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Andrew Hoffman

Seventh Generation and Unilever: Would an Acquisition Affect Sustainability?

Introduction

Sitting in his office looking out over Burlington, Vermont, Ron Vogel knew he had a big decision to make that could forever change the path of his company.¹ As CEO of Seventh Generation, Vogel had the final say on whether to accept Unilever's offer to buy Seventh Generation. He ran his hands along his immaculately clean desk, feeling at ease doing so knowing that it was polished using Seventh Generation's own sustainable, healthy cleaning products. Both the purity of its products and the transparency of its operations formed the foundation of the company. Unilever was offering Seventh Generation the opportunity to spread this transformative business model to even more areas of the world. But at what cost? Would some of the values that set the company apart be lost in a conglomerate as large and powerful as Unilever?

Seeking comfort, Vogel walked over to the mini-fridge in his office and pulled out a pint of Ben & Jerry's Americone Dream. As he enjoyed his ice cream, he began to think about Ben & Jerry's own experience being acquired by Unilever. Many people considered the acquisition of the fellow Vermont-based company a success. But the founders Ben Cohen and Jerry Greenfield had openly expressed their dissatisfaction with the business deal.¹ Could Vogel use Unilever's unprecedented global reach to expand Seventh Generation's mission of sustainable cleaning products across the world, without experiencing the regret that Ben and Jerry did? Or could Seventh Generation grow without the risk of losing autonomy under Unilever's ownership? He pondered this as he reached for another scoop.

Seventh Generation Background

History

In 1988, Seventh Generation grew out of a failing catalog operation in Burlington, Vermont. Alan Newman, owner of mail-order fulfillment firm Niche Marketing, acquired the catalog operation, rebranded it, and upgraded the line of household and personal care products. Soon after, Newman partnered with entrepreneur Jeffery Hollender to secure additional funds, and the two became co-owners of Seventh Generation.²

i Ron Vogel is a pseudonym.

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