



Hong Kong flat, Benny Lam

## Food Court

*We've thought for some time that Jell-O—  
which continues to falter despite  
multiple stabs—could be axed.*

Business analyst's advice to Kraft-Heinz

**N**ATION: **KRAFT-HEINZONIA**  
 FOUNDED: 1897 (Heinz), 1909 (Kraft)  
 CAPITALS: Chicago IL, Pittsburgh PA  
 GDP: \$26 billion (revenues)  
 NATIONAL ANTHEM: "I wish I were  
 an Oscar Mayer Weiner"

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### Testimony of Kraft Heinz's Former COO:

There's no getting around it, your honor.  
 We cooked the books.

On paper, it seemed like a pretty *Krafty*  
 move (hehe). But as we like to say in the  
 executive boardroom, *Heinz-sight* is 20/20.

You see, your honor, by the time I joined  
 the company in 2014, Kraft Foods Inc. was  
 starting to look like an industry *has-bean*.

There was, shall we say, a malaise in the  
 mayonnaise. Competitors like Coke and  
 Pepsi were eating our lunch, and we were  
 reduced to playing ketchup. Upstarts like  
 General Mills were taking advantage of the  
 trend toward fresher, less-processed foods  
 and even cutting into our coveted mac-and-  
 cheese monopoly with their purchase of  
 Annie's Homegrown. (Organic macaroni and  
 cheese: like that's supposed to be *healthy*?)

Anyway, by late 2014, sales had slumped  
 by almost 5% and most of our sector  
 revenues were declining. Worse yet, over a  
 fifth of our revenues were coming from just  
 our legacy processed cheese brands.

To make a long story short, the mood  
 within the executive board room was that  
 the company was scraping the bottom of the  
*Cracker Barrel* and could use a bit of  
 'la dolce *Velveeta*'—if you get my drift.

There's always room for *Jell-O*, but Kraft already owned that, and besides, we were looking for something bigger—something we could really sink our teeth into.

And then some genius in Sales hit upon it: *Why not buy out Heinz*, which Warren Buffett had just taken over the prior year? Lo and behold, Buffett was keen to drink the *Kool-Aid*, and before you know it, he put together a \$23 billion deal.

The merger made Kraft Heinz the third largest food and beverage firm in the U.S. and fifth in the world, with over 200 iconic brands. Things were looking good, with Kraft's stock price rising 17% immediately after the announcement, and everybody was *Jet Puffed*. But as you know, things after that didn't exactly go according to plan.

The fact was that all we had done was hook up with another struggling company and doubled our problems. Neither Kraft or Heinz were nimble enough to change with the times and get themselves back in the *Golden Circle* with all the *Smart Ones* running mid-tier competitors. (Heck, the only truly revolutionary thing we'd come up with in years was the upside-down bottle!)

It was the ill-conceived merger which set the stage for the *57 Varieties* of fraud that the company embarked on beginning in late 2015 and running until the end of 2018.

As Kraft Heinz's new Chief Operating Officer, I took one look at our financial situation and realized we were in a *Claussen* pickle. I said to myself, "*Wattie's* the fuck, we've got to do something about this." I'd been granted a lot of stock options and I'd be *Tanged* if I would let them get *Grey Poup(ed)on* and expire out of the money.

So you see, your honor, with so much at *AI Steak Sauce*, I really had no choice but to *Shake and Bake* the books.

It was a *Classico* case of 'do or die.' Our procurement officer got to work faking thousands of supplier contracts, which cut our reported costs by over \$200 million and inflated our earnings. And it worked: By 2017, our stock price had hit a record high.

But in the end, all those shenanigans in accounting were only a temporary fix. In late 2019, we got hit with a triple whammy: a \$12.6 billion quarterly loss, a \$15 billion goodwill write-off from our *Kraft* and *Oscar Meyer* brands (basically an admission that the merger with Heinz was a failure), and worst of all, a disclosure that the company was under SEC investigation.

Our stock took a *Miracle Whipping*, losing half its value after earnings were restated. Let me tell you, your honor, that really put me on the *Stove Top* in the boardroom!

Anyway, my defense team is betting that—despite your dismal record of always siding with the little guy and racial minorities like yourself—you'll turn out to be an *Oreo* in this particular case. I mean, *Cheez Whiz*, for once just try to see things from the vantage point of a rich white guy running a struggling multinational corporation!

That would really be a *Lifesaver*.

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#### **Postscript:**

I have to say, the \$62 million penalty you imposed on Kraft Heinz really hit me in the *Corn Nuts*, your honor. It personally cost me my job and a *Cool Whip* \$300,000 fine.

So now, instead of putting on the *Ritz*, sailing the *Seven Seas* on my yacht or sitting on the beach in the *CapriSun*, I'm reduced to eating *Heinz Beanz* in the basement of my friend *Maxwell's House*.

My wife says there is one good thing about the lawsuit, though: I lost 50 pounds since I became a *Weight Watchers*. ■