

Simon Mainwaring:

From We First and Goal 17 Media, welcome to Lead With We. I'm Simon Mainwaring and each week I talk with purposeful business and thought leaders about the revolutionary mindsets and methods you can use to build your bottom line and a better future for all of us. Today my guest is Michel Doukeris, the CEO of Anheuser-Busch InBev, a global beer and beverage company who is pioneering and activating a new purpose, which is dream big to create a future with more cheers. Michel, welcome to Lead With We.

Michel Doukeris:

Hi, Simon. How are you doing? Thank for having me.

Simon Mainwaring:

Very, very well. And as an Australian, I have to say, I am thrilled to talk to the CEO of a company that has led so many good times amongst me and my friends. So thank you. It's a pleasure to meet you.

Michel Doukeris:

Pleasure meeting you and happy to know about the good times. This is the business that we are in.

Simon Mainwaring:

Absolutely. And I realize that you've been at the company me for 25 years working across all the different markets, Latin America, North America, and so on. Could you share a little bit about that journey for you and maybe a couple of insights of what it's like to build a global enterprise across so many markets with such a wide portfolio of brands. When you look back at this 25 years, what sort of insights would you share?

Michel Doukeris:

So first I think that what attracted me to the company since the very early beginning was, one, and I cannot deny that, the fact that was beer. And beer is social. Beer is very inclusive. Beer has these deep connections with local community, local people. And as much as you and everybody else, you can always remember a situation, an occasion with friends, family, that you were having a good time, and beer was always part of this conversation. So the first big thing was being attracted by this very unique business that was beer. And after joining the company, then I got to learn some other things about the culture, meritocracy, the drive for dreaming big. We always talk that the very foundational part of our culture is this idea of dreaming big. And spite of the fact that people talk a lot about this idea of dreaming big is not something that people really practice all the time, how you remove constraints out of the environment in which you are part of when you are defining targets, goals, objectives to your organization.

Michel Doukeris:

And you first think about what is the maximum that we can achieve. The best of all dreams that we can have. And later, you really grow through the process of defining what is feasible, what the resources are, but that was very unique. The idea that you could really think without constraints and what would be the best of all impact that you could cause being on the company goals, on the environment, on the communities where we operate our business. And this is part of the history, part of the very foundation of our culture and who we are as a company.

Simon Mainwaring:

You've got this ambition for everyone in the company to dream big, but that then supports the meritocracy, because you're allowed to dream big. You can actually accelerate your own growth inside the company. So I think there's a lot of big organizations out there that are risk averse for a number of reasons. But if I understand you correctly, by giving people permission to dream big, you can actually accelerate their growth, make them happier, get more productivity out them, and then the company will do better as a result. Would you say that's fair?

Michel Doukeris:

It's fair. And it's such an incredible thing because my job is really about traveling, talking to people, giving strategic direction, but allowing them to perform the tasks that they need to perform. And it's not like seldom that I'm traveling through Mexico or Colombia or the US or China and someone operating one of our lines. So it's not the president of a country or the director or the vice president, is a line operator. When we talk to them and ask them how things are going. The first thing that they say is, "My dream for my line is to get to this productivity." Or a sales rep is my dream for my region is to have our products in 100% of the points of sales. So it's really embedded into the culture of the company, as I told you is part of the fabric of who we are, the idea of dreaming big.

Michel Doukeris:

And just, if you allow me on the cheers part. A quick story. We have a board member that is an incredible person. And when we presented our new purpose, we dream big to create a future for more cheers. She was telling us that this is so incredible in one of the reasons why she likes the company, is that because when she was young and she was working, traveling a lot abroad, she was always trying to learn how to say cheers in the language of the specific countries that she was traveling to, because she could not learn all the language. But if she could say, "Cheers." she always felt this very special connection with people. And when we think about our purpose, cheers for us is much more than only the moment when people are drinking together and celebrating.

Michel Doukeris:

Cheers has to do with inclusivity. Cheers has to do with prosperity. Cheers has to do with sustainability, but has to do with this amazing moment where people get together to celebrate. And that's why I believe that works very well for us because it's close to the category and is close to our everyday life and a future of more cheers is something that we should all aim for.

Simon Mainwaring:

Exactly. There's all that nuance to the word cheers. And it is that immediate moment when you're connecting, but it's also reasons to celebrate and optimism and positivity and all those things you point to. It's interesting. Sometimes people misunderstand the whole purpose around being a purposeful brand. They think it's doing something new. We need to do something new. But rather it is actually just unearthing what's always been true of the company. As you say, over your journey over the last 25 years, everyone's been always been encouraged to dream big, but help us understand, especially when you've got a large global industry leading enterprise like yours, why now? What made you think, okay, great. We want to codify this purpose. We want a new visual identity to bring it to life and we really want to lead with it. What was the thinking behind that?

Michel Doukeris:

This is a very interesting question. We have a purpose for many, many years in the company that served us very well to the moment that we are now. But at one point when we got started, that purpose was somehow different and was like innovative for companies to talk about purpose. But throughout the years, there were always a need. There was a need to explain too much, and there were always conversations about, we need to find something that defines us better and then closer to who we are as an organization and people. And now because of the change in the CEO because the COVID, because of this moment that we are moving into now as an organization, we were looking for this purpose. We were always having discussions in how to renew it, rethink a little bit differently. But there was this combination of events and a very special group of people working together was like a big group of people working with me in defining this role, inside the company and outside the company, provocations from people like Simon Sinek, our colleagues and partners add profit in the team in [inaudible 00:09:06].

Michel Doukeris:

We have defined that we would start from the point of understanding who we are, as you said, as an organization, and what is really unique in our culture. And that was the idea of dreaming big. But we would like to connect this with what is the real role that power product in our category have across the society and this idea of the cheers as a moment of celebration and our ability by dreaming big, fostering and creating this future of more cheers came like very naturally and very strongly across the body. To me, is the proof of concept that without explaining all the details, showing research, exposing people to the findings, when we tested these with consumers and stakeholders. When you say it, people having a smile in their face.

Simon Mainwaring:

Sure.

Michel Doukeris:

It's a very natural reaction. See? Yeah, sure. Do we need the future with more cheers? I need to agree with that.

Simon Mainwaring:

With that in mind, how did you then roll out the purpose? Because when you've got over 500 brands, you've got all the different markets, all the regional specificity. You've got, often the budgets are controlled out in the markets. How do you share that enterprise or company purpose with the brands in a way where they embrace it and they see it empowering to them?

Michel Doukeris:

Yeah, that's a very good question as well. And in a nutshell, what we have done was, first creating the purpose and validating across different stakeholders. Really testing the potential and the influence that that could have in what we do and how people perceive what we do. Then engage at our board as an advisory group to really understand question, bring topics and points for us to reflect upon. And then we presented this first to the organization internally to get people engaged and thinking about that. And we brought several different challenges for them. Challenges to execute locally in each and every market. Challenges to integrate in the local brands and companies that we have across the globe. And we are still in the launching period where we see several manifestations. We started first with AB InBev as our

global entity. And now this is being cascading for each and every of the entities that we have from Anheuser-Busch in the US, AmBev in Brazil to Grupo Modelo in Mexico.

Michel Doukeris:

And of course, as this now gets embedded into the organization. You start seeing brands finding themselves within the umbrella. So our people and our team that lead Michelob Ultra, for example, they've been always talking about this idea that all the efforts that you make are only worth if you can enjoy it. And this is the really foundation of what the brand Michelob Ultra stands for. And then now people say it's only worth for the cheers, right? So all the efforts that you do, all this competition with your daily life, being professional, being athlete, being part of the society, it needs to have that moment in which you can celebrate and enjoy life. So our brands are also now starting to interact with the purpose. And you are right when you say that there is the complexities of the metrics of the budgets and who controls what. That's why powerful idea is the best that you can have because then mobilizes everybody to be part of the idea.

Michel Doukeris:

And then the discussions around budgets, whether I like or dislike, they become secondary, and people really engage with this. And I'm very happy to see how much our teams and our people have been engaging with that. And we have big ambitions. We want to take this beyond the walls of the company. We really want to have an impact with that. And having more people embracing this purpose together with us, because the more we impact, the more we leverage all the reach that ABI has as a company, the bigger impact will be. And this is what we want.

Simon Mainwaring:

Absolutely. And it's such a powerful idea you're sharing, which is that cheers almost becomes the currency within and beyond the walls of the company. You are literally looking at everything you do through that lens. And I think a lot of times when people look at, especially in COVID times and all the challenges with the climate crisis and so on, people are more risk averse. But what you're saying is a powerful idea like this can help people understand what to do and what not to do, just as importantly, and to really help them navigate what can be a really, really difficult time. So, it may sound counterintuitive to some of our listeners, but what I'm hearing is that when you have a big, simple universally understood idea that can help you navigate a challenging time even more effectively. Would you say that's fair?

Michel Doukeris:

I think is fair. And the idea of being averse to risk is something that we all discuss every day and in a way, because we all have bias, right? And bias is not necessarily always bad. Because bias they help you to be alert, alive, to avoid mistakes when you have the intuition and the learnings from the past. I think that what makes a ton of difference in our culture is that we don't want to risk things just for the sake of risking things. But the biggest risk that you can have in an organization is not having ideas and not trying new things.

Michel Doukeris:

So I think that this creates an environment where we can have freedom to have ideas. We can expose our ideas without being afraid of any overreaction on the other side. And of course you need to test things. You need to build your case and do all the work that needs to be done to avoid damage while

taking risks as something to be celebrated, because the world needs innovation. Companies need innovation and companies need to disrupt themselves, so they keep the relevance in today's world. So I think you are right on the observation you just made.

Simon Mainwaring:

Yeah, there's nothing more dangerous than trying to stay safe today. I think you need to self disrupt as you move forward. And to that point, you launched almost months after you took over the CEO role, the 10 year strategic plan. So how does the new purpose work and the strategic plan come together? And why was it so important to lay out that 10 year roadmap so early?

Michel Doukeris:

In a way or another, when you think organizations and the idea of planning for one year and three years is no longer a competitive advantage. The example I give to people is, as I walk around my office, there is a bakery that I like to go there sometimes to unwind and drink a coffee or eat a muffin. So I give my 10 minutes time to think-

Simon Mainwaring:

Peace. Tranquility. Yeah.

Michel Doukeris:

Only by myself. And it's often when you are chatting with the owner that he will talk to you about new items in the menu, or he will talk about this new equipment that he bought to the bakery. And he's doing a one year plan, he's very clear about his investments, the launch that he's bringing, the investments that he's making and what he expects to do in the one year. So any organization that does a one year plan should not be bragging about being strategic and different. If you think about three-year horizon and plan any organization as well that has a board will find in the bylaws of the company that the board should approve the three-year plan, the strategic plan whatsoever. And when they move it, which was the real beginning of this idea of 10-year plan to me, when I move in to Asia and I was working China, China is the size of a continent and is very complex, very different, especially for foreigners.

Michel Doukeris:

And I always thought that this idea of planning for one year and two years in China was good tactically, but very weak strategically because people there they really plan for long term. And in other countries that are more developed you can have the luxury of updating your three-year plans time to time, because things will not change too much. And then I read a book that had projections for 2030 of the Chinese population and how affluent this population would be and what would happen with the markets, that was early 2010. And then I decided to come up with this crazy idea of creating a 10-year plan. And the learnings on that was that when you do short term one-year, two-year plans, they are very good for operational things like defining your budget, defining your next year capacity, but they are not really good to capture. Early trends where consumers are moving in one direction or technology is being prepared to do something different.

Michel Doukeris:

This type of massive shifts you can only quantify and understand the impact on your business if you stretch the lenses beyond two years and you go to 10 years. And as we got started in doing this 10-year plans we learned that this became like a huge competitive advantage for us as a company, because for example, as beer company we went very early on for e-commerce. When majority of people they were saying that e-commerce you would only transaction items that are very light because the cost of shipping goods was going to be too expensive, so no heavy items would be shipped e-commerce. But we saw that consumers were migrating fast and they would be majority buying and picking up goods and finding things through e-commerce. So we got started in e-commerce in 2011 when a lot of people were trying to build e-commerce during the pandemic in 2021. We decided to go super premium in beer based on the trends that we could observe in 2012, and beer is categorized today the least developed in terms of premiumization, even though we've been working on that for the last 10 years.

Michel Doukeris:

But we only do this massive investments in global brands and premium propositions if we could really see the impact not of one year, two years, but the impact of 10 year. Just to give one more example, we used to have 65 breweries in China, today we have less than 30. When we decided to renovate our footprint in China we built all our breweries in China to be low carbon emission, low water consumption. Just tell me in 2010, 11, who was talking about targets for carbon zero especially in production facility in India, China, or in Brazil or Mexico? So those things are only possible when you think long term.

Simon Mainwaring:

I think it's such a powerful idea to share with people, because especially today when you have so much urgency in multiple crises, our horizon line almost lowers and we are looking at days, months, the year in advance, but that longer horizon line of 10 years, as you say, is really where you capture the innovation opportunity. Where you can see the trends early enough to prepare for them to capture that opportunity as the market rises to meet you. So I think we would all learn by... Especially if we're being sort of catalyzed by really meaningful purpose to take that longer horizon line and then leverage innovation to execute against that purpose. What you were sharing made me think of when you look 10 years down the track, obviously you see the compounding environmental challenges we face, the climate crisis, ocean acidification, loss of biodiversity, and also the rising scrutiny from consumers, employees, investors, the rise of ESG funds and so on.

Simon Mainwaring:

So can you help me understand the connected tissue between your purpose, the business and strategic plan and these very important and significant ESG goals that you've announced as well? How do they work together?

Michel Doukeris:

We went back to review the category and we landed in this idea of our category is very inclusive, so it's for men, women, rich, poor, developed, developing worlds. And we have a role to play there because we really want beer to be very accessible for people and make sure that everyone can enjoy and celebrate. Beer is very natural, so all this debate today about climate change and sustainability, for us it's a way of living for decades and centuries. Just think that without water there is no beer, without barley there is no beer, so if the climate change too much that you cannot grow your crops, we'll not have beer. So it's very important for us that we are part of this conversation and part of the solution. And at the end, beer is very local as well. So we can feel the change in the climate, the change on the economies in each and

every market where we have our businesses close to these communities. And we know when the community's striving, because then our business is always striving. And we know when the community suffer because our business also suffers together with the local communities.

Michel Doukeris:

And we have been working very hard on that. We think that the biggest role that we can play is really in the export with economic empowerment and entrepreneurship, while we need to do our part and be actives in supporting the change for all other aspects of the ESG agenda. And we've been working, we have, for example, today, breweries in China, breweries in Brazil that have already negative carbon footprints. So we are no longer contributing negatively, but positively in the local community. We've been making investments to transform more and more of our footprint, both the supply and the logistics footprint in a green footprint, and this is not something that is separate from the business strategy. So this is embedded in everything that we do, because at the end of the day it needs to be good to the business so it becomes self-fulfilling in terms of investments and focus from the organization.

Simon Mainwaring:

It's essential, it's absolutely essential because it is, it's the lifeblood of your business, your commitment to the land, regenerative practices, waste management, reduction in carbon emissions, it all shapes the product you literally take to market at a time when expectations from everybody else are getting higher and higher. Are there any industrywide challenges that you're wrestling with? Recycling the bottles themselves, every industry has a challenge, are there any sort of big solutions that you're looking for innovation to answer?

Michel Doukeris:

So Simon, I really think that the issues that we face, not only as an industry but overall population, countries, on the sustainability front, they are issues that nobody, no organization, no company, no government will be able to solve alone. So the one big issue that I see that's becoming more clear to everybody is this idea of cooperation, collaboration, and partnership, public, private in order to deliver the solutions. So no one will be able to solve things isolated, we'll need everybody collaborated. The second thing that I see, just because of the position that I have today that allows me to see what is being done in Argentina, in UK, in Mexico, in Brazil, in the US, in China, is that governments that are updating and evolving legislation and creating alternatives that are different country by country. But that in a way they give long term direction to the players and they provide incentives to the players to act, they are achieving more success and the legislation and incentives they can come in very different shapes and forms.

Michel Doukeris:

They can come in investing in the workforce locally to allow people to have the technology and the right people to run new facilities. They can come in incentives that allow for specific policies for industries to make the investments to renovate the industrial manufacturer assets, and have the time in the business case to make it. In some cases, by creating technological areas where the technological challenge that we have are more easy to address with local supports and incentives. So I think that collaboration, legislation, and the last big milestone that we need to cross is really technology. Because today there is a lot of willingness to tackle the challenge, but in some cases, either you don't have the technology or just the technology's too expensive to scale. So I think that the partnership, public and private, with the right

incentives will not only foster the technology development, but also help us to get to this scale fast. That will help to reduce the costs and the barriers and therefore, everybody will be able to redeploy this technology that will be available. So those are my three nuggets on that.

Simon Mainwaring:

No, they're very powerful examples. And I want to speak to three different categories of collaboration, because as you said, you've got cross-sector collaboration, public, private partnerships, but there are also industrywide collaborations or collaborations inside your own company. And something that comes to mind is the 100+ Accelerator, where the industry's coming together to provide solutions to environmental and social crises. What role does the company play in that? And what is the 100+ Accelerator?

Michel Doukeris:

This is an incredible initiative that our sustainability area put in place, which is, as I said before, we have very clear goals. And what is the role that we play in the ESG sustainability agenda? So we want to address watershed protection because we want our community to have access to water. We want to make sure that hundred percent of our products they can be made with recyclable packaging. We want to have renewable energy and we want to have our farmers economically and digitally empowered. So with these four pillars in mind, we invited small enterprises, startups to join us on what we call the 100+ Accelerator, bringing disruptive innovative technology to solve these problems. So thousands of small enterprises they present their ideas to us, we select what would be their 100 most relevant or with the most chances to succeed and then we provide them with an environment where they can bring their ideas to feasibility by using our own assets.

Michel Doukeris:

So if someone has an idea that saves water, we help them with all the infrastructure to bring the idea to life and we pilot for them in one of our breweries or one our solution centers. So by the end of the period that they are incubating with us, they could have the idea, the technical support, the real life implementation of their idea, and if this proves to work, then they will have a very good example to start raising funds and commercialize their ideas. In this process we've had several other CPGs joining us, big companies such as Coke, Unilever, I think, getting together with us within the 100+ Accelerator, because they buy into the same agenda and they want to offer their own assets as a training ground for these ideas to be tested and to thrive. So we all together can get the technology that we need, we can get the feasibility of these ideas and perhaps a way of really commercializing and start implementing these ideas into our own ecosystem. And then for these entrepreneurs, they get this incredible support of the hub, the 100+ Accelerator. And they have a place where they can be cultured and they can bring their ideas to life. And then based on that, they'll be able to succeed much more than if they were doing or trying to do all of that standalone or only by themselves.

Simon Mainwaring:

I think it's a great cause for optimism because many people today, they look around the world, they look at the headlines and they feel disheartened, they feel that this is a negative time. But what you're saying is that every one of these challenges, whether it's managing waste or it's access to water, they're all marketplace opportunities in disguise, they're opportunities for companies to come along and say, "Here's a solution." And who's the right partner, such as your company to take them to scale. I know you are working with, for example, Evergreen, and you're using the brewing grains they use to actually make



a plant-based protein. Can you give us a little bit more explanation about that and just to see how something like that, how one of these solutions can come to life?

Michel Doukeris:

Yeah. This is, to me, an incredible example of how many opportunities we all have and how much technology can bring more out of what we already have in hands today. So there is this saying that I love that says that, "Need is the birthplace of creativity," and Evergreen, to me, is an example of that. In a nutshell, if I can tell you these stories like this, in order to produce beer you need barley. We, as a company, we've been brewing beer for more than 600 years, we all know that someone is brewing beer for more than 10 000 years. So that is a fact that suggests that people are brewing and drinking beer thousands of years ago. And we've been using barley in our brewing process with the only purpose of allowing the yeast that ferment the barley to produce the beer that we later treat and then pack to sell.

Michel Doukeris:

And this grain barley is an amazing grain that has somehow 10 to 15% protein, 70 plus percent fiber, and then have as this starch, the carbohydrate that the yeast eats when he's producing the beer. After the yeast does his job, we would get all these grains and then redirect them to other purposes. And the most common purpose is animal feed because it's a very rich grain, so we can do bread with barley, we can do soup with barley, we can do beer with barley. When you take the carbohydrates still a lot there in this grain, through technology in one of these startups, we learned that we could apply a process, one more step process, and we would do the separation from the fiber and the protein out of the remaining part of the grain. And in doing so, we learned that first, the yeast does a great job because the yeast goes there and takes a hundred percent of the starch out of the grain.

Michel Doukeris:

When the grain then comes out of the brewing process, this grain has 35% protein. What makes the barley grain after brewing one of the richest grains in terms of protein for vegetable protein transformation, and the protein that you can extract from the barley after this process is a very clean, very high quality protein because all the tough job of doing the separation of the starch was already done perfectly by the yeast. And because we don't need to seed the field, harvest the grain, do the transportation of this grain for facility, the savings in the carbon footprint are unbelievable as compared as any other vegetable protein for the protein that we extract out of barley. And now we are doing this at scale, we just invested in two massive facilities, one in Jupille, in Belgium and one in St. Louis here in Missouri, and we are now producing tones of vegetable protein. And after 600 years just redeploying these grains with very low value [inaudible 00:37:48] now we're going to be able to supply big companies to use both the fibers and the protein to produce real food for humans and helping a little bit in saving carbon footprint in the process, but also being a solution for this huge food crisis that we all know that is coming up in the next 10 to 20 years.

Simon Mainwaring:

And any advice on the strength of your 25 years inside the company, but also through the lens of arguably the most challenging period to lead in the last two centuries when you think of the scale of the climate crisis, social inequities, the expectations of the investor class and employees and consumers? Any advice to either entrepreneurs or high growth companies, leaders of large corporations that you'd give them based on all the experience you've had?

Michel Doukeris:

I would love to be able to give advice to people, but I think that the realities are very different, everyone faces different challenges. From my standpoint, it's very important that you continue to be in the moment. So you need to keep learning, you need to keep alert for the very fast changing world, and you need to make sure that your organization being a private, public, nonprofit organization, that you are part of the society that is evolving each and every day and moving very fast. So I think that there is no longer a space for that idea that you build your walls and you hide behind the walls with your single purpose or your organization mission. Today you need to be part of the world and you cannot hide behind the walls. So that's why when we say that we dream big to create a future with more cheers, it's more cheers for everyone not only for ABI.

Simon Mainwaring:

Thank you, Michel. Thank you so much for the insights today and also for setting a really, really powerful and purpose led example for the industry and beyond. And really appreciate everything you shared with us today.

Michel Doukeris:

Thank you Simon. Thank you for having me. Thank you for giving the opportunity to AB InBev into a future with more cheers.

Simon Mainwaring:

Thanks for joining us for another episode of Lead With We. Our show is produced by Goal 17 Media, and you can always find more information about our guest in the show notes of each episode. Make sure you subscribe to Lead With We on Apple, Google, or Spotify, and do share it with your friends and colleagues. You can also watch our episodes on YouTube at WeFirstTV. And if you're looking to go even deeper into the world of purposeful business check out my new book Lead With We, which is available at Amazon, Barnes & Noble, and Google Books. See you again soon. And until then, let's all Lead With We.