



The time-honored traditional techniques for liquor making are an important part of Moutai's culture. PHOTOS PROVIDED TO CHINA DAILY



A Japanese visitor shows great interest in Moutai's products during one of the overseas shows of the brand.



Respect of the labor, knowledge and efforts of every employee is at the core of Moutai's humanistic value system.

MOUTAI'S PURSUIT OF EXCELLENCE, AS WELL AS CULTURE, YIELDS RESULTS

Company's time-honored techniques, as well as innovation, resonate in market seeking superlative products

At the beginning of this year, **Li Baofang**, Party chief, chairman and general manager of Kweichow Moutai Group, deliberated on the company's recently launched "Cultural Moutai" initiative, sharing his insight on how to develop a value system based on the nation's core values, its time-honored traditions and opening to the whole world.

It is widely recognized, as the saying goes, that culture is the soul of a country and of its people.

This is also true for Kweichow Moutai, the country's top liquor producer based in Zunyi city, Guizhou province.

We proposed an initial concept of a "Cultural Moutai" one year ago. And now, one year later, we have some concrete ideas for this initiative and the initiative has also been recognized by society.

The concept of a Cultural Moutai will evolve with the times and we will make more efforts to adapt our strategy to the development trends of the industry and the world.

Thanks to the continuous efforts of several generations of employees at Moutai and the support from governments at all levels, our company has grown into a competitive and renowned State-owned enterprise from being a local distillery back in the 1950s.

During this process of development, its unique cultural traditions, including time-honored techniques, an emphasis on quality and its highlighting of social responsibility, have been playing a crucial role.

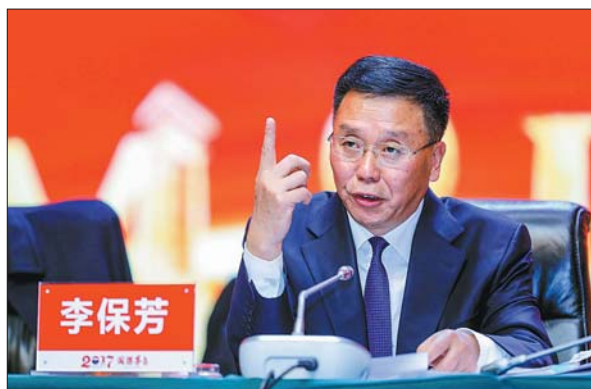
Moutai is now in the best time for growth in its history, not only because of its constant pursuit of quality in building itself as a top liquor producer, but also due to the short supply of premium products in the market.

However, we recognize that there will be ups and downs in a company's development. Therefore we cannot be content with today's glory but be prepared for possible crises in the future. And being alert to dangers, even in times of calm, is part of our corporate culture.

As Moutai develops rapidly in both domestic and international markets, we are glad to see that we have grown into a player with considerable global influence. Over the past decades, we have developed into an international company with operations spanning six continents.

Moutai's market capitalization surpassed Diageo, the leading multinational alcoholic beverages company based in Britain, in April 2017.

However, we don't think we have



Li Baofang, Party chief, chairman and general manager of Kweichow Moutai Group, talks about the company's cultural values. PROVIDED TO CHINA DAILY



Moutai's executives and guests attend the opening ceremony of the second Global Moutai Fans Festival on Sept 30. PROVIDED TO CHINA DAILY

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Li Baofang, Party chief, chairman and general manager of Kweichow Moutai Group

to overtake the company to become the world leader, because Diageo is still the owner of two — Johnnie Walker and J&B — of the world's top five liquor brands and 22 of the world's top 100 liquor brands.

We believe that the success of Diageo is that it has a cultural power that few counterparts can match. And this is something that we should learn from.

While the Moutai brand is recognized due to its time-honored traditions, we also believe in the power of innovation.

In a fast-changing world, Moutai should continuously broaden and enrich its culture and transcend tradition to create new cultural values that can overcome the boundaries of geography and language.

A set of new values should be created that are rooted in tradition and also opens us up to the whole world. Only in this way can we sustain the vitality and competitiveness of our brand.

The corporate culture of Moutai has evolved with the times over



A Moutai fan's certificate is granted to a foreigner during the second Global Moutai Fans Festival. PROVIDED TO CHINA DAILY

the past decades, on the one hand, but is still true to its essence on the other.

Moutai is located in Chishui River valley in Guizhou province. The region's unique farm produce, especially with sorghum as its main ingredient, and the nutrition-rich water have made Moutai a high-quality product with distinctive local characteristics.

The centuries-old traditional techniques and craftsmanship have also played an important role in making Moutai stand out from its competitors, especially in the early years when it became a State-owned enterprise.

During the 1950s to the 1970s, there was a system in place to pass down the techniques, management ideas and corporate values through the master-apprentice relationship, a practice which allowed apprentices to learn from their masters competitive skills, proper behavior and good values.

Since the 1950s, Moutai has been selected as a top liquor at many

State receptions to treat honored guests from foreign countries. So, fostering a sense of honor and responsibility has become a core value of Moutai.

Since the late 1990s, the management of the company realized that something new should be added to its cultural system to make it better recognized by consumers at home and abroad.

In this context, to develop a top national brand with global influence has become an important part of Moutai's corporate culture.

Our efforts in developing a value system in a new era, which features multiple forms and rich content, aim to reach three goals.

We aim to develop a culture that will give new impetus to Moutai's growth. This will include promoting universally agreed values that can motivate company staff and improve corporate governance, offering a new experience for consumers and building an influential brand.

We align ourselves to the high standards of the industry worldwide,

aiming to build an attractive national brand and push Moutai onto a higher level in the global value chain.

We also aim to form new cultural values with characteristics of the new era, adapting the brand and products to the varied demands of customers throughout the world.

In addition, we aim to set an exemplary role for Chinese-made products in the international market through constant innovation and integration with the cultures worldwide.

To realize these targets, we should stick to several principles.

First, the values of Moutai should be in line with the values of the country. The core socialist values practiced in China, including civility, harmony, patriotism, dedication and integrity, should be the guidelines of Moutai's culture.

Second, we should stick to humanistic values that pay due respect to every Moutai staff member.

We firmly believe people are at the core of Moutai's development because they are the creators and inheritors of good culture, values and techniques.

We hope every Moutai employee finds their careers promising, their efforts worthwhile and their lives decent. This can be realized by our respect for the labor, knowledge and every endeavor made by our staff members. We highlight both the teamwork and individual creativity of our employees.

We also promote our cultural identity with our dealers and partners, emphasizing a shared future for all the stakeholders in the Moutai value chain. It is suggested that stakeholders adopt a similar standardized, human-centered and scientific operational model with Moutai to improve their services and offer a better experience to customers.

Last but not least, a good plan and feasible implementation measures are needed for the Cultural Moutai strategy.

The planning for Moutai's cultural value system should be based on its good traditions and status quo, keeping an eye on its long-term development and incorporating the wisdom and resources of all stakeholders and of society.

The implementation of the strategy should be carried out step by step. We should closely track feedback from the market and society and make practical adjustments according to that feedback.

The Cultural Moutai initiative is a long-term strategy and we believe it can be successful if we are loyal to our mission and constant in our efforts.



Moutai is located in the Chishui River valley and the nutrition-rich water in the river has made Moutai a high-quality product with distinctive local characteristics. PROVIDED TO CHINA DAILY