CLIENT SUCCESS STORY

Bacardi: Transforming Culture for Global Growth
A Partnership Created to Rethink and Reignite Corporate Culture

Bacardi is the world’s largest privately held spirits company, producing and marketing wines and spirits under more than 200 brands and labels, and it has been family-owned for seven generations. To stay ahead and thrive in a rapidly changing industry, the company has partnered with Harvard Business School Executive Education to help establish and accelerate cultural change that will enable Bacardi’s leaders to achieve the company’s ambitious goals.

Bacardi collaborated with HBS Executive Education to develop a custom leadership program focused on driving cultural transformation. Centered on relevant HBS case studies, the curriculum addresses topics of specific importance to Bacardi, cultivating valuable, motivated leaders who are ready to successfully steer the business into the future.

For continual global growth, organizations need leadership teams with visionary mindsets. Through creation and execution of custom programs with HBS Executive Education, Bacardi demonstrates a commitment to developing its leaders, resulting in a connected team that is dedicated to the company’s long-term success.

- Accelerating cultural and strategic change
- Cultivating leaders across global markets
Changing Corporate Culture to Thrive in the Future

When Mahesh Madhavan became CEO of Bacardi Limited in 2017, he set out to reinvigorate the company culture, craft a new vision and strategy, and put in place processes and structures that would enable the family-owned company to adapt and thrive amid rapid industry change.

A key component of this change effort was already underway—a partnership with Harvard Business School to design a custom executive education program. Senior Vice President of Human Resources Scott Northcutt worked closely with HBS to create the Emilio Bacardi Harvard Business School Leadership Program.

Over the course of two years, executives from different regions, functions, and brands convene in a series of four learning modules. HBS faculty lead select case studies that reflect Bacardi’s unique challenges and opportunities. More than 100 executives have completed two program sessions to date.

“Executives who attend the HBS program are being promoted more often to a new role, region, or function,” says Madhavan. “It’s a win-win. They build stronger careers within the company, and we gain capable leaders who can transform the business in the future.”

CULTURAL PILLARS DRIVE BOLD INITIATIVES

The HBS program sparked change from the start. Group discussions inspired the creation of three cultural pillars, dubbed the “Three Fs”:

- **Fearless**—moving forward with bold initiatives
- **Founder**—taking on a sense of ownership
- **Family**—feeling like a member of the family

When Chairman Facundo Bacardi, the great-great-grandson of the founder, spoke to the class, he noted that Bacardi has always viewed its people as an extension of the family. One small change made a big impact: employees are now called primos, or cousins.

“We want to bring leaders together in a way that drives new synergy in the business and moves the company forward. The executives who attend this program help us rethink and reignite our culture.”

**Scott Northcutt**
Senior Vice President, Human Resources, Bacardi Limited
“This type of change has unlocked something powerful in our culture,” says Northcutt. “We can challenge each other’s thinking, disagree, and make mistakes—but we still feel like a family. That wouldn’t have happened if we hadn’t spent time on the HBS campus.”

NEW PERSPECTIVES UNLOCK OPPORTUNITIES
While the three Fs have united the company around shared values, the HBS program has helped Bacardi break down traditional silos. Executives across brands, regions, and functions gain fresh insights, are open to new ideas, and approach business challenges more holistically.

Through case discussions, participants learn how to move away from entrenched thinking and embrace different points of view. “The level of teamwork and collaboration across the company has really accelerated—that’s an important return on the investment in the program,” says Northcutt.

The first two sessions included a module in China. “Participants from developed markets were surprised to discover that emerging markets offer a wealth of new ideas for global growth,” says Madhavan. “The China modules illuminated what emerging markets can do for the company.”

Madhavan believes that the personal bonds forged in the program accelerate the exchange of ideas across functions and borders. “The relationships people develop are invaluable to the individual and the company—and go beyond what we can accomplish in a company meeting.”

WINNING IN THE DECADE AHEAD—AND BEYOND
Bacardi’s “Best 10” strategy initiative is designed to make the next decade the best in its history. “We’re rethinking legacy structures, systems, and policies,” says Northcutt. “Changes like these are usually pushed through the organization, but these executives are pulling them through.”

“Our executives appreciate the opportunities to expand their skills and career prospects through the HBS program,” Madhavan explains. “They recognize the extent to which the company is investing in their careers, and in turn feel a sense of ownership.”

By voluntarily tackling big projects—such as reinventing the approach to cash management—these executives are finding ways to give back to the company. Participants in the second program session developed a “Pay It Forward” scorecard to track the impact of new initiatives on the company.

Mahesh Madhavan
CEO, Bacardi Limited
Impact:

- Through the contributions of executive participants, cultural change is proceeding a year and a half faster than expected.

- Understanding how emerging market best practices can be applied to developed markets is inspiring executives to seek positions in emerging economies.

- To thank Bacardi for investing in their careers, participants are volunteering to take on special projects that will help the company achieve its future goals.
Investing In Future Leaders to Expand Market Share

When the family-owned company was searching for a new CEO and shifting its strategy in 2015, Chairman Facundo Bacardi decided to invest in developing the next generation of leaders within its global workforce.

Scott Northcutt, senior vice president of human resources, is leading the major initiative. After collaborating closely with HBS faculty, the Emilio Bacardi Harvard Business School Leadership Program was launched. “Emilio, the son of Bacardi’s founder, was a bold, dynamic leader,” says Northcutt. “The program name reflects the robust leadership we value.”

Driven by HBS case studies that are relevant to Bacardi’s goals and challenges, the program curriculum features topics such as developing the mindset of a visionary leader, tapping new markets and growth strategies, and driving performance and innovation. The company carefully chooses participants who reflect diverse regions, roles, and perspectives.

The custom program delivered results right from the start—and continues to do so five years later. “Our executives seamlessly move lessons from the classroom to our business,” says Northcutt, who has attended both program sessions. “From our board to the program participants, all agree that this is the best leadership investment we’ve ever made.”

ALIGNING TEAMS AND GOALS FOR LONG-TERM SUCCESS

The program’s second session aligned with the launch of Bacardi’s “Best 10” strategy, a comprehensive plan for sustaining success over the next decade. “Through case study collaborations, our executives dive deeper into the different parts of the business and the diverse levers they can use to manage more effectively,” he says. “The connections they make help to create a more cohesive company.”

Bacardi saw the program learnings in action at a companywide brand-planning session, where brand and commercial leaders teamed up for the first time to present each brand’s plan.

“I would put our leadership development efforts up against those of any company in the world. Without HBS, I would not be able to say that.”

Scott Northcutt
Senior Vice President, Human Resources, Bacardi Limited
The company is seeing similar transformation on the finance side of the business. A group of executives from the first session were inspired to redesign the company’s cash management approach, addressing both the processes and the cultural aspects.

A DEEPER AND MORE TALENTED LEADERSHIP BENCH
More than 70 percent of the executives who attended the program are now identified in Bacardi’s succession plan. These executives will draw on their new leadership skills and connections to guide Bacardi through the next stages of growth.

Because the company sells products in more than 170 countries, one program module takes place in Shanghai. “We want to ensure Bacardi is well positioned to take full advantage of opportunities in China and other emerging markets,” explains Northcutt.

The 100+ Bacardi executives who have completed the program now view strategic challenges both vertically and horizontally. “We want a leadership team that can see issues from many different angles, look honestly and critically at ourselves as a company, and figure out how we can do better,” he says. “With this program, we are developing leaders who can do that.”

Impact:

- More than 70 percent of leaders who have participated in the HBS program are now incorporated into the company’s succession plan.
- Bacardi’s marketing and commercial teams—and even their operations teams—are seamlessly collaborating on brand planning.
- Program participants have introduced a new approach to cash management that is strengthening the company and its bottom line.
WHY HBS EXECUTIVE EDUCATION

We Are Your Partner in Developing Leaders Who Create Change

Build a change-ready culture to deliver maximum impact to your organization.

RENOUINED FACULTY
All HBS Executive Education programs are led by full-time HBS faculty. These exceptional, dedicated educators are highly sought-after thought leaders who are driving and defining discourse throughout the business world.

DIVERSE TEACHING METHODS
HBS Executive Education offers a wide array of distinctive teaching methodologies to meet diverse learning styles. With many learning solutions from which to draw, including Harvard Business School’s hallmark case-based learning, we will work with you to determine how to best meet your learners’ needs.

TRANSFORMATIVE LEARNING SOLUTIONS
We take a multimodal approach to deliver learning solutions designed to drive impact. Drawing from a variety of learning modes and methodologies, we’ll partner with your organization to deliver a best-in-class solution directly linked to your specific business needs.
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