Mariano Puig: the story of a leader who knows how to think big

Mariano Puig, 91, admits he's reached the stage his father called "letting others do." Time to let the next generation take over the running of the family-owned fashion and fragrance business. This is the story of a leader who knows how to think big.

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The 1950s marked major milestones for the Puig family business: its signature fragrance, Agua Lavanda Puig, had taken off; it had established a new factory and headquarters in Travessera de Gracia, a major thoroughfare in Barcelona; and Mariano Puig Planas, still in his 20s, became an executive director of the fashion and fragrance business that his father, Antonio Puig Castelló, had founded in 1914.

Mariano graduated from university with a degree in chemical engineering. But his education wasn't just there: he says he learned a great deal from sitting at the dining room table, listening while his father regaled him and his three brothers with stories of the ups and downs of running the business: "It made us want to become entrepreneurs."

Convinced he needed some business training to deal with the issues that he says his technical education had not equipped him for, he visited Harvard University during a trip to the United States. There he met Antonio Valero, who had recently formed an alliance with Harvard to help set up a business school in Spain: IESE.

Back in Barcelona, he got in touch with professor Valero to arrange an admission interview for IESE, never imagining how much Valero's enthusiastic personality would impress him. He undertook a general management program known as the PDG, graduating in 1964. His three brothers -- Antonio, José María and Enric -- later followed in his footsteps, also completing general management programs at IESE, as have other Puig directors.

For Mariano, Valero stood out. He was the professor who commanded the most respect. "Nobody wanted to miss his class," he recalls, adding that nobody wanted to sit in the front row, either -- something he had no choice but to do the day he arrived late for class. Valero purposely called on him to answer a question; he made a bad argument off the top of his head. "Think before you speak," Valero advised. It's a lesson that he says stuck with him.

Besides learning to reflect on problems more deeply before responding, he says his IESE experience also taught him to keep an open mind when making important decisions, especially during the period of austerity that Europe was going through at the time. He has carried this with him throughout his career.

The second generation

Mariano says his father taught him that, "In life, there are five stages: the first, learning to do; the second, doing; the third, teaching others to do; the fourth, having others do; and the fifth, which I'm in now, letting others do."

Having "learned to do," it was now time for "doing." He and his brothers established three key objectives:

- First, building a team of the best talent, able to adapt to the distinctive environment of a family business.
- Second, developing the best products. For this, they invested heavily in R&D and

took great care in terms of design. For example: the designs of the perfume bottles are iconic, still considered modern after 60 years.

- Third, expanding and internationalizing. This ability to think big has enabled Puig to become the multinational group it is today, counting around 4,500 employees present in more than 20 countries. Its portfolio of well-known brands includes Paco Rabanne, Carolina Herrera, Jean Paul Gautier and Nina Ricci, marketed in 150 countries and generating almost 2 billion euros in annual revenues.

In celebration of the company's 100th anniversary in 2014, another milestone was reached with the inauguration of Puig Tower, its new corporate headquarters in Plaza Europa, a business and commercial hub in Barcelona. The unique architecture of the building, featuring illuminated glass panels, represents the modernity and innovation of the co
mpany itself and the values on which the family business was built.

Family governance bodies

"My father governed alone," Mariano explains. "Shortly before he died, he revealed to us the secret of continuity: remain united." That advice guided the second generation of leaders. Although the four brothers "didn't always agree, we learned to work by consensus," he says.

As the third generation of family members entered the business, things became more complicated. To organize the family and the company better, various governing bodies were created.

One was the general assembly of shareholders, representing all blood relatives, whether they work in the company or not. This body represents many different perspectives. It functions as a forum for training shareholders and homogenizing their knowledge about the family interests.

Another body is the family council, from which the founding values are transmitted to the rest of the company. The family council establishes corporate protocols, such as determining that only biological family members are allocated shares or deciding to set age limits for executives or board members.

There is also a separate holding company with its own advisory board made up of non-family as well as family members. External professionals, recognized for success in their respective fields, lend their objective perspectives and help the family members make more balanced decisions.

Thanks to these governing bodies, the company benefits from a committed, stable shareholder base, which helps to further the company's long-term mission. "We're able to make decisions with future generations in mind, not just the next quarter," Mariano says. These bodies have also helped to professionalize the business -- so much so that, according to Mariano, "If we had to go to the capital markets today, we wouldn't have to make any major changes."

Bridging business and academia

As part of his father's third life lesson -- "teaching others to do" -- Mariano has sought to bring the worlds of management and academia closer together. His son, Marc, who is now in charge of the company, shares this aspiration.

For nearly 20 years (1999-2018), Mariano served as a member of IESE's International Advisory Board. He has been a speaker at a number of Global Alumni Reunions and alumni learning sessions around the world, and has supported IESE at a wide variety of institutional events.

Puig also sponsored a classroom and set up the Puig Chair of Global Leadership Development at IESE. The goal is to encourage research into effective talent management strategies that enable companies to secure long-term economic growth and social progress through the training of responsible global leaders.

Excellence and solidarity

As a further sign of his support of IESE, in February 2019 Mariano requested that the Barcelona campus serve as the venue for him to receive the Kingdom of Spain Business Career Award, granted by three major business associations in Barcelona, Madrid and the Basque Country. The award was given in recognition of his outstanding achievements in creating employment, generating investment and promoting internationalization.

During the award ceremony, Spain's King Felipe VI affirmed that, "Mariano Puig exemplifies values such as an openness to the world and to progress, the ideal of excellence of the firm, civic responsibility, and fomenting education through humanism, culture and science."

For its part, IESE was "particularly pleased that, at his own suggestion, he received this award at IESE, allowing us to thank him once again for his extraordinary contributions and service to our institution."

Now, Mariano is happy "letting others do." He proudly shows off the generations of family members who gave the company its start and helped it grow into what it is today, and he looks forward to the next generations who will inherit it someday. Thanks to this rich legacy, future generations will also know how to think big.

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