

J.M. Smucker president says ethics, values key to business success

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ALFRED, NY The J.M. Smucker Company has enjoyed four generations of family business excellence that has spanned more than a century. While sound business decisions have certainly played a role in the Smucker's growth and success, it has been the continued adherence to ethics and values that has driven the company. Richard Smucker, president and co-chief executive officer of J.M. Smucker Company, spoke Tuesday afternoon on the Alfred University campus, where he delivered the sixth annual Cutco Foundation Lecture on Entrepreneurial Leadership. The annual lecture series, sponsored by the Cutco Foundation and Alfred University, is made possible by a gift from Erick and Marianne Laine and the Cutco Foundation. Erick Laine is chairman of Alcas Corp. of Olean, NY, chairman of Cutco Cutlery Corp. and an Alfred University trustee. During his lecture, "Preserving Values," Smucker spoke of the need for businesses, both large and small, to embrace sound ethical practices. His company, he said, has held true to those values throughout its history, from its founding in 1897 by Jerome M. Smucker (Richard Smucker's great-grandfather) in the small Ohio town of Orrville (where it remains headquartered) through its rise to a firm that last year had \$2 billion in sales. "Our culture is much as it was 107 years ago," Smucker said. "It is defined by our people and rooted in a solid foundation we call our 'basic beliefs.'" Those beliefs include: fair treatment of employees and a willingness to provide an environment that encourages personal responsibility; maintaining the highest standards of ethics with employees, customers, suppliers, shareholders and local communities; commitment to quality, and strong and balanced growth; and a desire to remain independent as a company. "They are timeless, and they have served us well," Smucker said. Indeed, he added, they helped create an environment at J.M. Smucker Company that has led to it being consistently named by Fortune magazine as one of the best places to work in America. The company topped that list in 2003. Smucker said it is important for corporate executives to emphasize ethical business practices. "The conscientious executive must ask himself, 'What is the purpose of our company?'" Of course, the simple answer is, to make long-term economic profit for our shareholders. But the mission must be much more than that. In fact, making money for shareholders should be a byproduct albeit an important one of running an ethical business that has the goal of honestly fulfilling a need in society by producing a quality product or service. Making values and ethics a high priority will go a long way toward creating successful individual businesses, Smucker said. It will also help restore the public's confidence in the nation's economy, which has been shaken in recent years by highly-publicized scandals involving major corporations. "Ethics matter in business because our democracy, as we know it, depends on it," Smucker said. "There are many good, ethical companies out there. Growing them requires a culture of ethics, which can take generations to build." Erick and Marianne Laine endowed the Cutco Lecture as a way to bring nationally prominent entrepreneurial leaders to campus to meet with students, faculty and friends of Alfred University. Laine is pleased with how the lecture series has grown over the last five years, each of which has brought a noted entrepreneur to the AU campus. Tami Longaberger, president of the Longaberger Company, delivered the first annual lecture, in 2000. She was followed by David Oreck, chairman of the Oreck Corp., in 2001; Peter Cuneo, then-president and chief executive officer of Marvel Enterprises, Inc., in 2002; Doris Christopher, founder and chairman of The Pampered Chef, in 2003; and Andrea Jung, CEO and chairman of the board at Avon, Inc., last spring. "The intent of (the lecture series) is to bring together groups, including a significant component of the Alfred University student body, and give them a positive exposure to the business world," Laine commented. "We've done that successfully." Michael Hyde, vice president of University Relations at Alfred University, thanked the Laines and the Cutco Foundation for their generosity in making the lecture series possible. "Erick has taken a tremendous interest in Alfred University and the Cutco Lecture Series," Hyde said. "He has worked hard to attract business leaders to our campus who can serve as great role models for our students." Cutco is the largest manufacturer and marketer of high-quality kitchen cutlery and accessories in the United States and Canada. The Cutco corporate "family" consists of Alcas Corp., the parent company; Cutco Cutlery Corp., manufacturer of Cutco products since 1949; Vector Marketing Corp., marketer of Cutco products directly to consumers via sales representatives, and Cutco International Inc., responsible for international marketing of Cutco products.