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Eduardo Sirotsky Melzer

Grupo RBS

Grupo RBS is one of Brazil's most successful family businesses. A multimedia and digital investment company with a host of interests across the country, Grupo RBS is now run by the third generation of the Sirotsky family, who set the business up nearly 60 years ago. Entrepreneurship is at the heart of Grupo RBS. And so too is good corporate governance and a strong link to the communities in which it operates.



"We are very passionate from a family perspective. The business is a professional, family one."

Eduardo Sirotsky Melzer,
CEO, Grupo RBS

Many businesses in Brazil are family owned, and one of the country's most outstanding examples is the media and digital business Grupo RBS. Now managed by the third generation and based in the southern Brazilian state of Rio Grande do Sul, Grupo RBS is one of the country's biggest media companies.

Hard work of the Sirotsky family

It was founded in 1957 by Maurício Sirotsky Sobrinho. Maurício's grandson Eduardo Sirotsky Melzer is now the CEO of a communication company that spans TV and radio stations, newspapers, digital and event companies, and printing and

more than 20 other radio stations. A number of newspapers, including Zero Hora, based in the city of Porto Alegre, and the country's fifth largest in terms of circulation, fall under the Grupo RBS umbrella. And it controls 18 TV stations and a host of other businesses. Grupo RBS is one of the oldest affiliates to Rede Globo. It is hardly surprising, then, that being entrepreneurial in the media world has been a driving force of Grupo RBS since it was founded. And that culture is still very much prevalent. It is clear that the ethos of Grupo RBS is based on the best values of a family business.

"We are very passionate from a family perspective. The business is a professional, family one," says Eduardo, who became CEO in



Eduardo (left picture) with his grandfather Maurício Sirotsky Sobrinho, the founder of Grupo RBS (middle); Eduardo's uncle Jayme Sirotsky (right picture), one of the owners of the group.

logistics businesses. With annual revenues of more than US\$650m, and employing around 6,000 people across the country and beyond, Grupo RBS is testament to the ingenuity, passion and hard work of the Sirotsky family.

The Grupo RBS media business is huge in Brazil; it is the fifth place in the ranking of printed newspapers in the country and the first in the country publishers ranking. It owns Radio Gaucha, Brazil's biggest radio station in terms of listeners, as well as

2012. That professionalism was there from the beginning. "My grandfather was very aware of the role of the family in relation to the business, as well as within the community," he says.

The big leap toward professionalizing the business took place under Nelson Pacheco Sirotsky, Eduardo's uncle and Chairman of Grupo RBS. "Under my uncle, a more institutional framework was put into place in terms of how the family related to the business," says Eduardo. In 2000, Grupo RBS hired renowned



Grupo RBS is a huge media business in Brazil with more than 20 radio stations, 18 TV stations and a number of newspapers, including Zero Hora.

family business academic John Davis from the Harvard Business School to help the family professionalize the Board of Directors, set up a family council and draw up guidelines for the next generation.

"One of the major things that came out of this process was the guidelines we set up for the next generation to come into the business," says Eduardo. The 42 year old says that this involves making sure that family members really want to work in the business and they have the passion to do so. "Beyond that, next generations need to have an MBA from a reputable university and at least have worked two years outside of Grupo RBS before joining," he says. "They also need to show they have achieved success at another company."

Eduardo personifies these next generation rules. He worked in finance and franchising in Brazil, and afterward, gained an MBA from Harvard. Then he went to New York, becoming General Manager at BoxTop Media, now a subsidiary of Advantage Sales and Marketing, before returning to Brazil and starting his career at Grupo RBS 10 years ago.

Brazilian music as a start

Maurício, the son of Russian Jewish immigrants to Brazil, started his career in radio, working for Radio Gaucha in the Brazilian city of Porto Alegre, where Grupo RBS is based. He went on to manage a local radio station and, at the same time, promote Brazilian music through the radio programs he hosted. Later, he set up a company and acquired Radio Gaucha. In 1962, his



The media group employs more than 6,000 people across Brazil and beyond.



Eduardo (right) with Nelson Sirotsky (left), Chairman of the Board.



The editorial department of Zero Hora, the country's sixth largest in terms of circulation.

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Maurício Sirotsky Sobrinho

brother Jayme Sirotsky joined the business. Jayme and his brother went on to acquire TV and radio stations, and newspapers, and lay the foundations for today's business. Still active today in the business as President Emeritus, Jayme served as President of the Board of Directors from 1991 to 2008.

Maurício died in 1986. His legacy remains strong in the business and in the way that it interacts with the wider community. He once said: “The philosophy we have implemented, over time, was to keep our eyes open to developments in our business, but without losing sight of the human dimension of what we do.”

Supporting educational development

That human dimension is reflected in the foundation that Maurício set up in 1982. In 1987, a year after his death, the foundation was named after him. The Maurício Sirotsky Sobrinho Foundation develops and supports projects in the two states of Rio Grande do Sul and Santa Catarina. In particular, it supports educational development and community initiatives.

Grupo RBS also promotes a number of social campaigns through its multimedia channels. Nonprofit and noncommercial, Grupo RBS works with government agencies to raise awareness of a variety of issues, such as road safety, child protection and preventing drug abuse. Among its successful campaigns is O Amor é a Melhor Herança, Cuide das Crianças (Love is the Best Inheritance, Take Care of the Kids).

“The work we do in these areas is, of course, something we are very proud of. Being a family business allows us to see the community as a stakeholder,” says Eduardo. “You have a fantastic bond with stakeholders.”

But no family business is without its difficulties. Asked about these, Eduardo points to passing the business on to the next generation. “Obviously, we have mechanisms in place to ensure the process goes as smoothly as possible. But it is still a challenge for any family business.”



The Headquarters of Grupo RBS in Porto Alegre.

With Eduardo relatively new in the position, and just in his 40s, the challenge of succession might seem many years away. But his forward thinking on the issue is testament to a family legacy that prioritizes good corporate governance as well as entrepreneurship.

Eduardo Sirotsky Melzer

Group President

Generation(s):	2nd and 3rd
Founded:	1957 in Porto Alegre, Brazil
Industries:	Media and related industries
Employees (2014):	Approx. 6,000
Revenue (2014):	US\$650m