

Henley Business School Dean Questions Cadbury Takeover Bid



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Author: [Henley Business School](#)

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Following speculation over Kraft's proposed takeover bid of Cadbury and subsequent fears of major job losses, Professor Christopher Bones, Dean of Henley Business School, has also raised serious concerns regarding whether Kraft could be trusted to keep to its commitments in light of past failings. This warning comes after the pledge by Kraft that it will ensure the Cadbury's Bath factory will stay open bearing in mind Kraft gave the same commitment to Terry's of York in 1993 but then closed the factory 12 years later.



Professor Bones gave evidence to the select committee for Business, Innovation and Skills enquiring into company takeovers, mergers and acquisitions on Tuesday 12 January. His evidence, which drew heavily on the example of the current takeover bid of Cadbury by Kraft, received widespread coverage in the UK media. The Today Programme, Wake Up To Money, BBC West Midlands, BBC World News and News Channel and The Guardian all carried interviews with Professor Bones.

Professor Bones drew attention to the threat to the UK's science base and leading-edge research in GM other food related areas. The

government has identified food security as one of the core STEM subjects of critical importance to national security.

The Global Science Centre for Cadbury plc which researches food security is located at the University of Reading. The centre employs 130 skilled researchers and is an established centre of excellence in the UK attracting research investment and international students from around the world. Kraft plans to transfer such activity to its US laboratories.

Additionally, Cadbury plays a prominent role in building the UK's reputation for ethical and responsible business in areas of the world where the UK has a significant interest in maintaining and sustaining its economic and political influence. In particular their commitment to ethical and sustainable practices in cocoa production and their endorsement of the Fair trade movement are major symbols locally in Africa and worldwide. Professor Bones expressed his concern that Kraft's approach to its consumer brands - the company has rejected fair trade as a model for their coffee and chocolate - may impact on the reputation of the UK in areas of strategic importance such as India and Africa.

Finally Professor Bones questioned whether it was right that a UK bank (RBS) which is 84% owned by the UK taxpayer should be funding the acquisition of an iconic UK company by a US conglomerate, especially when the CBI Director General in his New Year message called for more funds to be made available for investment in UK businesses.

He said: "The ultimate irony for any government would be the sight of the corporate banking team at RBS or any other government-owned institution being paid multi-million pound bonuses for funding the acquisition of a UK company by a US conglomerate at a price that failed to reflect real market value with an outcome that damaged the long term interests of the UK economy."

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Henley Business School was formed from the merger of Henley Management College and the Business School at the University of Reading. It is one of the longest established Business Schools and the world's third largest supplier of MBA courses. It delivers business management training to managers in more than 140 countries worldwide with around 7,000 people studying at any one time.

Henley Business School is one of Europe's largest full service international business schools, with a comprehensive range of management training courses from undergraduate to board level. Encompassing the world-ranked [Henley MBA](#), executive MBAs and part time and full time [MBA](#), DBAs, PhDs, MScs, BScs, BAs, such as [BA economics](#), and its internationally renowned open and tailored executive education, it provides leadership development and learning opportunities from the start of a career through to senior executive levels. With expertise in the development and delivery of leadership and management solutions to the challenges of our times, it is also one of the very few top business schools to hold triple accredited status (AMBA, EQUIS, AACSB).

PR Contact Details:

Judith Hunt
Communications Management
Calverton House
2 Harpenden Road
St. Albans
AL3 5AB
+44 1727 737989
www.henley.reading.ac.uk

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