

SUCCESSION PLANNING DRIVES GREAT SUCCESS

OVERVIEW

Maker's Mark is an internationally distributed spirit, manufactured exclusively in Loretto, KY and owned by the global spirits company, Beam Suntory.ⁱ The history of the iconic brand began in 1954 when Bill Samuels, Sr. set out on a simple task of making bourbon that tastes great – a true task at the time. Since the Samuels family had a rich history of distilling spirits with ancestors who make whiskey in Scotland and a commercial bourbon distillery built by T.W. Samuels in 1844, there was a lot of knowledge about “what not to do” throughout the generations. It wasn't until 1958 that Maker's Mark was first bottled with its distinctive dipped red wax seal and consumers began to recognize this unique brand. Bill Sr. had finally made bourbon that people actually liked to drink. For decades, Maker's Mark was a craft for Bill Sr. until his son Bill Jr. launched an aggressive crusade to build a global brand while maintaining the rich distillery traditions of Loretto and the red wax seal. Today, over 1 million cases of Maker's Mark are sold around the world annually. Bill Samuels Jr. served as the President and CEO of the company through three acquisitions and for over 40 years. The task of leading the brand into the next generation would also be a challenge because less than a third of family-owned businesses survive to the second generation today.ⁱⁱ

THE CHALLENGE

Since 1975, Bill Samuels Jr. led the family business to great success with a strong management team, understanding of employee potential and solid product branding strategy and execution. He credits Oliver Group with help in this process, calling the consultants his mentors, “people who helped us get through this thing of utilizing the right talent, using the talent the right way, and building an organization that I think is second to none now.”ⁱⁱⁱ Like his father before him, Bill saw the opportunity to pass the reins of the company to his son, Rob Samuels, but the company and the business environment around it had grown much more complex in the preceding 20 years. Rob grew up around the distillery, but taking over the operation would be another matter. The preparations to have a family member succeed him would be intense, and important decisions would have to follow to ensure a smooth transition.

THE PROCESS, REPEATED

Many decades earlier, Bill Sr. and Bill Jr. turned to Oliver Group to look for guidance on how to turn the company from a “souped-up hobby” into a thriving business in the bourbon industry while simultaneously passing the leadership to the next generation. How would the transition from father to son go in light of the stark differences in operating styles? Friend and advisor Al Oliver told Bill Jr., “Different people are better able to do that naturally”, referring to how one person may thrive and another may fail with the same opportunity. Knowing how to measure and apply those differences in leadership would enable the company to stand out amongst its peers. The insights of the Predictive Index system became an integral part of the Maker's Mark culture where it would stay as management tool for nearly over 30 years guiding hiring, development and team decisions.

When Fortune Brands bought Maker's Mark, Bill "grabbed his management team and said 'I'm 65, we need a succession plan.' And they said, "don't you have a son... could he be recruited into the business?" They started to think about the transition and what kind of leader was needed for the future growth of the brand. Rob Samuels, Bill's son, had a strong authoritative personality, not dissimilar to his father's, but he needed more experience in the industry, leadership training and business knowledge. The necessary steps to prepare Rob for leadership at Maker's Mark began, with the guidance of Oliver Group and the insights of the PI, which "took a lot of the foolishness out of personal decisions" according to Bill.

Rob graduated from the University of South Carolina with a degree in business, and he had gained sales experience while working for Allied Domecq. Here he cut his teeth in the spirits industry as a successful State Manager in Ohio and Florida – two very competitive markets. Rob waited for the right time to return to Kentucky, joining the Maker's Mark team during a time of rapid growth and international expansion. During this time, he traveled throughout the world and met with other industry leaders in the distilled spirits and wine industry. "He gave me monumental challenges at Maker's Mark", Rob says of his father.

Leadership training and alignment were also keys for Rob's preparation. From his Predictive Index results, it was understood that he has a naturally venturesome personality and needed guidance on how to utilize his personality to build upon his strengths and be aware of his less dominant areas. Through careful feedback and coaching by Oliver Group's experienced consultants, Rob gained that awareness of his leadership style and how to appropriately use the right techniques to motivate and lead others on his team. The final step for Rob was to obtain business knowledge. He attended executive education programs at the University of Chicago and Harvard University to gain these skills from top schools in the nation. These graduate programs armed him with the business knowledge necessary to run a multi-million dollar enterprise. Despite a busy schedule, Rob made time for his education.

THE RESULTS TODAY

In 2011, Rob Samuels assumed the role as COO of Maker's Mark Distillery, when Bill Samuels Jr. retired and was named Chairman Emeritus. Maker's Mark has been adapting to and growing with the world around it, recently by introducing a second bourbon product, Maker's 46, and releasing its first ever television advertisements. Maker's Mark continues to respect its rich tradition and history, while positioning itself for growth and profitability into the future.

Oliver Group provided succession expertise in both Maker's Mark executive transitions to the 7th and 8th generations, "really helped him make sense of this whole concept" and showed them "what winning might look like" said Bill.^{iv} "The two [succession planning] experiences could not have been any different," but in both situations Oliver Group helped Maker's Mark "to gain alignment on what we were trying to do." With Oliver Group's executive coaching, leadership development and insights through the Predictive Index tool, they have been able to leverage their natural gifts and talents to create an iconic brand that is famous worldwide. Today, Rob says Maker's Mark is differentiated by its unique taste profile,

and that his “team is full of the right people that has been built carefully over time, and that set up our succession for success.”

i Beam Suntory is a global distributor of many select brands of distilled spirits.

ii http://www.youtube.com/watch?feature=player_embedded&v=9g0DJqjCPqU#at=52

iii Samuels, Jr., T. William “Bill “Passing the Torch. Page 433. Copyright 2005 by Butler Books and Greater Louisville Inc.

iv <http://vimeo.com/28795620>