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Founded in London, Ontario, in 1847 and the proud brewer of more than 60 quality beer brands, Labatt is the leading brewery in Canada and a part of Anheuser-Busch InBev, the world’s largest brewer by volume. Since the late 1990s, Labatt has evolved from a regionally federated business into a centralized one, reporting into a global parent company, Interbrew. In 2004, Interbrew merged with AmBev, creating InBev. This merger introduced another layer into what was already a complex organizational picture. Today, Labatt also markets, distributes and sells InBev’s global brands. This requires Labatt to manage the performance of both global and local brands and report the results to its various stakeholders.

 **PROBLEM**

The Canadian market for alcoholic beverages is diverse, with different regulatory requirements and routes-to-market in each province. As a result, each of the provincial Labatt businesses had evolved different business processes and data standards.

Labatt’s data environment is very rich, consisting of typical internal data sources and a large number of external data sources. This adds complexity, particularly in sales and marketing, when comparing regional performance or combining information in consistent ways.

Labatt’s vision was to integrate planning and performance management in one environment. The Enterprise Business Intelligence initiative was designed to meet that vision, providing simple, easy access to multi-dimensional information for business users to manage their business and analysts to be able to gain greater insights through more powerful analytic tools. To support this performance management challenge, Labatt turned to the only enterprise data warehouse automation solution that can quickly adapt to business change – Kalido.

Bob Featherstone, Director, Global Data and Application Architecture at InBev, the parent company of Labatt, comments: “Unlike pure technology projects, the Labatt Enterprise Business Intelligence program is a business-driven project designed to improve efficiency and provide people with visibility into the key performance indicators throughout the business. We found that Kalido could adapt to business change and was therefore the only enterprise data warehouse automation solution that could support our strategic goals.”

“Kalido is like our corporate vault – it doesn’t matter what ERP we have today or tomorrow, what the fingerprint of the business looks like today or tomorrow: Kalido never forgets.”

“With Kalido, Labatt was able to iteratively adapt and continue to build their solution to this changing environment.”

Jonathan Starkey
ENTERPRISE BUSINESS INTELLIGENCE,
TECHNOLOGY AND DATA MANAGER
Labatt

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SOLUTION

Labatt's Enterprise Business Intelligence (EBI) program aimed to significantly improve the company's overall understanding of the business, particularly by providing greater insight to multiple departments within the organization.

Executives, managers and operators in different departments across the company needed full visibility of the key performance indicators (KPIs) for which they were responsible. While much of the data underlying the analysis was the same across the KPIs and function areas, the interpretation of that data was unique to the needs of each function.

Key elements of the Labatt solution were to ensure that there was one source of the truth and that there was consistency between source systems and EBI.

As a result, Labatt needed to incorporate and provide analysis for the different roles and perspectives accessing the information, including sales, marketing, supply chain, finance and the executive team.

New capabilities and new metrics increased the breadth and depth of core data Labatt needed to manage, such as "contribution KPIs" — a form of profitability.

Jonathan Starkey, Enterprise Business Intelligence Technology and Data Manager, Labatt, explains: "We had already standardized processes as far as possible in our various operational systems, from finance and human resources to operations and logistics. The next step was to move our focus to the entities that those systems aim to describe: the consumer, the customer, the employee, the product, the supplier, and so on.

"Of course, there are no 'customer' systems or 'product' systems; the challenge is to piece together all of the changing perspectives in all of the different enterprise systems into a single, 360-degree view. The best insights you can get into your business exist in the seams between the different functions, in between the systems.

"When you stitch those together, you start to get amazing insights on the data. Given the speed at which our organization changes, it was clear that 'bolt-on' business intelligence would not suffice – we needed a new business intelligence architecture based around an adaptive data warehouse – and that choice was Kalido."

Building a change resilient solution

Distribution for alcoholic beverages in Canada is mostly run by the industry itself or by local government and is privatized in only two provinces. This meant that Labatt needed to maintain subtly different business models in each province of Canada, strengthening the argument for an information "hub" at the center of a variety of operational systems and external data sources.

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Labatt identified three distinct paces of change in its organization. The slowest is in business process, reflected in enterprise resource planning (ERP) systems that change every five to eight years. Change in the business itself – mergers and acquisitions, new products, brand reorganizations or new customer or product segmentation models – is more frequent, on a yearly or a monthly cycle. Fastest of all is the change in demand for analytics, which may be required weekly.

Having chosen to implement Cognos for sales planning, OLAP, performance reporting and line-of-sight dashboarding, Labatt looked for an enterprise data warehouse that would offer sufficient flexibility at the center of a three-tier business intelligence architecture. Says Jonathan Starkey: “The pace of change in the beverages sector is faster than ever before, especially at the global level, and our business is continually recalibrating.”

“We knew that if we selected a bolt-on data warehousing application for our ERP software, we wouldn’t be able to adapt rapidly or cost-effectively enough to change. And it was certainly clear that Labatt was facing significant change, going from a regionally federated business to a national business, and then being involved in the AmBev merger. Not only that, but also we were simultaneously in the middle of an advanced planning system implementation and an ERP implementation.”

Continues Jonathan Starkey: “In data terms, we need to go into deeper granularity all the time. Previously, classic data warehouse or data mart techniques would have sufficed, but they were no longer good enough: everything had become more complex and faster moving. Kalido is like our corporate vault – it doesn’t matter what ERP we have today or tomorrow, what the fingerprint of the business looks like today or tomorrow: Kalido never forgets.”

The Kalido business information model at Labatt includes 16 years of sales history, has 48 dimensions, 93 transaction data sets and draws data from 11 source systems. BearingPoint consultants assisted with the Kalido implementation and with defining the KPIs for reporting. Jonathan Starkey comments: “BearingPoint played a crucial role in getting us quickly to the right solution for our needs by running workshops for key stakeholders from the executive level right through to the data-entry people.”

New business intelligence capabilities

The first phase of the rollout covered the commercial and finance functions, establishing the foundation for cascading line-of-sight metrics and managing Labatt’s data complexity.

Planning and target setting capabilities were added and its output incorporated into the performance monitoring, reporting and analytics capabilities.

New metrics were added to these original areas by combining data, such as volumes, revenue, cost and spend,

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from different sources and piecing these together across multiple dimensions to create contribution. These metrics not only provide broader and deeper coverage, but also their calculation is facilitated by the solution rather than impeded as with the previously manual processes.

Executives, key account managers, brand managers and territory managers can now see the same key metrics for their area of responsibility. The solution is presented in a simple way to allow these managers to easily drill into the data to identify and understand relevant business issues and opportunities.

While cost savings and revenue opportunities were the main drivers of the new business intelligence architecture, another advantage is the speed of reporting and analysis. Tasks that previously relied on manual integration work by highly skilled analysts are now practically push-button operations. Lorrie Owen-Turner, Enterprise Business Intelligence Project Director, Labatt, explains: "Some analytical processes that used to take 4 to 5 hours now take us just minutes, thanks to our solution with Kalido. And this performance increase doesn't just feed into faster decision-making; it also makes us more productive and drives better decision making. Historically, business analysts at Labatt would spend perhaps 70% of their time hunting and gathering and 30% of their time on analysis. With our solution and Kalido, the split is probably 20% to 80% in favor of analysis."

RESULT

Marketing and sales: Making the complex simple

The company has the daunting challenge of managing, marketing and selling more than 60 brands of beer to the market.

This challenge is compounded by the need to cater to two distinct channels – on-premises and off-premises.

On-premises locations indicate beer that is consumed at restaurants and bars, while off-premises locations generally indicate liquor stores or other locations where consumers purchase beer to drink at home.

For sales and marketing executives, this two-pronged approach requires detailed analysis of how both channels are performing. For example, while sales in a particular city or area may be strong, they may be heavily skewed toward one channel, but partially offset by the other channel. Without insight to understand that distinction, Labatt misses a crucial opportunity.

By implementing its Kalido-driven Enterprise Business Intelligence (EBI) program, Labatt now has the detail it needs to drill closely into individual performance – from national and corporate to regional and brand to local and on- or off-premises.

The additional insight gleaned from the new system enables the company to implement even more productive

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processes for its brand and sales teams.

The result? With this flexibility and detail, the hundreds of users of the business intelligence system have the insight they need to take specific, localized action for immediate impact.

Using the EBI planning and performance management environment also creates stronger linkage to overall company performance and individual performance. Key performance indicators (KPIs) are cascaded through the organization with consistent views, but are specific to a manager's line of sight, showing how their performance fits into the overall company's goals.

Says Lorrie Owen-Turner, EBI Project Director, Labatt: "The new solution will give our marketing and sales group ready access to the data they need for a total understanding of the business. Kalido will help us to gain visibility into how brands are performing and their contribution to the business, from national all the way down to the territory level, in a standard and uniform way."

Bringing clarity to business planning and performance management

The legislation and taxation of beer sales are driven by each province. As a result, each province has its own approach and model, leading to greater complexity and numerous data structures and sources that are largely external and complex in their own right.

Historically, Labatt's operating structures developed with these regional or provincial structures, and accordingly, their systems, processes and data developed within these structures.

The result of these silos left Labatt with a patchwork of systems, processes and data that were not integrated. Each of the provinces would plan in detail, but due to the differences in formats and structures, it was very difficult to gain a consolidated view of the whole across all planned elements.

In contrast, the newly implemented Business Intelligence program, powered by Kalido, enables Labatt employees to track actual performance against their plan without needing to hunt through reports or go into different systems and integrate the data for themselves. They can also drill down using Cognos reporting tools to see the low-level data held in Kalido.

Labatt management can now view consistent information generated from disparate systems and sources. Their teams can also model and refine particular areas of their business plans rapidly in a single environment, helping to keep the monitoring of their performance relevant and efficient.

The company is using Kalido to bring together discrete data sets such as sales volume, revenue, costs and spend, which creates the ability to combine these elements to generate contribution across all the different areas to

ABInBev

balance their key performance indicators (KPIs).

The software also enables Labatt to manage in one place the structure of planning data and actual performance metrics as business structures and needs change. Labatt expects to drive greater relevance, consistency and efficiency in its planning and performance management processes. Previously, planning was prepared using different tools and spreadsheets and could only be aligned to changes in business through manual effort and only at a very high level.

The new level of detail enables Labatt to even more successfully link plans to performance in a clear and consistent way across the organization.

Says Jonathan Starkey, Enterprise Business Intelligence Technology and Data Manager, Labatt: "It was previously common to have meetings where people had different sets of numbers for the same performance metrics. We would then spend more time determining whose numbers were right than on determining the right business decisions to make. Kalido integrates data from disparate systems to provide a consistent source for fast, accurate reporting."

Mike Ali of Labatt's Enterprise Business Intelligence Change Management, adds: "Inherent in that single version of the truth is the removal of everyone's interpretation or customization of a particular view of data. The other key advantage of our new business intelligence architecture is that with multi-dimensional views of a particular metric, it gives employees improved context to draw balanced conclusions from any given set of performance data. In this way, Kalido will help us to drive consistency in our processes."



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