

The Art of Premium Rum Craftmanship

An Interview with Philippe Brechot, President and Chief Executive Officer, Destilería Serrallés, Inc.

EDITORS' NOTE An experienced international business leader with a track record of driving sustainable profitability across mature and emerging functions, Philippe Brechot assumed his current role in 2017. Prior to this, he served as Managing Director of William Grant & Sons and Country Manager of Heineken Colombia. Additionally, he spent eight years with Diageo and seven years with Veuve Clicquot. Brechot earned a B.S. in business and an M.B.A. in marketing/marketing management from the University of Hartford and completed the LVMH Executive Program at CEDEP-INSEAD.



Philippe Brechot

COMPANY BRIEF The heritage of Destilería Serrallés (donq.com) began around 1820 when Juan Sebastián Serrallés left Spain and settled in Ponce, Puerto Rico. Soon after, he founded the Hacienda Teresa, a sugar cane plantation. In 1865, his son, Don Juan Serrallés, produced his first casks of rum. In 1898, the Serrallés family was granted the exclusive right to the Río Inabón, a river winding through Puerto Rico's volcanic mountains, which remains the exclusive water source for Don Q Rum. Following the end of prohibition, the Don Q brand, named after Don Quijote, was launched in 1934 and its award-winning tradition continues today.

Will you provide an overview of the history and heritage of Destilería Serrallés?

In 2020, Destilería Serrallés, producers of Don Q Rum, celebrated its 155th anniversary. The company goes back six generations and is one of the oldest in the Americas. This collective wisdom passed down from generation to generation has helped establish Don Q as the number one rum in Puerto Rico.

In 2017, I became the first non-family President and CEO and I'm honored to lead a company with such a rich heritage and a brand portfolio that's so highly regarded. When I joined, I brought my extensive global experience in premium spirits to lead the company's future growth by maximizing its full potential in the global spirits market. Of course, in doing so I have remained committed to the company's legacy and heritage.

What have been the keys to Don Q's industry leadership and how do you define the Don Q difference?

For 155 years, Destilería Serrallés has upheld its rich legacy and commitment to perfecting the art of premium rum craftmanship. The Don Q family of Puerto Rican premium rums provides a unique portfolio of carefully crafted spirits to capture and satiate the most sophisticated palates. Distilling rums is an art that has been cultivated for six generations, using multiple distillation and carbon-active

filtration processes to produce clean and pure rum. Our artisanal aging process in white oak casks along with our exclusive blending process result in our award-winning rums, acclaimed internationally for their unparalleled taste, its perfection and unique quality.

Don Q Rum is the #1 premium selling rum in Puerto Rico. Although our distillery is not open commercially for touring, we host special visits for the trade and the bartending community. Many have visited and seen firsthand how Don Q is produced and it has helped grow the affinity for the brand. This support is vital to the brand. Also, to make great rums you need great people. We have been fortunate to keep many talented employees for several decades and they contribute greatly to the consistent quality of our rums.

How do you describe the Don Q customer and how broad is the target market for the brand?

Our rums are enjoyed by many, but we find that mostly young adults and professionals between the ages of 25-49 enjoy Don Q. Customers today, more than ever, are looking for exceptional quality when they choose their rums. We believe that Don Q is the brand of choice for those who wish to enjoy a memorable premium rum, whether in mixed cocktails or to savor neat. We are fortunate that our rums have experienced a sustained brand loyalty that has continued on for generations amongst Puerto Ricans and now amongst sophisticated rum aficionados around the world where Destilería Serrallés has made significant inroads by expanding its international footprint.

As a leading premium rum brand, Don Q researches consumer preferences periodically to develop products in anticipation of where the market could be heading. We strive to offer our consumers unique rum expressions to fit lifestyle and consumption preferences as these evolve over time. To this end, our extensive rum portfolio has an expression for everyone. We have our flavored rums, including Coco, Piña, Pasión, and Limón, which showcase the native flavors of Puerto Rico and are great for crafting tropical drinks. Don Q Cristal, our leading white premium rum, is a main ingredient for Coquito, the traditional Puerto Rican holiday drink. In fact, it was Don Q that inspired the creation of National Coquito Day, which is celebrated every year on December 21 and is intended to honor each Puerto Rican family's unique recipe. Our Don Q





Gold was also a key player in crafting the world's famous Piña Colada cocktail in the mid-1950's.

This year we released the Reserva 7 which is a bright and radiant aged Puerto Rican rum crafted from an exceptional blend of rums aged a minimum of 7 years in American white oak barrels. This versatile rum is perfect to sip neat, on the rocks or mixed in a cocktail. We also released the Gran Reserva XO, a super-premium rum blended with complex rums aged from 9 to 12 years in American white oak barrels plus solera rums aged more than 55 years. Reintroduced in Fall 2020, Gran Reserva XO, previously known as Gran Añejo to Don Q fans, offers a nice balance with hints of baked apple, citrus fruits, and roasted nuts. This rum is enjoyed neat or in classic cocktails like the Manhattan or the Old Fashioned. Whether you are a rum novice or enthusiast, there is a Don Q rum to suit your taste.

How has Destilería Serrallés adapted its business during COVID-19 and will you discuss how you have refocused manufacturing operations to produce high-proof alcohol and donate it to the hospitals and the public health sector?

As the oldest rum producer on the Island and one of the oldest family-owned businesses under the U.S. flag, Destilería Serrallés has been a committed contributor to Puerto Rico for 155 years. Our community and our employees are

among the company's top priorities and it is our duty and privilege to give back in times of need, be it a national disaster such as Hurricane Maria, a global pandemic or other unforeseen circumstances. In March and April 2020, Don Q donated over 65,000 gallons of high-proof alcohol to hospitals and the healthcare industry, front line workers, clinics and emergency responders to help prevent COVID-19. At our facilities, we have implemented strict hygiene measures and preventive protocols to ensure our staff's safety, including modifying the total number of employees in the facility simultaneously.



Will you highlight Destilería Serrallés sustainability efforts and what makes this so critical for the company?

At Serrallés, we are committed to our environmental conservation efforts and we aim to be one of the greenest spirits producers in the world. We also expect our partners to adhere to environmentally friendly practices as we strive to maintain long-standing relationships with like-minded allies. We have invested a lot of time, knowledge and resources in making Destilería Serrallés' rum manufacturing cleaner and greener. Among the steps the company has taken to ensure this commitment to the environment is the deployment of a waste reclamation program that not only allows us to maximize our production capacity, but also provides valuable

energy return and cost reductions in the form of biogas, electricity, service water, and industrial products that we can sell to other businesses. We have also invested millions of dollars as well as significant time and effort in the creation and implementation of our distillery's waste treatment system.

What has made the spirits industry so special for you?

I have had the privilege of working in the spirits industry for more than 30 years with global leaders, such as Diageo and LVMH, as well as family-owned companies such as William Grant & Sons and now with Destilería Serrallés. Every professional experience has been a career milestone leading the way to where I am today. Throughout my career, I have been fortunate to work with incredible brands, strengthening existing ones and leading the launch of numerous others across many parts of the globe. It is truly a fantastic industry and it is wonderful to see how spirit brands can play such a key part in consumer celebrations. I am particularly honored to work for a company with such a rich heritage and a brand portfolio that's so highly regarded by consumers as well as the bartending and hospitality community. The industry is evolving at a faster pace in recent times and that creates new opportunities which keep things very exciting. Quite frankly, I can't think of any other industry that is as enjoyable as this one. ●

