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Family-owned edible oils supplier keeps things fresh through reinvestment

SEAN MCFADDEN
Associate Editor/Research
Boston Business Journal

Catania Oils

What they do: Processors and packers of edible oils

Headquarters: Ayer

2016 revenue: \$225 million

Principals: Joseph Basile, president; Stephen Basile, executive vice president

Authenticity has long been a key ingredient in the strategy for Catania Spagna Corp., an Ayer-based company, now doing business as Catania Oils, whose roots date back to 1900. It's even in the business's tagline – "Authenticity in every drop." And while tradition is indeed important to the Basile family – owners and operators of the business – it doesn't mean they're afraid of change.

In fact, the best piece of advice Joseph Basile, who is currently serving as president of Catania, said he ever got from his father, CEO Anthony Basile – who in turn had received this same advice from his own father, Joseph O. Basile – was as follows: "I don't like cobwebs."

For Joseph, this piece of advice served as a mandate for constant evolution in the business. Or as he put it, "Don't get complacent and don't stand still. If you're not open to change, business is going to pass you by."

With that in mind, Joseph and his brother Stephen Basile, executive vice president, who together now lead day-to-day operations of the company (their roles were made official about a year ago), have remained true to Catania's essence as a processor and packer of edible oils – vegetable oils, olive oils and blended oils – while simultaneously keeping its operations fresh.

This has resulted in both a recent major rebranding effort that has seen the company drop its formal incorporated name in favor of a dba, Catania Oils, as well as a costly plant expansion in Ayer – which Joseph said cost "multimillion dollars" – that saw its square footage at that facility increase from 100,000 square feet to 140,000 square feet when the project was completed this March. The company also maintains another 100,000-square-foot facility nearby for



Brothers Joseph, left, and Stephen Basile have made a commitment to reinvestment as well as refreshing their operations — including a recent plant expansion and rebranding effort — at Catania Oils, a long-running, family-owned business in Ayer.

its warehousing and administrative offices.

You could say oil is in the brothers' blood. They began working at Catania on the weekends when they were just kids – an experience Joseph said "taught us appreciation of the business and all the tasks that are important to produce our product and ultimately distribute it to our customers."

Today, Catania has close to 140 employees, and could reach up to 150 by year's end, said Joseph. At the same time, revenue has grown from \$215 million in 2015 to \$225 million in 2016, with projections of between \$235 million and \$240 million this year.

"Over the past 10 years, we've done a lot of reinvestment of profits back into the business to expand our capabilities as far as what we do with our product mix," said Joseph, 39. "So, at the retail level, being able to pack the smaller-size bottle up to the largest-size bottle, having that capability has opened up new doors and new opportunities for us."

Catania serves customers in the bulk ingredients, food service, retail and private label markets. This might include a food manufacturer that uses oil as a key ingredient in its production process, such as a potato chip or salad dressing manufacturer. Catania also sells its own branded products, Marconi and La Spagnola, through the retail and food service channels. The Northeast

represents roughly 80 percent of Catania's overall business, Joseph said. He added that Catania is processing close to 400 million pounds of oil through its Ayer plant on an annual basis.

The diversification and breadth of its product capabilities has been key for Catania: While the largest oils it supplies are soybean and canola oil, it has discovered considerable demand in the non-GMO (genetically modified organisms) space.

Catania remains very much a family-owned business – some 13 members are involved in the business on some level, said Joseph – that is steeped in tradition. Which is why the recent rebranding of the business proved a little tricky to pull off, he said.

"When you're a multigenerational business, it's very personal, as far as the name of the business, the history," said Joseph. In an effort to update the name in a way that was more closely aligned with its business focus, the company considered various iterations, before settling on the dba that was made official in February.

"They're constantly evaluating the business and ways to improve it," said Jerry Bolduc, partner at Cowan Bolduc Doherty, a North Andover-based CPA firm who has worked with Catania for a number of years. "(The company) is the family heirloom, and they treat it that way. They're very passionate about the business."