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Pittsburgh Post-Gazette

A look at CEO Bill Johnson, the man behind H.J. Heinz Co.

February 24, 2013 12:18 am
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In the 1980s, a couple of young H.J. Heinz Co. managers were visiting grocery stores together. One of them asked the other why he'd left another company to work for the iconic Pittsburgh business.

"He said, 'I want to be CEO,' " remembers Mike Milone.

Bill Johnson's ambition would become reality when he was named CEO in 1998, only the sixth in Heinz history. Two years later, he became only the fifth chairman of a company founded more than a century earlier.

Last week, Mr. Johnson made history again when he stood in front of reporters and the investment world and announced he was selling the company. If shareholders and regulators approve, Heinz will go private in a $28 billion cash-and-debt deal with Warren Buffett's Berkshire Hathaway and 3G Capital, a New York-based private equity investment firm.

Some industry professionals and former Heinz executives think the investors wanted to acquire Mr. Johnson and his management team along with the company. Others think the man they describe as intense, insightful and even brilliant may chafe at the need to take input from new owners.

But then, Mr. Johnson, who was not available to comment for this story, has shown an ability to adapt over the years, even as he pushed hard to reshape the company known worldwide for its ketchup and other food products.

He has been involved in dozens of acquisitions and divestitures, both in North America and around the world. He's closed plants and cut thousands of jobs in places that didn't fit his strategy for the company, even as he was opening other facilities and adding jobs elsewhere. Heinz products followed customers to warehouse clubs, drugstores and dollar stores, as well as far-flung markets in Indonesia and Brazil.

"Bill took them every place people want to create good foods," said Gary Stibel, founder and CEO of the New England Consulting Group, a management consulting business in Norwalk, Conn.

Mr. Johnson faced a significant challenge to his tenure in 2006, when activist investor Nelson Peltz and his Trian Fund Management came at the company hard, criticizing Mr. Johnson's record in creating shareholder value. A sale of several brands to Del Monte Foods in 2002 had cut the company's dividend and various restructurings over the years cluttered earnings results.

In the end, the Trian group won two seats on the Heinz board -- shareholders rejected three other nominees. The battle was difficult but Mr. Johnson learned from it, too, recalled Mr. Milone, who retired as an executive vice president last year after 32 years with the company.

Although Mr. Johnson's instinct is to fight when challenged, he's also very objective, Mr. Milone said, something that was evident during the proxy battle. One day he might have been railing about the criticisms coming at Heinz, but by the next he'd be considering their merits.

Afterward, Mr. Peltz -- a new member of the Heinz board -- and Mr. Johnson developed a healthy respect for each other, said Blair Effron, a partner with New York investment banking and advisory firm Centerview Partners, which was involved in the proxy fight. "Nelson was a great sounding board and appreciated Bill's talent as a CEO," he said. "Bill made it work, as did Nelson."

The fact that this man, who former colleagues say can be hard-nosed when needed, teared up during a global town hall sharing the news of the sale with employees in Pittsburgh and around the globe didn't seem to surprise anybody.

Edgar Johnson, a former Heinz executive (and no relation to the CEO), recalled that when they were both young employees, Heinz family members could still be seen around the business that had been founded in Sharpsburg and had production in Pittsburgh until 2002.

The current chairman, president and CEO knows the Heinz traditions well, his former colleagues say. "He's a big part of the history, and it means a lot to him," said the former Heinz executive who left the company in 1999.

That may be one reason the deal to take the company private includes stipulations that the Heinz headquarters will stay in Pittsburgh, the company name won't change, charitable donations will continue and the company will honor its obligations around naming rights to Heinz Field -- a deal Mr. Johnson announced with the Steelers in 2001.

What those stipulations mean for the long term isn't clear. The sale of tuna, pet food, soup and baby food lines to Del Monte in 2002 included restrictions for the buyer on further divestitures for at least two years. In 2006, Del Monte sold the soup and baby food lines, including the former Heinz plant on the North Side, to TreeHouse Foods.

In the Feb. 14 town hall with employees, Mr. Johnson sounded convinced famed investor Warren Buffett is in it for the long haul. "It is his intention, and I want to be clear on this, to own this business forever. He has absolutely no intention, nor does 3G Capital, of spinning this business back to the public market. This is not a traditional private equity deal. They plan to grow off this business."

In the short term, shareholders are getting $72.50 per share, a 20 percent premium to Heinz's closing share price of $60.48 the day before the announcement.

"You have to do what's best for the shareholder and the organization at the end of the day," said Don Binotto, president and CEO of San Pedro, Calif.-based Contessa Foods Inc. Mr. Binotto, who worked with Mr. Johnson at StarKist and had a beer with him a few months ago, still models his management style off his former colleague.

"He formed a nucleus of people around him who would tell him what he needed to hear, not what he wanted to hear," Mr. Binotto said.

He also admired his former boss for making family, shareholders and employees a priority, and for being loyal. Mr. Johnson flew Mr. Binotto and his wife to New York in 2002 to tell them personally that the StarKist business was being sold, rather than having them find out some other way.

Right from the start, Mr. Johnson's style was more direct than that of his predecessor in the chairman's office, Anthony O'Reilly, a charismatic former Irish rugby player who would later be knighted by Queen Elizabeth.

Mr. Johnson was more aggressive, trying to get people to get to the point quickly.

"He would shake things up and ask a lot of questions and disarm you, basically," Edgar Johnson said.

People reflecting on the Heinz CEO regularly mention that his father was the former coach of the Cincinnati Bengals and that he often returns to the language of the sports world.

And anyone who wasn't a team player wasn't destined to last long, former colleagues said. Once a strategy had been agreed on, Mr. Johnson expected everyone to get on board.

His skill in developing strategy helped him win the top job in the first place.

In an example Mr. Binotto shared, Heinz had the 9Lives cat food line, which was really a byproduct of the StarKist business since the tuna for cat food came from there. Heinz then bought the Quaker Oats pet foods division -- which had brands such as Kibbles 'n Bits dog food and Snausages, Pup-Peroni and Pounce pet treats -- and Mr. Johnson's team made the deal a success in part by aggressively merging the operations. Suddenly, the pet food sales team had a full bag of products to take to retailers.

"That acquisition was extremely strategic," Mr. Binotto said.

Mr. Johnson's insight -- and the willingness to challenge accepted fact -- has helped him more than once, said Mr. Stibel, who recalled a time in the late 1980s when a consulting firm had pulled data on pet food sales and found the category declining.

Mr. Johnson, who was running the Heinz pet food business, asked for a second opinion from Mr. Stibel's firm. It turned out the data hadn't captured the shift of sales out of traditional grocery stores and mass market stores into specialty outlets such as veterinarian offices and pet superstores.

"His instinct told him that, even when the data showed differently," Mr. Stibel said.

Similarly, Mr. Johnson decided to take Heinz into Indonesia at a time when other companies were headed the other way because of upheaval there, according to Mr. Milone. These days, Heinz regularly notes that more than 60 percent of its total sales come from outside of the U.S., with sales in emerging markets growing most rapidly.

His tenure also brought the development of innovation centers, such as one in Marshall that works on new ketchup products among other things. In recent years, Heinz has made a splash with upside-down ketchup bottles and Dip & Squeeze single-serve containers.

The sale of the company is expected to close in the third quarter, at which point more may be known about how long Mr. Johnson will stick around.

It can be an adventure to build a global business, but it's hard work, too. "You're always on an airplane," said Edgar Johnson, who sees the acquisition as a good exit strategy for the chairman and CEO. "I admire Bill for being able to do that, but you're always on an airplane."

The 64-year-old Bill Johnson -- who lives in Sewickley with his wife, Susie -- has said he's too young to retire and head to a golf course.

Former colleagues would agree, since they consistently note that he isn't the world's finest golfer. "It's probably the only thing he's bad at," Mr. Binotto said.

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First Published February 24, 2013 12:00 am