Interview Series

LEADERSHIP BEYOND BORDERS: INTERVIEWS WITH GLOBAL LEADERS

WHY WESTERN COMPANIES SHOULD LOOK AT LATIN AMERICA

Interview with KARL LIPPERT
President, SABMiller Latin America
By Hunt Executive Search
Karl Lippert on Latin America Leadership Trends

Today, emerging markets are leading the global economy. China and India attract most western attention. But growing domestic demand and unique human capital talent in Latin America make this region just as likely to deliver strong returns as their Asian counterparts. To succeed in this environment, western organizations must understand the operational complexities, local realities and "human capital" factor in individual markets in Latin America.

As many corporations seek the ways of strengthening the competitive advantage in this market, we facilitated a discussion with a leader of world’s largest beer company, SABMiller, Karl Lippert, President of Latin America. He joined SABMiller in 1992 and has extensive experience in the global brewing industry. Karl's insights help better understand the hidden value in Latin America market and explain how to succeed in this environment.

Karl, prior to leading Latin America market, you’ve spent most of your career navigating in several countries in EMEA region. How is the professional culture in Latin America different from that in Europe and Africa?

Karl Lippert: Every culture has its peculiarities and people value things differently everywhere. This is not always apparent at the beginning of a stint in a new country, so one really needs to meet people, listen to the way they express themselves and describe things, to become aware of these differences in values and emphasis. At the same time, we all share common human traits and hopes and fears, and we value some things in equal measure, so it is not like you are moving to another planet. I have found that people all over the world are and want to be proud of their heritage and their customs and it is critical to respect and endorse that, much like everyone wants to feel noticed and appreciated. I must have been asked the question: “So how do you like Colombia?” a thousand times, and this was really just a request for some appreciation of the things that make it special.

What struck me most in Latin America, and particularly in Colombia, have been the strength of the desire to learn and improve and the strong work ethic. Latin America has extra-ordinary human talent, because education is better than they realize, and they accept ideas and get going with
implementation of plans with much less reluctance that what you might find in the older and richer parts of the world. This eagerness allows an organization to be more agile and nimble, and we were able to get a huge amount done in a short time. There is a willingness to embrace change which is unique and very special.

Today, things are different, more global, more digital. How do you recommend managing in the environment like this?

Karl Lippert: I think the most important thing is to be constantly vigilant as to what is happening around us. Take the digital “revolution” as an example. There are still people that think that social media is for kids that have too much time on their hands and send each other banal messages or silly photographs. The people that realize that the new digital technology is being used by everyone, and that the way people connect, relate and consume information has structurally shifted for good, will be in a better position to see the opportunities on offer and the need for quite fundamental change to the way a company relates to its customers and consumers.

There are many other changes on the go, particularly in the consumer space, where consumers are facing a burgeoning array of choices, are finding it difficult to navigate in and across categories, and where brand loyalty is waning. I think the future is exciting because any change presents new opportunities, and the ones that are attuned to this will be tomorrow’s winners.

Can you evaluate the leadership talent that Latin America produces compared to Europe and Africa? Are there enough next-generation leaders in those countries?

Karl Lippert: We never compare cultures or nationalities because the variation between individuals is far greater than some sort of generalized norm. We look for and encourage talent, we provide opportunities for people to stand out and shine, and often quite early on in their careers. We also provide lots of opportunities to learn and grow. We enjoy seeing people demonstrate and utilize their talents, and we have that in abundance.

What would be your advice to leaders who are coming into a similar situation — leading the Latin America market?

Karl Lippert: Look and listen first — look at what is good and useful, look for strengths and express appreciation, and allow people to tell you how they see things, what they worry about, what they dream of.
This will allow you to be responsive to your people and help them connect to a new vision and a new plan. It is natural to be critical of what is unfamiliar, but a good leader keeps those inclinations in check.

I think that excelling at building on strengths (rather than excelling at diagnosing the problems) is a fundamental disposition that is at the heart of good leadership. Anyone coming to Latin America will find these strengths here — people here are open, eager to learn, hard working, professional, friendly, committed beyond reasonable expectation, diligent, creative, fun to be with, gregarious, collaborative, good at working in teams, optimistic, positive, appreciative, responsive, to mention just a few!

Economic and social conditions of most countries in Latin America seem very positive for SABMiller growth. What are the main obstacles you face?

*Karl Lippert:* The challenges vary over time and from country to country. The past few years have generally been good for emerging markets because of commodity prices and funds looking for higher yields than were on offer in the U.S. or Europe. These trends are now softening, so more pedestrian growth rates are now becoming the norm again. The sorts of things that bother us are under-investment in infrastructure, disrespect for property rights, unproductive fiscal policies, and erratic conditions created by uninformed or misguided legislators.

Today, what are the most important issues that you think senior executives should really making a priority?

*Karl Lippert:* That’s a long list, but I would say that the most important are reliable and improving financial performance, integrity and transparency, and responsibility toward society (in general, but with a growing list of specific stakeholders) and the environment.