

Featured interview

PERNOD RICARD IBERIA HR DIRECTOR AITOR RUEDA



Digital Transform-Action:

HR and Digital unite for great results at Pernod Ricard Spain

Is digital another fleeting trend? A fancy word that sounds good but means little? Or is it a necessity; a critical opportunity to drive growth? These were the types of questions being raised at Pernod Ricard Spain in 2014, as the leader in the Spanish spirits market began its digital journey.

Pernod Ricard Spain's **digital transform-action** started with the marketing department and after 18 months the Executive Committee decided to expand it to the rest of the organisation. A digital vision with a robust transform-action strategy and a clear roadmap was established. The ambitious project encompassed three digital battlegrounds: Processes, Customer & Consumer Touch Points and Data; a fourth area, creating a Digital Culture, underpinned the whole plan.

As the business enters the third year of this companywide digital transform-action process, Pernod Ricard Iberia HR Director Aitor Rueda explained to Nigel Wright Group that getting the backing and belief of the Executive Committee was essential to drive the project forward: "It raised digital transform-action to the top of the agenda, giving it the necessary momentum to make short, medium and

long-term goals achievable." Recognising that a process of this scale wouldn't happen in one day, Aitor emphasised how calling the transform-action a "journey" and clarifying the different areas of the business it encompassed was important: "We're not just talking about technology and systems, we're talking about mindset, culture, new ways of working, moving from training to a self-learning philosophy and challenging everyone to adapt and embrace the digital opportunity in each department."

Once backing was achieved, the process started with the definition of a digital culture roadmap, developed by Aitor and his team in Spain, together with the "early adopters" in marketing. This allowed the two departments to share experiences and key learnings, and leverage best practices. The digital culture roadmap comprised five pillars including Communication & Awareness; Digital Skills & Knowledge;

identifying and leveraging Pernod's Digital Champions, Change Management and Work Environment.

Communication & Awareness, Aitor highlighted, was a key lever underpinning the implementation of this roadmap: "Creating awareness of how digital will





play an important role in our business and in all employees' future success at Pernod was critical. For many people, the concept of digital can be intimidating. Sometimes there is a false belief that digital is only relevant for those working in marketing or R&D. So, it was critical to demystify the concept, explain what it's all about and show everyone in the business that digital tools are there to make our working lives (not only our personal lives) easier and more efficient."

Furthermore, all employees, Aitor highlighted, completed an assessment. Delivered by Foxize, a digital training consultancy, the assessment tested the **Digital Skills & Knowledge** of Pernod Ricard's staff. Reports were also generated which enabled Aitor and his team to benchmark results internally, as well as externally with other businesses. Aitor noted that it's easy to make assumptions about someone's capability using digital tools: "Who doesn't use Whatsapp, Instagram or Facebook at home? We had to discover, though, how well digital skills translated from home and from our personal lives into the context of work, and to the digital needs and projects that existed in each department." Aitor explained this is where the results from the digital assessment came in useful,

and together with specific departmental workshops, made it possible for HR to identify the main digital training and development opportunities that existed in each department. In line with the second pillar of the digital culture roadmap HR then planned and delivered a 'digital fundamentals' training program to improve digital knowledge and skills ensuring the right people gained appropriate knowledge to fulfill business and departmental digital needs.

Some people, and especially those Aitor refers to as "digital natives" with tacit digital knowledge and skills, got to grips with new tools and ways of working and made progress quickly. Those individuals, Aitor explained, were selected as **Digital Champions**, the third pillar of the digital culture roadmap: "By leveraging employees considered as 'early adopters' or 'digital natives', getting them to participate in workshops, digital projects and share knowledge with their colleagues, we can accelerate the transfer of knowledge across the business."

The fourth pillar of the digital culture roadmap is **Change Management**. Aitor emphasised how a

company-wide transform-action process like this needed the right level of support from managers and employees. He explained how a member of his team established a Change Management Office, and gained the support of most of the HR department as well as an external HR consultancy, to run this.

The final pillar, **Work Environment**, represents the amalgamation of all the core features of the broader digital transform-action project. Aitor revealed that in February Pernod Ricard Iberia relocated its head office to a new 4,000 square metre complex in central Madrid. The move was inspired by the businesses desire to transform the design of all its physical environments to reflect the digital environment, culture, and ways of working. Referring to the "transversality" of digital and its ability to unite people in homogeneous and barrier-free spaces, Aitor highlighted how the new Madrid headquarters has a layout conducive to collaborative, interactive, transparent and less hierarchical relationships:

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"With an open and flexible layout, more than 70 meeting rooms and shared spaces, high-tech facilities, a paper free philosophy, and an Innovation Hub in development, our (almost) 200 employees enjoy more interaction, cross-functional teamwork, efficient ways of working and communication in their working day."

This ambitious and exciting project, Aitor explained, involved moving away from a building consisting of seven floors each occupied by a different department, and which contained several closed offices used by the executive team and various managers. Now, no one has a private office and the company promises to ensure all future building renewals across the Spanish business have an environment designed to facilitate this culture and ways of working.

Now the office move is complete, we asked Aitor what else is on the HR agenda. He explained how **embedding a digital culture** remains a major focus for the business. "Pernod Ricard is already the market leader in the Spanish spirits industry, now we want to lead by example in digital too. And not because digital is a new trend, but because it is a requirement for further business growth and to sustain



our position as market leader in the long term."

Another key HR priority, however, is the ongoing development of initiatives aimed at boosting Pernod Ricard's **Employer Value Proposition (EVP)**. This, Aitor explained, is reflected in what the business refers to as its EVP cocktail, consisting of six core ingredients: Premium Brands, Passionate People, Entrepreneurial Spirit, Local and Roots/Global Reach. The sixth ingredient, A Great Place to Grow, is representative of the organisation's diversity and the unique qualities each person brings to their role: "Working at Pernod Ricard is special; it's an exciting place where you benefit from all the opportunities associated with working for a multinational, but without losing the close relationships, fun and conviviality typical of a local business with a family feel."

Maintaining Pernod's **high employee engagement** score is also something Aitor keeps on the strategic HR agenda. Pernod Ricard already enjoys an 87% staff engagement ratio – seven percent above average for FMCG employers –

thanks to its highly rated culture, values, empowerment and product innovation.

In Spain, however, engagement is at a staggering 93%. In addition, Aitor

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proudly revealed that 96% of employees recommend the business as a great place to work and 100% say they are proud to work at Pernod Ricard Spain. "With high scores come high expectations. We will continue working hard to ensure these results are kept or even improved in all future engagement surveys."

While digital training is ongoing, Aitor and his team are also working to improve **talent management and development** practices, ensuring they attract and retain the best people while also developing the intrinsic qualities of everyone at the business. For example, all employees hired during the last four years, regardless of their level within the organisation, have attended a local development centre.



Furthermore, an innovative and award-winning gamification tool called 'Ricardo' has helped Pernod Ricard Iberia achieve excellent results. Developed in-house

"HR risks falling behind if it too doesn't embrace big data."

together with the support of an external partner, Ricardo is a development mobile application used for management and people development training. Aitor explained how all team leaders, managers and senior managers across the business play the game as a 'manager' in charge of 'Ricardo', a new employee at Pernod Ricard: "During his first few 'virtual' months, Ricardo asks his manager questions, and the user must then respond to score points and progress through the game while competing with other users." The app won two Gamification awards in 2015 and Aitor confirms they are currently developing other Gamification initiatives to continue embedding HR practices in a "fun, digital and different way."

In his concluding remarks, Aitor shared his belief that HR must play a key role in the **Digital Journey** of any company. His view is that data, specifically, HR analytics and projective data represent a huge opportunity for HR teams to have a greater influence and act as a more effective business partner. Commercial and marketing departments already take advantage of this, and, Aitor argues, HR risks falling behind if it too doesn't embrace big data: "Analytics specialists will, I expect, increasingly become a core part of the HR team. Someone who analyses trends and projective data, combining multi-sourcing information – such as review metrics for talent and performance, learning and development and compensation and benefits,

the core competencies of high performers and high 'potentials etc.' – all of which will support the wider decision making agenda for the business, ensuring that HR processes are aligned with business needs."

He added; "This is powerful information which will further strengthen HR's

critical role in the strategic agenda of an organisation."

About Aitor Rueda

Aitor joined Spain's largest wine producer Bodegas & Bebidas (currently Pernod Ricard Bodegas) in 2002 as HR Manager and played a key role in supporting the business and HR function transition through two major takeovers. The first by UK-headquartered No. 2 global spirits and winemaker, Allied Domecq, and then again by Pernod Ricard in 2005, as part of its global acquisition of the Bristol based corporation.

Over the following years, Aitor gained valuable experience in the development and implementation of HR leading policies and practices across the Spanish wine affiliate, while participating in global HR projects. In 2011 he relocated to Sydney, as HR Director of Pernod Australia where he developed HR strategies targeting Employee Engagement & Talent Management while strengthening Pernod Ricard's employer value proposition in Australia's highly competitive talent market.

After three years, he was appointed HR Director for the Pacific region, which incorporated over 1,300 staff in production, commercial and corporate functions across multiple sites in Australia and New Zealand. This regional role involved uniting the disparate HR processes across the two countries,

establishing a single operating HR structure and common ways of working across the region and within the different HR teams.

In 2015, an opportunity emerged for Aitor to return to Europe and take his current role as HR Director for Pernod Ricard Iberia. The role covers the full HR remit of Payroll, Compensation & Benefits, Learning & Development, Internal Communications and Business Partnering.

About Pernod Ricard

Pernod Ricard is the world's second largest producer of wines and spirits, with a global workforce of approximately 18,500 people. Established in 1975 following the merger of Ricard and Pernod, it holds one of the most prestigious brand portfolios in the industry with premium brands such as: Absolut Vodka; Ricard Pastis; Ballantine's, Chivas Regal, Royal Salute and The Glenlivet Scotch whiskies; Jameson Irish whiskey; Martell cognac; Havana Club rum; Beefeater gin; Kahlúa and Malibu liqueurs; Mumm and Perrier-Jouët champagnes; as well as Jacob's Creek, Brancott Estate, Campo Viejo, Graffigna and Kenwood wines.

Pernod Ricard Spain is the leader in the spirits market, with Spain a 'top five' market for Pernod Ricard globally and the number one market for Beefeater gin. The Spanish business encompasses a workforce of over 450 people across two production sites, two administrative head offices, eight regional sales offices and one logistics centre. Since 2014, the business has led a major digital transformation process with involvement from all areas across the organisation.