# Business strategy of fandn in singapore and malaysia

Finance, Financial Analysis

Strategy – Multi Industry and Multi expansion strategy Over 130 years, F&N has become a household name in Singapore and Malaysia. Recognising the constraints of growth in these markets, it started to embark on regional expansion for long-term sustainable growth. It is precisely this multi-industry, multi-location strategy that has helped F&N survive the economic downturn and scale new heights in profitability. Source: http://www. raserandneave. com/FN_investor_r_faqs. asp Capabilities F&N remains steadfast in its multiple-business model. Its mission is to be a leading Asian-based company focused on a balanced portfolio comprisingFood& Beverage, Properties and Publishing & Printing, with significant business presence in overseas markets and renowned for its product quality, brands, sound management and reputation of delivering value to all its stakeholders.

Whilst our three businesses may appear seemingly unrelated, we have built up marketleadershippositions in each of our business as well as strategic capabilities over the years in brand management, extensive marketing expertise, distribution networks, and financial strength and discipline, which are applicable to all our businesses. F&N is one of the few companies with brands that transcend borders. Our priority is to drive earnings, placing emphasis on being asset-light, growing in newer geographical markets, product extensions, sound capital management and maintaining a balanced business portfolio.

F&N is looking at monetising its investment properties progressively and redeploying the proceeds to higher-yielding ventures within the three businesses. With sustained earnings growth, F&N can continue to pay generous dividends to shareholders. http://www. just-drinks.

com/comment/comment-fraser-neave-ready-to-spread-its-wings_id105191. aspx Strengths | Weaknesses | 1. Diversified business operations coupled with widespread geographic presence 2. Leading market position garnered on strongbrand name 3.

Ability to sustain proftable businessexpansion contributing to strong financial performance 4. innovative sales and marketing initiatives| 1. Decreased revenues due to dependence on soft drink cola product offering. 2. Structural changes due to recent takeover could bring a change in management. Key shareholders are still deciding to stay or leave. These moves have shaken confidence in the company's leadership and destroyed a ton of shareholder value. Read more: http://www. businessinsider. com/10-companies-with-huge-management-red-flags-2012-2? p= 1#ixzz2OWcgkIZ3| Opportunities | Threats | Unlocking value by divesting interest inunprofitable businessGrowing demand for alternative lifestyle beverages driven by increasing healthconsciousness| Increasing food and raw material prices especially sugar in Malaysia. Intense competition in soft drinks industry| Revenue for the year ended September 30, 2012, was expectedly lower at RM3. 24 billion, a 17 per cent drop, while operating profit slipped 50 per cent to RM231 million from RM458 million in the corresponding period last year.

Given the absence of RM544 million in revenue from the Coca-Cola business, a 200-day cessation of production at our flood-hit Dairies Thailand facility along with the recovery process of insurance claims, absence of property income and relocation of Dairies Malaysia's manufacturing operations, the dip in revenue was only 4 per cent while operating profit was 19 per cent lower relative to the same period in the previous year. In FY2011, the company’s total revenues decreased 4. 9%, largely impacted by revenue decreases in Europe and the US and Canada.

During the year, revenues from Europe decreased 5. 6% compared to the previous years, while revenues from the US and Canada decreased 10. 4% over the past year. Nestle, which has its principal operations concentrated in Europe, is highly prone to risks arising out of the ongoing economic crisis. Mr Charoen - who controls the Thai Charoen Group - took up the role with immediate effect, replacing Mr Lee Hsien Yang, who resigned as chairman on Tuesday, F&N said in a statement