

Markets go bad – Heinz never goes bad

I'm a girl. I like shoes; shoes are great. I like clothes, too. But you already know that. I bet that at least one girl has written about fashion, design or the like. If that's not the case, then please accept my apologies and discard my application.

When contemplating this essay I thought to myself that instead of writing about some fancy would-love-to-have hobby, I would be completely honest. So here's my passion: Heinz Tomato Ketchup. Mostly the classic one, but also the new one with chilli is pretty great. In fact, it's grand.

The first time I realized that I was passionate about Heinz Tomato Ketchup was actually not when, at the age of 14, my sister and I consumed 2 litres of Heinz in 10 days [I probably should have, though]; it was when I was brunching at one of those high-end cafés that charge 75DKK for a double latte. I asked the waiter for some Heinz Ketchup for my egg benedicts, and he brought me a small – though stylish – cup of Beauvais Ketchup. As I politely informed him of the fact that he had brought me Beauvais and not Heinz, he gently replied “but...it's the same thing...”. That's when I realized just how much I believe that they are *really* not the same. I mean, not at all [for those of you ungodly creatures who still agree with the waiter: *Beauvais* has a much more “watery” texture and contains some rather questionable herbs – if herbs at all].

Now, what's so great about Heinz? First of all, it has an eloquent mix of herbs, contains premium tomatoes, has the perfect texture that goes along with just about everything, and an extremely user-friendly [and for the open-minded persons slightly erotic] exterior. During my circa twelve years as [unknown] Heinz enthusiast I have used Heinz in numerous combinations: as dip for my carrot and cucumber sticks; as core ingredient in my wonderful chicken soup; as a replacement for marmalade on my dark bread cheese sandwich; as sauce for my tenderloin steak; and – believe it or not – as a wonderful topping on my spicy tuna rolls.

Ok, so this shouldn't be all emotional and subjective. Fortunately, I have the facts with me. Heinz is in every way an excellent company. First of all, we have learned in ‘Intercultural Communication’ and ‘International Business Environment’ that globalization is upon us and that cultural sensitivity is important. Heinz is an all-American company with a freakishly German name – ain't that a sweet cultural blend?

Talking about sensitivity. We just finished our second year Corporate Finance course. Did you know that the historical beta of Heinz is just 0.30 (Brealey, Myers & Marcus, 2007)? Now what does that tell us? It shows that it doesn't matter if markets go bad and people default on their mortgages – they always have a penny spared for their Heinz ketchup! In ‘the Company in its Historical and International Setting’ course we learned about the importance of organizational capabilities to cope with external shocks and technological progress. Here, an example of Heinz' excellence is that during the 1930's Great Depression, Heinz actually increased advertising and promotion and succeeded in cutting costs while keeping wages stable. The result: compared to pre-depression levels, company revenues had doubled by 1937 (Heinz, 2008). And ever since, Heinz has been a steady, high performer. Heinz knows good business.

But again, most importantly, in a world of uncertainty, progress, turbulence, violence and lack of providence, Heinz is the anchor to cling on to; a haven in our busy quotidian lives. As Coca Cola has coined a “coke”, Heinz coined “tomato ketchup”. Heinz is tomato ketchup – but tomato ketchup is not necessarily Heinz.

As a final remark I should say that I am honoured to have been awarded one of the very scarce exchange nominations for the Wharton School, Pennsylvania, which was indeed my first choice of university. Pennsylvania, the Keystone state, and - interestingly enough - home of H.J. Heinz Company, 600 Grant Street, Pittsburgh, Pennsylvania 15219. A pity that CBS has no exchange agreement with the University of Pittsburgh.

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