HEINZ

Bill Johnson, chief executive of HJ Heinz, said yesterday he was not ready to abandon its tuna business. This was in contrast to the perspective of industry analysts who had seen the tuna business as a possible disposal candidate because of a run of poor results.

Bill’s comments came as Heinz reported it had fallen into the red with a fourth quarter net loss of $17m, down from net earnings of $97.3m a year before, largely because of charges for restructuring its problematic tuna and pet food operations. The fourth-quarter results included a $299m charge for the tuna and pet food reorganization it announced in March, and Heinz said another $15m in charges would come in the first quarter.

While Bill admitted that Heinz was very unlikely to commit much capital spending to tuna or pet food in the coming year, he maintained that: “We still feel it’s too early to give up on tuna, further we recently introduced new pouch packaging and ‘Lunch To Go’ snacks for our Starkist tuna brand. I want to see pouches working. I’m going to take a lot of (market) share points.”

While talking about the tuna business, Bill did not comment directly however on the prospects for the pet food business or the recent sales and performance setbacks with Vlasic pickles and Beech Nut baby foods. Also, higher energy costs and adverse currency movements marred strong growth from other divisions too including frozen foods, and Heinz’s foodservice business.

Amidst all of this, Heinz continued to celebrate its premier product, tomato ketchup and rolled out new products such as Boston Market gravy and promoted recent product innovations such as green ketchup. Both new product introductions are performing strongly.

Admittedly it was a set of mixed results for the company and Bill reaffirmed that Heinz was looking to improve its portfolio and mix of businesses while committing to keeping a ‘finger on the pulse’ of the market.

Using the report format and the relevant product/service portfolio analysis tools:

a) Assess the current performance and recommend strategies

b) What approach(es) should Heinz pursue in the management of its strategic business units in the future?

Further, for a company such as Heinz which recognizes the need to keep a ‘finger on the pulse’ of the market, what sources of data and information are available to them. Discuss each of the three of them.

Executive Summary: A brief overview of the issues being grappled with; give a clear and very concise account of the main points, main conclusions and main recommendations. Keep it relatively short (no more than 3 pages). Some people, especially senior managers, may not read anything else so write as if it were a stand-alone document. Keep it brief and focus on the main points. Write it last, but do not copy and paste from the report itself; that rarely works well.

Introduction and Background: This is the first part of the report proper. Use it to paint the background to 'the problem/challenge' and give your terms of reference about the specific purpose/mission faced

Goals and objectives: List goals and objectives

Main body (Analysis and assessment of the relevant issues and concepts): This is the heart of your report and must reflect strong usage of relevant marketing concepts and principles. It will probably have several sections or sub-sections each with its own subtitle. It is unique to your report and will describe what you discovered about 'the problem/challenge'. These sections are most likely to be read by experts so you can use some appropriate jargon but explain it as you introduce it. Arrange the information logically, and in order of priority -- most important factors and issues first.

Recommendations: What do you suggest should be done? Outline and explore the selected strategies with justification

Conclusion: Present the logical conclusions of your investigation of 'the problem'. Bring it all together and maybe offer options for the way forward. Many people will read this section.

Appendices: As a guide, if some detail is essential to your argument then include it in the main body, if it merely supports the argument then it could go in an appendix.