

Be ready if SPC sale occurs

Shepparton News 24 Aug 2018

Coca-Cola Amatil's decision to take a closer look at its poorly performing, but iconic SPC division, will not be much of a surprise to corporate observers.

CCA has high expectations for its food and beverage business and for years it has persevered with SPC when it was not able to turn a profit.

CCA's mantra for its divisional managers is not "did you turn a profit this year?" but "how much higher is your performance/ profit this year?"

In this environment, SPC has been an outstanding problem for the CCA people.

No doubt aware of its iconic status and the commitment it made to government to keep the business going after the massive public investment, CCA has demonstrated an enduring patience.

But this might be coming to an end as the announced "strategic review" is sure to place the sale of the business at the top of the list of options.

SPC management has also made it clear that the sale is definitely one of the considerations.

But "sale" is not the end of the world for SPC.

It could represent a fresh start, as, in the hands of an experienced and focused food company, SPC must surely have a reasonable outlook.

A private company, which is not so pressured by investors to achieve bottomline results, may be the best option for the company, and for the Shepparton community.

We live in a food-obsessed world, with an emphasis on provenance, quality and convenience, yet for 13 years, for some reason, despite spending millions of dollars of its own money and having access to top line marketing expertise, CCA has not been able to convert that demand into a profitable outcome.

Perhaps CCA was surprised about the massive effort required to modernise the operation, or the difficulty in handling a seasonal operation.

Or maybe it was the difficulty in getting the products into the route trade to capitalise on the openings for convenience foods.

Whatever the reason, it appears that CCA is signalling that a sale could be one outcome in the future, and as a community, we may need to be ready to adjust to that reality.