

Nestlé appointment targets new markets

THOMAS MULIER
and CELESTE PERRI
London

THE Walmart executive named by Nestlé this week as its new chief financial officer adds an experienced outsider who speaks Mandarin to a company run by veterans.

The world's biggest food company, based in Vevey, Switzerland-based, on Tuesday named Walmart Stores' Wan Ling Martello to succeed Jim Singh, who is retiring.

Ms Martello will take charge in April after Mr Singh retires, Nestlé said. Ms Martello is Walmart's executive vice-president of global e-commerce and emerging markets and previously held posts at Kraft Foods and Borden Foods.

The US citizen of Chinese and Filipino heritage will join a board whose 12 other executives have almost three centuries combined of experience working at Nestlé. She will be the second person from outside the Swiss company to take the finance post in less than a decade. Paul Polman, a former Procter &

Gamble executive and now head of Unilever, ran Nestlé's finances from 2006 until early 2008.

"For a company of too many 'insiders' at senior-level positions, this external perspective and experience could prove to be very useful at Nestlé," Andrew Wood, an analyst at Sanford C Bernstein in New York, wrote in a note to investors.

"Martello does not have a superstar CV", and she may have taken a step back from a more senior position within Walmart, he wrote.

Nestlé stock rose as much as 1,2% to Sfr50 and was up 0,9% in mid-afternoon trading as the Stoxx Europe 600 index gained 0,2%.

Ms Martello's experience in emerging markets may help Nestlé achieve its goal of expansion in those regions. The company, which agreed to its biggest Chinese acquisition with a bid for sweets maker Hsu Fu Chi International in July, has set a target of getting 45% of revenue from developing countries by 2020, compared with about a third now. Unilever generates about half its revenue from those markets.



OUTSIDER: Nestlé named Walmart Stores' Wan Ling Martello as its next chief financial officer. Companies are promoting people with emerging-market backgrounds as China and India become key markets . Picture: BLOOMBERG

Ms Martello speaks Mandarin and Hokkien Chinese and the Filipino language of Tagalog in addition to English.

She will also be Nestlé's highest-ranking female executive.

The new chief financial officer may also improve ties between Nestlé and US-based Walmart, the world's biggest retailer and one of the Swiss manufacturer's largest customers, analysts at MF Global, including Andy Smith in London, said in a research note.

"She comes with a celebrated

resume and has the required exposure to this business as both a supplier and a customer," Gardner Russo & Gardner manager Thomas Russo said.

Nestlé usually promotes insiders as the average term of employment of Nestlé executive board members is 28 years, according to Patrick Hasenboehler, an analyst at Bank Sarasin in Zurich.

Consumer-goods companies are promoting people with emerging-market backgrounds as countries such as China and India fuel their

sales growth. Rakesh Kapoor became CEO of Reckitt Benckiser this month, capping a career at the UK household products manufacturer that started in his native India in 1987.

Nestlé is focusing more on the internet as a way to sell products, such as Nespresso coffee, Special-T tea and BabyNes infant formula. The company created a website in Germany called Nestlé Marktplatz this month to sell 1500 products, including Baci Perugina and KitKat Mini chocolates. *Bloomberg*