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COLLABORATIVE DECISIONS AT  
BEAM GLOBAL SPIRITS & WINE**

# SAVORING ALL SIDES

How Bill Newlands makes collaborative decisions at Beam Global Spirits & Wine

BY BROOKE BATES

PHOTOGRAPHY BY MICHAEL MONAR

One sip blew Bill Newlands away. The flavor had bounced around the R&D lab for years, and now the new president was getting a taste. ● “I thought, ‘Boy, that is just dynamite,’” he says, remembering his initial reaction to the cherry-infused bourbon. ● Not everyone at Beam Global Spirits & Wine U.S. was quite as enthusiastic about the idea of messing with the company’s core brand, Jim Beam. ● “A lot of people who had been here for an amount of time thought we were absolutely off our rocker to bring out a product that put cherry into our core line,” says Newlands, president, North America, Beam Global Spirits & Wine U.S. “Many of the salespeople thought that this was a little silly to be playing with Mother Nature, if you will.” ● True, Beam Global has built a legacy on its beverage portfolio, which contains eight of the world’s top 100 premium spirits. That claim to fame, along with \$2.5 billion in annual revenue and 3,500 employees worldwide, makes it the fourth-largest premium spirits company in the world.



6  
KNOB  
CREEK  
Whisky straight  
HORNITOS

JIM BEAM  
BLACK  
WHISKY

JIM BEAM  
RYE  
KENTUCKY STRAIGHT  
WHISKY

JIM BEAM  
BLACK  
WHISKY

DEWPPER  
AMARETTO

DEWPPER  
BLUE CURACAO

TESORO  
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TESORO

DEWPPER  
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Pucker

DEWPPER  
Straw  
Pucker

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KENTUCKY  
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STAG  
BY JIM BEAM  
KENTUCKY STRAIGHT  
BOURBON WHISKEY  
INFUSED WITH  
NATURAL FLAVORS  
BLACK CHERRY

“Anything that creates shared ownership is much better than someone dictating, ‘Here’s the answer.’”

Bill Newlands,  
president, North America,  
Beam Global Spirits & Wine U.S.



But keeping the brand successful more than 200 years after Jim Beam launched isn't just about one man's tastes or even one work force's collective opinions. When it comes to releasing new products, Newlands' decision-making process rides on collaboration, mixing employee input with consumer preferences.

By keeping an open mind to the various perspectives of feedback he receives, Newlands has kept the U.S. operations of the spirits giant strong — accounting for half of the company's worldwide sales volume.

“Leaders have to be very careful that they don't think they have all the answers,” he says. “For those of us who have been fortunate to be put in leadership positions, the odds are it's happened because some things have gone right — but that doesn't mean you have all the answers. It's important to recognize that.”

### Encourage collaboration

The preparation for soliciting feedback goes way back. In order to find out what employees thought about the cherry bourbon, Newlands couldn't suddenly ask what they thought. It takes time and consistency to create an environment where people are comfortable sharing input — especially input that challenges your opinion.

Since he was appointed president of Beam Global's U.S. business in February 2008, Newlands has taken every opportunity possible to involve employees in communication. Whether they're going over the corporate vision or the goals for the year, he encourages his employees to contribute.

“We really do encourage people to challenge and to do it constructively,” he says. “That's highly useful because obviously no individual's going to have as many good ideas as the collective group. Creating an environment where constructive challenge is the norm rather than the exception is very helpful.”

If you want collaboration, you can't dictate decisions. Newlands gives his team practice at being a team by sometimes stepping aside. When the leader backs off, it puts the pressure on the team to work together cohesively.

“I don't like to be the arbitrator very often,” he says. “I encourage my team to debate issues that they have amongst themselves, letting them know I'd be happy to arbitrate, but I also think it's a much better scenario if individuals work through debates and issues and come to conclusions. That way, there's more shared ownership. And anything that creates shared ownership is much better than someone dictating, ‘Here's the answer, and good luck implementing it.’”

Blend that role with an active approach to collaboration to show you're serious

about it. Make an effort to solicit feedback from others. The most basic opportunity to do that is in your routine meetings with direct reports.

“When I'm doing my staff meetings, I try to leave a bunch of open time on the agenda [to ask], ‘What are the issues? What are the challenges? What are we missing? What did we not put on the agenda?’” Newlands says.

He also asks his direct reports to share what they've been hearing from their direct reports. Encourage that dialogue down the line to keep feedback bubbling up at each level.

Stick to that same input-seeking approach any time you communicate, whether it's a private conversation or a companywide meeting.

“At the end of any conversation I have in any communication forum, I always leave time for questions,” Newlands says. “If nobody really has anything they want to ask, I will stand there and wait, because one question will tend to breed more questions. The more people get what they have on their minds out, the better off we'll all be.”

But no matter how long you wait, some people just won't offer their input. So create other avenues to give the shyest employees a chance to contribute.

“Some people are just not comfortable raising their hands and asking us questions,” Newlands says. “So we also have an anonymous avenue where people can submit questions ahead of time — or actually, in many cases, during the event — anonymously. I'm more interested in getting the questions out on the table than I am in necessarily having someone stand up. I'd rather have the opportunity to address a question than to ignore it because someone's a little uncomfortable saying something publicly.”

### Research the options

With that kind of environment, employees started to share their opinions about the cherry bourbon without much urging. But to get the targeted input that would determine the product's future, Newlands had to ask specific questions.

Opinions and objections will only get you so far before you need more tangible facts to prove an idea. This is where general idea-sharing turns into the result-oriented research that will get an idea off the table and onto the shelf. Think of it as the precursor to consumer testing — and if done correctly, this should help predict what will come from that.

“We tried to ... get input as to, ‘If we were to do this, what is the most important thing that we would have to do so that our distributors, the retailers, ultimately, the consumer will engage with it

and enjoy it?" Newlands says. "Ask the tough question of, 'Who's going to reject this and why?' Therefore, you understand the objection before the objection happens. That's very helpful because if you're armed with an answer to an objection, you can deal with it. If it's a surprise, it's a very tough answer."

Approach your research like a funnel, starting broadly and narrowing your focus as you go. Newlands starts with a look at the overall marketplace, including assessments of popular products in other tangential fields.

"We had the debate about, 'Why cherry?' Newlands says. "Well, if you think about Cherry Garcia, it's the No. 1 selling flavor at Ben & Jerry's. If you think about Cherry Coke, Cherry Pepsi, [they're] very popular flavors within other beverages. So you look around at what I would view as ancillary products, not even in your category."

In the next level of assessing an idea, look at your closer competitors and the types of products and services they offer. You want to make sure your product is positioned to differentiate you competitively.

The most important step of the idea-evaluation process comes from your customers. Beam Global uses consumer test groups extensively and also goes directly to key accounts and bartenders to find out what customers are asking for and what trends they see coming.

You should know who your target audience is, but a good starting point — at least for the sake of forming a focus group — is your current customers. For example, before launching a single-barrel version of Knob Creek, Newlands brought in other Knob Creek drinkers and asked them questions about the new product.

"We let them taste it. We let them see the packaging we were considering. We talked about the features and benefits of the product to see if it had appeal to that audience," he says. "What that helped us do was to refine the concept that we'd put in place. There were certain elements [where] the consumer said, 'I'm more interested in age,' or, 'I'm more interested in proof,' or, 'I'm more interested in the look of the packaging,' or whatever.

"We made sure we understood what the things were that were vital to attract the consumer. ... We explored with them, 'Which of these variables are most important to you?' so that as we brought something new to the table, we were going to catch their attention and interest."

In order to get that kind of feedback — the kind you can consider fact instead of objectionable opinion — you have to ask the right questions. Consider who you're talking to and what kind of knowledge they come with. If you bring in current



customers, you know they're already familiar with your product portfolio.

"What you have to do is evaluate: How do you ask the right questions?" Newlands says. "Oftentimes, a consumer isn't always able to project. In other words, if I told you I could take you to the moon tomorrow, you think, 'How am I going to get there? I don't get it.' It's hard for you to project that if you don't know anything about getting to the moon.

"It's important when you do your research to make sure that you keep the questions and the understanding simple enough that the person has some experience with them and therefore can answer something they feel like they know something about. You have to make sure that your research and the facts that you gather make sense, because you've asked questions that are answerable by the people you're asking."

“No individual's going to have as many good ideas as the collective group.”

Bill Newlands,  
president, North America,  
Beam Global Spirits & Wine U.S.

### Make your decision

Sometimes, by the time you get to this point, your answer will be clear. Sometimes, all of your research will naturally converge toward one direction. Those are the easy decisions.

“The most interesting decisions often come when you can get two answers out of the same set of facts,” he says. “That's where a little mystery comes in, because sometimes you will have something that is viewed by two consumer groups as very positive and very negative.”

The cherry bourbon met initial skepticism from employees, but consumer test groups loved it. When you face bipolar opinions like that, it comes in handy to have test groups rate which of the product's features are most important to them. Then look at which areas are easiest to tweak so you can accentuate the pros for one option or another.

“You have to find ways to perhaps increase the positives for one side of the equation or decrease the negatives on another side of the equation to get to a more optimal result,” Newlands says.

To combat the criticism that the cherry bourbon shot too far off the Jim Beam path, for example, Newlands worked the core brand into the name and released it as Red Stag by Jim Beam.

“We made specific choices around it to ultimately maximize its potential for success — and lo and behold, we had some with it,” he says.

Beam Global shipped more Red Stag orders than Newlands ever expected. The offshoot became the second-fastest-growing premium spirits innovation in the country last year, and it remains successful with consumers.

The key during all of this is to actually listen to the feedback you're getting — which means keeping an open mind and considering opinions different from your own. Newlands fell in love with a certain package for another upcoming product. But when the consumer test groups preferred another, he had to hold his tongue.

“[It's] focusing your attention on whatever facts you can bring to bear but not being blinded by what you want to see,” he says. “At the end of the day, it really doesn't matter what I like. It matters what the consumer likes. Make sure that you are open to looking at the realities of who you're trying to talk to. Not falling in love with an answer but falling in love with the right answer is very helpful.” <<

**HOW TO REACH:** Beam Global Spirits & Wine U.S., (847) 948-8888 or [www.beamglobal.com](http://www.beamglobal.com)



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**Born:** Addison, N.Y., near Corning

**Education:** Master of business administration degree from Harvard Business School and bachelor of science in marketing and human relations from The Wharton School, University of Pennsylvania

**What was your first job, and what did you learn from it?**

My first summer job in high school was as the janitorial guy at the local golf course. It taught me how to roll up my sleeves — literally — to get things done.

**What's your favorite Beam Global beverage?**

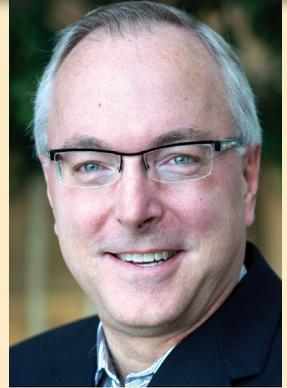
Bourbon (Red Stag, Jim Beam Black or Maker's 46)

**What's the best business advice you've ever received?**

My first boss told me, 'Don't play politics. It's destructive and nonproductive.' I've tried to both live it and demand it of my teams.

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- **Jim Beam Bourbon**, the No. 1 selling bourbon in the world
- **Canadian Club Canadian whisky**, one of the world's leading Canadian whiskies
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