



Microsoft Dynamics Customer Solution Case Study



Overview

Country or Region: United States

Industry: Manufacturing—
Food and beverage

Customer Profile

New Belgium Brewing creates and distributes Fat Tire Amber Ale and other fine craft beers to more than 25 states and has grown to become the third-largest craft brewer in the United States.

Business Situation

New Belgium has been experiencing double-digit year-over-year growth, and needed to expand the scope of its business information systems to sustain and support its growth.

Solution

By expanding on core Microsoft Dynamics® GP functions and implementing a companywide intranet built on Microsoft® Office SharePoint® Server 2007, New Belgium has gained greater visibility into decision-driving information.

Benefits

- Deeper decision-supporting information
- Extended access to information across the organization
- 50 percent reduction in shipment forecast error

Craft Brewer Supports Growth with Systems Designed to Work Together

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Jay Richardson, IT Director, New Belgium Brewing

New Belgium Brewing, makers of Fat Tire Amber Ale and other inspiring craft beers, has been experiencing double-digit year-over-year growth. To help keep a close eye on inventory sales and costs, New Belgium has extended the reach of its Microsoft Dynamics® GP business management solution and has incorporated Microsoft® Office SharePoint® Server 2007 to increase access to information and enhance communication and collaboration across the company. Manufacturing, production, sales forecasting, and budgeting have all benefited from the expanded solution, and in recent years the company has been able to cut its shipment forecast error in half, from 8 percent to 4 percent, dramatically reducing production overruns and product outages. New Belgium credits its information technology solutions with helping it manage sustainable growth as it expands into new markets and introduces new products.



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Situation

In 1989, electrical engineer and home brewer Jeff Lebesch decided he needed to see a bit of the world before settling down, so he decided to ride his bike across the Belgian countryside. On this trip, he discovered the soul-satisfying beers of Belgium, the kinds of beers that taste of grain ripening in the warm summer sun, wild flowers, and apple trees, with beguiling hints of spice. The kinds of beers that make you linger, settle in, and realize how good your life really is.

Always a tinkerer, when Lebesch returned to Fort Collins, Colorado, he headed to his basement and learned to make the kinds of beers he loved. Friends who tasted the beers told him he was onto something good and encouraged him to bottle the beers and sell them in town. He named his first commercially available beer “Fat Tire” in honor of his tour through the Belgian countryside—and the rest, as they say, is history.

Leading with Fat Tire and other beers, New Belgium Brewing has become the third-largest craft brewer in the United States, today producing more than a half-million barrels of beer per year. With repeated years of double-digit growth in sales, New Belgium beers available in more than 25 states, and the company has more than 330 employee owners.

Managing Growth

In 1996, New Belgium began using Microsoft Dynamics® GP business management software (at the time known as Great Plains), primarily for accounting functions such as general ledger, accounts payable, and accounts receivable. As the company grew, New Belgium business leaders recognized the need to have a more complete picture of business activity and began adding capabilities to the core system.

“In 2004, we began implementing additional modules in Microsoft Dynamics GP, so that now it’s our enterprise resource planning system, our financial backbone,” says Jay Richardson, IT Director at New Belgium.

New Belgium’s primary objectives for updating its systems included the ability for decision makers across the company to share information and for employees to easily access the information they need without requiring the assistance of the accounting or IT departments. Christine Perich, New Belgium’s Chief Financial Officer, shared her perspective on the needs that New Belgium faced as it grew from a relatively small, self-contained business into a more extended organization: “In a rapidly growing company, there are many challenges. Some of our main challenges have been access to data, and the ability to have conversations based on the same data and really understand what’s happening.”

Solution

New Belgium’s use of Microsoft Dynamics GP and other Microsoft® technologies has continued to expand over the years, testimony to the scalability and extensibility of the solution. As the company has grown, and as new technologies have matured and grown more powerful, New Belgium has been able to consistently add capacity and capabilities to its information management systems. “At New Belgium Brewing, information technology is viewed as paramount in order to make the best business decisions,” says Richardson.

Currently New Belgium is using Microsoft Dynamics GP for core financial processes, sales, and purchasing and has added the Manufacturing series to help it better track and forecast supply, production, distribution, and demand. For in-depth financial reporting, budgeting, and forecasting, New Belgium uses Microsoft FRx® and Microsoft Forecaster, and it regularly publishes

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Christine Perich, Chief Financial Officer,
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financial reports and other key business indicators using Microsoft Office Excel® spreadsheet software, enabling it to share results with information consumers inside and outside the company. To extend access to information across the business, New Belgium has deployed an intranet, called “the Mothernet.” Built on Microsoft Office SharePoint® Server 2007, the Mothernet enables employees to access key business information, share institutional knowledge, and collaborate more freely on business activities across the company.

“One of the technical benefits of having Microsoft Dynamics GP,” says Richardson, “is that it fits quite seamlessly into the rest of our Microsoft stack. So getting information in and out of it, without necessarily having to use the Microsoft Dynamics GP client, really frees that information outside of the accounting department. Now we have people from the brew house to the warehouse back door that have access to information that’s in Microsoft Dynamics GP because it’s easy to integrate throughout our stack of technology.”

Benefits

New Belgium has recognized benefits across its business, from reducing the time it takes to look up a customer balance to being able to make strategic decisions affecting the direction of the business with greater confidence.

Deeper Access to Decision-Supporting Information

New Belgium’s growth has created a crucial need to be able to see how decisions are affecting the company. Expanding into a new state or introducing a new product line carries with it certain variables that need to be examined carefully to make sure decisions are having the desired effect on company goals. Being able to analyze detailed production, delivery, and sales data is vital to

New Belgium’s ability to read the market and make the adjustments needed to achieve the desired results.

“In order to effectively grow our portfolio, we need to have good information,” says Perich. “And with the data we have, we’re much more skilled at determining which markets to go into with which brands, and we have a better understanding up-front what the profitability from these endeavors would be.”

New Belgium uses Microsoft FRx to analyze financial performance and uses Microsoft Forecaster for budgeting, to help estimate project demand and benchmark results against projections. FRx reports are exported to Office Excel 2007, making it easy to share them with executives and board members, whether the recipients are in the office or across the country, by sending them through the Office Outlook® 2007 messaging and collaboration client.

Extended Access to Information Across the Organization

Office SharePoint Server also plays a crucial role, as key performance indicators are shared with specific personnel, allowing them to see whether key metrics are on track. And because New Belgium is an employee-owned, “open-book” managed company, financial results are posted to the Mothernet, so that every employee owner can review financial performance at any time.

“Here at New Belgium, we empower our employees to take control and find the answers to the questions they have,” says Danielle McLarnon, Controller at New Belgium. “In the past, to try and get an answer, it was always 10 to 15 spreadsheets, strings of e-mail, and back-and-forth phone calls. Now, with the implementation of our intranet using SharePoint Server as our platform, we’re able to post information for managers and for our coworkers to review, so

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50 Percent Reduction in Shipment Forecast Error

Because New Belgium makes a perishable product that can take from several weeks to more than a year to craft, the ability to closely match production to distribution and consumption is extremely important. The production team wants to make sure that the beer they’re bottling will quickly make its way onto waiting shelves in the distribution system. Forecasting demand for every production run requires a detailed understanding of current and past sales, as well as trends in particular markets and for particular beers.

New Belgium pulls customer, pricing, and cost data from Microsoft Dynamics GP into its forecasting system, analyzes the data from multiple angles, and creates accurate forecasts, which can have a significant impact on costs and profitability.

“Over the past few years, we’ve been able to decrease our forecast error from 8 percent to 4 percent,” says Nate Turner, Supply Chain Director at New Belgium. “That’s really helped our production staff to get a good, solid plan and to eliminate a lot of waste with obsolete inventory or missed opportunities with out-of-stocks.”

Familiar Interface, Improved Efficiency

McLarnon reports that Microsoft Dynamics GP has been a huge asset to the users, due in part to its familiar interface and ease of sharing data with Microsoft Office Excel, Outlook, and Word. “The layout of the screen, when you open it up, looks very similar to the other Microsoft Office products,” says McLarnon. “To navigate around, to use the Ribbons, and to drill back and find information have been super easy and super efficient for our team.”

McLarnon says that routine information, like customer payment and vendor invoice status, is “just a few clicks away,” and she uses the Microsoft Dynamics GP SmartList Builder to create highly specific, refreshable online analytical processing (OLAP) views of data gathered from throughout the system.

Another key timesaver is automated electronic funds transfer, which New Belgium accomplishes by linking its Microsoft Dynamics GP data with its banks’ systems, using Microsoft Dynamics eConnect. With just a few clicks, McLarnon’s team can upload payments or cash receipts to the bank, and download credit card charges to ensure expense reporting is up-to-date. “This saves us hours and days of work,” says McLarnon, “from manually entering these transactions to just being able to click a few buttons and have that information in Microsoft Dynamics.”

Sales Force Effectiveness Aided by Remote Access to Information

Approximately one-third of New Belgium’s work force is mobile—mostly salespeople who meet with distributors, retail stores, bars, and restaurants. To work effectively, these salespeople need to have access to product information and sales data and must be able to communicate sales orders and market intelligence back to the greater sales organization. Salespeople also need to know what marketing efforts are being executed in their territories, from beer-tasting dinners to sponsored “Tour de Fat” bike festivals, so that they can help their customers connect with the products and the company.

To accomplish that, New Belgium has developed its intranet so that the company can share the detailed information salespeople need to perform their duties. Sales data collected in Microsoft Dynamics GP and from other sources is built into “cubes” using SQL Server® Analysis Services and Reporting Services in Microsoft SQL

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Server 2005 data management software, then shared with the sales team through the intranet. This allows the sales team to view the information specific to their accounts, from the retailer and distributor up to the company level, so that they can easily find the specific information they need and see how their efforts are paying off in the marketplace. Sales analysis, product sheets, updates from the sales and marketing teams, and other critical information are also available to the sales team and other employees, no matter where they are.

Windows Mobile® also plays an important role in helping salespeople do their jobs. Because much of New Belgium’s salespeople’s day is spent away from their laptops, “their mobile devices, running Windows Mobile, are extremely important for integration back to our e-mail server, and now recently, integration back to our SharePoint site,” says Richardson.

“What constitutes an effective sales force for us is one that’s very well informed,” says Joe Menetre, Sales Director, New Belgium Brewing. “They need to have the tools to go out there and find the places the consumer shops, and then feed that information back to the brewery so that we can make good decisions about what the consumers, retailers, and distributors are looking for.”

Addition of Manufacturing Capabilities for Analysis of Shrinkage, Inventory Levels, and Costs

In 2008, New Belgium added manufacturing features to its Microsoft Dynamics GP system. That addition, McLarnon says, has been a “great asset” to the organization. Using these manufacturing modules, New Belgium now has access to the most current information about inventory levels and production, and that information can be provided to anyone in the brewery at any point in time.

“The greatest benefit we have seen with our implementation of Microsoft Dynamics GP manufacturing has been our visibility to our shrinkage during the production process,” says McLarnon. “We can see our inventory levels at any point and we can see our costing of our inventory, all of which helps us to make better business decisions, in real time.”

Support for Long-Term Growth

New Belgium Brewing has experienced many changes in the past 20 years, but the company’s passion for having fun, growing sustainably, creating great beer, and developing great relationships with its customers remains constant. The company has been able to stay focused on those core values while growing and building the business, thanks to Microsoft Dynamics GP and the related Microsoft products and technologies, giving decision makers across the company access to the business information they need. By implementing solutions that can easily be extended using technologies the company is already familiar with, New Belgium is well positioned to continue managing its growth—and to deliver great beer to an ever-widening circle of friends, for years to come.

For More Information

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For more information about New Belgium Brewing products and services, call (888) 622-4044 or visit the Web site at: www.newbelgium.com

Microsoft Dynamics

Microsoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your people to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what's most important. And because it is from Microsoft, it easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship, and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success.

For more information about Microsoft Dynamics, go to: www.microsoft.com/dynamics

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- Microsoft FRx
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 - Microsoft Office Outlook 2007
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