



Charles Bendotti

EDITORS' NOTE Charles Bendotti joined Philip Morris International in Lausanne in 1999 as Business Analyst. From 2000 until 2006, he served in various cross-functional roles in Marketing and Sales and Business Development in different markets in Eastern Europe, the Middle East and Africa, and Latin America and Canada Regions. He then became Managing Director, Ecuador & Bolivia, followed by his appointment as Vice President, Human Resources for the Latin America and Canada Region in 2008. In 2012, Bendotti was named Vice President, Human Resources for Asia, a position he held until December 2016, when he became Senior Vice President, Human Resources. He holds a master's degree in international relations, economy, and law from the Graduate Institute of International and Development Studies in Geneva and an Executive M.B.A. from HEC Paris.

COMPANY BRIEF Philip Morris International (*pmi.com*) is a leading international tobacco company, with more than 77,000 employees across the globe, and is selling products made in their 46 worldwide production facilities to over 150 million consumers in more than 180 markets around the world. With more than 400 R&D scientists and experts, PMI is transforming its business to create a smoke-free future and ultimately replace cigarettes with better alternatives for adult smokers.

How do you describe Philip Morris International today?

Like so many companies over the last 20 to 30 years, it is critical to evolve and transform. We created a new vision for a smoke-free future and this is a game changer for us.

Today, the world has more than 1.1 billion smokers. This is data coming from the World Health Organization. We know that by 2025 there will still be one billion smokers so there is a need to do something for this population. That is why we came up with the concept of a smoke-free future. How can

Designing a Smoke-Free Future

An Interview with Charles Bendotti,
Senior Vice President, People and Culture, Philip Morris International (PMI)

we find the solutions for people that want to improve their life? If you don't smoke, don't start. If you do smoke, quit. But if you do not quit – and we know that nine smokers in 10 continue smoking – then switch to better alternatives. That is the position of PMI and what we aim to achieve.

This requires a lot of investment. Over the last 10 years, we have invested more than \$6 billion in science, research and manufacturing capacity for our new products. We are transforming PMI from a tobacco manufacturer to a science and technology-based company.

As this transformation is occurring, has it been important to maintain culture?

I would divide culture into three different buckets. There are elements of the culture that we have to keep because we're proud of them and they work. There are elements we have to modify. Then there are elements that we have to change. This is a very difficult exercise.

In 2017, we engaged more than 10,000 people across the world to define together the culture that we want to have at PMI. We are very focused on people and that is an element we want to keep. Whether it's a company, a family or a sports team, you want the team to be one team and to work together. This is something we wanted to keep.

Then there are elements that we wanted to change. For example, we were too distant from the consumer. We were too much brand focused and not enough consumer focused. That is an element we needed to add into the equation so that our focus is on serving the consumer.

Then there are elements that you need to remove. In a big organization, it easily can become very process-driven and too bureaucratic. We want to remove that element from our culture.

Our process has been to really look at what to keep, what to modify and what to remove.

What is your approach to continuing to attract and retain top talent as you go through this culture shift?

We need to have the right people with the right capabilities. There are capabilities that we didn't have internally because they were not part of our previous business model – science, for example. The science we

have today follows protocols established by the pharmaceutical industry. We didn't have those skills internally, so we had to bring them into the organization.

To be customer-centric, we had to enhance our digital communications capabilities. These skills are critical for the transformation, so we had to bring in people from the outside to make us stronger in this area.

Even the functions like mine (People & Culture) require the ability to think differently than we have done in the past. This means helping employees to adjust their mindset and be eager to change. We can only create this transformation if all of our people are behind it.

Over the past two years, we have started equipping our people to proceed with the PMI transformation starting with the CEO and the top 200 and then moving down through the organization. Our aim is to have a customized transformation plan for every single person at PMI over the next couple of years.

So this transformation requires a balance between attracting people from the outside to supplement the skills that we don't have and developing our people internally. It's not one or the other, it requires both at the same time.

PMI's transformation is centered around purpose. How critical is it for leading companies today to be purpose-driven?

Having a purpose is absolutely vital in the world in which we live. I'm a father of three kids. I have two daughters and a son, and my son did an internship at PMI this summer. When I talk with him and his friends about their careers, purpose is a main reason why they want to work for an organization.

I think purpose has never been as important as it is today. At PMI, we now wake up in the morning and go to work knowing that we can do something positive for the lives of 1.1 billion smokers around the world – it's a massive wake-up call.

When you work for a big organization like PMI, I think you have obligations vis-à-vis society that go well above just revenues or shareholder return. If we don't act as genuine changers of the world, we won't be sustainable as a business. You can see it with what's going on in the world. People are asking more and more questions and they want big organizations to be engaged and committed to big issues. ●