

Skope targets Middle East fridge market

Alan Wood

Skope Industries boss Guy Stewart is unfazed by headlines about Dubai's financial meltdown, as the firm looks to sell its food display chiller and refrigeration units in the Middle East market.

The Skope managing director recently made trips to Dubai to sell the chillers that make up just part of the Christchurch company's commercial refrigeration products.

Stewart with his sister Alexandra – commercial director of Skope – are key management personnel in a private firm that has taken on independent directors to provide balance to a family dominated business.

In 2002/03 Guy Stewart decided to shut down Skope's Middle East beverage refrigeration business, but only after it had supplied drinks maker Pepsi with 25,000 cooling units. A business competitor had copied parts of Skope's plan forcing the exit.

That Middle East market was



Alexandra Stewart

again a target for Skope, Guy Stewart said, but on a "one step at a time" basis aiming to service cafes, fast food restaurants like Burger King and canteens.

He had just sent a \$50,000 quote for a fit out of a franchise business, which if successful could be replicated.

"I'm in the Middle East every four months, and we're rebuilding our business there

based around our food service business."

The initial entry point into Dubai had been related to a Skope refrigeration fit out of the Gold Coast's Palazzo Versace hotel. "What we've got (is a job) in Dubai through the same specifier — (the designer) of the kitchens and bar areas . . .

"But rather than just having one job, I decided it was a good opportunity to re-engage in that market . . . in a year's time we will have enough (potential sales) quotes in the system to give us a quantifiable business in front of us."

The recent debt-related problems of Dubai World, and the financial health of the wider city and United Arab Emirates, were of concern, he said.

Skope had a "simple business plan" but no financial target figure for Dubai.

The Stewarts are coy about the financial details of their 375 staff business.

Guy Stewart only narrows the company's annual revenue line to somewhere between \$10 million and \$100m. "The only



Revenue building: Skope managing director Guy Stewart says the firm is trying to build its business in the Middle East. Photo: JOHN KIRK-ANDERSON

thing you have as a private business is secrecy, privacy – you don't want your competitors to be able to see inside your business," he said.

Skope wanted to double its total revenues within the next three years, as part of an effort to get the firm away from a pattern

where it has dipped into a loss between profitable years.

Skope would increasingly use relationships with major customers including Coca-Cola Amatil, Haier in China and the Muller Group in France to help drive sales in Australia and New Zealand.

Skope's two main lines were from "food services" and "corporate beverage", which together make up 75 per cent of revenue.

"Right now Coca-Cola has in effect bought our capacity to get a jump on their competitors."

Heating products form 10 to

12 per cent of revenue, with that division an increased focus for Skope. Alexandra Stewart is pushing the company's communications and marketing strategy. Skope did not have the funds to do a "fabulous ad campaign", but did take a lot of care over branding, she said.