

Simon Mainwaring:

From We First and Goal 17 Media, welcome to Lead With We. I'm Simon Mainwaring, and today I'm joined by Jostein Solheim, group CEO of health and wellbeing at Unilever, where he also led the re-radicalization of the activist ice cream brand, Ben & Jerry's. And today, we'll talk about how to walk your talk as an activist brand in ways that drive business growth, and how to navigate today's challenging cultural landscape in terms of when to stand up and speak up as a brand, and how a global enterprise and an activist brand can work together and add value to everyone. So Jostein, welcome to Lead With Me.

Jostein Solheim:

Thank you, Simon. I'm happy to be here.

Simon Mainwaring:

It's so good to see you. I think we first met at a Conscious Capitalism CEO summit years ago, and we've chatted since, but how are you feeling about this new year? Here we are in 2022. We've had this crazy couple of years with COVID. How are you feeling? You've got this new role, are you feeling optimistic?

Jostein Solheim:

I am a prisoner of my own optimism, but even as a die hard optimist. I got to say, get a little bit of a hit as you're coming into the year, ready to go, and then we get a new variant and we just got a hold back a few more months before we can get out there. I feel that we're starting to work out the cycle here and that I'm still hopeful that we will be out of this next wave soon.

Simon Mainwaring:

Right? It feels like we're slowly having to carry less and lesser weight as it all becomes a little bit more normalized. You've had this story career Ben & Jerry's and now at Unilever, and I want to start at the beginning because there are those people out there who obviously have heard of Ben & Jerry's, but to them on the face of it, it's an unlikely coupling; this global enterprise with so many brands and this iconic activist Ben & Jerry's. Why did Unilever reach out to Ben and Jerry's in the first place? Can you tell us that?

Jostein Solheim:

Well, like all good things, it was a little bit driven by competition. Unilever is the world's biggest ice cream player. Back then, Nestle was the other big player. Nestle signed an agreement with Häagen-Dazs, which basically left Ben & Jerry's as a potential partnering in the super premium ice cream market. So, Unilever approached Ben & Jerry's during quite a tumultuous period of Ben & Jerry's where they were having some internal disagreements, and after a very long process came to an agreement.

Simon Mainwaring:

Yeah. I love it, very long process. I mean, you've got personalities, you've got company culture, you've got the legal component, and you're trying to dock in space these two entities. How would you characterize that process in hindsight? What's it like when a fiercely independent company that had a lot of autonomy in its own right and really steered its own ship, how does it integrate to a systems driven enterprise?

Jostein Solheim:

Well, interestingly, it didn't really integrate. That was part of the deal. So, the deal was really very, very structured and actually very legal and very formal. So, what it did was, a very fat contract. But what it really set out was the forerunner to B Corps. So, it set out a governance model, which ensured that the independence, this social mission, the core values, the foundation; all these elements were actually very structurally addressed in the acquisition agreement, and there was a formal process to follow.

Simon Mainwaring:

Oh, that's interesting. So, a lot of young companies and founders want to protect that secrets when they face an acquisition opportunity. And Unilever was open to that, and was that the very reason they reached out to Ben & Jerry's? So, they were open to that option?

Jostein Solheim:

I don't think that they thought that's where this was going to end. But if you look at it in hindsight, having this powerful, independent board of directors that is primary responsibility for the social mission and the purpose of the company, and then you have Unilever that's the owner and has the legal responsibility and the primary responsibility for the commercial aspects of the business. Actually, if you look at M&A and ROI and returns, Ben & Jerry's is right up there as one of the most financially successful acquisitions for a multinational. So, probably more pain than they thought up front, but then more gain as we went along.

Simon Mainwaring:

Totally get it. And how do they find a CEO? In 2010, you took over a CEO. How do they find someone like you? I mean, and that is a unique CEO that they want, right?

Jostein Solheim:

It was. I had been in Unilever, I was in Unilever when I took this role, and I would say I was one of those that focused a lot on turnarounds. And I'd actually come to the United States for a turnaround in 2007 to turnaround our ice cream business and integrate it and move it around and do all sorts of reshaping of the business. I can still remember the head of the North American business came to me as I was wrapping up that assignment, and I was happily thinking I'll go back to Europe and get my kids into high school in Europe. Didn't even then really fully fathom how high college fees are in America. I do now know that. But no, they came to me and they said, "We finally found the right job for you. After all these years, now you can be a rebel, but you can be a rebel with a cause."

Simon Mainwaring:

There you go. So they were just, yeah. They had the personality, they had the opportunity and brought it together. How did you feel going in? Because it's interesting, you've said that your ambition was to re-radicalize Ben & Jerry's, which sounds a bit intuitive to us because we already thought that they were pretty radical in the spectrum of brands. So, how did you feel going in and why did you feel the need to re-radicalize the brand?

Jostein Solheim:

I got to say, as you go in to something as iconic as Ben & Jerry's, you do come in with a certain amount of humility and a little bit concern if you're not, are you going to fit in?

Simon Mainwaring:

Sure.

Jostein Solheim:

Do I exchange my car? What am I going to do? What do I say?

Simon Mainwaring:

What shirt do you wear on the first day? It says everything.

Jostein Solheim:

Exactly, all of this. Now, to be fair, I went in with who I am and what I am. I tend to wear my heart on my sleeve and be pretty transparent, so you get what you see. But what really struck me after the first week was, this was not an intellectual hothouse. This was not one of precious ideas and ideology. This was a doing company, a company that is centered around doing, of executing, of really making a difference. But it wasn't an intellectual process, it was a practical process, and I found that extremely liberating.

Simon Mainwaring:

That's really interesting, because I think a lot of companies would themselves as companies that do, because I think the market rewards that, employees expect it. How did that happen at Ben & Jerry's. Was it a function of Ben and Jerry themselves, and they were just so walking their talk, boots on the ground themselves? Was it organic?

Jostein Solheim:

I mean, we have to give a lot of credit to Ben. So if you could say, Ben is permanently dissatisfied with the status quo and having to really ensure that we are doing absolute everything in our power to make things right to achieve justice. And then Jerry is the one that makes us all want to work there and be there. So, between the two of them, they created this thing.

Jostein Solheim:

But Ben really, he wasn't going to do this. He was actually going to get out of the business, and somebody said, "Well, if you don't like business, if you don't like business people, why don't you make a different business? Why don't you make a business that invests in the community in which its buys ingredients? Why don't you use your business to speak up or to you use your voice? Why do you have to take this model as given?"

Jostein Solheim:

And you got to remember, this is in the '80s. I mean, this is when we wore shoulder pads and nobody talked about ESG and purpose led businesses. So, it was really a breakthrough set of thinking, and then a relentless commitment to justice.

Simon Mainwaring:

And what you're saying there is really important. For those who don't know, Ben & Jerry's characterizes itself as a social justice company that happens to make ice cream, not the other way round. That

integrity of intent where you're a purpose with a company, not a company with a purpose, is so important. And tell us, how does that guide you in all the many decisions that...

PART 1 OF 4 ENDS [00:09:04]

Simon Mainwaring:

How does that guide you in all the many decisions that any business, ice cream or otherwise, has to make? Do you look at it through the lens of your social mission first to make the decision on that basis, or is it case by case? What's it like?

Jostein Solheim:

Back in 1988, they had a very high energy board meeting, and they were going to try to define the mission of Ben and Jerry's, the three part mission. And as all good meetings, everybody gave a lot of input. They all left the room and one person sat down and wrote it out. And that is still the three part mission statement of Ben and Jerry's today. And that is a three part mission plus a couple of cheats. So you basically got the environmental mission, which is the product mission, so make the absolutely best possible product in the most natural way, with the least environmental impact. That's the product mission. Only successful companies have an impact. Only successful companies remain companies, so there's an economic mission to return a fair shareholder return and to be economically viable. And then, there is a social mission, which is anchored in and around social justice.

Jostein Solheim:

And then if you take those three pillars, the product, the social, and the economic, that was linked together in this model called linked prosperity. And linked prosperity really goes right back to the farm and says, "How can we think about buying our biggest ingredient, cream, in a way that supports the dairy farmers?" And think of it as an investment in the dairy community, an investment in the cocoa farmers, an investment in the banana co-op, versus an extraction of economic value. That was the the model of linked prosperity. And by having that printed up and put in every single room in the company, it means that every single decision in that company could be challenged by any single individual, whether we were adhering.

Simon Mainwaring:

Everyone was empowered to do that. They had a right to speak up.

Jostein Solheim:

Totally.

Simon Mainwaring:

Let me push in on that a little bit, because so many companies have piled onto the purpose space, and there's ESG washing, and there's so many funds now and so on. With the best of intentions, a lot of companies are playing at it or managing the optics of their brands as opposed to doing it for real. So in your direct experience of CEO of Ben and Jerry's for eight years, what is the connective tissue between really leaning in and leading with the purpose of your company, and the profit, and the sale of products? How does that work?

Jostein Solheim:

You actually lay it out quite nicely in your model as well, but the trick is, it's a top down to bottom up. And the fact is that when you are on a bigger mission than just making money, when you are on a mission to truly impact the world, when you're taking on the causes and the issues that really matter to your people, the organizational execution power doubles at least. Our factories were the most efficient factories in the ice cream world, lowest waste levels, the most committed workforce. And that permeates throughout the company, because we cannot afford to waste any ingredients because we're trying to push that money into the communities that we are here to serve. So it really drives a level of engagement and execution in all elements of the business from straight operations, finance, normal marketing. It permeates your whole ecosystem and your partner system and your customers. In that sense, I saw an incredible lift in just performance, performance purpose in the company, impact purpose in the company.

Simon Mainwaring:

And then when you've got this temptation that every company, if they're lucky enough, has, which is, "Hey, we've got an opportunity to go into a new market, or we can scale here, or the big boys in the industry are trying to kind of muscle us out," and you could compromise the integrity of your social mission to capture that opportunity or play defense. What do you tell yourself at a board level, at a company level?

Jostein Solheim:

You will never compromise. You will never compromise on any one of those elements. You might emphasize a bit more or go lead or sequence differently, but you could never do something that compromises. So we would never put out a product that maybe supported a cost with these perfect ingredients from these farms, but the product didn't taste good. Every time you spend \$4 on the pine of Ben and Jerry's, it's got to blow your socks off. There's just no compromise. Same thing on social mission. Will we actively be able to promote on every cause or speak up on everything? No, but will we do something that undermines it? Absolutely not. There is a, keep walking, don't strive for perfection, but don't undermine your values.

Simon Mainwaring:

And I'm sure you attract a certain type of employee, people who come to the company because you're so clear-eyed about the role you want to play in the world, but that almost creates a rod for your own back, because there's got to be a lot of internal demand from your employee base, right? And how do you manage that?

Jostein Solheim:

Yeah, no, you listen. You got to do a lot of listening. You got to run fast if you want to stay ahead, and it takes all forms and shapes. We were hit with a very bad storm some years back and, just where I lived, it didn't do a lot of damage, but by our factory in Waterbury, it washed out half the village. So when I showed up for work on Monday, I'm going, "Where is everyone?" And they're in Waterbury. They've got equipment together. They're all down there working with the community to help people restore their homes after the damage. And I was like, "Whoa." So I had to quickly change clothes, cancel meetings, jump in the car and get there, because you got to be on site to lead, but it's the bottom up movement. It is a back and forth. I would also say, not everybody in the company has to agree to everything. What we got to agree to is, once we go, we go, and we go all in.

Simon Mainwaring:

And it's not always easy to go. I know that you were very sensitive to the fact that when the Black Lives Matter movement became top of mind all around the world, that you said in the press that you were concerned that, how could a majority white led company have an authentic voice in the space? Obviously, you want to lean into that issue, but how do you navigate that issue?

Jostein Solheim:

It took three years. It took three years. It took one year of unconscious bias training. In that year, it was lots of different learning journeys, et cetera. The second year we came out of the shell and we went to the events. We marched, we talked, we went to meet with the different community centers and organizers. We still messed up 40% of the time, but they were benevolent and nice to us. And then in year three, one of our big breakthroughs was we actually went to meet with former representative John Lewis. And we literally walked in and said, "Congressman, what can we do? We're a 96% white company." And he said, "What is it that you adhere to?" We said, "Well, we want to address systemic and structural racism in America." And he looked at us and he gave us four hours. He blew out his whole afternoon, and I don't think I've ever been that inspired and energized about an issue, but that was in 2012. It takes time to authentically enter and understand. It takes time as a white person with a white identity, as a male, a lot of identity challenges here to overcome if you want to be a humble part of that movement.

Simon Mainwaring:

The other area, which is so important, beyond engaging consumers around movements, beyond fostering a culture where people feel they have a voice to bring issues and say true to your mission, is upstream, your own supply chain, having your own house in order. I know that you did a lot of work in and around your suppliers and making sure that they were treated well, there was no fear of retaliation. Why was that important, and what did you do?

Jostein Solheim:

In a way, the front end of Ben Jerry's is fun. It's pop culture, everything is a smile. Everything is about the opportunity and possibility to change the world. The back end of Ben and Jerry is extremely granular, very metric oriented.

PART 2 OF 4 ENDS [00:18:04]

Jostein Solheim:

... extremely granular, very metric oriented. So in a way, we were really targeting that each pint should contain the maximum number of ingredient investment in those communities. And can we get that to 80%, 90% that there was a program behind that ingredient.

Simon Mainwaring:

Interesting.

Jostein Solheim:

So that is really into that thing. Now, I can give you another example, between Ben and Jerry's and my current gig as heading up health and wellbeing, I led the division of food and beverages in North

America. And you take a brand like Hellmans, which is a hundred year old brand, people sort of think they know it. And we said, "Well, what are we doing with Hellmans? What are we all about? What is our role in society?"

Jostein Solheim:

And as I took the job, I was cognizant, I wanted to make sure I went to meet those farmers. There were about 600,000 acres of soybean farmers in Iowa that grows the soybean oil that goes into Hellmans. So I said I really want to go there before I go to any customer. So we flew out and we met with the farmers that grow our crop. And based on those discussions, we updated our program in and around cover crop.

Jostein Solheim:

What we saw was the biggest environmental impact we could have in the production of soybean was the introduction of cover crops. We reduce runoff, we increase organic matter into soil, so we reduce the chemical load on the farm. But, believe it or not, there are 20, 30 different soil types on one farm, the incline of the field, everything matters. So based on those discussion, we tweaked our program to say, "We're going to pay you X dollars for the first year, a little bit less the second year, a little bit less the third year, but we are going to share the full cost and more upfront for you to convert to cover cropping."

Jostein Solheim:

We started that. We partnered with others. We really aimed to get a million acres cover crop. That would have such a gigantic impact. You could just even look at the Gulf of Mexico and the runoff, but just the way that the health of that soil and the chemical look. Then we went to our own factory and we looked at the waste profile here. One of the things that would strike you when you stand in a Hellmans factory is A, Americans eat a lot of mayonnaise because it's good, but it's also a lot of plastic. When you're watching that, you're seeing all this plastic. So we said, "All right. We're going to convert all our plastic to PCR, post-consumer use plastic." So we trigger a real demand for recycled plastic material, we move up fully away from [inaudible 00:20:52] plastic. We reduce our carbon footprint by 60%.

Jostein Solheim:

And then we looked also at the waste and the energy use in our own factory and we looked at optimizing that. When we looked at that, then we turned to the consumer and we said, "What role are we playing in their home? What is the biggest problem that we could help address?" And it wasn't an easy one. It was actually food waste. 40, 42% of food waste happens in the home. Food waste globally is like a third biggest country when it comes to carbon emission. But how do you find a fun and cheeky way to help people save money, eat better and reduce the stuff that they throw away? Which, by the way, saves them money. And that was then became sort of the public facing. Having done the farm, having done the plastic, having done the reduction, we then turned to that. And we actually launched that with a Super Bowl ad and went all in. And what you'll see is net result of this business is just outstanding.

Simon Mainwaring:

Just the fact that you go all in and then you go to the consumer to capture the ROI of those investments that made in those changes, there's a through line there through the whole value chain of the business that people fail to pull it all the way through so that the work they've done upstream, they can recoup those costs downstream. And then they wonder why these isolated efforts don't work. I want to ask you

at some point after eight years, someone at Unilever walked up to you and had a similar conversation to the first one they had when they said take over Ben and Jerry's and they wanted you to start this new division. What did they say? And what was it all about and why was it necessary? Unilever's enormous. It's leading, as you say. Why?

Jostein Solheim:

There are two steps here. One step was when you do something like this for eight years, it really becomes you and your purpose, your mission is intertwined with a company and you live and breathe it. You are it. So I actually started about six years in to realize, wait a second, you can't do this forever. This organism have to keep reinventing itself. It needs different impulses and different ways of being. So I actually sort of devised a two year process for how to leave Ben and Jerrys. I call it two plus two. Two years to get out and two years in therapy to get over it.

Jostein Solheim:

So I was very conscious that I wanted Ben and Jerry's to flourish, to grow, to expand beyond my leadership and evolve as an ecosystem. So that was one component, which was hard. And we did a lot of work and I could move on. I actually I went back and did this division, because I wanted to take that model and say, can you really deploy this on old brands center store where people sort of said, this can't really be done and really that's what we did. But that was back in the matrix, it was back in the sort of... So I really love building high impact. I feel also after having sold so much mental health through ice cream, I should really sell mental and physical health.

Jostein Solheim:

So my passion was really around how do we build a high impact human centered health business? And we built that up rather quickly. We acquired a few other businesses rather quickly, and we now have a sizeable portfolio. So I then joined in the last summer basically to set this up and create this as a collective of powerful companies that are there to serve their consumers and their communities.

Simon Mainwaring:

And when you're building that portfolio and building something special, do you reverse engineer out of consumer needs and changing expectations and so on, or do you start with the purposeful brands that are leading their category and then build your stable of brands that way? Or is it both, which end do you lead with?

Jostein Solheim:

The beauty of being a purpose led company is you attract like-minded people. So all the companies that have joined our collective and that we've acquired had at their core a mission and a purpose that was meaningful. Now, were they living it in all aspects of their business? No, nobody is. Everybody's on a journey. But each one of them had something very, very special and something very, very unique. And by putting ourselves together and think but how do we really now keep extending this model in different ways, because it's a different industry. That's what we're trying to bring to the industry.

Simon Mainwaring:

And what's the gap you're trying to fill because obviously there's a brief in terms of the type of companies you're trying to acquire and it's a very crowded space. So did you see a massive opportunity in there that wasn't being met?

Jostein Solheim:

Well, couple of things. We believe that you have to move from this idea of, I'm sick, I need something, to how do you remain healthy or how do you excel at your health goals? So that is really moving from a reactive state to a lifestyle of health. That was the first point. So the second point is most things that are joyous and fun stick. So that may be a little Ben and Jerry-esque. But if it's something that brings a smile on your face, you're probably going to keep doing it. If it's something that self perpetuates and gives you positive reinforcement. So how do we bring joy to health was the other aspect. And then thirdly, I think what we saw was that the industry was moving towards us. People were looking away from letters and chemical formulations from a pack to like I'm trying to solve this problem.

PART 3 OF 4 ENDS [00:27:04]

Jostein Solheim:

To like, I'm trying to solve this problem, stress, sleep and how can we help solve those problems and that was sort of part of that journey. It's about how you bring in the thinking of, you can say fast moving consumer goods to health.

Simon Mainwaring:

Is there anything else you're taking away from Ben and Jerry's. I mean, I think Ben and Jerry paid you the highest compliment in a New York Times article where they said you helped Ben and Jerry's rediscover its soul. I mean, that, there could be no higher praise, but yet here you are building a family of brands for the first time.

Simon Mainwaring:

How do you invest young companies, new companies, a collection of companies, with that sort of shared heart, shall we say?

Jostein Solheim:

The soul of a company is its people. They're saying that culture eats strategy for breakfast every day. Culture is just another name for its people and what we are doing in our setup here is, we're very much keeping the people and their mission alive, so we're not integrating them into a common set of values and missions. Each one remain on their value and mission. They're just getting a little extra oomph from being supported and helped along the journey, but it's their journey. I think that's the key. It's their journey and that's the soul of each one of these companies and that's what we believe other people are attracted to.

Simon Mainwaring:

Yeah, because you know, this new sort of parent experience can't suffocate what made them so special in the first place? I have to ask at the enterprise level as a true sustainability leader for so long, Unilever faces the challenge of always being held accountable to this higher bar it sets for itself. I've read in various places that representatives have said that it hard to meet your sustainability goals when the

industry isn't lifting itself up at the same time. There's only so much that you can do as an individual enterprise or an individual company inside the enterprise.

Simon Mainwaring:

So, if you want to be a leader today, what do you think you need to do? Do you need to really embrace pre-competitive collaboration? Do you need to work cross sector? Do you need to advocate for changes with the industry itself? And how important is that in the mix of all the other things that we've touched on, if you really want to be a leader?

Jostein Solheim:

So, I think all of the things you listed are a firm, yes and none of them, none of them, are an excuse for you not stepping up and taking accountability and responsibility for your own house.

Jostein Solheim:

I think accountability is a gift. It's a gift that sharpens you and drives you forward. I think perfection is highly overrated. It's about also recognizing we're not perfect and own it. I have gone to so many activists and partners and said, "Look, we are not perfect." We're trying to do this thing. We're sort of like, I don't know, 50, 60%, but we're in. Nobody cares. Nobody's expecting perfection. So I think that's part of sort of the trap here is that, oh, if we don't do these things, cross collaboration, government policies, da, da, da, we can't really do anything because we won't make a difference. Not true. You will make a difference.

Jostein Solheim:

Holding yourself accountable, yes. But don't be scared of not being perfect. Act with intent. Act with clarity around your mission but don't be scared that you're not a hundred percent there, because you're never going to be a hundred percent there.

Simon Mainwaring:

You know, that sort of begs a final question I want to ask Jostein, which is, leadership today could not be more different from than how it was five or 10 years ago, but even more so because of the last couple of years. We have the climate crisis. We have the BLM Movement. We have COVID and all its variants.

Simon Mainwaring:

How would you characterize purposeful, effective leadership moving forward? What do we need to be? How do we need to show up? How do we need to think?

Jostein Solheim:

Many things come to mind, but servant leadership, I think, is one of the aspects of this. The future of companies and the systems that will create the change in our capitalist setup is all about collaboration. And leaders who try to lead through content and telling, that is very passé. It is about servant leadership. It is about an incredible amount of listening and taking on board. It's about creating the conditions around these incredibly passionate people that you have in your company that can do incredible things, so that they can get on and do it. That they can be it and live the mission, the purpose, and the values of the company.

Jostein Solheim:

They sort of figure out the rest. So it is a sense of letting go of some of their old style controls, but you get so much back in terms of... Because people feel that accountability because they're trying to do something bigger. So, I do think leaders have to be humble, have to be in service of their organizations, communities, the impact that they're trying to achieve. Have to be extremely active listener and have to be willing to change when circumstances change and no room for egos.

Simon Mainwaring:

Jostein,, I want to thank you for being such a damn fine example of doing it right with true integrity and it puts everyone else on notice and once you see it and you see the success, it can drive, you can't unknow it. You've done that Ben and Jerry's. You've done it at Unilever and now with the new health and wellness division. So, thank you for the leadership. Thanks for sharing the insights today and we look forward to seeing what you're going to do with all these new companies.

Jostein Solheim:

Watch this space. It's been great fun, Simon. Thank you.

Simon Mainwaring:

Thanks, Jostein.

Simon Mainwaring:

Thanks for joining us for another episode of Lead With We. You can find out more information about today's guest Jostein Solheim, in the description below. And if you enjoyed this episode, give it a thumbs up and make sure you subscribe to this channel.

Simon Mainwaring:

Lead With We is produced by goal 17 Media and you can listen to all the episodes on Apple, Google, or Spotify. If you're looking to go even deeper into the world of purposeful business, check out my new book Lead With We, that's now available on Amazon, Barnes and Noble, and Google books. See you on the next episode and until then, let's all lead with we.

PART 4 OF 4 ENDS [00:33:54]