



Labatt brews change with Kalido

Labatt Breweries of Canada is part of the InBev group, the world's largest brewer by volume.

Through its strategic use of Kalido's active information management software (Kalido) within its Enterprise Business Intelligence (EBI) initiative, Labatt is providing its executives, managers and analysts with the critical information they need to better manage corporate, regional, functional and individual performance. With EBI, decision makers have gained greater consistency, clarity and quality in reports and analysis despite a complex mix of internal and external data sources across all functions and geographies in their organization.

Their business planning and performance management environment enables Labatt's teams to analyze their business in detail, create plans and monitor these

plans in a consistent way through and across their organization. EBI adds new performance management capabilities by combining different data elements across multiple business dimensions to improve the balance of their key metrics.

Kalido acts as an information hub, enabling Labatt executives and managers to measure business performance consistently despite underlying differences in operational systems and regional business models, and despite continuous change at every level.

Labatt can now let its business users manage to different levels to identify and understand issues and seek opportunities in this fast-moving consumer packaged goods (CPG) industry.

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Jonathan Starkey, Enterprise Business Intelligence
Technology and Data Manager, Labatt



Gaining an all-round view

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 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.

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 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 solution that could support our strategic goals.”



By implementing their Kalido-driven Enterprise Business Intelligence 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-premise.

Addressing the needs of many

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."

Marketing and sales: Making the complex simple

Labatt Breweries of Canada is one of the largest brewers and distributors of beer in Canada. As such, 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-premise and off-premise. On-premise locations indicate beer that is consumed at restaurants and bars, while off-premise 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-premise.

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

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Bob Featherstone, Director Global Data and Application Architecture at InBev



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.

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 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.”

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Jonathan Starkey, Enterprise Business Intelligence Technology and Data Manager, Labatt

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, 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."

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Enterprise Business Intelligence
Project Director, Labatt



Bringing clarity to business planning and performance management

As “Canada’s Leading Brewer,” Labatt Breweries of Canada sells its products in all provinces within the country. 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 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.”

“With EBI and Kalido, employees now have the information to become true ‘general managers’ of their own business, responsible for growth and success.”

Lorrie Owen-Turner,
Enterprise Business Intelligence
Project Director, Labatt

Great expectations

As the new business intelligence architecture is rolled out and gains user acceptance, Labatt expects significant future benefits.

Says Lorrie Owen-Turner: “From an organic volume perspective, we expect to identify new opportunities, and we think we can grow our top line, based on better visibility into the business. Furthermore, by enabling us to identify and focus on higher-value activities, our solution with Kalido will help us to grow the bottom line. With data so readily available, we can be much more proactive in understanding our business performance and stay one step ahead of the competition.

“From an operations standpoint, our Enterprise Business Intelligence (EBI) solution with Kalido is already helping Labatt make cost savings. Having consistent metrics across all our operations, with timely visibility of the information, is a key enabler for our performance management culture. Managers are more accountable for their topline analysis of the business, and employees are empowered to make their own analysis through our solution, which makes them more responsive to change. With EBI and Kalido, employees now have the information to become true ‘general managers’ of their own business, responsible for growth and success.”

Adapting to change

Business users at Labatt are making increasing demands on business intelligence and expecting answers to more complex questions more quickly than before.

Says Jonathan Starkey: “Executive decision makers are aiming to drive costs out of the business and to make processes more efficient, and they simply do not have time to wait for systems to be redesigned to reflect change in the business. Kalido adapts to change quickly and cost-effectively, and enables us to keep reporting aligned with the business as it changes.”

Through the build phase of the EBI project, Labatt managed through a period of organizational change. This lent an added layer of complexity as Labatt’s business model was fundamental to the foundation of the project. With Kalido, Labatt was able to iteratively adapt and continue to build its solution to this changing environment.

Mike Ali of Labatt’s EBI Change Management comments: “We combined what used to be our sales and marketing import company for premium brands into our main business. So instead of reporting on two different businesses, we are now reporting on one business. This is something that Kalido, uniquely, can handle, with no extra cost or delay.”

Unique capabilities

The flexibility of Kalido made it particularly suitable for Labatt, enabling the organization to press ahead with its plans for business intelligence, without requiring the business model to be frozen or reporting to be fixed in advance. Says Jonathan Starkey: “During our EBI implementation everything that could change did change – the organizational structure, the ownership, processes, key performance indicators, business sponsors. It would have been impossible to manage with traditional data warehousing techniques, where you have to know exactly what you want to do before you build it.

“Using a conventional data warehouse, the build phase would have been longer and far more complex, and we would not have seen the benefits as quickly, if at all. With Kalido, you don’t have to wait until everything is stable before you build.”

As the Kalido implementation at Labatt nears completion, the company continues to reap the rewards of the

software’s adaptability. Data models can be created quickly and easily, enabling the information services function to prototype new data sets rapidly to meet emerging business requirements.

Says Mike Ali: “Often it is only after the business users have seen their results in the tools or analysis that they know if they have what they need. With Kalido as the foundation of our EBI solution, we can quickly rework the data set, rebuild the reports and continue in a collaborative and iterative manner, which is very effective.”

A further example of accelerated rollout can be seen in the implementation of a new fixed-cost reporting approach. Says Jonathan Starkey: “Since we already have the facts we need in the Kalido data warehouse, the new solution will require very little work. The business is already starting to see the investment in Kalido pay off and is very appreciative of our ability to meet new requirements so quickly.”



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Jonathan Starkey, Enterprise Business Intelligence Technology and Data Manager, Labatt

Brewing up benefits for the future

The Labatt solution has more than 500 users across all functions in the organization.

The next phase of the rollout will cover procurement, logistics and brewery reporting. Says Jonathan Starkey Enterprise Business Intelligence Technology and Data Manager, Labatt: “We will be integrating these to obtain information we could not previously see.

For example, our record for hours worked is in payroll systems, and to calculate productivity in hectoliters per man hour was a very laborious process that could only ever be done at a very high level. Now that we have an integrated reporting system with very detailed dimensionality, we can pull this information together and report on it at an equally detailed level. This is a key benefit of Kalido, delivering cross-functional key performance indicators using data from different systems, to help us gain important insights into our business performance.”

The company then plans to add the master data management component of the Kalido application suite. Using Kalido to align master data will improve cross-functional reporting, by ensuring that all parts of the global business have a common ‘language’ – essentially, shared definitions of business concepts such as profitability and operating margin.

Summary

Challenge

- Enable fast, consistent reporting and analytics for a complex, diverse and fast-moving global consumer packaged goods (CPG) enterprise
- Provide simple, easy access to multi-dimensional information for managers to run their business and analysts to gain greater insight
- Manage, measure and report enterprise performance of global and local brands despite differences in regional business models
- Provide accurate analysis for each of the different roles and perspectives – sales, marketing, supply chain, finance and the executive team – accessing the information

Benefits

Corporate Performance Management

- Ability to manage in one place the structure of planning data and actual performance metrics as business structures and needs change – leading to a clearer link between plans and performance
- Access to current, consolidated and consistent 360-degree view of the organization despite minimal standardization across regional business models and enterprise systems
- Greater analytic productivity and improved decision making, reducing some analytic processes from hours to minutes
- Delivery of key performance indicators throughout the organization, with consistent views but specific to managers' line-of-sight, and showing how their performance fits into overall company goals

Cost Control

- Ability to optimize supply chain expenditure through increased visibility
- Consistent metrics across all breweries, timely visibility of management information to improve operational costs structures

Solution

- Labatt developed an Enterprise Business Intelligence (EBI) program with the Kalido active information management software at its center. The adaptive, business-focused nature of Kalido enabled the company to address these challenges and provided additional, unanticipated benefits, despite Labatt's continually changing complex business environment
- The three-tier business intelligence architecture includes Informatica tools for data extraction from 11 enterprise applications, Kalido software for adaptive data warehousing, and Cognos tools for planning, dashboarding, reporting and analytics

Financial Planning

- Rapid access to financial planning information and latest quarterly estimates; ability to track actual performance against planned and drill down to view raw data in the warehouse
- Linkage of long-range planning to annual planning and quarterly updates

Sales and Marketing

- Visibility into how brands are performing from a national level all the way down to the territory level in a standard and uniform way

General

- Development and maintenance of a single source of the truth; creates consistency between that source and the source systems
- Ability to report and compare according to the previous organization structure, current structure and future scenarios with minimal impact on cost and timelines
- Iterative abilities of the software allow for quicker implementation for faster results as well as better collaboration to ensure business needs are met

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