

# BEEER AND SKITTLES



**Larger than life:**  
Dr Tim Cooper stands at the helm of Australia's only family-owned brewery.

## BUSINESS IS BUBBLING ALONG AT COOPERS BREWERY, BUT IT HASN'T ALWAYS BEEN SO EASY, AS MATT KIRKEGAARD REPORTS.

### LOOKING AT COOPERS BREWERY

now, riding high on the premium beer wave sweeping Australia, you'd be forgiven for thinking that Dr Tim Cooper has had an easy ride in the family business.

However, it hasn't all been plain sailing for the Coopers Managing Director – or for the brewery itself.

Since the early seventies, Tim has seen the family business come close to folding twice. And then last year, just as the brewery's future was looking brighter than it had since the heady days of the late eighties, he had to ward off a hostile takeover attempt that had the potential to split the family.

Right now though, things are looking pretty good for Australia's third biggest brewer, which is also the nation's last family-owned brewery.

Their current good fortunes have been driven by the phenomenal growth of the premium beer market in Australia. Coopers estimates that this market is growing at 15 per cent a year, compared to the broader beer market, which actually fell by one per cent last year.

In this growing market, Coopers has managed to outperform each of its major competitors, increasing beer sales by almost 18 per cent for the last four years.

While pleased with these results, Tim Cooper isn't getting carried away. He's seen the good times before, but he also knows the bad.

At times, these periods have been so dire that his brewing career has looked to be finished before it began.

When Tim was completing high school in the early 1970s and first contemplating a future with the brewery, Coopers was in crisis. Debt taken on to modernise the plant and develop new product lines coincided with high inflation, rapid increases in excise tax

and government policies, which stripped the company's profitability.

Bill Cooper was concerned enough that he warned his eldest son against pursuing a career in the brewery.

"By 1976 my father had a real expectation that the company would go bankrupt – that's how bad it got. From the early seventies on, he was saying to us in the fifth generation, 'you have to go and seek your fortunes elsewhere,'" Tim says.

On this advice, Tim chose to seek his fortune in medicine.

By the time the entrepreneur-inspired boom of the late eighties had rolled around, the brewery's fortunes had changed dramatically. Coopers ales were in demand across the country and the investments in new plant and technology that had stretched the company 10 years before were paying significant dividends. With a viable business to run, the family had to start succession planning.

"It wasn't until 1985 that my father Bill was starting to say the brewery was going to survive, so maybe we should have family pay attention to it, at least from a custodial point of view," Tim says.

For Tim, by then studying cardiology in England and close to his medical registration – not to mention married with a child and another baby on the way – it was a difficult decision.

"It was a real dilemma and I wasn't sure which way to go. There was the uncertainty of a future with the brewery against what seemed a far more certain career in medicine."

In the end, it was the pull of the family company that won out.

"It was a romantic notion at the time. But because I grew up around the brewery, it was in my blood," Tim says.

"From the other side of the world, the idea of coming back to Adelaide and being a part of keeping the brewery going had a romantic appeal."

As if to test his calling, Tim took a year off from his studies to study brewing at the University of Birmingham where he topped the course. In 1990 he joined the company as Technical Manager.

"Even when we made the decision to come back, my wife and I still questioned our decision," Tim says. "As my wife kept saying, she married a doctor not a brewer!"

Their doubts were only compounded when the good times again dissolved with crashing beer sales during the 'recession we had to have' of the early nineties. This downturn in the local economy saw the company once again lose all of its hard-won gains from the previous decade. ►



### DR TIM COOPER'S TOP FIVE TIPS FOR SUCCESS

1. Show that you are passionate about your products and value the company's history.
2. Understand your business processes to give you confidence in your work.
3. Lead by example and show your commitment to your work.
4. Understand the needs of your suppliers as well as your customers.
5. Be analytical about your business performance and encourage others in your workplace to do the same.

## THE ALE TALES

**Name:** Dr Tim Cooper

**Company:** Coopers Brewery Ltd

**Industry:** Brewing premium beers – Coopers is the third largest player in the Australian brewing market behind Foster's and Lion Nathan.

The company is also the largest manufacturer of home-brew supplies and products in the world.

**Role:** Managing Director

**Annual turnover:** Sales in 2005 generated \$126.6 million, an 18 per cent rise. Net profit of \$14.3 million.

**Background:** Thomas Cooper brewed his first batch of beer, a pale ale, on 13 May 1862 as a tonic for his wife. The family have been brewing continuously ever since.

But even in a recession, Australians need their beer and many started brewing their own ales with the aid of the home-brew kits that Coopers had pioneered in the late seventies.

“Home-brew was in such a strong growth phase at the time that the company survived on the back of home-brew supplies,” Tim says.

And survive they did – thankfully long enough to capitalise on the changing tastes of Australian beer drinkers throughout the past 10 years.

Coopers recent success gave rise to the third crisis of Tim's time – last year's assault by brewing giant Lion Nathan, which brews several top-selling beers including XXXX, Hahn and James Squire, among many others.

While they had long avoided being a takeover target, their rapid growth and new \$45 million brewery (opened in 2001) made them an irresistible target for the brewing behemoth.

With 90 per cent of the company's shares held by Thomas Cooper's descendents, the hostile bid might have

been seen off quickly. But with Lion Nathan initially offering \$260 per share and later \$310 – up from just over \$16 in 2000 – the offer could have been irresistible to most families.

“For many people the amount of money being offered would have represented a life-changing opportunity,” Tim agrees.

“But I think the shareholders were happy because of the growth phase we had been in over the last few years, which made them feel the prospects for the company weren't being sufficiently compensated by Lion Nathan.”

Reflecting this view, the shareholders voted overwhelmingly to block the sale. The venerable brewery again survived.

With 144 years of experience, especially the rollercoaster that Coopers has ridden over the past thirty years, there has been plenty for Tim to reflect on. He has paid close attention.

He believes the family company's survival and success comes down to three simple things: regeneration, diversification and heritage.

“The keys to success have been the process of regeneration that we've gone through in terms of rethinking our market position. We have gone from traditional ales and stouts to lager production,” Tim explains.

He says that by diversifying into home-brew and malt extract manufacturing during the seventies, they broadened their product base – a move that shielded them from the economic downturn of the nineties.

“And then we've come back to our roots and redeveloped interest in the naturally conditioned ales that represent

**Living the dream:** Tim Cooper inspects the production line at his family-owner brewery.

the same product Thomas Cooper initially developed when he first got the brewery going.”

The man charged with overseeing the next phase of the company's history says there's a fine balance between constant change and respecting tradition.

“The market does change but if you're a constant in that market, representing values to the market of quality, reliability and consistency, those things together seem to represent quite a valuable offering and it's something that they keep coming back to,” Tim believes.

“They might experiment, but they know Coopers is there as a constant product offering that they can come back to and rediscover.

“The market does change and the way we have to adapt to it is be innovative in the way we present that product, but the product itself is a constant in the cycle.”

As he reflects on cycles and the fluctuating fortunes they bring, Tim considers the wisdom of following his romantic notion in hindsight.

“I think my wife still thinks it would have been alright if I'd stayed a cardiologist,” he says with a smile. But it's a smile that indicates this is a ride that he's happy to be on. ■

