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## General Mills: Responding to the Killing of George Floyd (A)

In the spring of 2020, General Mills was one of the largest manufacturers of breakfast cereals and packaged foods in the world. Based in Minneapolis, the company had been making iconic products like Cheerios and Gold Medal Flour since 1866, when Cadwallader Washburn, an American businessman, first built a flour mill on the banks of the Mississippi River. Following a disastrous fire in 1878 that killed several employees and leveled the mill, Washburn rebuilt his mill, and eventually combined it with other producers to form General Mills in 1928. Over time, the company expanded its product lines into cereals and other packaged foods and entered new geographic markets. By 2022, the company had more than 100 brands, operated in more than 100 countries, employed more than 35,000 workers, and had revenues of over \$18 billion (see **Exhibit 1** for historical financials).<sup>1</sup>

During its decades of expansion, General Mills had also maintained a deep and well-documented commitment to the communities in which it operated. It had released public reports of its corporate social responsibility since 1970 (see **Exhibit 2** for example), and had given over \$2.5 billion in grants, contributions, and food donations.<sup>2</sup> In explaining this commitment, CEO Jeff Harmening referred to the company's long history in Minneapolis, and in particular to the fire that had marked its earliest days. "Our involvement in the community dates back to 1878," he reflected.

The decisions that Washburn made then still impact the way we look at things today. He set up an orphanage for the children of the people who were killed during the explosion, which was truly remarkable at the time. He scoured the globe for the best safety procedures in flour making, brought them back to the U.S., and implemented them in rebuilding his plant. Then he freely gave that safety technology to the rest of the flour industry because he thought that the industry as a whole would benefit if flour were made more safely.

Harmening, an HBS graduate who had grown up in the Midwest and become CEO in 2017, saw General Mills as an early participant in what was increasingly described as stakeholder capitalism. Indeed, he saw the desire to serve the broader community as being core to his company's founding philosophy, and to the ways in which it aimed to steward its resources. Or as he explained, "In our corporate strategy, we have four pillars, one of which is being a Force for Good. Our dedication to social initiatives is written into our strategy, and I think that is extraordinarily important."

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Professor Debora L. Spar and Director Alicia Dadlani (Mid-U.S. Research Office) prepared this case. It was reviewed and approved before publication by a company designate. Funding for the development of this case was provided by Harvard Business School and not by the company. HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

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The Force for Good pillar included initiatives around sustainability, food security, community, and advancing diversity and inclusion. A global council convened quarterly to review priorities and measure progress. “If we try to be everything to everyone, we will be nothing to no one, so prioritization becomes really important,” Harmening commented. “So, for example, with sustainability, we prioritize areas of impact that people would expect us to be working on. We’re a leader in regenerative agriculture, and that makes sense for us because we process a lot of wheat, oats, and other crops.”

In its local community, General Mills had also been a consistent advocate for racial inclusion. Minneapolis, its long-time home, was known colloquially as a “nice” city, a place where people were polite, reserved, and mild-mannered. But the city also had a tenuous history of race relations, and was marked by some of the largest racial inequities in the United States (see **Exhibit 3**).<sup>3</sup> The metropolitan police department had a long history of complaints of excessive force against African-Americans, and while Blacks accounted for roughly 20% of the population, they were the victims of more than 60% of the city’s police shootings.<sup>4</sup>

Aware of these persistent challenges, General Mills had established a number of forward-looking programs, both within and outside the company’s own organization. They founded a committee on diversity, equity, and inclusion within the Minnesota Business Partnership, and co-founded the Minnesota Coalition for Racial Equity. For over three decades, the company sponsored an MLK breakfast in Minneapolis, which raised funds to help students of color attend college, and had established a Black Champions Network that worked to support a diverse and inclusive employee community. Under Harmening’s leadership, General Mills also ran a popular internal program known as Courageous Conversations, which provided a safe and supportive environment for candid discussions about pressing issues. “We started the series about five years ago in a conference room at General Mills,” Harmening recalled, “and now we broadcast them all over the world. It’s been wildly successful. We talk about many social issues such as LGBTQ+, mental health and race.”

Harmening also had a robust set of procedures meant to guide the firm through sudden, unpredictable events. He had a council of advisors he trusted, and documented processes through which he could rapidly access expertise from across the company. But on the evening of Monday, May 25, 2020, he found himself suddenly alone.

That night, three Minneapolis police officers had arrested and then killed George Floyd, an African-American man who had been accused by a sales clerk of using a counterfeit \$20 bill to buy cigarettes. As video footage revealed, the police knelt on Floyd’s neck for nearly 10 minutes until he lost consciousness and died. By 9:30 pm, the video had been broadcast worldwide, and viewed millions of times. Thousands of people swarmed the streets expressing anger and sorrow. Some demonstrators vandalized police cars with graffiti, smashed windows, and set fire to businesses. Police shot rubber bullets and launched tear gas into crowds. Protests erupted in over 140 U.S. cities, and the National Guard was quickly mobilized to reign in violence and restore order.<sup>5</sup>

Watching the video, Harmening was deeply disturbed and instantly aware that he and General Mills would need to react. In the past, the company had typically not commented on racial incidents that occurred outside its own organization. This time, though, felt different. Floyd’s murder – if that is what it was – was heart-wrenching. It was visceral. And it had happened in the company’s own backyard. As the leader of one of Minneapolis’ largest companies, and one profoundly committed to its community, Harmening felt he should respond. But how and to whom? Would a statement from Harmening condemning the act be enough? What tangible steps should the company take to help calm the community? Or was it not the role of business to intervene?

**Exhibit 1** General Mills Historical Financials

	\$ Millions						
	2015	2016	2017	2018	2019	2020	2021
Total Revenue	17,630	16,563	15,620	15,740	16,865	17,627	18,127
Cost of Sales	11,681	10,734	10,052	10,305	11,108	11,497	11,679
Gross Margin	5,949	5,830	5,568	5,436	5,757	6,130	6,448
<i>% of Revenue</i>	34%	35%	36%	35%	34%	35%	36%
Selling, General, & Administrative	3,328	3,119	2,889	2,850	2,936	3,152	3,080
Other	544	3	187	166	305	24	224
Operating Margin	2,077	2,707	2,492	2,420	2,516	2,954	3,145
<i>% of Revenue</i>	12%	16%	16%	15%	15%	17%	17%
Interest and Other Expenses	315	304	221	284	434	354	287
Earnings Before Income Taxes	1,762	2,404	2,271	2,136	2,082	2,600	2,857
<i>% of Revenue</i>	10%	15%	15%	14%	12%	15%	16%

Source: Company annual reports.

Exhibit 2 Sample Pages From 78-Page Corporate Responsibility Report



Source: Company website.

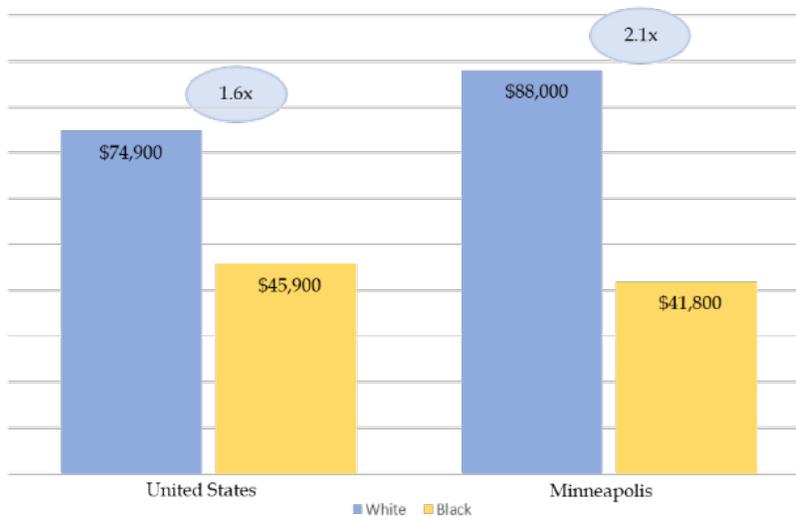
**Exhibit 3** Racial Inequality in Minneapolis-St. Paul

2018 Homeownership Rates (%) by Race

	White	Black	Difference
United States	75	44	31
Minneapolis-St. Paul	77	25	52
Pittsburgh	74	33	41
Columbus	68	30	38
Detroit-Warren-Dearborn	79	42	37
Cincinnati	72	35	37
Kansas City	72	36	36
Chicago-Naperville-Elgin	75	41	34
New York-Newark-Jersey City	67	33	34
Boston-Cambridge-Newton	68	35	33
Milwaukee	56	27	29

Source: Casewriter, based on data from “Homeownership in the United States: 2005 to 2019” (U.S. Census Bureau, 2021), <https://www.census.gov/newsroom/press-releases/2021/homeownership.html>, accessed April 2022.

2020 Median Household Income by Race



Source: Casewriter, based on data from Emily A. Shrider et al., “Income and Poverty in the United States: 2020” (U.S. Census Bureau, September 2021), <https://www.census.gov/content/dam/Census/library/publications/2021/demo/p60-273.pdf>, accessed April 2022; “Census - Median Income In the Past 12 Months” (U.S. Census Bureau, 2020), [https://data.census.gov/cedsci/table?t=Income%20and%20Poverty&g=0400000US27\\_310XX00US33460&tid=ACSS T5Y2020.S1903](https://data.census.gov/cedsci/table?t=Income%20and%20Poverty&g=0400000US27_310XX00US33460&tid=ACSS T5Y2020.S1903), accessed April 2022.

## Endnotes

<sup>1</sup> “General Mills Makes Food the World Loves - General Mills,” General Mills, n.d., <https://www.generalmills.com/about-us>, accessed April 2022.

<sup>2</sup> “Giving Back - General Mills,” *General Mills*, 2022, <https://www.generalmills.com/giving-back>, accessed April 2022.

<sup>3</sup> “Census Profile: Minneapolis-St. Paul-Bloomington, MN Metro Area” (U.S. Census Bureau, 2022), <http://censusreporter.org/profiles/31000US33460-minneapolis-st-paul-bloomington-mn-wi-metro-area/>, accessed April 2022.

<sup>4</sup> Matt Furber, John Eligon, and Audra D. S. Burch, “Minneapolis Police, Long Accused of Racism, Face Wrath of Wounded City,” *The New York Times*, May 27, 2020, sec. U.S., <https://www.nytimes.com/2020/05/27/us/minneapolis-police.html>, accessed April 2022.

<sup>5</sup> Derrick Bryson Taylor, “George Floyd Protests: A Timeline,” *The New York Times*, November 5, 2021, sec. U.S., <https://www.nytimes.com/article/george-floyd-protests-timeline.html>.