

Ben & Jerry's Homemade

JERRY: What's interesting about me and my role in the company is I'm just this guy on the street. A person who's fairly conventional, mainstream, accepting of life as it is.

BEN: Salt of the earth. A man of the people.

JERRY: But then I've got this friend, Ben, who challenges everything. It's against his nature to do anything the same way anyone's ever done it before. To which my response is always, "I don't think that'll work."

BEN: To which my response is always, "How do we know until we try?"

JERRY: So I get to go through this leading-edge, risk-taking experience with Ben—even though I'm really just like everyone else.

BEN: The perfect duo. Ice cream and chunks. Business and social change. Ben and Jerry.

—Ben & Jerry's Double-Dip

As Henry Morgan's plane passed over the snow-covered hills of Vermont's dairy land, through his mind passed the events of the last few months. It was late January 2000. Morgan, the retired dean of Boston University's business school, knew well the trip to Burlington. As a member of the board of directors of Ben & Jerry's Homemade for the past 13 years, Morgan had seen the company grow both in financial and social stature. The company was now not only an industry leader in the super-premium ice cream market, but also commanded an important leadership position in a variety of social causes from the dairy farms of Vermont to the rainforests of South America.

Increased competitive pressure and Ben & Jerry's declining financial performance had triggered a number of takeover offers for the resolutely independent-minded company. Today's board meeting had been convened to consider the pending offers.

This case was prepared by Professor Michael J. Schill with research assistance from Daniel Burke, Vern Hines, Sangyeon Hwang, Wonsang Kim, Vincente Ladinez, and Tyrone Taylor. It was written as a basis for class discussion rather than to illustrate effective or ineffective handling of an administrative situation. Copyright © 2001 by the University of Virginia Darden School Foundation, Charlottesville, VA. All rights reserved. *To order copies, send an e-mail to sales@dardenbusinesspublishing.com. No part of this publication may be reproduced, stored in a retrieval system, used in a spreadsheet, or transmitted in any form or by any means—electronic, mechanical, photocopying, recording, or otherwise—without the permission of the Darden School Foundation. Rev. 10/03.*

Morgan expected a lively debate. Cofounders Ben Cohen and Jerry Greenfield knew the company's social orientation required corporate independence. In stark contrast, chief executive Perry Odak felt that Ben and Jerry's shareholders would be best served by selling out to the highest bidder.

Ben & Jerry's Homemade

Ben & Jerry's Homemade, a leading distributor of super-premium ice creams, frozen yogurts, and sorbets, was founded in 1978 in an old gas station in Burlington, Vermont. Cohen and Greenfield recounted their company's beginnings:

One day in 1977, we [Cohen and Greenfield] found ourselves sitting on the front steps of Jerry's parents' house in Merrick, Long Island, talking about what kind of business to go into. Since eating was our greatest passion, it seemed logical to start with a restaurant. . . . We wanted to pick a product that was becoming popular in big cities and move it to a rural college town, because we wanted to live in that kind of environment. We wanted to have a lot of interaction with our customers and enjoy ourselves. And, of course, we wanted a product that we liked to eat. . . . We found an ad for a \$5 ice-cream-making correspondence course offered through Penn State. Due to our extreme poverty, we decided to split one course between us, sent in our five bucks, read the material they sent back, and passed the open-book tests with flying colors. That settled it. We were going into the ice cream business.

Once we'd decided on an ice cream parlor, the next step was to decide where to put it. We knew college students eat a lot of ice cream; we knew they eat more of it in warm weather. Determined to make an informed decision (but lacking in technological and financial resources), we developed our own low-budget "manual cross-correlation analysis." Ben sat at the kitchen table, leafing through a U.S. almanac to research towns that had the highest average temperatures. Jerry sat on the floor; reading a guide to American colleges, searching for the rural towns that had the most college kids. Then we merged our lists. When we investigated the towns that came up, we discovered that apparently someone had already done this work ahead of us. All the warm towns that had a decent number of college kids already had homemade ice-cream parlors. So we threw out the temperature criterion and ended up in Burlington, Vermont. Burlington had a young population, a significant college population, and virtually no competition. Later, we realized the reason why there was no competition. It's so cold in Burlington for so much of the year, and the summer season is so short, it was obvious (to everyone except us) that there was no way an ice cream parlor could succeed there. Or so it seemed.¹

By January 2000, Cohen and Greenfield's ice cream operation in Burlington, Ben & Jerry's Homemade, had become a major premium ice cream producer with over 170 stores (scoop shops) across the United States and overseas, and had developed an important presence on supermarket shelves. Annual sales had grown to \$237 million, and the company's equity was valued at \$160 million (**Exhibits 1 and 2**). The

¹Ben Cohen and Jerry Greenfield, *Ben & Jerry's Double-Dip* (New York: Simon & Schuster, 1997), 15–17.

company was known for such zany ice cream flavors as Chubby Hubby, Chunky Monkey, and Bovinity Divinity. **Exhibit 3** provides a selected list of flavors from its scoop-shop menu.

Ben & Jerry's Social Consciousness

Ben & Jerry's was also known for its emphasis on socially progressive causes and its strong commitment to the community. Although unique during the company's early years, Ben & Jerry's community orientation was no longer that uncommon. Companies such as Patagonia (clothing), Odwalla (juice), The Body Shop (body-care products), and Tom's of Maine (personal-care products) shared similar visions of what they termed "caring capitalism."

Ben & Jerry's social objective permeated every aspect of the business. One dimension was its tradition of generous donations of its corporate resources. Since 1985, Ben & Jerry's donated 7.5% of its pretax earnings to various social foundations and community-action groups. The company supported causes such as Greenpeace International and the Vietnam Veterans of America Foundation by signing petitions and recruiting volunteers from its staff and the public. The company expressed customer appreciation with an annual free cone day at all of its scoop shops. During the event, customers were welcome to enjoy free cones all day.

Although the level of community giving was truly exceptional, what really made Ben & Jerry's unique was its commitment to social objectives in its marketing, operations, and finance policies. Cohen and Greenfield emphasized that their approach was fundamentally different from the self-promotion-based motivation of social causes supported by most corporations.

At its best, cause-related marketing is helpful in that it uses marketing dollars to help fund social programs and raise awareness of social ills. At its worst, it's "greenwashing"—using philanthropy to convince customers the company is aligned with good causes, so the company will be seen as good, too, whether it is or not. . . . They understand that if they dress themselves in that clothing, slap that image on, that's going to move product. But instead of just slapping the image on, wouldn't it be better if the company actually did care about its consumers and the community?²

An example of Ben & Jerry's social-value-led marketing included its development of an ice cream flavor to provide demand for harvestable tropical-rainforest products. The product's sidebar described the motivation:

This flavor combines our super creamy vanilla ice cream with chunks of Rainforest Crunch, a cashew & Brazil nut buttercrunch made for us by our friends at Community Products in Montpelier, Vermont. The cashews & Brazil nuts in this ice cream are harvested in a sustainable way from tropical rainforests and represent an economically viable long-term alternative to cutting these trees down. Enjoy!

—Ben & Jerry

²Ben Cohen and Jerry Greenfield, *Ben & Jerry's Double-Dip* (New York: Simon & Schuster, 1997), 33.

Financing decisions were also subject to community focus. In May of 1984, Ben & Jerry's initiated its first public equity financing. Rather than pursue a broad traditional public offering, the company issued 75,000 shares at \$10.50 a share exclusively to Vermont residents. By restricting the offering to Vermonters, Cohen hoped to offer those who had first supported the company with the opportunity to profit from its success. To provide greater liquidity and capital, a traditional broad offering was later placed and the shares were then listed and traded on the NASDAQ. Despite Ben & Jerry's becoming a public company, Cohen and Greenfield did not always follow traditional investor-relations practices. "Chico" Lager, the general manager at the time, recalled the following Ben Cohen interview transcript that he received before its publication in the *Wall Street Transcript*:

TWST: Do you believe you can attain a 15% increase in earnings each year over the next five years?

COHEN: I got no idea.

TWST: Umm-hmm. What do you believe your capital spending will be each year over the next five years?

COHEN: I don't have any ideas as to that either.

TWST: I see. How do you react to the way the stock market has been treating you in general and vis-à-vis other companies in your line?

COHEN : I think the stock market goes up and down, unrelated to how a company is doing. I never expected it to be otherwise. I anticipate that it will continue to go up and down, based solely on rumor and whatever sort of manipulation those people who like to manipulate the market can accomplish.

TWST : What do you have for hobbies?

COHEN : Hobbies. Let me think. Eating, mostly. Ping-Pong.

TWST : Huh?

COHEN : Ping-Pong.³

Solutions to corporate operating decisions were also dictated by Ben & Jerry's interest in community welfare. The disposal of factory wastewater provided an example.

In 1985, when we moved into our new plant in Waterbury, we were limited in the amount of wastewater that we could discharge into the municipal treatment plant. As sales and production skyrocketed, so did our liquid waste, most of which was milky water. [We] made a deal with Earl, a local pig farmer, to feed our milky water to his pigs. (They loved every flavor except Mint with Oreo Cookies, but Cherry Garcia was their favorite.) Earl's pigs alone couldn't handle our volume, so eventually we loaned Earl \$10,000 to buy 200 piglets. As far as we could tell, this was a win-win solution to a tricky environmental

³Fred "Chico" Lager, *Ben & Jerry's: The Inside Scoop* (New York: Crown Publishers, 1994), 124–125.

problem. The pigs were happy. Earl was happy. We were happy. The community was happy.⁴

Ben & Jerry's social orientation was balanced with product and economic objectives. Its mission statement included all three dimensions, and stressed seeking new and creative ways of fulfilling each without compromising the others:

Product: To make, distribute, and sell the finest quality all-natural ice cream and related products in a wide variety of innovative flavors made from Vermont dairy products.

Economic: To operate the company on a sound financial basis of profitable growth, increasing value for our shareholders, and creating career opportunities and financial rewards for our employees.

Social: To operate the company in a way that actively recognizes the central role that business plays in the structure of society by initiating innovative ways to improve the quality of life of the broad community—local, national, and international.

Management discovered early on that the company's three objectives were not always in harmony. Cohen and Greenfield told of an early example:

One day we were talking [about our inability to make a profit] to Ben's dad, who was an accountant. He said, "Since you're gonna make such a high-quality product . . . why don't you raise your prices?" At the time, we were charging fifty-two cents a cone. Coming out of the '60s, our reason for going into business was that ours was going to be "ice cream for the people." It was going to be great quality products for everybody—not some elitist treat. . . . Eventually we said, Either we're going to raise our prices or we're going to go out of business. And then where will the people's ice cream be? They'll have to get their ice cream from somebody else. So we raised the prices. And we stayed in business.⁵

At other times, management chose to sacrifice short-term profits for social gains. Greenfield tells of one incident with a supplier:

Ben went to a Social Ventures Network meeting and met Bernie Glassman, a Jewish-Buddhist former nuclear-physicist monk. Bernie had a bakery called Greyston in inner-city Yonkers, New York. It was owned by a nonprofit religious institution; its purpose was to train and employ economically disenfranchised people [and] to fund low-income housing and other community-service activities. Ben said, "We're looking for someone who can bake these thin, chewy, fudgy brownies. If you could do that, we could give you some business, and you could make us the brownies we need, and that would be great for both of us." . . . The first order we gave Greyston was for a couple of tons. For us, that was a small order. For Greyston, it was a huge order. It caused their system to break down. The brownies were coming off the line so fast that they ended up getting packed hot. Then they needed to be

⁴*Ben & Jerry's Double-Dip*, 154.

⁵*Ben & Jerry's Double-Dip*, 154.

frozen. Pretty soon, the bakery freezer was filled up with these steaming 50-pound boxes of hot brownies. The freezer couldn't stay very cold, so it took days to freeze the brownies. By the time they were frozen, [they] had turned into 50-pound blocks of brownie. And that's what Greyston shipped to us. So we called up Bernie and we said, "Those two tons you shipped us were all stuck together. We're shipping them back." Bernie said, "I can't afford that. I need the money to meet my payroll tomorrow. Can't you unstick them?" And we said, "Bernie, this really gums up the works over here." We kept going back and forth with Greyston, trying to get the brownies right. Eventually we created a new flavor, Chocolate Fudge Brownie, so we could use the brownie blocks.⁶

Asset Control

The pursuit of a nonprofit-oriented policy required stringent restrictions on corporate control. For Ben & Jerry's, asset control was limited through elements of the company's corporate charter, differential stock-voting rights, and a supportive Vermont legislature.

Corporate Charter Restrictions

At the 1997 annual meeting, Ben & Jerry's shareholders approved amendments to the charter that gave the board greater power to perpetuate the mission of the firm. The amendments created a staggered board of directors, whereby the board was divided into three classes with one class of directors being elected each year for a three-year term. A director could only be removed with the approval of a two-thirds vote of all shareholders. Also, any vacancy resulting from the removal of a director could be filled by two-thirds vote of the directors who were then in office. Finally, the stockholders increased the number of votes required to alter, amend, repeal, or adopt any provision inconsistent with those amendments to at least two-thirds of shareholders. See **Exhibit 4** for a summary of the current board composition.

Differential Voting Rights

Ben & Jerry's had three equity classes: class A common, class B common, and class A preferred. The holders of class A common were entitled to one vote for each share held. The holders of class B common, reserved primarily for insiders, were entitled to 10 votes for each share held. Class B common was not transferable, but could be converted into class A common stock on a share-for-share basis and was transferable thereafter. The company's principals—Ben Cohen, Jerry Greenfield, and Jeffrey Furman—effectively held 47% of the aggregate voting power, with only 17% of the aggregate common equity outstanding. Nonboard members, however, still maintained 51% of the voting power (see **Exhibit 5**). The class A preferred stock was held exclusively by the Ben & Jerry's Foundation, a community-action group. The class A preferred gave the foundation a special voting right to act with respect to certain business combinations and the authority to limit the voting rights of common stockholders in

⁶*Ben & Jerry's Double-Dip*, 154.

certain transactions such as mergers and tender offers, even if the common stockholders favored such transactions.

Vermont Legislature

In April 1998, the Vermont Legislature amended a provision of the Vermont Business Corporation Act, which gave the directors of any Vermont corporation the authority to consider the interests of the corporation's employees, suppliers, creditors, and customers when determining whether an acquisition offer or other matter was in the best interest of the corporation. The board could also consider the economy of the state in which the corporation was located and whether the best interests of the company could be served by the continued independence of the corporation.

Those and other defense mechanisms strengthened Ben & Jerry's ability to remain an independent, Vermont-based company, and to focus on carrying out the threefold corporate mission, which management believed was in the best interest of the company, its stockholders, employees, suppliers, customers, and the Vermont community at large.

The Offers

Morgan reviewed the offers on the table. Discussion with potential merger partners had been ongoing since the previous summer. In August 1999, Pillsbury (maker of the premium ice cream Haagen-Dazs) and Dreyer's announced the formation of an ice cream joint venture. Under past distribution agreements, Pillsbury-Dreyer's would become the largest distributor of Ben & Jerry's products. In response, the Ben & Jerry's board had authorized Odak to pursue joint-venture and merger discussions with Unilever and Dreyer's. By December, the joint-venture arrangements had broken down, but the discussions had resulted in takeover offers for Ben & Jerry's of between \$33 and \$35 a share from Unilever, and an offer of \$31 a share from Dreyer's. Just yesterday, Unilever had raised its offer to \$36, and two private investment houses, Meadowbrook Lane Capital and Chartwell Investments, had made two separate additional offers. The offer prices represented a substantial premium over the preoffer-announcement share price of \$21.⁷ See **Exhibit 6** for a comparison of investor-value measures for Ben & Jerry's and the select competitors.

Dreyer's Grand Ice Cream

Dreyer's Grand Ice Cream sold premium ice cream and other frozen desserts under the Dreyer's and Edy's brands and some under nonbranded labels. The Dreyer's and

⁷Recent food-company acquisitions included Kraft's \$270-million acquisition of Balance Bar and Kellogg's \$308-million acquisition of Worthington Foods. Balance Bar and Worthington—both health-food companies—sold at takeover premia of 76% and 88%, respectively. The mean acquisition premium offered by successful bidders in a large sample of U.S. multiple-bid contests was found to be 70%. See S. Betton and B. E. Eckbo, "Toeholds, Bid Jumps, and Expected Payoffs in Takeovers," *Review of Financial Studies* 13, 4 (winter 2000): 841–882.

Edy's lines were distributed through a direct store-delivery system. Total sales were over \$1 billion, and company stock traded at a total capitalization of \$450 million. Dreyer's was also involved in community-service activities. In 1987, the company established the Dreyer's Foundation to provide focused community support, particularly for youth and K-12 public education.

Unilever

Unilever manufactured branded consumer goods, including foods, detergents, and other home- and personal-care products. The company's ice cream division included the Good Humor, Breyers, Klondike, Dickie Dee, and Popsicle brands, and was the largest producer of ice cream in the world. Good Humor-Breyers was headquartered in Green Bay, Wisconsin, with plants and regional sales offices located throughout the United States. Unilever had a total market capitalization of \$18 billion.

Meadowbrook Lane Capital

Meadowbrook Lane Capital was a private investment fund that portrayed itself as socially responsible. The firm was located in Northampton, Massachusetts. The Meadowbrook portfolio included holdings in Hain Foods, a producer of specialty health-oriented food products. Meadowbrook proposed acquiring a majority ownership interest through a tender offer to Ben & Jerry's shareholders.

Chartwell Investments

Chartwell Investments was a New York City private-equity firm that invested in growth financings and management buyouts of middle-market companies. Chartwell proposed investing between \$30 million and \$50 million in Ben & Jerry's in exchange for a convertible preferred-equity position that would allow Chartwell to obtain majority representation on the board of directors.

Morgan summarized the offers as follows:

Bidder	Offering Price	Main Proposal
Dreyer's Grand	\$31 (stock)	<ul style="list-style-type: none"> Maintain B&J management team Operate B&J as a quasi-autonomous business unit Encourage some social endeavors
Unilever	\$36 (cash)	<ul style="list-style-type: none"> Maintain select members of B&J management team Integrate B&J into Unilever's frozen desserts division Restrict social commitments and interests
Meadowbrook Lane	\$32 (cash)	<ul style="list-style-type: none"> Install new management team Allow B&J to operate as an independent company controlled under the Meadowbrook umbrella Maintain select social projects and interests
Chartwell	Minority interest	<ul style="list-style-type: none"> Install new management team Allow B&J to continue as an independent company

Conclusion

Henry Morgan doubted that the social mission of the company would survive a takeover by a large traditional company. Despite his concern for Ben & Jerry's social interests, Morgan recognized that, as a member of the board, he had been elected to represent the interests of the shareholders. A financial reporter, Richard McCaffrey, expressed the opinion of many shareholders:

Let's jump right into the fire and suggest, depending upon the would-be acquiring company's track record at creating value, that it makes sense for the company [Ben & Jerry's] to sell. Why? At \$21 a share, Ben & Jerry's stock has pattered around the same level, more or less, for years despite regular sales and earnings increases. For a company with a great brand name, about a 45% share of the super-premium ice cream market, successful new-product rollouts, and decent traction in its international expansion efforts, the returns should be better. Some of the reasons for underperformance, such as the high price of cream and milk, aren't factors the company can control. That's life in the ice cream business. But Ben & Jerry's average return on shareholders' equity, a measure of how well it's employing shareholders' money, stood at 7% last year, up from 5% in 1997. That's lousy by any measure, although it's improved this year and now stands at about 9%. This isn't helped by the company's charitable donations, of course, but if you're an investor in Ben & Jerry's you knew that going in—it's an ironclad part of corporate culture, and has served the company well. Still, Ben & Jerry's has to find ways to create value.⁸

The plane banked over icy Lake Champlain and began its descent into Burlington as Morgan collected his thoughts for what would undoubtedly be an emotional and spirited afternoon meeting.

⁸Richard McCaffrey, "In the Hunt for Ben & Jerry's," *Fool.com* (2 December 1999).

EXHIBIT 1 | Ben & Jerry's Homemade Financial Statements and Financial Ratios (in millions, except for per-share figures)

	1999	1998	1997	1996	1995	1994
1 Net sales	\$237.0	\$209.2	\$174.2	\$167.2	\$155.3	\$148.8
2 Cost of sales	<u>145.3</u>	<u>136.2</u>	<u>114.3</u>	<u>115.2</u>	<u>109.1</u>	<u>109.8</u>
3 Gross profit	91.8	73.0	59.9	51.9	46.2	39.0
4 Selling, general, & administrative expenses	<u>82.9*</u>	<u>63.9</u>	<u>53.5</u>	<u>45.5</u>	<u>36.4</u>	<u>36.3</u>
5 Earnings before interest and taxes	8.9*	9.1	6.4	6.4	9.8	2.8
6 Net income	8.0*	6.2	3.9	3.9	5.9	(1.9)
7 Working capital	\$ 42.8	\$ 48.4	\$ 51.4	\$ 50.1	\$ 51.0	\$ 37.5
8 Total assets	150.6	149.5	146.5	\$136.7	131.1	120.3
9 Long-term debt and obligations	16.7	20.5	25.7	31.1	32.0	32.4
10 Stockholders' equity	89.4	90.9	86.9	82.7	78.5	72.5
Per-share figures:						
Sales	\$31.34					
Earnings	\$ 1.06*					
Book equity	\$11.82					
Gross margin (3/1)	38.7%	34.9%	34.4%	31.0%	29.7%	26.2%
Operating margin (5/1)	3.8%*	4.3%	3.7%	3.8%	6.3%	1.9%
Net income margin (6/1)	3.4%*	3.0%	2.2%	2.3%	3.8%	-1.3%
Asset turnover (1/9)	1.6	1.4	1.2	1.2	1.2	1.2
Working capital turnover (1/8)	5.5	4.3	3.4	3.3	3.0	4.0
ROA (5 × [1 - 40%]/9)	3.5%*	3.7%	2.6%	2.8%	4.5%	1.4%
ROE (6/11)	8.9%*	6.8%	4.5%	4.7%	7.5%	-2.6%
Yield to maturity on 30-year U.S. Treasury bonds (DataStream)	6.5%	5.1%	5.9%	6.6%	6.0%	7.9%

*Adjusted by case writer for 50% of 1999 \$8.6-million special charge for asset write-off and employee severance associated with frozen novelty manufacturing facility.

Source: SEC filings.

EXHIBIT 2 | Ben & Jerry's Homemade Stock-Price Performance

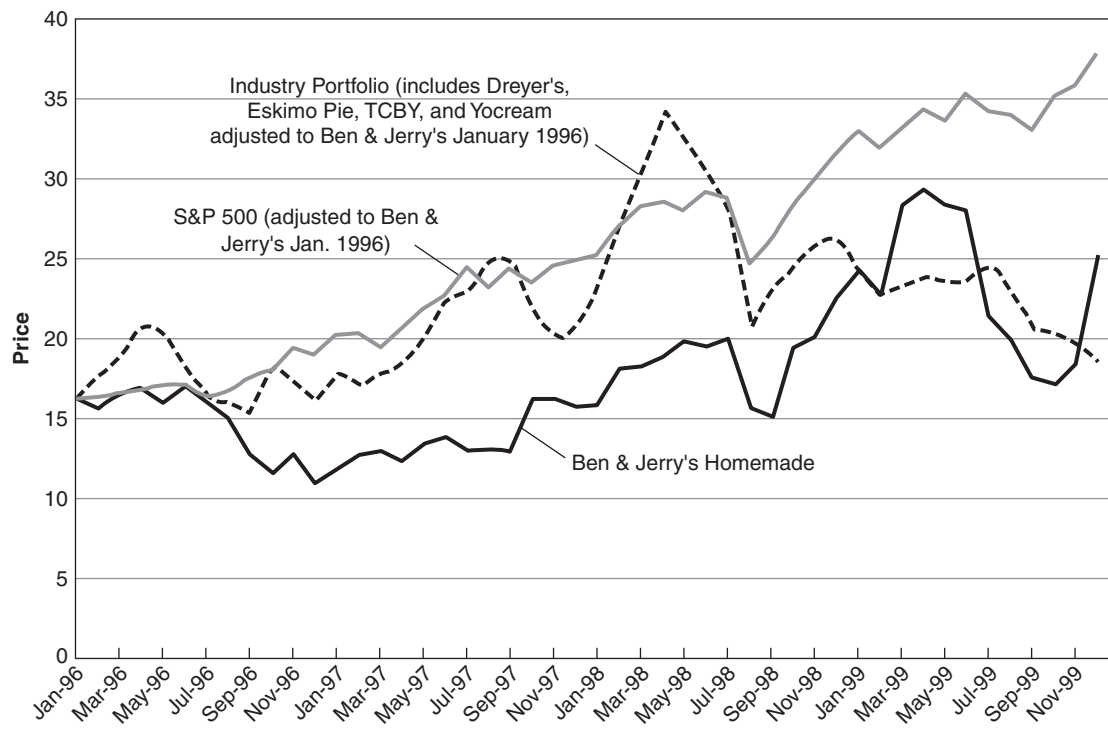


EXHIBIT 3 | Ben & Jerry's Selected List of Flavors (January 2000)

Bovinity Divinity	Milk-chocolate ice cream and white-chocolate cows swirled with white-chocolate ice cream and dark fudge cows
Cherry Garcia	Cherry ice cream with cherries and fudge flakes
Chocolate Chip Cookie Dough	Vanilla ice cream with gobs of chocolate-chip cookie dough
Chocolate Fudge Brownie	Chocolate ice cream with fudgy brownies
Chubby Hubby	Chocolate-covered, peanut-butter-filled pretzels in vanilla-malt ice cream with fudge and peanut-butter swirls
Chunky Monkey	Banana ice cream with walnuts and chocolate chunks
Coconut Almond Fudge Chip	Coconut ice cream with almonds and fudge chips
Coffee, Coffee, BuzzBuzzBuzz!	Coffee ice cream with espresso-fudge chunks
Deep Dark Chocolate	Very chocolaty ice cream
New York Super Fudge Chunk	Chocolate ice cream with white- and dark-chocolate chunks, pecans, walnuts, and chocolate-covered almonds
Peanut Butter Cup	Peanut-butter ice cream with peanut-butter cups
Phish Food	Milk-chocolate ice cream with marshmallow nougat, caramel swirls, and fudge fish
Pistachio Pistachio	Pistachio ice cream with pistachios
S'mores	Chocolate low-fat ice cream with marshmallow swirls and graham-cracker wedges
Southern Pecan Pie	Brown-sugar ice cream with roasted pecans, chunks of pecan-pie pieces, and a pecan-caramel swirl

EXHIBIT 4 | Composition of Board of Directors

Name	Age	Office	Year Elected
Jerry Greenfield	48	Chairperson, Director	1990
Ben Cohen	48	Vice Chairperson, Director	1977
Perry Odak	54	Chief Executive Officer, President, and Director	1997
Pierre Ferrari	49	Director, Self-Employed Consultant	1997
Jeffrey Furman	56	Director, Self-Employed Consultant	1982
Jennifer Henderson	46	Director, President of leadership-consulting firm— Strategic Interventions	1996
Frederick A. Miller	53	Director, President of management-consulting firm— Kaleel Jamison Consulting Group	1992
Henry Morgan	74	Director, Dean Emeritus of Boston University School of Management	1987
Bruce Bowman	47	Senior Director of Operations	1995
Charles Green	45	Senior Director of Sales and Distribution	1996
Michael Sands	35	Chief Marketing Officer	1999
Frances Rathke	39	Chief Financial Officer and Secretary	1990

*Occupations of directors who were neither employed at Ben & Jerry's nor the Ben & Jerry's Foundation, Inc., as of March 25, 1999, are as follows:

Ben Cohen: Cofounder of Ben & Jerry's, and served as a director at Blue Fish Clothing, Community Products, Inc., Social Venture Network, and Greenpeace International.

Pierre Ferrari: President of Lang International, a marketing-consulting firm.

Jeffrey Furman: Self-employed consultant.

Jennifer Henderson: Director of Training at the Center for Community Change, and President of Strategic Interventions, a leadership- and management-consulting firm.

Frederick A. Miller: President of Kaleel Jamison Consulting Group, a strategic-culture-change and management-consulting firm.

Henry Morgan: Dean Emeritus of the Boston University School of Management. Also served as a director at Cambridge Bancorporation, Southern Development Bancorporation, and Cleveland Development Bancorporation.

Source: SEC filings.

EXHIBIT 5 | Beneficial-Ownership Structure of Ben & Jerry's Homemade

	Class A Common Stock		Class B Common Stock		Preferred Stock	
	# Shares	% Outstanding Shares	# Shares	% Outstanding Shares	# Shares	% Outstanding Shares
Ben Cohen	413,173	6.1%	488,486	60.9%	—	—
Jerry Greenfield	130,000	1.9%	90,000	11.2%	—	—
Jeffrey Furman	17,000	*	30,300	3.8%	—	—
Perry Odak	368,521	5.5%	—	—	—	—
Pierre Ferrari	8,121	*	—	—	—	—
Jennifer Henderson	1,138	*	—	—	—	—
Frederick A. Miller	4,345	*	—	—	—	—
Henry Morgan	5,845	*	—	—	—	—
Bruce Bowman	46,064	*	—	—	—	—
Charles Green	17,809	*	—	—	—	—
Frances Rathke	51,459	*	—	—	—	—
Credit Suisse Asset Management	860,500	12.7%	—	—	—	—
Dimensional Fund Advisors	359,000	5.3%	—	—	—	—
All officers & directors as a group of 15 persons	1,115,554	16.5%	608,786	75.9%	—	—
Ben & Jerry's Foundation, Inc.	—	—	—	—	900	100.0%
Total shares outstanding (12/25/1999)	6,759,276		801,813		900	

*Less than 1%.

Source: SEC filings.

EXHIBIT 6 | Investor-Value Measures: Ben & Jerry's and Industry Comparables

	Price/Earnings	Price/Book
Dreyer's Grand	47.2	7.8
Eskimo Pie	30.7	1.1
TCBY Enterprises	12.5	1.2
Yocream International	9.4	1.8
Ben & Jerry's	19.8	1.8

Source: Case writer analysis.