

Happy Birthday, Cookie



When April 2 rolls around again, why don't you celebrate the birthday of an old friend? On that day in 1912, the Nabisco company announced "three entirely new varieties of the highest class biscuit packed in a new style." The company described the new cookies-or biscuits, as they were then called-in the following way: The Mother Goose biscuit was "a rich, high class biscuit bearing impressions of the Mother Goose legends; the Veronese biscuit was "a delicious, hard, sweet biscuit of beautiful design and high quality; and, finally, the Oreo was "two beautifully embossed, chocolate-flavored wafers with a rich cream filling."

The Oreo has become a familiar friend to all of us, but the other two "biscuits" were never popular. So Nabisco stopped producing them after a few years. It was not the Mother Goose or the Veronese cookie that rose to fame and is now dunked in milk, crumbled in ice cream, or rolled into hungry mouths.

Because people like Oreos so much, the company sells more than five billion of these little sweeties every year. But where did the unusual name Oreo come from? Maybe it came from the first chairman of the National Biscuit Company, Adolphus Green. He knew that oreo is the Greek word for mountain and that in early testing the cookie actually looked like a little mountain. Or perhaps the name came from the French word or, which means gold, an important color on the original label.

We don't know where the name came from, but we do know that Nabisco was one smart cookie when it came up with the Oreo. But being top cookie is tough. Who knows what might happen? Consumers could start eating fewer sweets, and the company's production costs could push prices out of reach for many buyers. The business is also very competitive, for there is always another tough cookie ready to take Oreo's place in our hearts and stomachs. But, so far, Oreo hasn't crumbled.

Questions for Discussion

1. When Nabisco introduced its new cookies in 1912, Nabisco stockholders assumed a risk. What was that risk?
2. Why were stockholders willing to assume this risk?
3. Did the risk-taking turn out to be worthwhile for Nabisco's stockholders? Why or why not?
4. Did the risk-taking by Nabisco's stockholders benefit the company's customers and employees? Why or why not?
5. If you owned stock in the company, what might you get in return? Would you be entitled to take a package of Oreos from the supermarket whenever you wanted?