

Microsoft Dynamics NAV with Drink-IT from NORRIQ forms the IT basis for Carlsberg's Asian expansion



In connection with Carlsberg's expansion in Asia a new IT system needed to be introduced. The IT system had to meet the requirements of the brewery industry, and it had to be easy to use and implement. In addition the solution should be flexible and used as a core solution for all the new markets in Asia. The choice fell on Microsoft Dynamics NAV with Drink-IT from NORRIQ with Tectura as strategic implementation partner.



Profile

The Carlsberg Group is primarily concerned with the production, sale and distribution of beer and soft drinks, and is the fourth largest brewery group in the world. More than 45,000 people work for the Carlsberg Group, and their products are sold in more than 150 markets. In 2008 the Carlsberg Group sold 12,000,000,000 litres of beer.



Eastern expansion

Asia is one of Carlsberg's strategic growth areas, and Carlsberg is at the present time represented in countries such as India, Malaysia, Cambodia, Laos, Nepal, Singapore, Vietnam and China – including Hong Kong. Through joint ventures in China and Vietnam alone, Carlsberg is fully engaged in 24 breweries and has over 5,000 employees. Carlsberg's strategy is to have a leading position in Asia first and foremost through acquisition and development of already existing market positions.

In connection with Carlsberg's expansion towards the East it was soon clear that they could not use the IT solution that was being used in the established breweries around the world. For the Asian countries that are emerging markets, a less complex IT solution was needed:

'When the Carlsberg Group decided to expand the market in Asia we were aware that we had to have an IT system, which could adapt to these new markets. The choice fell on Microsoft Dynamics NAV because it has a complexity which suited our needs. The only catch with NAV was that the system was not intended for our industry. Therefore, we had to either develop our own solution or purchase one.'

Solution:

Microsoft Dynamics NAV with Drink-IT® from NORRIQ

Carlsberg plans to implement Microsoft Dynamics NAV with Drink-IT in all emerging markets in India, Nepal, China, Vietnam, Laos, Cambodia and Malawi. Drink-IT is already implemented in five companies in Asia.

Microsoft recommended Drink-IT from NORRIQ, which was a well proven IT solution for breweries. It was the solution we chose,' says Torben Melskens, Strategy Director Carlsberg IT.

Drink-IT has been especially developed by NORRIQ for breweries and distributors of beer and soft drinks. The solution is based on Microsoft Dynamics NAV and contains several individual modules such as quality and recipe management, tax management, management of returnable packaging, management of sales agreements and marketing, telesales and service module and distribution management etc.

More than just an IT solution

For Carlsberg it was important that the IT system which was to be used in Asia could function as a core solution. The solution should not be too technically advanced, but should be easy to use and implement. In addition the solution should have a flexibility, which meant that it could be adapted to regional demands and expanded as needed.

'In order to be able to understand the extent of our work in Asia, one must be aware that the introduction of a modern integrated IT system demands great changes for the employees. Many of the companies went from using very simple IT systems combined with Excel spreadsheet to using an advanced and integrated IT system. For Carlsberg in Asia therefore the implementation of Microsoft Dynamics NAV and Drink IT is, more than just an IT project. We see it as a joint effort between business and IT, where we focus a great deal on standardising and simplification of the business processes, which is made possible through the implementation of a standardised IT system based on a 'work smarter' principle. Thus we have a great deal of focus on our key users, and in the actual implementation phase it is also very important to us for the local company's management to take ownership of the project,' explains Torben Melskens.

Today Microsoft Dynamics NAV and Drink-IT are successfully implemented in five of Carlsberg's companies in India, Laos, Vietnam and China, whilst the implementation process is in full swing in the other Asian breweries.

'We have put together an implementation team that consists of both internal as well as external consultants and local key users. When we start a new brewery we always prepare a business case, as the framework for a very thorough matching of expectations. Once we have drawn up the final agreement with our implementation partner, four or five months pass before we go live. Subsequently, the experts remain in place for a couple of months until the local company feels comfortable enough to take over the day-to-day running of the new solution. The consultants then move on to the next implementation. I should like to emphasise

Drink-IT® from NORRIQ:

Easy to use and implement. Based on 'best practice' from the brewery sector and contains the following modules:

- Sales tax management: automatic management of excise duties
- Management of returnable packaging
- Sales agreements and marketing: expanded functionalities in relation to, for example, periodic discounts and campaign management
- Telesales: management of pro-active order issuing
- Shipping matrix: specific logistic management
- IPOS: IPOS solution with scanning potential
- Property and service Rent, loan and sales contracts
- Production: production of drinks - alcoholic as well as non-alcoholic
- Recipe and quality management
- Tracking of goods (Lot number, serial number)

that five to six months in total is a very quick implementation time taking the conditions into account. However, with Microsoft Dynamics NAV and Drink-IT from NORRIQ we have acquired a solution, which is both easy to use and implement. Also the implementation costs are quite reasonable as well,' says Torben Melskens.

The backbone of the entire business

Microsoft Dynamics NAV and Drink-IT from NORRIQ ensure that Carlsberg lives up to its determination to be able to 'keep it simple'. The solution has incorporated 'best practice' from the brewery industry and has an appropriate level of standardisation.

'With Drink-IT based on Dynamics NAV we have acquired an IT system, which above all is specially designed for our sector. Also it is designed to accommodate change, it has a flexible front-end and a standardised back-end, and it is easy to adjust to the regional and local differences,' says Torben Melskens

In conclusion, Torben Melskens explains what advantages Carlsberg has gained from introducing the new IT solution into their breweries, 'The new *IT solution functions as a backbone for the entire business. After the implementation we have gained complete transparency across the functions, and we have gained a united world view, which provides a closer integration between the head office and the breweries. In this way we can ensure an easier benchmarking and a better follow-up of the breweries' KPI's, MRP and quality control. Microsoft Dynamics NAV and Drink-IT have already been successfully implemented in five of our companies in India, Vietnam, Laos and China, and we are working nonstop to get the system implemented in the rest of our Asian breweries in the emerging markets. There is no getting round the fact that Microsoft Dynamics NAV and Drink-IT have been a great success for Carlsberg'.*

Key figures regarding Drink-IT®:

- Is available in 22 countries and in six languages
- Implemented in more than 50 breweries throughout the world