



## People Development Team Reinvests in Brown-Forman’s Employees, Brands

Brown-Forman Corporation

Best Learning Team

August 2018



### Company Background



# BROWN-FORMAN

<b>Company-at-a-Glance</b>	For almost 150 years, Brown-Forman Corporation has enriched the experience of life by responsibly building fine quality beverage alcohol brands, including Jack Daniel’s Tennessee Whiskey, Jack Daniel’s & Cola, Jack Daniel’s Tennessee Honey, Jack Daniel’s Tennessee Fire, Gentleman Jack, Jack Daniel’s Single Barrel, Finlandia, Korbel, el Jimador, Woodford Reserve, Old Forester, Canadian Mist, Herradura, New Mix, Sonoma-Cutrer, Early Times, Chambord, BenRiach, GlenDronach and Slane. Brown-Forman’s brands are supported by over 4,700 employees and sold in more than 165 countries worldwide.
<b>Headquarters</b>	Louisville, KY
<b>Year Founded</b>	1870
<b>Revenue</b>	\$3.8 billion
<b>Employees</b>	4,700
<b>Global Scale (Regions that you operate in or provide services to)</b>	Brown-Forman sells its products in 160 countries.
<b>Customers/Output, etc. (Key customers and services offered)</b>	Customers include distributors (i.e., Asahi, Breakthru, Young’s Market), agency partners and direct consumers (legal drinking age and above). Output includes Jack Daniel’s Tennessee Whiskey, Jack Daniel’s & Cola, Jack Daniel’s Tennessee Honey, Jack Daniel’s Tennessee Fire, Gentleman Jack, Jack Daniel’s

	Single Barrel, Finlandia, Korbel, el Jimador, Woodford Reserve, Old Forester, Canadian Mist, Herradura, New Mix, Sonoma-Cutrer, Early Times, Chambord, BenRiach, GlenDronach and Slane.
Industry	Beverage alcohol
Stock Symbol	BFA and BFB
Website	<a href="http://www.brown-forman.com">www.brown-forman.com</a>

### Budget and Timeframe

<b>Budget and Timeframe</b>	
Overall budget	Approximately \$1.8 million per fiscal year
Number of (HR, Learning, Talent) employees involved with the implementation?	14
Number of Operations or Subject Matter Expert employees involved with the implementation?	Varied
Number of contractors involved with implementation	2
Timeframe to implement	3 years
Start date of the program	May 1, 2015

### Business Conditions and Business Needs

Over the past 20 years, Brown-Forman Corporation (B-F) doubled its international footprint, now has offices in 12 countries and its international business accounts for over 60% of revenue. Three years ago, the Chief Human Resource Officer made a decision to restructure how the company manages and deploys learning and development globally. She formed a function within HR, which under the umbrella of “Investing in People,” that combines the areas of compensation, benefits, mobility and People Development into an organization called “People Development and Rewards.” With this change came a move away from the previous U.S.-centric, award-winning, corporate university model that managed the majority of learning and development activities from the headquarters in



Louisville, Kentucky. Now, Brown-Forman is supported by People Development consultancy teams embedded in its regions and functions, increasing its ability to collaborate, consult and build learning and development solutions that meet the specific demands of its employee groups. Today, the People Development team has members in three continents, five countries and eight cities. Combined, the team has more than 85 years of professional experience across a variety of HR, learning and development and corporate functions.

The group is led by Brown-Forman's Vice President for People Development, who ensures alignment with the overall people and business strategy and serves an active member of an executive group of leaders who have been commissioned by the CEO to champion and drive leadership development at the company.

The creation of Brown-Forman's People Development team ensures that its learning and development approach is consistent with the way in which true learning occurs and the strategic direction of its organization. The People Development function is focused on the most important skills and competencies needed to grow the Brown-Forman business. The creation of the People Development team represents a sustainable investment in Brown-Forman's people, brands and company.

In its first year of existence, the People Development team assessed the current portfolio of solutions, stopped almost all the existing virtual and classroom programs and interviewed senior stakeholders from each region and function to ascertain the business needs. The team also completed a SWOT and PESTEL analysis to understand its strengths and opportunities and contrast this externally with other industry leaders. From these insights, the team then went on to build a three-year Global People Development Strategy. For the first time, Brown-Forman's learning and development team aligned its activities in a coordinated, focused strategy. The strategy encompassed leadership development, personal development, functional development, online development, performance management and talent and succession management. Prior to this strategy, the business had only one leadership program, no functional development solutions, low engagement scores on performance management, limited (8%) adoption of online courses and inconsistent approaches to talent and succession management.

## Overview

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Using the 2015 Global People Development Strategy as a backdrop, and supported by a broader Brown-Forman People 2025 strategy, the People Development team has achieved significant results across all aspects of its work.

Within three years, the team created a global leadership development framework with three levels of leadership programs that mirror the company's organizational structure and address the learning and capability needs of the leaders according to their position within the organization. The framework includes the People Leader Program (PLP), Business Leader Program (BLP) and Executive Leader Program (ELP).

The leadership framework, as well as its individual programs, are built on four guiding principles:

1. Brown-Forman leadership programs are inclusive. Leader development is for all Brown-Forman leaders.
2. Brown-Forman leadership programs are differentiated. Leaders have different learning needs at each career level and as they work within different global functions and regions.
3. Brown-Forman leadership programs are B-F specific. Leaders must master the Brown-Forman values and behaviors and understand how to work with a "Me, We, Brown-Forman" mindset.
4. Brown-Forman leadership programs build the learning culture. Leaders learn by doing, sharing and exploring. The programs are employee-owned, leader-supported and company-enabled.

The PLP is a nine-month program and will have been deployed to over 800 leaders globally by end of this fiscal year. The BLP began deployment in July 2018 and will see over 150 global leaders go through the 12-month program. The ELP begins its second global cohort and will see 80 leaders attend this 12-month program over the next few years. Leadership programs will be deployed globally to all 1,200 leaders across all regions, functions and markets. The entire leadership framework is centered around Emotional Intelligence (EQi).



In 2018 the PLP program was awarded 15th place in the Best Global Leadership Program and 25th in Innovation in Deployment of Leadership Programs out of 200 companies with HR.com's LEAD awards.

While leadership development was identified as a key need for the organization, it was critical that the People Development team also invest in building the capabilities and learning mindset of the entire organization, including individual contributors. Through the design and deployment of four global "People Days," the team launched a new Global Performance and Growth Management Process (PGP) and system (Workday). People Days are mandatory face-to-face workshop for all salaried employees, requiring them to be translated into 12 languages to ensure local adoption and understanding. The first four People Days covered the following topics:

- People Day 1 — Brown-Forman Way of Feedback and the Workday system;
- People Day 2 — Development Conversations and Mid-Year Check-ins;
- People Day 3 — Brown-Forman Way of Goal Setting; and
- People Day 4 — Careers at Brown-Forman.

This means a People Day was designed and deployed for each year of the People Development has existed, with more than 2,500 salaried colleagues attending each People Day.

The People Development team has also spearheaded the growth and development of the functional capability programs, including the global marketing and commercial functions through the design and deployment of marketing and commercial competency frameworks and learning solutions. The team deployed the marketing competency guide and assessment to all markets and for the first time at Brown-Forman there is a clear understanding of the marketing function's strengths and development focus areas. In addition, People Development partnered with marketing to build and deploy a range of innovative programs aimed at marketing generalists and specialists. The commercial function will soon benefit from a globally aligned "commercial way" with supporting competencies, learning solutions and innovative ways of working to help drive consistency across the commercial function. So far, the commercial capabilities learning solution has been deployed across eight global markets.



The business benefits from the structure of its People Development team with the People Development consultants embedded in each region, function and market. This enables the global people development work to be rollout in locally relevant ways. In addition, it allows Brown-Forman's regions, functions and markets to receive customized learning solutions. For example, in global production, finance and IT functions, as well as the European region, the respective People Development consultants partnered with business leaders to conduct a needs analysis of the talent pipeline. Then the People Development consultants designed leadership readiness programs with the relevant content and format to address the unique needs and led the deployment of those programs.

In addition to the development of these new programs, the People Development team took considerable time to refresh and update the Brown-Forman online learning portal to reduce the complexity of programs and enhance the user experience. Work was done to market and educate employees on the new logo, content and user experience. An example of the new content would be B-F Talks. This video library initiative, inspired by TED Talks, was created to, again, allow subject matter experts (SME's) to facilitate learning as well as to help bring Brown-Forman's behavioral model to life. The People Development team created the format template, identified SME's, supported SME's in preparation of their video and marketed the final products.

Beyond learning programs, the People Development team owns the performance management process and co-owns the corresponding system. While for many performance management is a static process, the team has led a multi-year change management process to improve the process and system. This work has been with deep collaboration with the HR IT function, system vendor and employees. The team has not only had to learn a new system, but has had to gather feedback from employees on their experience, develop and test solutions and make improvements. Coupled with the aforementioned People Days, in which the team was educating employees on the process and behaviors, this has been an iterative process that has led to an efficient performance management cycle.

Furthermore, the team provides thoughtful leadership and owns the process of creating a culture of recognition. This work involves planning and managing retirement milestone dinners and recognition, improving and providing support on the recognition process and educating employees on how to provide meaningful recognition. The recognition system



enables all employees to honor peers or direct reports for individual or team work. There is an option to provide electronic cards for all occasions, as well as monetary awards that the recipient can redeem. Recognition is critical to the Brown-Forman culture and to the positive engagement of its hard-working employees.

The team also is fortunate to have a role in HR communications. This work is broad in scope; however, a few notable highlights include partnering to write the 2025 People Strategy, elevating the branding and visual standards of HR communications, supporting the Chief HR Officer in the HR town halls and topic-based update calls and collaborating with People Development consultants to create visually rich imagery and editing copy for content and flow. Not only has this work positively impacted the programs but it has contributed to the cohesion of the entire global HR function and made an impact on its current strategy.

### **Learning Approaches**

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The team truly is decentralized across Europe, Asia Pacific, North America, India, the Middle East and Africa. Once a year, the team comes together to work on the annual plan and collaborate around the design and content of priority solutions. Through bi-monthly virtual team meetings, the team discusses and shares the local and regional priorities, best practice ideas, solutions and content to ensure alignment and consistency. Team members balance their local/regional/functional business needs with the plans and needs of the global business. When a regional solution is created to meet the needs of that team, this is then shared with the global team to share best practice and reduce duplication.

The team is incredibly collaborative in nature and this reflects the Brown-Forman culture and values. Members of the team partner on the design of global programs to share responsibility and drive the creative value. Milestone meetings are scheduled with the entire team, stakeholders and sponsors to maintain engagement along the journey. Feedback is shared throughout the journey and programs are updated to reflect the agreed feedback. Once a program is ready for deployment, the team will come together for a “Train the Trainer” to master the content. Depending on the content, trainers could also include members of the wider HR team or a business leader. The team also partners with a select few of internal and external thought leaders and partners to help with the specialist areas of focus such diversity and inclusion, leadership development, online learning design and coaching.



Recognizing that one team is unable to address the global learning needs of Brown-Forman, the People Development team focused efforts on building the ability for others to create and deploy learning content. The People Development consultants around the globe have consulted with functional experts to create impactful learning content that aligns with the Brown-Forman learning approach.

As an example, the marketing function created a highly engaging learning program in partnership with People Development and a consultant vendor to build global knowledge about one of Brown-Forman's most critical brands. Additionally, the ethics and compliance team built the expertise to create and deploy learning content using the learning management system as a result of consultation with two People Development consultants. In several instances, the People Development team reviews content created by internal subject matter experts to ensure alignment with the Brown-Forman learning approach and to suggest improvements. The team also has built capacity for face-to-face facilitation for marketing, talent acquisition, finance and information technology leaders. Leaders in each of these functions have truly adopted the philosophy of "leaders as teachers." They facilitate learning sessions that advance functional skill and business acumen.

The People Development team is highly committed to staying abreast of the latest learning and development trends and solutions. Team members attend external conferences and read external insights on a constant basis. The team shares these insights on Brown-Forman's global, internal social network page, Chatter, and often conducts brief presentations through virtual team meeting events.

### **Delivery of Solution**

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All solutions are globally designed and locally deployed. This means that the team agrees on the design and delivery of the global content and principles, then ensures the programs, when they are delivered locally, meet the cultural and business needs of the region/function/market or team. The team believes in the "70-20-10" principle of learning and has designed all its global programs around this model. For example, the leadership programs all include pre- and post-work, online, face-to-face, reading, team tasks, real work-based tasks and assessments, along with coaching support. People Days also follow the "70-20-10" principle, with the recently deployed People Day 4 – Careers at Brown-Forman comprised of six online learning videos, an online workbook, leadership



videos and external reference materials, all supported by a selection of face-to-face solutions. People Day 4 has been designed to be fully flexible and tailored to individual needs, whether it be high touch or low touch, online or face-to-face.

## Measurable Benefits

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A sample of Brown-Forman's measurable results include:

- People Development Team Engagement + Enablement Score (among the highest in the company).
  - Engagement — 84%.
  - Enablement — 90%.
- HR.com's LEAD award recognition for People Leader Program won:
  - 15th place in the Best Global Leadership Program out of 200 companies.
  - 25th in Innovation in Deployment of Leadership Program out of 250 companies.
- People Leader Program:
  - Upon completion of the PLP program, participants completed surveys. The results show a measurable impact from both qualitative and quantitative feedback.
  - Program participants reported an average of a 35% increase in their leadership capability as a result of the program.
  - Verbatim comments included:
    - "I have been more assertive in my role."
    - "I became more aware of my responsibility toward my team and the need to develop my people."
    - "I'm recognizing different work styles and preferences and am adapting to those."
    - "I am connecting better with internal teams."
- Three-year output of the team includes:
  - People Leader Program — 800 participants.
  - Business Leader Program — 40 participants.
  - Executive Leader Program — 16 participants.
  - Marketing Capabilities — 270 participants.
  - Commercial Capabilities — 100 participants.
  - People Day 1: Brown-Forman Way of Feedback — 2,500 participants.

- People Day 2: Mid-Year Check in and Development Conversations — 2,500 participants.
- People Day 3: Brown-Forman Way of Goal Setting — 2,500 participants.
- People Day 4: Careers at Brown-Forman — 2,500 participants.
- Leader Transition Experience Program — 43 participants.
- Finance and IT Leadership Program — 10 participants.
- Global Production Leadership Readiness Program — 40 participants.

## Overall

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The global People Development team recently met at its annual gathering to review and refresh its three-year Global People Development Strategy that was designed in 2015. During the meeting, the team had an opportunity to reflect on its work and conduct an after-action review. In addition, using the Corporate 2025 and People 2025 strategies as frames of reference, the team collaborated to create a new People Development SWOT.

From this work there were many lessons learned. The team recognized that its strengths include:

- Deep understanding and connection to the business.
- Global team with diversity of experiences thoughts and skills.
- Effective collaboration with partners internally and externally.
- Highly engaged team that drives results.

On the other hand, the team's weaknesses include:

- Sub-optimized technology that creates resource constraints and doesn't fully support the vision for employee experience.
- Demands of global, regional, functional teams not always aligned with resources.
- Lack of marketing of the People Development solutions to employees to connect the dots back to their needs and business results.
- Fully leveraging strengths and expertise of team.

Looking forward, the team decided on the following areas of the strategy that it can best influence:



1. Optimize the development of Brown-Forman employees to lead in an Volatile, Uncertain, Complex and Ambiguous environment.
2. Strengthen emerging market capabilities.
3. Build an inclusive and diverse workforce.
4. Win and grow great talent by:
  - Building a learning culture.
  - Defining the technology landscape of the future.
  - Building functional capabilities.

The Brown-Forman People Development team looks forward to collaborating, learning and contributing to this meaningful work.



## About Brandon Hall Group

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Brandon Hall Group is a HCM research and advisory services firm that provides insights around key performance areas, including Learning and Development, Talent Management, Leadership Development, Talent Acquisition, and HR/Workforce Management. With more than 10,000 clients globally and more than 20 years of delivering world-class research and advisory services, Brandon Hall Group is focused on developing research that drives performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results.

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