Tony Greener, barely two weeks into his new role as Guinness chief executive, talks to ANDREW DON about the company's future.

Greener takes helm at start of new phase

High quality products stay on the agenda

Fifty-one-year-old Tony Greener has an extraordinarily heavy workload. For not only has he succeeded Anthony Tennant as chief executive, but he is still managing director of the company's wines and spirits division, United Distillers.

He will progressively hand over the UD role to Crispin Davis, currently managing director Europe, over the next six months.

And Mr Greener will also become chairman on Mr Tennant's retirement at the end of the year.

Guinness is the world's second most profitable drinks group after Coca-Cola. Its pre-tax profits were £847 million in 1990. This year should see that increase to at least £960 million.

It has scotch whisky market leadership in more than 120 of the 200 countries in which its brands are sold and ranks 16th in the European Community's largest companies.

The smooth handing over of his UD responsibilities to Mr Davis will be one of his priorities this year.

The other will be to get closer to the brewing side and the City.

His deputy Brian Baldock, who takes up his reins in May, has had more day-to-day exposure to the City but Mr Greener's track record in his former life at Dunhill and as head of UD leaves few, if anyone, doubting he is good for Guinness.

Chapter

He takes over the helm at the beginning of a new chapter with the Saunders scandal laid to rest following a £92 million settlement made to Argyll Group, the loser in the 1986 battle for Distillers.

The settlement in November was an agreeable ending for both parties without recourse to litigation.

"It closed a somewhat unfortunate chapter and the thought of an ongoing bitter battle with an extremely good trading friend was an unattractive proposition," said Mr Greener.

Premium pricing has played an important part in boosting pre-tax profits from £408 million in 1987 to last year's heady heights.

Mr Greener says he is committed to continue to concentrate on high quality products with individuality, and which consumers see as value for money.

He hastens to add that value for money does not simply mean cheaper prices, perhaps remembering the off-trade's rock bottom price for UD's Bell's whisky at Christmas.

"It means products consumers perceive to be worthwhile spending money on and products with a lot of intrinsic value."

Trading up is a part of human nature, he says. "If you have a Mini Minor you probably aspire to have a bigger and better car. Those who drive a Ford aspire to drive a Jaguar. The same applies to the spirits market."

Plans

More of the same is an accurate summary of his plans which are two-pronged – continuously to trade the business up and to concentrate on building brands.

"I think the one thing we've achieved above all else is to concentrate on brand building and focus all our attention on premium brands."

Trade currently in the UK, Australia and the United States, "is not good," he says.

"We had a difficult year in 1991 which was entirely a function of the economic circumstances in those markets."

But he says the great strength of Guinness is that because of its internationalism, weaker performance is offset by gains in other parts of the world.

The gains this time have been in the Asian Pacific, southern Europe and one or two latin American countries. "I don't think there's any doubt that the Pacific basin is going to be a very important area for us.

"Economically, in overall terms, that is where growth is going to be. There are a large number of emerging countries there which means the consumers are looking for status products, for demonstrating their affluence, taste and discrimination."

Partnerships in eastern Europe are a possibility although Mr Greener does not think this likely within 10 years.

But he said: "At some stage there is enormous potential there because the people in those countries consume a considerable amount of alcohol and they will emerge economically and aspire to purchase international brands."

A new brand, draught bitter in a can, which will also be available in the on-trade, will be rolled out in the summer following successful tests.

The company was "agreeably surprised about Guinness bitter."

Mr Greener said: "There was a real question mark as to how the consumer would perceive it; but all the test markets have been overwhelmingly favourable and a huge endorsement of the product."

When the idea was first researched there was "real ambivalence as to whether it was an appropriate thing to do with the Guinness name because it had only previously been associated with stout."

Mr Greener aspires to make Guinness one of the universally acknowledged leading consumer goods companies in the world by the year 2000.

"The future is focusing on what we are doing today better, more effectively and more creatively."

Diversification is not on the agenda.

"If the question is, are we suddenly going to be a retailer or go into the insurance business, the answer is absolutely not. We've got a good, clear and proven strategy about concentrating and focusing on brewing and spirits and we think they have a lot more mileage to go on down that route."

Guinness spent nearly £1 billion on acquisitions last year and these will continue to play a major part in its development.

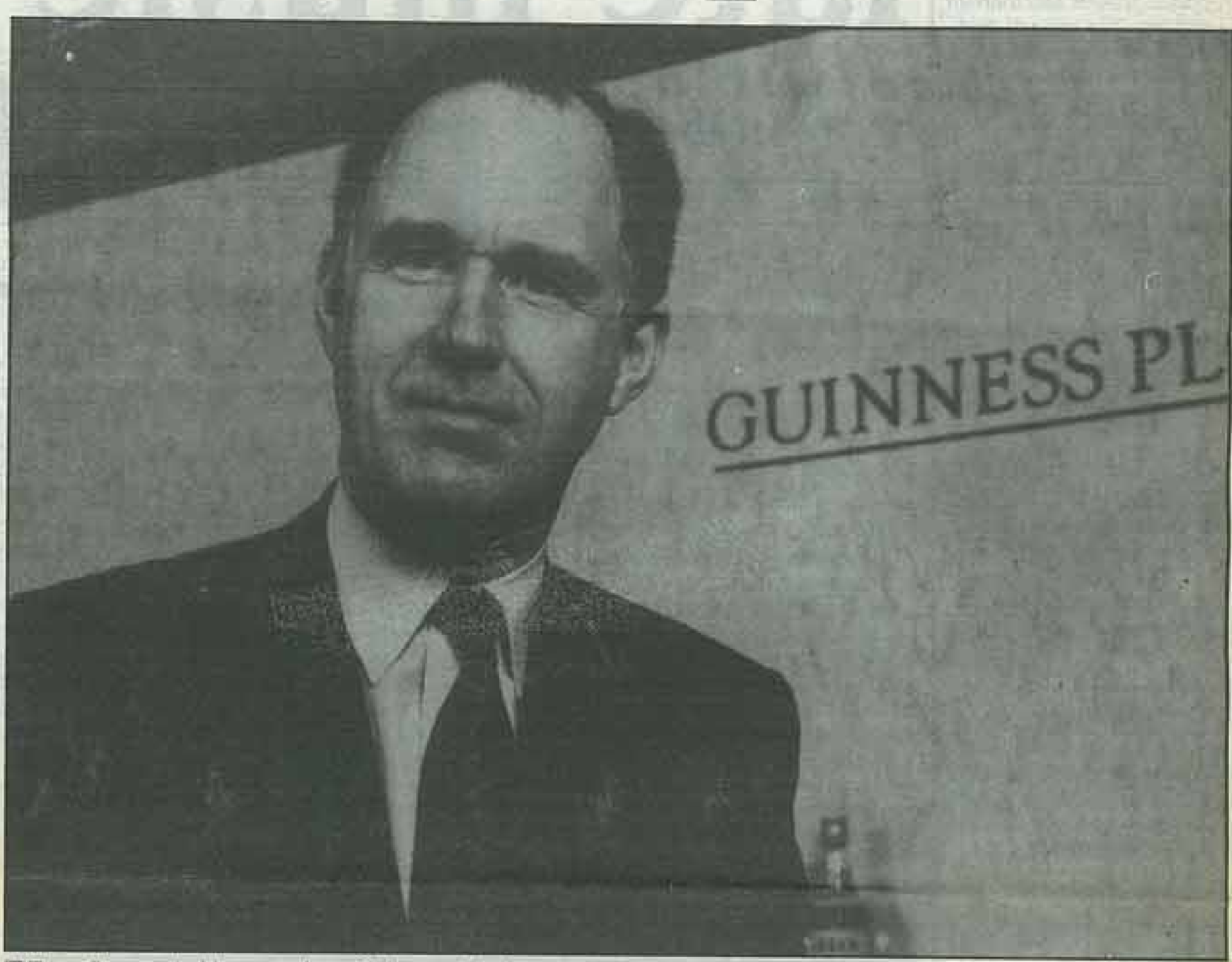
Last January it completed the £518 million purchase of Cruzcampo, Spain's largest brewer. Five months later its new acquisition bought Union Cerecera, Spain's sixth largest brewer for £29 million.

In February, Guinness bought a 50 per cent interest in Bundaberg, the leading spirits brand in Australia, and in July, UD became the USA's third largest spirits business following the acquisition of Glenmore Distilleries.

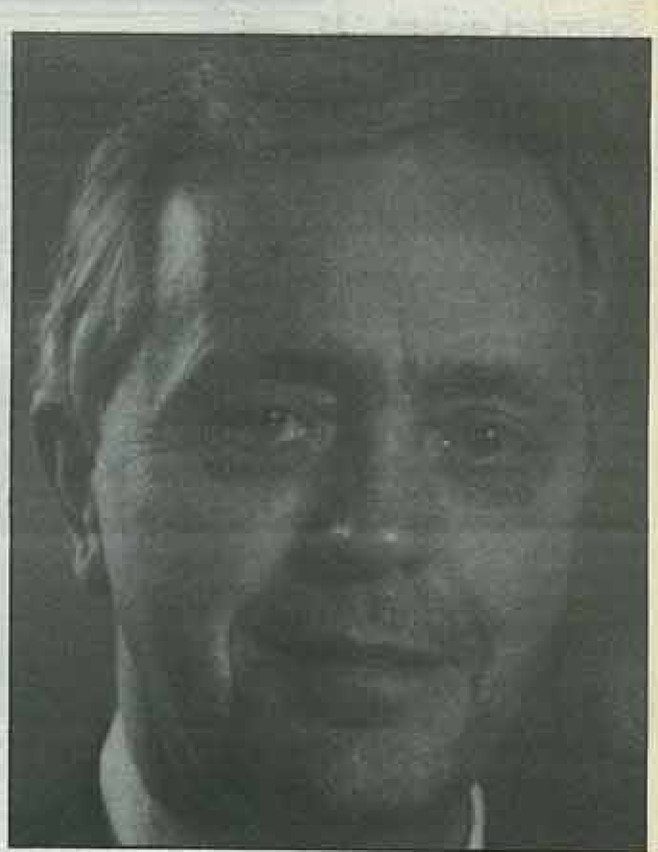
Then, in August, the company purchased world leading golden rum producer Industrias Pampero of Venezuela.

Whether Pernod Ricard is next for his attentions he is not letting on.

He shifts in his chair and laughs: "We don't comment on market rumours."



❑ Tony Greener in his new role as Guinness chief



❑ Brian Baldock takes over the reins as deputy in May