



Business challenge

In the face of increasing competition Carlsberg-Denmark needed to enhance customer service levels and increase business efficiency by optimizing customer-facing and internal processes

Transformation

Using IBM® Business Process Manager and IBM Blueworks Live™ software, the company identified areas of process improvement, modelled new processes and employed a collaborative, agile process development model.

Business benefits

90%

reduction

in back-office time required to process cooler orders for customers

Eliminates

errors

relating to product orders

Redefines

the relationship

Between business and IT in process development

The Carlsberg Group – Denmark

Optimizing customer service with IBM business process software

Based in Copenhagen, Denmark and founded in 1847, [Carlsberg](#) is a beer brewing company, selling and distributing over 500 brands in 150 markets worldwide. Its most prominent brand is Carlsberg Beer. Globally, the company employs approximately 46,000 people, 1,600 of whom work in the Denmark headquarters, managing IT and other functions for the Danish market.

“For us, customer service is a key priority... and that boils down to having processes that are as efficient as possible.”

— Kenneth Lindegaard, IT Director, Carlsberg Denmark



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Business process optimization

Brewing beer is a centuries-old handcraft, but in today's ever-changing competitive and technology environments the IT systems that support business processes and operations are just as integral to a beer company's success as the brewing art itself.

Kenneth Lindegaard leads Carlsberg Denmark's IT department situated on the grounds where the founder J.C. Jacobsen started brewing beer in 1847. His responsibilities range from overseeing all business processes to ensuring that the company's IT systems support operations from one end of the value chain to the other. "For us, customer service is a key priority. We need to have state-of-the-art technology that optimizes service to customers, and that boils down to having processes that are as efficient as possible."

During a large-scale migration to the SAP ERP platform across Western Europe and a subsequent change

management project, Mr. Lindegaard and his team identified a significant number of process gaps and inefficiencies. "We needed to improve and orchestrate our external customer-facing processes and optimize back-office processes for our internal customers," says Mr. Lindegaard.

By way of example, Mr. Lindegaard points to the largely manual processes that governed how Carlsberg's field force ordered in-store beer coolers for their bar and retail customers. "Ordering a cooler sounds simple, but they come in multiple designs and configurations. We have a field force of almost 300 people, and each needs to know stock levels for each cooler configuration on an ongoing basis, and they need to know which model is available for each category of customer," he says. "That used to all be done through spreadsheets and emails, consuming a lot of back-office hours and resulting in a lot of errors in our cooler orders."

The manual nature of Carlsberg's cooler order processes made it virtually impossible to definitively quantify the cost of those manual processes to the organization; however, the toll taken on the quality of the internal and external customer experience was obvious. "Our back office was sending out three spreadsheets a day, so a field rep might order a cooler that wasn't in stock because he was looking at the wrong sheet," Mr. Lindegaard recalls. "Or he'd order the wrong type of cooler for a particular classification of customer. That was an unacceptable and unsustainable situation."

Collaborative business process management

Mr. Lindegaard has assigned process managers to oversee all process and IT-related activities for each functional area within the business, from marketing and sales to production and logistics. Using IBM business process software—IBM Blueworks Live for process discovery and

modelling and IBM Business Process Manager software for process optimization and automation—his team has implemented 16 business processes into production in 18 months, including platform installation and configuration. Processes span across the whole organization, from customer and material master data, coolers and equipment, reporting and approval flows to ordering of IT equipment.

"Our approach to business process management has been to use the 80-20 rule," says Mr. Lindegaard. "Instead of spending time on building deep and expensive integrations, we've chosen to orchestrate the processes at the outset, and that's where we've used IBM Business Process Manager. We can now do our process optimizations based on what impacts our customers most directly, like the cooler ordering process, rather than spending time in areas that ultimately won't provide the benefit we might have anticipated."

Accelerating this effort, the process managers and developers use the Brazos toolkit and Brazos Portal developed by BP3, an IBM Business Partner that operates in Denmark, the USA, and the UK. “Carlsberg is under pressure to deliver a great user interface for their business users. But it’s not just about how the interface looks, it’s about how it behaves, how it either improves or impedes their productivity,” says Scott Francis, chief executive officer of BP3 Global.

Mr. Lindegaard is thus sure to engage business users during process development. “We have business representatives as part of process development because it infuses ownership of the processes all the way into the company, so we don’t have to sell the solution to the rest of the organization. Business is now embracing process changes because we’re providing what they

want. We’re collaborating with them to develop the processes they depend on, and we’re doing it in an agile way.”

Business process transformation

To Mr. Lindegaard’s way of thinking, his company’s business process management journey has transformed Carlsberg into a streamlined, data-driven organization. He points again to cooler ordering, where Carlsberg has reduced the hours back office personnel must dedicate to processing by over 90 percent, this while virtually eliminating order errors. Field sales personnel now access real-time cooler inventory data and identify the appropriate cooler model for a particular customer directly from their mobile device at the customer site.

“When we started analyzing the problems and the time consumption on cooler orders, nobody in the organization had an idea how big the benefits would be. We knew it took some time, but everybody was surprised how much time it actually cost,” Mr. Lindegaard says. “We’ve evolved from a resource-intensive and error-prone model into one that vastly improves customer service and that allows our consultants to spend much more time advising customers than performing administrative duties. In a competitive market, the better we are at advising the customer on what he should have on tap and how it should be positioned, the more he sells and the better supplier we are.”

Beyond customer-facing processes, Mr. Lindegaard’s group is monitoring before-and-after metrics throughout

the business to ensure each process implemented reaches its full value-add potential. “Internally, people love the way that we’re talking to them on a business level; we’re not talking systems until the very end. They’re keen on the fact that they don’t have to wait 12 months after handing us their requirements only to get something back that may or may not be what they were expecting. We can now actually accelerate and provide mockups in just a few days. So they’re giving us new requirements every week, because they’ve taken ownership in business process management and appreciate the collaborative way we’re working with them.”

Solution components

- IBM Blueworks Live
- IBM Business Process Manager

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Take the next step

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