McCormick Mulls Move, I Want My Old Bay

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Maryland’s historical spice and ingredient manufacturer is mulling a move out of the state. As someone who just happens to be wearing an "I [Heart] OLD BAY" t-shirt at this very moment (the heart has a red crab in it), I'm interested in McCormick's strategic planning. To me, it’s a question of history versus efficiency.

The Maryland-based company was founded in 1889 and its headquarters has been located 20 miles north of Baltimore in Sparks, Md., for 20 years. McCormick spokesman Jim Lynn told *The Washington Post:*

We want to consolidate about 800 employees who work in four buildings in the Hunt Valley-Sparks areas into one location to maximize facility efficiencies, increase employee collaboration, and take a proactive approach to sustainability, among other reasons.

A report from the Boston Business Journal *[1]* said McCormick is considering Pennsylvania, Delaware and northern Virginia as potential relocation spots. However, the company could simply move to a different part of Maryland. *Forbes* recently listed McCormick is the sixth-largest company in the state.

Regional ties to brands like Old Bay, a must-have seafood spice in those parts, run deep with consumers. Milwaukeeans recently signed a petition reclaim Pabst [2]Blue Ribbon [2] from California and revive it a city-run brewery. The old Domino Sugar Refinery [3] still stands on the Brooklyn side of the Bridge. Though an undying love for Old Bay Seasoning (seriously, it’s good on everything) may be more common among East Coasters, consumer allegiance to McCormick’s star brand could be damaged in the move. However, a loss of sales due to locals’ hurt feelings might pale in comparison a efficiency gained from consolidating operations. Margins are particularly thin for food manufacturers. History and loyalty aren't as obvious factors in the typical financial earnings report.

The Wall Street Journal's Michael Calia [1] reports that the company's 2Q profits jumped 7.5 percent on account of international acquisitions in the last year, while American sales lagged. McCormick bought Wuhan Asia-Pacific Condiments Co. last year for $122 million. Company profits for the fiscal quarter ended May 31 were $84.5 million, or 64 cents a share, up from $78.6 million, or 59 cents a share, a year ago, according to the *Journal*.

When I was in Baltimore in April for the Food Safety Summit [4], I missed my chance at Old Bay ice cream [5], but dream of creating my own version. Though initially introduced to Old Bay in a bar in Brooklyn [6] as a popcorn topping, I think of Baltimore its ancestral home. I doubt I'm the only one. (If you've never had it, it's similar to season salt, with more season and less salt). But McCormick produces more than Old Bay. The company is also known for its extracts, recipe mixes, condiments and food colors. [7] Perhaps one seminal seasoning isn't enough to keep them anchored in the Baltimore area. Then again, I'm a simple spice lover, not a member of the McCormick C-suite.

What do you think? Is McCormick better off staying true to its regional roots or relocating and consolidating? Has your company faced a similar quandary? How did you respond? Share your thoughts in the comment section below.

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