Beam Suntory
Revitalizing growth with a customer-centric insight-based strategy

High performance. Delivered.
Client Profile

Beam Suntory is one of the world’s largest premium spirits companies. It was established in 2014 through the merger of a world leader in bourbon and a pioneer in Japanese whisky to form a new company with a deep heritage, passion for quality, innovative spirit and commitment to sustainable business practices.

Opportunity

Beam Suntory noticed a decline in the volume and sales of its cordials and liqueurs portfolio. This was of particular concern to the company’s management due to the strategic profit delivery and growth capital that this business provided to the company as a whole. In addition, the availability of alternative flavored spirits such as vodka and rum was diminishing the relevance of cordials in the minds of consumers. To help stabilize its business in the short term and create a platform to reinvigorate its brands and spur growth in the long term, Beam Suntory engaged Axia Ltd., a strategy consulting service provider subsequently acquired by Accenture and hereafter referred to as Accenture Strategy.

Solution

Accenture Strategy employed a modified Value-Based Management (VBM) approach, centered on the aggregation of key facts and issues, to inform strategic alternatives that could foster organizational alignment around actionable recommendations. In developing the fact base and an understanding of consumer use occasions, consumption drivers and barriers, Accenture Strategy gained insight from internal management and external trade interviews, point-of-sale data analysis, manufacturing site visits, quantitative segmentation research, shopper insights, market structure analysis, operating model analysis, and other vehicles. Next, Accenture Strategy helped redefine consumer-relevant segments and frame distinct growth opportunities for each brand in the portfolio. It also helped the company embrace complexity to provide competitive advantage in its fragmented marketplace through local market analysis and identification of opportunities to adapt the national portfolio at the regional level to meet varied consumer needs.

Accenture Strategy then collaborated closely with Beam Suntory’s senior leadership to develop a robust growth strategy for its cordials portfolio, rooted in these insights. The strategy centered on three tenets: enhancing the core business through direct activation of consumers and effective partnership with customers; growing existing brands through broader participation across use occasions and drink types; and extending participation into new categories through consumer-centric innovation built upon latent brand strengths.

The initial core business stabilization helped provide the capital required for future growth. Each element of the strategy was supported by a detailed plan and strategic rationale which helped secure the company-wide buy-in necessary for action. Through a series of management workshops, Accenture Strategy aligned senior leadership around a core set of facts and issues surrounding its cordials business, which led to a unified vision for the cordials portfolio. Using this vision, Accenture Strategy developed a strategic growth plan that focused on realistic assumptions and that factored in the company’s implementation capabilities. The plan balanced a set of short-term, detail-oriented high return on investment recommendations to support the core business as well as longer-term growth investments such as consumer engagement and brand building, which would help provide significant growth while maintaining Beam Suntory’s brand contribution.
Results

Accenture Strategy helped Beam Suntory redefine its portfolio into consumer-relevant segments and distinct growth opportunities for each brand. In doing so, Accenture Strategy helped the company embrace complexity to provide competitive advantage in a fragmented marketplace through local market analysis and to identify opportunities to adapt the national portfolio at the regional level in order to meet varied consumer needs. These growth recommendations were grounded in insights from detailed market research and a competitive landscape analysis including the business, market, trade, consumer, and competitive facts required to inform near-term actions and longer-term strategic trade-offs and alternatives. Moreover, they considered potential risks and required resources for each option, as well as the capabilities required for innovation, stakeholder alignment, analytic insights and organizational support.

Accenture Strategy’s recommendations and support through successful implementation, led to a renewed enthusiasm and focus on the cordials portfolio throughout the value chain and a growth strategy for both near- and long-term performance. A fundamental aspect of the engagement was having a thorough understanding of consumer behavior, trends, usage, needs, and occasions. The project required frequent stakeholder engagement and a comprehensive fact base to overcome the numerous myths and misunderstandings about the brand and category held by internal stakeholders.

Targeting an increase in revenue and profit over the next few years, within the first year, Beam Suntory launched a new product in an adjacent category, optimized its pricing structure, re-focused distribution efforts with state-specific sales tools, launched category management plans with key accounts, developed new marketing for core brands, and optimized its portfolio to reduce confusion and align more closely with consumer insights and usage occasions.

“\textit{I was impressed by the amount of ground that the project team covered and the way in which a solid fact base is re-framing our thinking on the business. We have a great opportunity to create some tremendous value from this category.}”

Matt Shattock, CEO, Beam Suntory
About Accenture Strategy

Accenture Strategy operates at the intersection of business and technology. We bring together our capabilities in business, technology, operations and function strategy to help our clients envision and execute industry-specific strategies that support enterprise wide transformation. Our focus on issues related to digital disruption, competitiveness, global operating models, talent and leadership help drive both efficiencies and growth. For more information, follow @AccentureStrat or visit www.accenture.com/strategy.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 358,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$31.0 billion for the fiscal year ended Aug. 31, 2015. Its home page is www.accenture.com.