

The transient enterprise

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When I went to university in Southampton in 1976 Whitbread became an important part of my life. They were the dominant local brewer.

Whitbread has not brewed beer for many years now. But I have drunk a lot of its Costa Coffe, which was still a brew, of sorts.

And now that's to be sold to Coca Cola. And Whitbread will just run Premier Inn.

It's fair to say I have come a long way since 1976, but I am still recognisably me.

Whitbread is not. It has instead become the typical modern corporation: it follows the money. What it does and how it does it is not really what matters. The return rules.

I've never felt that a basis for a business. Return matters, of course, when running a company. It is what ultimately drives cash flow, and that is the core of all business activity, like it or not. But it is never enough for me.

There is value in knowing who you are, what you do, who you serve and why. The Whitbread of 1976 would not know the Whitbread of today and I very much doubt it is really a better company as a result.

Doing what you do well matters. And making money is always a consequence of that. The transient enterprise - in an activity today and gone from it tomorrow as the whim of finance dictates - seems to have forgotten that critical fact.