

alyze public speaking skills. Says Associate Dean Kembrel Jones, "You need to do one thing and do one thing better than anybody else."

## BASEBALL SYLLABUS

BUT WITH VIRTUALLY every MBA program in America claiming to teach so-called soft skills to some extent, schools that focus on them may be hard pressed to differentiate themselves. That's why many schools are choosing instead to build their specialties around specific industries. Rutgers Business School in Newark, for example, has offered a pharmaceutical management MBA since 2000 in partnership with seven area drug companies. And this year, San Diego State University launched an MBA program in sports management with the help of the hometown baseball team, the Padres.

Other schools have gone a different route. Some have transformed their programs into what amounts to a consulting

## Grads may face limited career choices

firm, dispatching eager young MBA students to some of the world's biggest companies to solve their problems. For students at University of Minnesota's Carlson School of Management, that means spending 20 hours a week for three semesters doing everything from developing a new route for Northwest Airlines cargo service to streamlining operations at nearby Marvin Windows & Doors, where the students saved the company \$1 million in operating costs. Says Interim Dean Michael Houston, "I want students leaving here better prepared than any other MBA student in the country."

For mid-tier schools, battling it out with dozens of others for an ever-shrinking applicant pool doesn't have to be a permanent condition. By focusing their programs on a few well-chosen specialties, they believe they can make their degrees something they have never been before: a ticket to career success on par with the top-ranked B-schools. Not a bad approach, considering the alternative. ■

—By Lindsey Gerdes in New York

**BusinessWeek** online For a Q&A with the dean of Toronto b-school, and a list of other specialized MBA programs, go to [businessweek.com/extras](http://businessweek.com/extras)

# Slimmer Kids, Fatter Profits?

Charles Davis, a Kraft food maven, is on a health kick. But then, he has no choice

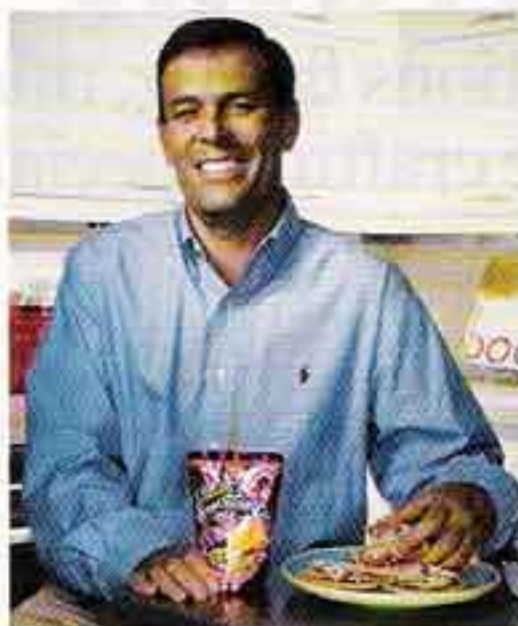
**M**AKING CHEESE healthier is complicated. Add too much calcium, and it starts to taste chalky. Take out too much fat, and the cheese emerges from mechanical graters like Play-Doh. "It becomes a big glob instead of having good shredding integrity," says Charles W. Davis, vice-president of global technology and quality for convenient meals at Kraft Foods Inc.

Davis can tell you all about finding that delicate balance between what tastes good and what's good for you. Since 2004, the 48-year-old chemist has been leading a team of scientists, technicians, and engineers working to improve the nutritional content of Kraft's popular Lunchables Lunch Combinations line, a process known industrywide as reformulation. That means he has spent an inordinate amount of time experimenting not only with cheese but also with the juice drinks, crackers, deli meats, and fruit snacks that make up these all-in-one meals. If you count all 41 varieties of Lunchables, Davis has cut calories by an average of 10%, fat by 24%, and sodium by 20%.

Why do Davis and hundreds of other people throughout the company do nothing else but experiment in their kitchen labs all day? Because their employer has no choice. Kraft, the nation's largest food manufacturer, and its competitors risk becoming this decade's cig-

arette companies: vilified for pushing junk to children, restricted by often-conflicted regulators, challenged in court.

At Kraft, which was spun off from cigarette maker Altria Group, there is little appetite for those kind of problems. Two years ago the company saw trouble coming and devoted a major portion of its \$350 million-plus research and development budget to making its food healthier. Since then, Kraft has reformulated some 750 products, or more than 10% of its total sales by volume, and trimmed about 65 billion calories from consumers' diets. The company is even working on its icon-



**PIZZA DE RESISTANCE**  
Davis' revamped Lunchables best-seller makes its debut this fall

ic Oreo cookie to eliminate trans fats. "This is the single largest reformulation effort ever undertaken by the company," says Lance Friedmann, senior vice-president for global health and wellness.

The scientists' work is one piece of an even bigger health kick at Kraft. Every product that meets certain standards, which are based on U.S. dietary guidelines, is marketed as part of its Sensible Solution program. Kraft has also introduced 100-calorie packs of snack foods, such as the Wheat Thins Minis, and rewritten nutrition labels to include the entire contents of a small package, not just a single, impractically dainty serving. At the start of the year, Kraft went so far as to announce that it would stop hawking junk food



That's a good thing, because Lunchables, which were inspired by the Japanese *bento* box, is one of the most complicated reformulation projects under way at Kraft. Most food

products have only one or two components. Lunchables has hundreds. Davis also has a tough audience to please—kids, who won't hesitate to say something tastes gross (or not gross enough, for that matter).

Taking the sodium out of turkey, Davis says, was particularly tricky. Potassium, it turns out, is a good substitute for sodium, which is used not only for taste but also for texture and as a preservative. A 40% reduction in sodium made the turkey taste metallic and feel rubbery. But at 20%, kids couldn't tell the difference. He also figured out how to cut the sodium in the crackers—by putting the salt right on the Ritz. That may sound counterintuitive, but the initial flavor burst fools eaters into thinking they've got something saltier than they really do.

Davis' *pièce de résistance*, however, is the new Extra Cheesy Pizza and Pepperoni Flavored Sausage Pizza. They took nearly a year to develop and are hitting stores just as kids head back to school. Davis is anxiously awaiting the results: Pizzas have traditionally been best-sellers, accounting for 30% of the Lunchables' sales.

No ingredient was overlooked. He replaced the butter in the pizza crust with soybean oil to cut the trans fat. Instead of a chocolate dessert, there is a fruit-flavored one. The two revamped products have virtually no trans fat and 200% more fiber than before, and are the first reformulated Lunchables to meet the Sensible Solutions guidelines. Says Jeanne Goldberg, a professor of nutrition at Tufts University: "It's a step in the right direction." Now if Kraft can just slim down the Oreo. ■

—By Adrienne Carter in Madison, Wis.

in media that target kids under 12.

Aside from legal and PR worries, there's another reason for Kraft to take the issue of nutrition seriously: The \$53 billion company fully expects to profit from it. Food sales usually increase in small increments each year, generally as much as the population grows. But for the past two years Kraft's profits have declined, in part because of strong competition here and in Western Europe; its operating income in 2004 fell from \$5.9 billion on revenues of \$30.5 billion to \$4.6 billion on revenues of \$32 billion. Better-for-you foods offer companies a chance at faster growth and fatter profits. Sales of organic foods, for instance, have increased by 20% a year since 1997, according to the Organic Trade Assn.

Lunchables sure could use some of that juice. The line, first introduced by Oscar Mayer in 1988, has an 85% share of the \$750 million market for prepackaged kids' lunches. But increasing competition,

even from products such as Go-GURT, and a declining reputation among parents meant that sales increased by just 1.5% in the past year. Kraft hopes a leaner menu will get the meals back into lunch boxes. Will parents and kids bite? Possibly. Davis' team launched all-white meat chicken nugget Lunchables last year, new healthy meals. They are the fastest selling products in the portfolio.

#### 'BALL OF ENERGY'

DAVIS, WHO TALKS as quickly as a 10-year-old on a sugar high, joined Kraft while studying at the University of Massachusetts in Lowell, met his wife on the job, and earned his bona fides with Crystal Light Lemonade in the early 1980s. More recently, he worked a nutritional world away on the launch of Philadelphia Cream Cheese dessert bars. In 2004 he moved to the convenient meals group, taking on the Lunchables makeover. "He's a ball of energy," says Friedmann.

## A Tale in Numbers

The skinny on the new, healthier Extra Cheesy Pizza Lunchables

	CALORIES	FAT	CHOLESTEROL	SODIUM	CARBOHYDRATES	FIBER	SUGARS	PROTEIN
<b>BEFORE</b>	<b>470</b>	<b>16g</b>	<b>30mg</b>	<b>770mg</b>	<b>66g</b>	<b>1g</b>	<b>36g</b>	<b>19g</b>
<b>AFTER</b>	<b>450</b>	<b>11g</b>	<b>25mg</b>	<b>670mg</b>	<b>72g</b>	<b>3g</b>	<b>36g</b>	<b>17g</b>