

Unilever appoints outsider as chief

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Unilever yesterday broke with a near 80-year tradition of appointing insiders to the helm of the multinational by turning to an outsider to succeed Patrick Cescau as chief executive.

Overlooking four credible internal candidates, Michael Treschow, chairman, decided to hire Paul Polman, a former Procter & Gamble and Nestle man, to take over from Mr Cescau.

"It is not that our internal candidates were not good," Mr Treschow told the Financial Times. "But from time to time you test the waters and we had the scope to make sure we would seek out the best... and found someone with exceptional experience and quality."

Mr Treschow said the decision to bring someone in was a one-off rather than a new shift in thinking and insisted that Mr Polman, a 52-year-old Dutchman who narrowly missed out last year on the top job at Nestle, was not coming in to revolutionise Unilever or change its direction.

"We are having our strategic days in India in September and he will not be part of that. We are comfortable with that because there is no need to make dramatic changes," he said.

But analysts said the move was significant and could signal a period of greater dynamism at the Anglo - Dutch consumer goods company.

"The decision to have an outside appointment is a clear statement that the board feels that more change is needed and someone outside is better placed to do that," said Julian Hardwick, analyst at ABN Amro. "It is also a recognition that the performance is not where it needs to be."

Analysts said while the departure of Mr Polman would be a loss to Nestlé, the food group had a pool of highly talented managers. The shares barely moved on the news, while Unilever's rose 6.24 per cent to £15.83.

"There are simply too many strong managers waiting in the wings for his departure to make a big difference," said James Amoroso, an independent consultant.

But the appointment of Mr Polman will come as a blow to the Unilever executives - Harish Manwani, Vindi Banga, Mike Polk and Jim Lawrence - also in the running. Analysts said yesterday that Mr Polman, who joins Unilever in October for a handover period, would have to work hard to win them around.

Fonte: Financial Times, London, September 5 2008, Companies & Markets, p.13.