



Process Excellence in Action:
Molson Coors Brewing Company

**BPM is Brewing at Molson Coors —
Driving Human Performance Through
Business Process Management**

"Our process-driven focus is a key business driver that we believe will ultimately transform Molson Coors into a high performance organization with the capabilities to optimize human performance, monitor processes and create a process mindset."

Business Architect
Molson Coors Brewing Co.

Organization

Molson Coors Brewing Company

Industry

Third largest brewer of beer
in the United States

Challenge

Drive human performance through the
implementation of BPM.

The Solution

IDS Scheer helped the company create
process efficiencies, reap the benefits
through the opening of a new brewing
facility and measure effectiveness through
a pilot program.

Solutions Deployed

- ▶ ARIS Toolset
- ▶ ARIS Process Performance Manager

Benefits

Molson Coors is recognizing the value of
being a process-driven organization. The
company is positioning itself to leverage
process performance metrics and is laying
the groundwork necessary to become a
process-enabled organization.

Molson Coors Brewing Company (NYSE, TSX: TAP), the fifth largest brewer in the world, sells its products in North America, Europe, Latin America and Asia. Molson Coors is the third largest brewer in the United States, the second largest in the United Kingdom and the leading brewer in Canada. The company's brands include Coors Light, Molson Canadian, Carling, Kaiser, Coors, Killian's Irish Red and Zima XXX.

The Business Challenge

To gain competitive advantage in a beer business market segment reminiscent of the Cola Wars of the 1980s, Coors (prior to merger with Molson) knew that its long-term growth was contingent on transforming into an agile, high performance company. In addition to satisfying beer consumers with its delicious beers, Coors needed to attack costs and invest in company growth, while simultaneously engaging and inspiring its people to peak performance.

Coors realized that the path to improvement resided in optimizing business processes. The company assembled a team of process professionals, including a process director, process consultants and process architects. In a twist on traditional BPM, Coors' process team was aligned to its human resources organization, led by the Chief People Officer. The BPM function reported into HR because the heart of the Coors BPM initiative was driving human performance and the key to realizing the company's vision of a high performance company.

The Coors BPM team decided to focus on:

- ▶ Developing enterprise-wide process integration and alignment
- ▶ Shortening the business cycle
- ▶ Removing process complexities (eliminate process overlaps and ineffectiveness)
- ▶ Driving human performance (roles, responsibilities and job descriptions)
- ▶ Communicating process information in simple terms
- ▶ Providing the business with a reusable asset for impact analysis and decision making
- ▶ Supporting organization design and redesign
- ▶ Facilitating a successful change management approach
- ▶ Feeding information to a knowledge management system

The Business Solution

Coors turned to the BPM experts at IDS Scheer to help drive human performance and optimize the new process organization for its expansion of the Coors Shenandoah, Virginia facility.

Using the ARIS Platform, Coors designed and modeled its processes and created ARIS reports by specific roles and activities:

- ▶ Job Design
 - ▶ Changes in current job(s)
 - ▶ Creation of new job(s)
 - ▶ Technical competencies
 - ▶ Coors success model linkage
 - ▶ Update job in HR database
 - ▶ Evaluate impact to organizational structure
 - ▶ System access requirements

- ▶ Organizational Structure
 - ▶ Training development
 - ▶ Requirements defined
 - ▶ Curriculum planning
 - ▶ Tools/materials available
 - ▶ Role or system specific
- ▶ Headcount Analysis
 - ▶ Cycle time per activity
 - ▶ Volume by location
 - ▶ Estimate total work
 - ▶ Determine headcount/organization coverage
 - ▶ Evaluate impact to organizational structure

Project Jefferson

Coors put its new human performance process initiatives to the test with "Project Jefferson," the company's expansion of its Shenandoah facility to include brewing.

As a first step, Coors defined its processes for the facility, determined staffing requirements for the plan, and developed job descriptions in the following areas:

- ▶ Brewing
- ▶ Laboratory analysis
- ▶ Asset care
- ▶ Utilities management

Coors then developed a process scope that encompassed:

- ▶ Plan, procure, receive and manage raw materials
- ▶ Make product
- ▶ Manage yeast, utilities, asset care, co-products and waste

The process scope was devised in five steps:

- ▶ Step 1: Design WHAT & HOW Process Models
- ▶ Step 2: Assign Process Roles and Metrics
- ▶ Step 3: Report Data - Driven by custom ARIS report that tracked activity by role and function attributes, and associated cycle-time metrics
- ▶ Step 4: Analyze Process Data - ARIS data summarized into Operator Task Analysis for brewing, raw materials and utility tasks
- ▶ Step 5: Utilize Process Findings - Brewery operator requirements developed from ARIS business model documentation

The Results

Measuring Effectiveness of Project Jefferson

Coors realized the following metrics from Project Jefferson:

- ▶ Operations design is now driven by the process model.
- ▶ Training development is facilitated by ARIS reports.
- ▶ Seven hundred thirty-six tasks have been modeled and analyzed.
- ▶ Total task hours were equated with the number of operators needed to run the plant.

Project Jefferson laid the groundwork for future state process models used as inputs to plant, process and people design. In terms of people design, Coors created competency guides and recruitment/selection criteria. Overall, the project enabled Coors to create a common language aligned to strategic business models and standards.

ARIS PPM Pilot

Molson Coors is also taking further control of its processes by conducting a pilot program using IDS Scheer's ARIS Process Performance Manager (ARIS PPM) in tandem with the open standards SAP NetWeaver platform. The goal of the pilot was to create executable processes with process monitoring and proactive process improvements.

Molson Coors was having some issues measuring its processes through its current ERP systems and encountered difficulties in determining plant performance. Compliance to design processes was unknown. Plus, monitoring actual process steps and comparing them to process design offered the opportunity to identify reasons for higher costs and/or best practice opportunities.

ARIS PPM enables customers to analyze and visualize data in running processes. An organization analysis component automatically analyzes the interactions between organizational units so that the cooperation between the units can be mapped on the basis of the current state. CIOs also benefit from the enhanced Process Performance Dashboard, which displays all of the company's important process data.

ARIS PPM Pilot Results

ARIS PPM delivered enhanced human performance optimization. The pilot found that:

- ▶ Required breakdown work order data was not being recorded in the ERP system, reducing the accuracy of monthly metrics.
- ▶ This same data was left open for multiple days, indicating a lack of discipline around the integrity of these orders.

ARIS PPM Pilot Benefits

ARIS PPM provided process control based on the following performance indicators:

- ▶ Facilitated reduction of process costs
- ▶ Comprehensive package of process performance indicators (times, costs, amounts, quality and risks)
- ▶ Early warning systems for deviations of planned values
- ▶ Improvement of internal and external customer satisfaction

ARIS PPM also clarified the actual executed business processes:

- ▶ Automatic visualization of executed business processes
- ▶ Fast detection of weak points in the organizational structures
- ▶ Identification of optimization potentials

ARIS PPM Pilot

Next opportunities for Molson Coors include:

- ▶ Linking of business strategy, goals and critical success factors to processes, systems and roles
- ▶ Aligning business performance with process
- ▶ Synchronizing employee performance reviews with process accountabilities, as defined in ARIS
- ▶ Ensuring that processes are executable, monitored and measured using SAP NetWeaver
- ▶ Integrating Coors' System with ARIS to maintain job roles, descriptions and competencies

About IDS Scheer

IDS Scheer is the market leader in Business Process Management (BPM) software and services for corporations and public organizations worldwide. With its unrivaled ARIS Platform for Process Excellence, the company offers an integrated, comprehensive solution portfolio for the strategy, design, implementation and controlling of business processes. Utilizing the ARIS Value Engineering (AVE) approach, IDS Scheer consultants bridge the gap between corporate strategy, business processes, IT solutions and process controlling. Approximately 2,800 employees, in over 70 countries, serve the company's 6,000 customers. In 2006, IDS Scheer's revenues reached 354 million Euro / \$465 million USD. Established in 1984 by Prof. August-Wilhelm Scheer, IDS Scheer is listed in the TecDAX on the Frankfurt Stock Exchange (Germany).

For more information, please visit: <http://www.ids-scheer.com>.

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