

## Unilever goes outside for chief

By Haig Simonian and Tom Braithwaite

Published: September 4 2008 08:13 | Last updated: September 4 2008 19:21

Unilever on Thursday broke with a near 80-year tradition of appointing insiders to the helm of the multinational by turning to an outsider to succeed Patrick Cescau as chief executive.

Overlooking four credible internal candidates, Michael Treschow, chairman, decided to hire Paul Polman, a former Procter & Gamble and Nestlé man, to takeover from Mr Cescau.

"It is not that our internal candidates were not good," Mr Treschow told the Financial Times. "But from time to time you test the waters and we had the scope to make sure we would seek out the best . . . and found someone with exceptional experience and quality."

Mr Treschow said the decision to bring someone in was a one-off rather than a new shift in thinking and insisted that Mr Polman, a 52-year-old Dutchman who narrowly missed out last year on the top job at Nestlé, was not coming in to revolutionise Unilever or change its direction.

"We are having our strategic days in India in September and he will not be part of that. We are comfortable with that because there is no need to make dramatic changes," said the chairman.

But analysts said the move was significant and could signal a period of greater dynamism at the Anglo-Dutch consumer goods company.

"The decision to have an outside appointment is a clear statement that the board feels that more change is needed and someone outside is better placed to do that," said Julian Hardwick, analyst at ABN Amro. "It is also a recognition that the performance is not where it needs to be."

Analysts said while the departure of Mr Polman would be a loss to Nestlé, the food group had a pool of highly talented managers. The shares barely moved on the news, while Unilever's rose 6.24 per cent to £15.83.

"There are simply too many strong managers waiting in the wings for his departure to make a big difference," said **James Amoroso**, an independent consultant.

But the appointment of Mr Polman will come as a blow to the Unilever executives also in the running. Analysts said yesterday that Mr Polman, who joins Unilever in October for a handover period, would have to work hard to win them around.

Those in the frame included: Harish Manwani, president of Asia, Africa and Central Eastern Europe; Vindi Banga, category president; Mike Polk who runs Americas; and finance director Jim Lawrence.

Nestlé said Mr Polman had already left the company. He joined the food group three years ago and most recently headed operations in the Americas.