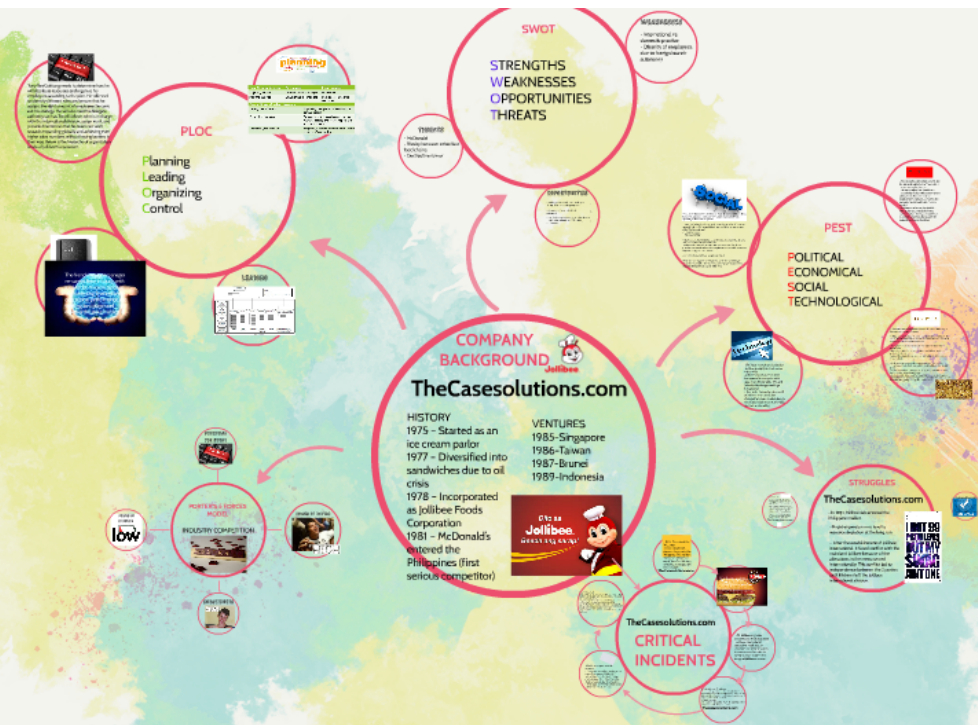


# SAMPOORN FOODS AND FEEDS LIMITED

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# SAMPOORN FOODS AND FEEDS LIMITED

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# COMPANY BACKGROUND



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### HISTORY

- 1975 - Started as an ice cream parlor
- 1977 - Diversified into sandwiches due to oil crisis
- 1978 - Incorporated as Jollibee Foods Corporation
- 1981 - McDonald's entered the Philippines (first serious competitor)

### VENTURES

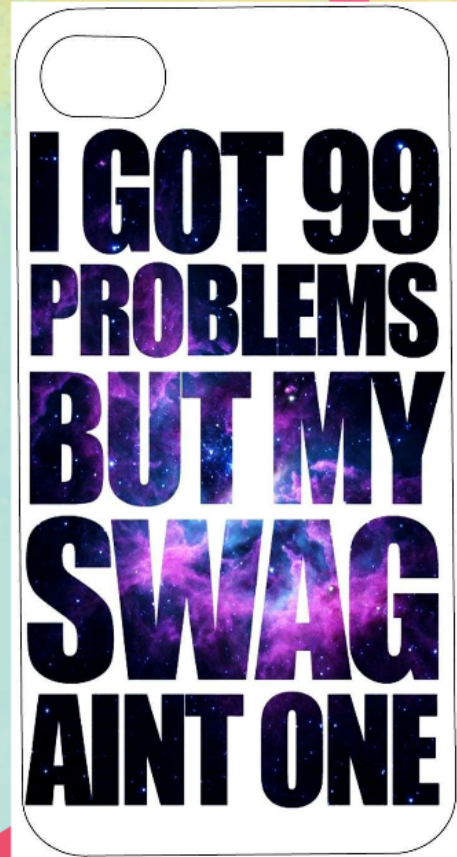
- 1985-Singapore
- 1986-Taiwan
- 1987-Brunei
- 1989-Indonesia



# STRUGGLES

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- In 1981, McDonalds entered the Philippine market.
- Rapid expansion may lead to resource depletion at the long run.
- After the establishment of Jollibee international, it faced conflict with the mainland Jollibee because of the alterations in the menu served internationally. This conflict led to independence between the 2 parties until kitchner left the Jollibee international division.



FAILURE

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Internati

Brunei -  
successfu  
1993. Key  
local part  
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control

31

# FAILURE

## International market

Singapore – opened in 1985. Jollibee revoked the franchise due to quality, cleanliness and efficiency issues of the store. It was also found out that the company funds were lost but some suppliers were not paid.

Taiwan – a 50/50 joint venture was started. At first, sales were doing good but low pedestrian traffic led to disappointing revenues. In 1986, the store closed because of increased store rent and trust issues between the Filipino and Taiwanese stakeholders.

Indonesia – opened in 1989. It struggled against its competitors, the street vendors who sell low price commodities. It closed in 1994 due to the conflict between the local partners and the manager.

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International market success

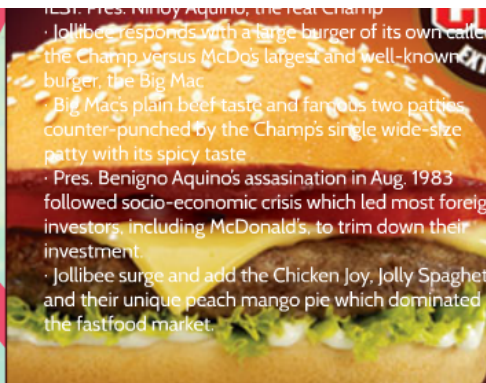
Brunei – opened in 1987 and had 4 successful stores by the end of 1993. Key to success is that the local partners and investors supported the Philippine operating control.

*Success!*

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# CRITICAL INCIDENTS

on was contacted by his old nemesis Mr. Tan  
ointed in 1997 as the General Manager of  
sion.  
open Jollibee on a country where there is  
aged three-store fastfood chain.  
o-franchisee owning the second store) in  
sal to expand the company's fourth store in  
gement problems occurred.  
als had proven more difficult especially on



ILS1: Pres. Ninoy Aquino, the real Champ  
· Jollibee responds with a large burger of its own called  
the Champ versus McDos largest and well-known  
burger, the Big Mac  
· Big Mac's plain beef taste and famous two patties  
counter-punched by the Champ's single wide-size  
patty with its spicy taste  
· Pres. Benigno Aquino's assassination in Aug. 1983  
followed socio-economic crisis which led most foreign  
investors, including McDonald's, to trim down their  
investment.  
· Jollibee surge and add the Chicken Joy, Jolly Spaghetti  
and their unique peach mango pie which dominated  
the fastfood market.

ILP2: Jollibee on  
structure and m  
· Jollibee's intern  
operations need  
structure and m  
An action must  
create a more so  
image of Jollibee

hners pace not viable

one committee meeting, some  
managers felt that the  
onal Vice President's strong  
were obstructive. Days after,  
stopped attending meetings.  
ary of 1997, Tony Kitchner left  
nd flew to Australia.

ILS2: In this corner, Tony Kitchner  
· Tan Caktiong opted to hire Tony Kitchner as Vice  
President for International Operations. With Kitchner,  
Jollibee's simple image and basic management approach





ILP1: McDo entered the  
PHL, 1981

· In 1981 McDonald's  
started a franchise in the  
Philippines. This incident  
threatened Jollibee and  
urged Tony Tan Caktiong  
to build a strong position  
in the market.

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ILS2: In this corner, Tony Kitchner

- Tan Caktiong opted to hire Tony Kitchner as Vice President for International Operations. With Kitchner, Jollibee's simple image and basic management approach was redesigned and remodeled:

- (1) targeting expats;

- (2) "planting the Jollibee flag" in countries where competitors had little to no presence

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