

# Lifestyle

## Discipline, Rigor, and Patience



Bill Hackett

### An Interview with Bill Hackett, President, Crown Imports LLC

**EDITORS' NOTE** In January 1984, Bill Hackett began his tenure at Crown Imports (formerly Barton Beers, Ltd.) when he joined the company as National Sales Manager. In 1993, he was named President of Barton Beers and has continued in this role since Barton became Crown Imports in January of 2007. Hackett's career in the beer industry began in field sales management at Pabst Brewing Company in the mid 1970s. He is a graduate of St. Norbert College with a Bachelor's of Business Administration with a concentration in Finance and Management.

**COMPANY BRIEF** Crown Imports LLC ([www.crownimportsllc.com](http://www.crownimportsllc.com)) is a joint venture that imports, distributes, and markets the Modelo portfolio and other fine beer brands across the U.S. The Modelo portfolio includes Corona Extra, Corona Light, Modelo Especial, Negra Modelo, Pacifico and Victoria (select markets) beer brands. Crown also imports Tsingtao beer in the U.S. Crown Imports is a 50/50 joint venture between Grupo Modelo, S.A. de C.V. and Constellation Brands, Inc.

#### With the impact of the economic crisis on the beer industry, how has Crown Imports been positioned during this time and is the market stabilizing?

The impact of the economy is varied in terms of business in general, the beer industry, and Crown's business. As a general statement, it's safe to say that our industry has suffered through the current recession. However, Crown has been further challenged as we undertook a new business model commencing January of 2007. Prior to 2007, our company, Barton Beers, serviced the Western U.S. with the Crown portfolio of brands.

In January 2007, the joint venture company, Crown Imports, was inaugurated and began selling and marketing this portfolio across the entire United States.

As a successful business for a number of years as Barton Beers, we were confident that we could extend this success across the entire U.S. under the new business, Crown Imports. However, one important challenge that we faced as we expanded coverage in the East on January 1, 2007 was the limited visibility to the Eastern U.S. business, its customers, or other critical elements. In short, we had to develop a national footprint, organize a team, develop a business model, and meet a new set of customers on the fly.

Although the economy was quite strong coming out of 2006, it really started to deteriorate in mid-2007 – or about the same time we began to realize many of our “growing pains”. The impact of the declining economy created yet another hurdle for an already challenged management team in the early years of our new business. A healthy economy is critical to the success of the beer business, especially as it is reflected in employment statistics. Unfortunately, the current recession is marked by high unemployment, which results in customers trading down and/or reducing overall consumption of beer in general. Our consumers are quite diverse in terms of demographics and income. On the one hand, our brands appeal to consumers who prefer high-end beers and are driven by key brand attributes, such as image and taste. For these consumers, the early days of the recession forced changes in purchase habits and consumption, adversely impacting our business. Thankfully, the markets started to stabilize in 2009 and rebounded in 2010. With that rebound, these consumers once again feel comfortable in trading up to their beers of choice which, in many cases, includes Corona Extra.

In contrast, our core Hispanic consumers remain challenged. These consumers (many of whom are loyal consumers of Corona Extra) have, and continue to be, dramatically impacted by the current recession. Unemployment for Hispanic consumers remains nearly two times the level of the overall number. Thus, their ability to regularly purchase Corona has been, and remains, quite challenged.

#### Are there consistent characteristics among the brands in your portfolio or are they viewed individually?

Although the Crown Imports portfolio is comprised largely of Mexican beers, we also market beers imported from China. Our responsibility is to highlight the critical points of difference for each brand and help the consumer make the best selection based on the occasion, the individual style, and/or the flavor profile desired.

#### How important is innovation in your business?

Innovation is absolutely critical. As a business that markets high-end products with many competitive options, we must be diligent and focused on understanding our consumers and enhancing their connection with our brands. We have always challenged ourselves to be smarter and to determine how we can positively impact and grow the business, no matter the outside influences. A critical area of emphasis has been expanding the number of occasions for which our consumers select our brands.

For example, we realized that we had to strategically increase our package selection to service our consumers across a wider array of retail channels. Consumers have a tendency to buy specific package sizes and quantities based on the channel being shopped. We've responded to this dynamic by developing packages that are specific to retail channels and service the occasions of consumers that shop in those channels.

We have also previously handicapped ourselves by not offering draft beer to the on-premise channel. Draft is an excellent sampling vehicle for consumers and is an inexpensive way to sample brands before investing in a “take home” purchase. Over the past two years, we have successfully introduced Modelo Especial and Negra Modelo draft beers to the U.S. market. This effort has helped expand consumer awareness and purchase of these brands in both draft and package formats.

#### What is it that keeps this business so exciting for you?

This is a great business. It's a people business and its one in which you can easily define wins and losses. At Crown, individually and collectively, we believe that what we do is important and that everyone in the company has a hand in our success.

In the end, we don't take ourselves seriously, but we take our business seriously. I challenge each of the 387 individuals in the company to do something every day that brings value to the business and makes us better. Passion is one of our trademarks, as is commitment to the business, integrity, and an entrepreneurial spirit. We truly love what we do and that is a critical point of differentiation for Crown. ●

Three of the beers that Crown imports, distributes, and markets throughout the U.S. (above)