hotel, a community center, a sports arena, and public schools—all, of course, bearing the Hershey name.

Milton also founded the Hershey Industrial School—now known as the Milton Hershey School—which provides free room and board, clothing, medical care, and schooling for some thirteen hundred disadvantaged children. The charitable trust that Hershey created in 1909, which owns and operates the school, also owns or controls over three-quarters of the voting shares of Hershey Foods.

The result: the town of Hershey and the students and teachers at Milton Hershey School are completely dependent on and closely linked with the company Hershey founded. For decades, Hershey Foods executives managed the business accordingly. "I was always told that we had a fiduciary responsibility to the trust," says John Dunn, who rose over the course of thirty years from a Hershey salesman in Chicago to the company's director of marketing. "And I was always reminded that we must never do anything that would compromise our business or our financial success—because the Trust was relying on us."[5]

Logic would dictate that, in such circumstances, the management of the company would never lose sight of the profound connections among the business, the school, and the community that houses and sustains them both. That, after all, is what Milton Hershey had made clear he wanted. But company managers were governed by neither Milton's dreams nor simple logic.

The remarkable battle for control of Hershey Foods that erupted in the summer of 2002 illustrates many of the central themes of this book and raises a host of questions that business leaders everywhere need to consider—questions like these:

- Do the responsibilities of a business manager go beyond earning the highest possible profits? If so, what are those responsibilities, and how should they be balanced with the pursuit of profits?

- What responsibilities does a company have to its workers, their families, the community where they live, and society at large? Is it enough to pay fair wages, provide competitive benefits, and supply needed goods and services—or should a company do more?
- What information should be disclosed about corporate decisions and activities to those who have a stake in them? How should the leaders of a company take into account the viewpoints and concerns of those stakeholders? And who should have a say about the fate of the company?

Hershey Foods and the Hershey Trust are, by almost any measure, well-run and well-meaning organizations. Their leaders, who had jointly reached the decision to sell the company, were upstanding citizens of the corporate world and the local community. Yet when challenged to chart a course for future decades in a rapidly changing world, they stumbled, hurting the company financially and leaving Wall Street and the American public with an abiding image of a big chocolate-covered mess.

The Responsible Thing to Do

To understand that meltdown, we must go back seven months to December 2001, when a deputy attorney general for the state of Pennsylvania met with the board of the Hershey Trust to probe allegations of mismanagement and conflicts of interest by its seventeen members. The state's investigation would soon fizzle, but this meeting would be remembered for a very different reason. Mark Pacella, the deputy attorney general, warned the board members that it was high time they found ways to diversify their gigantic, $5.4 billion holdings, a full 52 percent of which were in Hershey Foods. To do anything else would be foolhardy and irresponsible. It might even be illegal.

The board had sound financial reasons to make such a move. As any investment manager can confirm, having one's holdings heavily concentrated in the shares of a single company is not sound practice. It left the trust vulnerable to any downturn in the prospects of Hershey Foods. The emergence of a new and powerful competitor in the chocolate market, or a large increase in the price of cocoa, could decrease the value of the trust fund and seriously impair its charitable works. The deputy attorney general's suggestion was based on good business logic, and the board promised to take it under advisement.

The board of trustees acted three months later, voting 15 to 2 to sell its entire interest in Hershey Foods.

It was a cataclysmic decision. The board could have pursued diversification by selling only a portion of its Hershey holdings, which is what Mike Fisher, Pennsylvania's attorney general and Mark Pacella's boss, would later say his office had had in mind when Pacella urged the trust to diversify.[6] But the board realized that selling the entire block would bring a significant price advantage—the so-called control premium that investors usually are willing to pay for a controlling share of a company.

Focused exclusively on their fiduciary responsibility to maximize the trust's profits to benefit the Milton Hershey School, the board members decided to sell Hershey Foods in its entirety, all at once, in hopes of realizing the largest possible profit. They also refrained from saying they would require any buyer to maintain the company's local operations. Again, their goal was to maximize the sale price.

Convinced they were doing the responsible thing, board members quietly began making arrangements to sell the company, until that sunny day in late July when the news hit the streets of Hershey and the rest of the world.

The Chocolate Hits the Fan

The news that Hershey Foods was in play was big news on Wall Street. Hershey's stock rose from $63 a share into the seventies, and a list of potential buyers quickly emerged, including such international business powerhouses as Kraft Foods, Nestlé, and Cadbury Schweppes. Sale prices of up to $12 billion were mentioned in the press, and lawyers, bankers, and fund managers began licking their chops at the prospect of enormous fees and profits.

But in Hershey, Pennsylvania, the news produced shock and dismay. Bruce Hummel, business agent for the union, recalls being stunned when he heard the news. "We'd just gotten though negotiating a new contract," Hummel says, "and NLRB rules stipulate that the company is supposed to inform the union when a major change like a sale is in the works. They never said a word to us."[7]

Local folks also wondered: Why had Hershey kept them completely in the dark? That isn't how people in small-town America treat their friends and neighbors . . . unless they are ashamed or embarrassed about what they are doing.

In retrospect, some Hershey residents felt that the decision to sell the company must have been in the works for months. Rick Lenny had been the first outsider named CEO of Hershey Foods. Shortly after his arrival in March 2001, a number of long-term company executives had been quietly pushed toward early retirement in what some employees called "the purge." Now that the sale plan had been announced, many concluded that Lenny had been hired specifically to clean house and make the company more attractive to a would-be buyer. Hershey confirmed no such thing. But under the circumstances, the locals were now unwilling to accept the company's word.

Stunned and angry townspeople felt they had no choice but to launch a grassroots campaign to oppose the sale, including the formation of a watchdog group they called Friends of Hershey.

As an ambitious state politician, Pennsylvania attorney general Mike Fisher was soon caught up in the controversy. On August 12, Fisher filed a petition with the seemingly named-for-TV Orphans' Court Division of the Court of Common Pleas of Dauphin County, Pennsylvania, calling for prior court approval of any deal to sell Hershey. This was an ironic turn of events, considering that the impetus for selling Hershey seemed to have originated with a suggestion by a member of Fisher's own staff. Fisher's recent decision to seek the governorship undoubtedly played a role: riding to the rescue of the state's beloved Chocolatetown was clearly an image-enhancing move. Fisher downplayed the politics, however, insisting that he was simply trying to protect the interests of the community, something the Hershey board had failed to do.

The World Is Watching

The international fame of Milton Hershey's charming town had always drawn positive attention to Hershey Foods. Now it fueled controversy. People from around the world took an interest in the fate of the much-loved company and the town that millions had visited as tourists. Columnists and commentators who had recently gorged on the greed and duplicity of companies like Enron, WorldCom, and Adelphia found the Hershey story a tempting treat, writing feature stories on the saga with zinger headlines like "A Bittersweet Deal," "Putting the Bite on Hershey," and the seemingly irresistible "Kiss of Death."

Everyone had something to say about the proposed sale, most of it negative. *Business Week*'s feature story "How Hershey Made a Big Chocolate Mess" excoriated the trust's handling of the sale, citing its failure to anticipate public protests, failure to win advance support from key constituencies, and failure to study the impact of any sale on the Milton Hershey School and its students.[8]

Outside groups connected the Hershey controversy to their own causes. A closely linked trio of not-for-profit organizations—the Campaign for Tobacco-Free Kids, Essential Action, and Global Partnerships for Tobacco Control—weighed in with a strong protest against the sale. One of the potential buyers was Kraft Foods, whose parent company was the tobacco firm Philip Morris. "It would be terribly ironic if the School Trust were to effectively force the sale of Hershey Foods to a company associated with the orphaning of thousands upon thousands of children worldwide," wrote Matthew Myers, the president of the Campaign for Tobacco-Free Kids, in a September 12, 2002, letter to Robert C. Vowler, CEO of the trust. "Hershey and Philip Morris go together like chocolate and poison."

Soon Essential Action's website featured an "Action Alert" urging readers to support its efforts with a series of specific actions:

> 1. SEND AN EMAIL to Robert Vowler, CEO of the Hershey Trust Company. . . .
> 2. SEND LETTERS AND POSTCARDS to Hershey Trust Board Members. . . .
> 3. SIGN PETITION TO REMOVE HERSHEY TRUSTEES! . . .
> 4. ADD YOUR VIEWS TO THE LOCAL DEBATE. Submit letters-to-the-editor to local newspapers. . . .[9]

Executives at the company and the trust hunkered down. Apparently stunned by the reaction of the town and bewildered by the avalanche of bad press, they refused comment when besieged by newspaper and TV reporters, and failed to provide spokespeople to air their side of the controversy at public forums. The investment world, initially delighted, began to voice displeasure and doubts. In early August, two Wall Street analysts downgraded Hershey shares as a result of the mishandling of the company sale. Others, certain that the sale would go through despite the controversy, began bidding up the stock price—typical behavior, of course, when a company is in play. Hershey stock reached a high of $79.49 on July 29, then stayed in the upper seventies as the company management began weighing potential offers, while all around them protests and legal maneuverings swirled.

About-Face

Community outrage grew steadily. A petition demanding the ouster of the trust's board grew to 3,000 signatures, then to 6,500, then to 8,000—in a town whose total population was only 12,000. The protests attracted all sorts of unlikely allies, from staunchly

Republican small-business owners who contributed truckloads of pizzas and bottled water to sustain picketing union workers, to prosperous local realtors who showed up wearing fur coats to take lessons in carrying protest signs from union leader Bruce Hummel.

Attorney General Fisher continued to throw up legal roadblocks to a sale. On September 4, after a full day of hearings, Senior Judge Warren G. Morgan of the Orphans' Court surprised most observers by issuing a temporary injunction blocking any deal to sell the company. Morgan chastised board members for showing "a capriciousness that is an abuse of their discretion." As townspeople rejoiced, the trustees appealed, and the case began to travel rapidly through the Pennsylvania court system. Legal advisers to the trust and the company predicted that the injunction would ultimately be overturned, allowing the sale to go ahead.

The trust set a deadline of September 14 for prospective buyers to submit bids. Nestlé, Kraft, Cadbury Schweppes, and even Coca-Cola and PepsiCo were reported to be the leading contenders to win Hershey. But in mid-September, an unexpected suitor appeared—the William Wrigley Jr. Company. Wrigley was smaller than Hershey, with revenues of $2.4 billion and 10,800 employees compared with Hershey's $4.6 billion and 14,400 employees, and was known as "a debt-free, keep-your-head down chewing gum company." For Wrigley to make such a huge acquisition, said one analyst, would be "like a guy who's never had alcohol before drinking a keg of beer."[10]

Nonetheless, on September 17, 2002, a deal was all but finalized to sell Hershey to Wrigley for $12.5 billion. The sale price represented a 42 percent premium over the price of the stock prior to the sale announcement. It was also a full billion dollars richer than the only other offer on the table, a joint bid from Nestlé and Cadbury Schweppes. All in all, it was an excellent financial package, reflecting confidence that the Pennsylvania courts would ultimately have to approve the deal.

But as in any good small-town drama, there was a surprise ending. Just before midnight, Hershey Foods issued a terse statement:

> Hershey Foods Corporation announced today . . . that the Trust's Board of Directors has voted to instruct the company to terminate the sale process that the company initiated at the direction of the trust.[11]

The board had decided to kill its own deal—despite the $12.5 billion on the table and the $17 million in banking and other fees it had already invested in the scheme.

Board members refused to explain their reasons for quashing the sale, just as they had for putting it on the auction block. But media leaks from sources close to the board indicated that the overwhelming and continuing protests from the community had eventually split the board in two. Feeling like pariahs among the angry employees and people of Hershey, first one, then several board members had backed away from the plan. Finally, support for the sale utterly collapsed.

Hershey Foods CEO Rick Lenny, who had negotiated the deal with Wrigley, was deeply embarrassed and furious at the sudden turnaround, reportedly screaming at board members, "We had a deal! You told me if I brought you a deal that was acceptable we would all go ahead."[12] The investment bankers involved in arranging the deal were equally angry. One banker barked, "This has nothing to do with anything other than the politics."[13]

Media around the world reported the startling outcome of the business battle in David-slays-Goliath tones. Thousands of Hershey employees, residents of Hershey, and Hershey School alumni celebrated, feeling they had saved *their* company and *their* community through the power of protest.

The mood at Hershey Foods headquarters was somber. Hershey stock fell nearly 12 percent to $65 the day after the sale was cancelled. By contrast, Wrigley stock fell just eight cents; conservative investors who favored Wrigley may have been relieved to be taken off the hook by the bride's last-minute cold feet. The *Wall Street Journal* observed, "Hershey now is left to chart a course as a stand-alone player that effectively can't be sold—but whose controlling shareholder [the Trust] has shown it is ambivalent about its long-term commitment to the company."[14]

Two months later, under pressure from the community, the employees, and the Pennsylvania attorney general's office, ten members of the board of the Hershey Trust were ousted. A new eleven-member board was created that included four members not on the earlier board, all inhabitants of Hershey or nearby communities. Two months after that, as the dust was finally settling, *Business Week* magazine enshrined the Hershey Trust Company among its "Ten Worst Managers of 2002."[15]

Lessons from the Chocolate Mess

Business managers of all kinds, in all industries, can learn some basic lessons of sustainability from the Hershey fiasco.

Focusing on profit alone can backfire. The managers who made the decision to sell Hershey Foods were doing the right thing by purely financial yardsticks. They were trying to maximize returns to the trust. But in today's business world, the financial bottom line is not the only or even the most important measure of success. Executives also must consider the social, economic, and environmental impacts on anyone with a stake in the outcome.

The protests that derailed the Hershey sale were based on nonfinancial concerns: the economic impacts of the sale on company employees and their families; the social disruption it would cause to the community; and long-term effects on students, teachers, and alumni of the Milton Hershey School. Those nonfinancial concerns ultimately trumped the financial ones, causing what looked like a good deal to crater.

Businesses are accountable to more people than they may realize. Hershey management acted as if their fiduciary duty was the only interest that mattered. They forgot about other crucial individuals and organizations—stakeholders—with a vested interest in their actions. Some stakeholders had obvious connections to the company—the employees of Hershey Foods, residents of Hershey, alumni of the Milton Hershey School. Others proved to be equally important: the citizens of Pennsylvania; the media; and millions of Americans who knew, loved, and patronized the company and town. Board members even managed to overlook the legacy of Milton S. Hershey himself, whose vision for his company and town was repeatedly invoked against the sale.

The Hershey deal had aspects that appear unique, especially the roles of the Hershey Trust and the attorney general. But almost every company these days faces special circumstances that can disrupt its plans. Some are subject to activist investors who push hard in the opposite direction from where they want to go. Others rely on government contracts or public permits that can be held hostage by politicians or threatened by environmentalists or the media. Some executives wake up to a demonstration by animal rights activists, a camera held by Michael Moore, their headquarters being occupied by Greenpeace, or a call saying, "Eliot Spitzer's office holding for you on line two." Many rely on sensitive natural resources or suppliers in distant places who can upset the apple cart in dozens of ways.

So don't lull yourself by thinking, "Nothing like this can happen to me, because my stock isn't owned by a trust." Chances are good that the world is still watching what you do and will react—strongly—if you make a Hershey-style blunder.

Bad things can happen to good companies that fail to take a broad view of accountability. Well-intentioned, well-managed organizations like the Hershey Trust and Hershey Foods that focus exclusively on shareholders as if they were the only stakeholders that matter are headed for trouble just as certainly as those that knowingly violate societal norms in pursuit of profit.

It could have been different. John Dunn, the former marketing executive at Hershey, emphasizes that the board could have succeeded if they had understood and managed their accountability: "In the end, it's really not that important for Hershey Foods to stay in the hands of the trust. They could have sold the company if they'd handled it properly. But by blundering ahead without communicating with the community, they sent the message that they were willing to endanger the sense of continuity and tradition that the people and businesses of central Pennsylvania had been counting on. That was just plain dumb."[16]

Stakeholder engagement is an increasingly critical component of successful management. In this case, openness and inclusion on the part of the deal-makers were necessary conditions for success. But the Hershey Foods Company was completely incapable of sharing information or bringing stakeholders to the table, even after they announced the deal! To do so would have cut against one hundred years of paternalism and a track record of operating in secrecy and solitude.

Hershey keeps to itself. Hershey's website, for example, contains a lot of fun facts about candy bars but is otherwise less informative by far than any of its competitor's sites. In writing this book, we spoke to numerous sources in and around the town of Hershey, including former employees and officers of the company—yet no company spokesperson or current executive would speak about the firm or its botched sale. Even such basic information as the identity of the products made in Hershey's various chocolate plants is treated as a closely guarded company secret. And when we asked a Hershey spokesman to describe the company's corporate responsibility programs, he replied airily, "Oh, there's so much I could explain if I had the time . . . ," and shortly thereafter hung up the phone.

Companies have legitimate reasons for keeping secrets and for confining decisions to a small circle of insiders and Wall Street bankers, as did Hershey and the trust. But bringing your stakeholders inside the tent on matters that might affect them is increasingly a matter of responsible corporate citizenship *and* sophisticated risk management.

When Hershey sprang its proposed sale on the general public, it was taking an unnecessary business risk, especially in light of recent warning signs (including a rare strike settled just weeks before the announcement). The furious reaction that derailed the sale was driven, in large part, by the fact that everyone except the bankers had been kept in the dark. According to John Dunn, "The way the company handled the controversy compounded the problem. Instead of reaching out, they went into a bunker. They refused to make any public statements, failed to show up at community meetings, ignored calls for an open forum or debate."

It's hard not to agree with Dunn's conclusion that this "was a textbook example of what *not* to do in a corporate controversy."

A year after the showdown, Hershey Foods CEO Rick Lenny was asked to name the most important qualities of a good chief executive. He emphasized "openness and transparency with the multiple constituents" (the full quotation appears at the head of this chapter). It's excellent advice, even if Lenny and his leadership team ignored it during their crisis and there is reason to believe they still don't practice it today.

Politics is an inescapable part of business. The anonymous investment banker who complained bitterly that the cancellation of the sale "has nothing to do with anything other than the politics" was not wrong. The board's decision to pull back *was* a political one, in the sense that it was motivated by the belated recognition that most concerned stakeholders opposed the deal and would, in various ways, have withdrawn their support from the company if the sale had gone through. To a doctrinaire advocate of the free market, the fact that business leaders must consider the political impact of their decisions may be abhorrent. But it's a reality. Hershey's lack of political judgment and skills was a direct cause of the company's misfortune.

Hershey and Sustainability

How does the concept of sustainability apply to the Hershey story? From its beginnings, Hershey had made enormous investments in its employees and its town. Yet over a period of several months in 2002, the Hershey Trust squandered much of that valuable social capital. The company inevitably paid a substantial price, as did shareholders. Management even now is working to rebuild the trust and support wasted during that period of confusion. It is unclear whether the community will ever acquiesce even to a partial sale of the company, and the lingering distrust is an anchor that restricts the firm's freedom of action and depresses its business prospects.

A sustainable company manages its risks and maximizes its opportunities by identifying key nonfinancial stakeholders and engaging them in matters of mutual interest. The board's failure to do so harmed the company, the trust, and the employees and local citizens, who quickly realized that their win was illusory. They are stuck with a board and company that have priorities that appear to be directly at odds with their interests.

It is instructive to compare Hershey's corporate culture with the more savvy and responsible approach of one of Hershey's biggest competitors and former suitors, Cadbury Schweppes. The British-based firm is considered one of the world's most socially responsible companies. Among other enlightened practices highlighted in the company's two-hundred-page sustainability report for the year 2004 (titled "Working Better Together") is this description of how Cadbury Schweppes managed the closing of a plant that manufactured cough drops and chewing gum in Avenida, Brazil:

> To increase production, logistics and distribution efficiencies and support our plans for growth and innovation, we decided to consolidate the Avenida production site into the modern facility at Bauru [also in Brazil]. We began the transition in October 2003 and aim to complete it by July 2004. While the closure of Avenida do Estado involves the loss of 300 jobs, 212 new jobs will be created in Bauru.
>
> We have managed the impact of the changes by being open and transparent about what has to be done and by working with employees to do it in the right way. We informed all employees in advance of the closure and hired a firm that specializes in supporting large scale

> restructuring. The firm devised a programme, New Professional Project, to coordinate the redeployment of employees in the most supportive way. The programme included researching job vacancies with local companies and matching employees' capabilities, wishes and ambitions within the current job market and business environment.[17]

Comparable openness and responsiveness by Hershey Foods in regard to the possible loss of jobs in Hershey, Pennsylvania—a community that is far more tied to the history and reputation of Hershey Foods than Avenida, Brazil, is to those of Cadbury Schweppes—might have defused resentments stirred up by the proposed sale and paved the way for its completion.

The Hershey story shows that even a well-run company with good intentions and with a proud history of business and philanthropic achievement can stumble or fall when the principles of sustainability are ignored. Why has sustainability become such a crucial issue for today's businesses? And what must they do to address it successfully and avoid the kinds of mistakes that Hershey made? The rest of this book will answer those questions.