



150 YEARS in the Biscuit BUSINESS

A milestone anniversary has presented the perfect opportunity for an iconic Australian business to revitalise its traditional roots and adapt to a more contemporary market.

or 150 years, Arnott's has been a leading player in the food industry as one of the largest companies of its kind in the Asia-Pacific region. It employs thousands of people, and exports products to more than 40 countries around the world including Japan, the United States, Canada, the United Kingdom, Indonesia, Tahiti, and New Zealand. The business originated in 1865 as a small bakery in Newcastle supplying bread, pies and biscuits to locals,

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Images by Scott Ehler

and has since developed into a household name. It has spent more than \$3 billion over the past decade purchasing raw ingredients and services from farmers and businesses in rural and regional Australia.

Despite being acquired in 1997 by the US-based Campbell Soup Company, the organisation is still proudly Australian, maintaining robust Australian manufacturing operations and holding a special place at the heart of Australian culture. To mark its special milestone birthday, Campbell Arnott's is implementing a number of new strategies and innovative ideas aimed at building a strong connection with new generations of consumers, revitalising Arnott's, and propelling it towards continuing success in the future while still aligning itself with its traditional values and aims.

Ümit Subaşı was appointed President of Campbell Arnott's Asia Pacific in November 2013. He is in charge of Campbell's operations in Australia, South-East >

Asia, the Middle East, Africa, Turkey, Japan, and the Pacific. This includes Arnott's Biscuits and Campbell's soup, stock, and beverages. Ümit previously worked for the German company Beiersdorf, which sells personal care products, where for roughly two years he was a member of the executive board as well as being in charge of emerging markets. The regions he covered included everywhere from Latin America. Africa, the Middle East, Turkey, and Russia to South-West Asia and India. Prior to that, he spent almost 18 years in the household goods industry with SC Johnson in a vice-president and zone director capacity, and before that he worked in the tourism industry. Ümit has always been business minded, and even started a small start-up travel agency with a close friend when he was fresh out of university.

With all that experience, Ümit is proving to be the right man for the job at Campbell Arnott's, and has been focusing his efforts on a number of areas within the business, including performance spirit, the culture of the company, and the business's processes and strategies. He says the brand doesn't want to stray far from its origins, but needs to shake things up in order to stay relevant for modern-day society.

"It's a big responsibility and an honour to lead a brand like Arnott's—one that is so entrenched in the culture of this country and has been for many generations. Arnott's is the cornerstone of Campbell's global biscuit business and is the third-largest brand, so there is wider commitment to do whatever it takes to strengthen its success in this marketplace and expand into new geographies.

"We have started by first bringing the brand back home, reestablishing and restoring the relevance of the business in modern-day Australia. The company has been very successful and has survived a long number of years, but the past few years were not a particular highlight. This is a



sizeable business; it takes a bit of time in terms of getting moving and addressing any issues, and we are on the right track to stabilise the business.

"In essence, we are just going back to our roots, thinking about what has made Arnott's important to generations of Australians over the past 150 years," Ümit says. First, Campbell Arnott's has established a new portfolio strategy across the vast range of categories it has products in. "It's not only about biscuits; we also have the cooking, soup, and beverage businesses. We needed to have an overall strategy, a portfolio strategy, of how we "It's a big responsibility and an honour to lead a brand like Arnott's one that is so entrenched in the culture of this country and has been for many generations."

want to manage our brands, and our categories accordingly, in an equation that makes sense all together as an overarching commercial strategy." The portfolio strategy was first implemented mid last year and has produced initial positive results.

The second priority is to get back to basics. Re-establishing discipline within Campbell Arnott's' operations, investment choices, and core processes has been of utmost importance, with the business looking at the way things are run, the monthly planning cycle, decision-making, and general day-to-day activities. "These are >



Whether it's the good old Milk Arrowroot, the buttery Scotch Finger or the creamy, delicious Monte Carlo – Australians have been eagerly tucking into Arnott's biscuits for 150 years now. What an occasion! And DDB is absolutely going to help Arnott's make the most of it, with a celebration that gets people more in love with their biscuits than ever. So loud and proud we say, bring on 2015. And bring out the biscuits!



"In our business, vou have to get so many little things right consistently and continuously over time to have an impact on total business."

areas we haven't necessarily focused on over the past few years, but we are now. We've renewed investment and energy in areas like capability building for our people and in terms of building the skills and the necessary behaviours to drive the business," Ümit says.

"This business today still enjoys number one positions in pretty much every category in which we operate, so we take pride in that. But now is not the time to rest. One of the things we have done is increase our marketing investment by close to 25 per cent, which represents a major shift. We've also increased R&D spend by around 45 per cent, with a focus on new product development. In our business, you have to get so many little things right consistently and continuously over time to have an impact on total business.

"The market is always evolvingthe consumer is changing, the operating environment is changing. In terms of consumer

insights, we have very good capabilities. We have an incredible amount of data and information, and, most importantly, insight into the taste preferences of our consumers. Australians trust us to provide products that are good. honest, authentic, and flavourful, made with care. So we want to tap into that more and utilise it, leverage our new business strategy, put our consumers first. and prioritise our investments.

"Obviously, you cannot do everything all at once, so you have to make choices and bring those areas to life in a relevant way. This will then have an impact on the business, on our people, on our communities, and our consumers and really give Arnott's the image it deserves-a company that delivers good results, which employs the best people in the marketplace, and is one of the best places to work. It is important that our work has an impact on the wider community. We're proud to play an important role in the

economic and social landscape of Australia and in the lives of the families that rely on our foods. It is all one single, big context for us in terms of looking at the business."

Campbell Arnott's is working hard to address the way it operates with its trading partners. Good practices and joint planning are important to ensure a consistent approach, as well as the implementation of certain types of promotional programs, shopper-marketing activities, merchandising, and customer-specific products.

"There is so much more in terms of growth we can capture together with our trading partners," Ümit says. "I personally see the Australian environment as a positive. I think it's a big opportunity; we just have to tackle it in the right way. I don't consider Australia to be hostile from a trading standpoint, as we hear on occasions from different stakeholders. We have a good basis here. We have good capabilities on

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both sides, and by employing them correctly in the joint business plan, we can create value and grow the business. This is what we're trying to achieve."

Innovation is the lifeblood of iconic brands like Arnott's, but the business has been quiet for some time in bringing new items and innovations to the marketplace. Ümit says this is due partly to the fact that the product development

"We are bringing our brand to the forefront again, back to its iconic character." - Ümit Subaşı

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process takes time: "It's not just about taking the team and sitting down for a day and suddenly coming up with new ideas. We have reinvigorated innovation, again with an emphasis on putting our consumers first. We're working towards a new identity in terms of the look, touch, and evolution of products and will be looking to deliver these exciting changes through various communication mediums, from television to instore.

"The 150th anniversary is the perfect time for Campbell Arnott's to deliver these changes. Some of the ideas include fresh pack designs, different product formats, instore initiatives, working with supermarket bakehouses, new biscuits, bringing iconic red trucks to the streets, and bringing to life the symbolic elements of the brand, including the collectable tins. Furthermore, the business is introducing interesting programs and activities to target specific groups-customers, suppliers, staff,

historians, and the community-to celebrate the milestone.

"2015 is going to be a big year for us! We have a calendar of activities to celebrate this important point in time," Ümit says. "We're giving Arnott's biscuit-lovers reasons to celebrate with delicious new varieties that encourage people to pause and savour life's moments, and invite them to live those moments a little more richly. The program includes opening up our bakeries to the public for family days, releasing cookbooks, engaging our bakers, and reanimating our culinary centre here at head office in North Strathfield. Our culinary centre is where our corporate chef and his team work on our food recipes, scaling them up to industrial production. So we have some projects around our new culinary centre, we have a new innovation centre, we have scientific collaborations and scholarship programs with universities-the list goes on and on. We are bringing our brand to >



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Hugh Callander, Director Planning and Logistics, Campbell Arnott's





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150 years of helping the world *thrive* the forefront again, back to its iconic character."

With Australia being one of the most expensive places in the world in terms of production, Ümit says, Campbell Arnott's is working on adjusting its operating costs and capabilities while also driving demand for its products. The business has four production sites in Australia-in South Australia, Victoria, New South Wales, and Oueensland-and employs about 2,500 people collectively. Since 1997, more than \$400 million has been invested into Campbell Arnott's biscuit and soup facilities including \$40 million in a fully automated biscuit packing line in Virginia, which, Umit claims, "is probably the largest robotic installation of its type in the world."

"Arnott's is a beloved Australian brand. When asked about our future, I say I am committed to growing and developing this business in its home. Every Australian job is valuable, and we take our responsibilities as an employer very seriously in terms of the decisions we make.

"In the past couple of years alone, we have invested more than \$150 million in our manufacturing sites across Australia, which speaks for itself. These initiatives are aimed at strengthening the performance of Arnott's in the long term so that we continue to make our biscuits in the country where William Arnott founded his business in 1865. Most of these investments have gone into technology and infrastructure, keeping us competitive, and skill upgradesinvesting in our people. We are committed to keeping it that way."

Looking forward, Ümit says it is important to work towards having a positive impact on all Campbell Arnott's staff as well as any extended communities. He wants to drive the culture of the business to become a more dynamic, contemporary, informal, performance-driven organisation. Over the next 24 to 36 months, some key initiatives will be implemented in line with this >





focus. "Everyone can take pride in being part of this important moment in the history of Arnott's Australia," Ümit says.

"It comes back to business performance, and to the broader impact we make in the community as well; but it's not just about delivering monthly sales figures or market shares. I believe a lot in people and the goodwill in people, the positive choices that people make. Out of the few things I have done during my career, I believe I've delivered on the most vital part of my role as a leader where I leveraged the talents of my teams and motivated them towards certain goals. 'Driving the bus' sometimes means taking the back seat, particularly as leadership roles have evolved-when it is no longer about personal achievements but instead about enabling others to achieve the results. When I succeed in helping people to achieve their full potential, I consider myself having accessible, and affordable-all

done a good job. When somebody decides to give their best to the business, it becomes a competitive edge in the business. So that's definitely something I would like to see coming to life in terms of Campbell Arnott's here.

"Internationally speaking, Campbell's operates with a global purpose, which we define as 'Real food that matters for life's moments'. It signifies what we stand for as a global organisation and what we believe in. It's based around the knowledge that high-performing companies tend to have a clear, unique, and singular purpose, one that connects them with consumers and builds consumer loyalty while also inspiring employees.

"Real food that matters for life's moments' affirms our connection to the core values that have inspired trust in our company for more than 100 years. First, we believe food should be delicious. three-without compromise. It should be created with the same innovative spirit that inspired entrepreneurs like William Arnott.

"Second, we believe in the power of food to connect people in all corners of the world: in households with changing family composition and new social behaviours, and in a digital world where personal connections are more important than ever before.

"And finally, we believe that what we do every day matters; that, as a company, we have fundamental responsibilities to help safeguard the future of the planet, to maintain the health and vitality of our communities, and to nourish the lives of our employees.

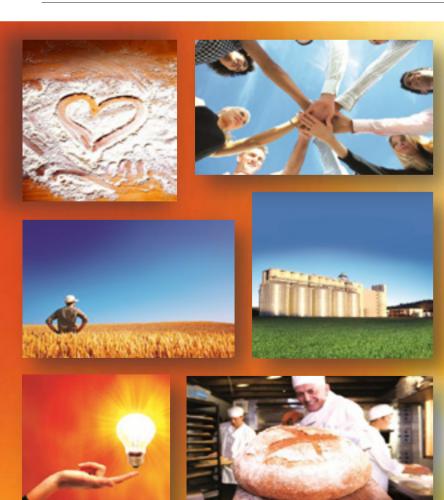
"Ultimately, from an Asia-Pacific perspective, we want to be the best food company here in the region-a company known for iconic products and real food innovations, as well as understanding our consumers,

"I believe a lot in people and the goodwill in people, the positive choices that people make. When somebody decides to give their best to the business. it becomes a competitive edge in the business."

catering to their changing tastes and the operating environment. As I said in the beginning, it all comes back to the people-having the right people in the right roles and the right culture. This is the most important piece to me for the future of the company. After all, it's really the people that bring the corporate identity to life."

Campbell Arnott's also has a people focus outside of the business sphere. In 2015 and beyond, it will continue to prioritise its efforts to help Australian families though their charitable arm-The Arnott's Foundation. The foundation is now in its eleventh year and was established to create positive environments for families to build, >

"It is our privilege being a member of the supply family to Arnott's for 25 years. The professional team at Arnott's are always helpful. As supplier of Tastv Cheddar Cheese we share the standard: 'There is no substitute for quality'." - Dan Rogers, Managing Director, Rogers & Company Foods Pty Ltd





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We would like to congratulate Umit Subasi on his first anniversary with **Campbell Arnott's.**

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maintain, and enjoy a better quality of life. Ümit says the foundation is an incredibly important part of the overall business model and has grown in leaps and bounds to raise almost \$400,000 last year.

Most of the funds raised go to kids cancer charity Camp Quality. Last year's efforts supported 738 families with children living with cancer, allowing them to participate in family camps. Other initiatives it supports include Driver Reviver, ensuring safer driving, particularly during family holiday times; Fairy Sparkle Garden Project, building magical garden areas for children in hospitals; and Foodbank Australia, helping welfare agencies provide food to people in need. The company donated more than 1.3 million kilograms of product to Foodbank in 2013-14 alone.

Campbell Arnott's Australia was also one of the first businesses in Australia to shift to a 100-per-cent segregated, certified sustainable,

and traceable palm oil supply at the beginning of this year. The business is dedicated to supporting sustainable practices for palm cultivation, with no deforestation. "Arnott's ANZ is committed to no deforestation, no peat destruction, and no exploitation of local communities and workers in the communities in which our palm oil supply originates. Further, across our supply chain, we aim for industryleading policies that reflect our commitment to conduct business in a manner that respects and protects the environment and local communities."

Ümit has travelled and lived all over the world, so his knowledge of international markets has been invaluable to his role so far at Campbell Arnott's. "Working in different countries requires a high level of adaptability; over time, it becomes easier to adjust your competencies and skills at a faster pace," he says. He was born in Istanbul, Turkey, studied in his

native Turkey and Switzerland before graduating from an Austrian college in Istanbul where he studied tourism and hotel management, followed by business administration.

He says he considers himself a 'global citizen'; however, the links to his Turkish roots will always remain. Coming to Australia has been a new and exciting experience for him and his family. Before taking on the role, he spent a month and a half on his own exploring the country by circumnavigating the continent on a motorcycle. He says it helped him become familiar with the place and also allowed him to accomplish something he had always had on his bucket list.

"It is really the best location I've worked in so far. I consider Australia as one of the best-kept secrets in the world. Although Europe and the western parts of Europe are also very civilised

and pleasant, you have everything here in Australia. My family and I enjoy living in Sydney, and I'm getting to know the Australian culture a bit better all the time. I even have a book now with Aussie slang which I read and try out on my colleagues!"

When Ümit finds time outside the long hours and demands of his role as president, he enjoys spending time with his family-and the occasional adrenalin rush. His interests, on top of riding motorcycles, are jumping out of aeroplanes and scuba diving.

"It's not the type of thing you can do every weekend. Mostly I spend time with my family, restore the energy levels, and spend time outdoors-but if I get a chance, I love adrenalin activities. I haven't jumped out of any aeroplanes recently, but I would love to be able to do both! I did martial arts at a national team level and as an instructor later on for over 20 years, but



nowadays it's impossible to balance with the needs of my family and the business."

Campbell Arnott's has cemented its position in the Australian biscuit and snack market for 150



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years, establishing itself as an iconic brand which the public knows and loves. With such a long and proud history, the future is looking bright as it moves forward under the direction of Ümit Subaşı. •

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