

Raising a glass to M&A success

Carlsberg taps into a winning IT integration strategy



Call for change

Transitions that go down smoothly

Walk into almost any bar in the world with a large selection of beers in bottle and on tap, and you'll find that a surprisingly large number are owned by one of a few global brewers. The world's top producers have spent the past several years acquiring trendy craft, specialty and nonalcoholic brands. Denmark-based Carlsberg is no exception—and wanted to pick up more beers to complement its more than 140-brand global portfolio.

However, mergers, acquisitions and joint ventures present the significant challenge of integrating IT, sales, marketing, production and distribution—a complicated orchestration of systems and processes that could easily sour a deal for any company.

Carlsberg was well aware of this as it looked to expand its footprint by adding high quality national and craft brands to build on its selection of established favorites.

A potential joint venture between Carlsberg's UK business and an independent brewing company and pub operator in the UK looked very promising, but Carlsberg knew that significant changes would be required to their systems in order to integrate and operate the joint venture. Using a third-party logistics provider, Carlsberg focused much of its operations on the retail market, while the UK brewing company relied on its own logistics network and sold most of its beer directly through its pubs as well as to restaurants.



Call for change

For the joint venture to succeed, Carlsberg needed to adapt its SAP platform, yet also create systems that allow the joint venture to operate in a way that's optimized for growth in the UK market. But first, the brewer needed more information on just what that would entail and, more importantly, how much the effort would cost, to decide whether or not to move ahead. Accenture was able to develop a comprehensive M&A roadmap, making it clear how Carlsberg's IT team would work hand-in-hand with Accenture to support the new joint venture.

Specifically, Carlsberg leveraged Accenture's operational and technology experience at Carlsberg—ensuring due diligence findings were grounded in operational reality. Rather than simply helping seal a deal, Accenture aimed to partner with Carlsberg and the UK brewing company, working together to integrate operations and significantly cut time and costs that could otherwise compromise the joint venture's long-term success.



When tech meets human ingenuity

M&A strategy, reimaged

Companies typically bring in one set of strategy experts for M&A due diligence, another partner to design and integrate IT platforms and systems, and perhaps still more to handle ongoing IT support and maintenance. In lieu of siloing each aspect of this particular M&A process and taking an integrated approach, Accenture and Carlsberg aimed to set up the company for growth before, during and long after the pint glasses were raised to toast the deal.

For more than a decade, Accenture had applied its expertise to support Carlsberg's IT transformation, helping to migrate Carlsberg's infrastructure to the cloud and implement SAP initiatives to support the brewer's enterprise resource planning (ERP). Now, with the UK joint venture due diligence underway,

Accenture was able to use its deep knowledge of Carlsberg's operations to examine the risks and synergies for both Carlsberg and the partner company. The team started with financial modeling that determined the costs of running and maintaining IT under the new ownership structure.

Accenture then began looking at the impact of SAP integration on security, infrastructure and data, and what that might mean for the front and back offices. The team then developed a technology integration roadmap, with a detailed plan for the first 100 days and a high-level roadmap beyond that. Accenture's plan helped Carlsberg understand how it could be supported to navigate the complexity and uncertainty that inevitably comes with any M&A deal.

When tech meets human ingenuity



With a detailed plan in place, Accenture and Carlsberg worked together to adapt and reconfigure the brewer's SAP platform for seven UK brewing facilities that would come under its operations as part of the deal. SAP ERP Central Component (ECC) put many of the finance, human resources, warehousing and logistics processes and functions into one unified system and onto one screen. The team made the best use of applications already at Carlsberg's disposal—SAP Advanced Planning and Optimization (APO) for supply chain planning and SAP Customer Relationship Management (CRM) for sales, marketing and customer service—to create an IT system tailor-made for larger-scale beer production and distribution.

To further bolster long-term resilience, Accenture provided project management support to Carlsberg's IT integration team, setting up new cross-functional IT groups across the joint venture. Accenture and the brewer teamed up to create onsite ERP readiness workshops to get Carlsberg's IT people up to speed on how to work with the joint venture's new system.

A valuable difference



Brewing up sustainable growth

The deal was completed five short months after the engagement began, even amidst other transformational work at Carlsberg and the pandemic lockdown. A cross-functional and integrated team at Accenture helped to speed along the improve on the process. With a detailed IT integration roadmap in hand, Carlsberg was able to get the new joint venture up and running as intended and shift the focus away from IT implementation and maintenance to making faster, more informed decisions about its larger portfolio.

The joint venture has further diversified Carlsberg's wide selection of international, national and regional beer brands and tapped direct access to the UK pub and restaurant market, as the UK partner owns and operates more than 1,500 pubs. Carlsberg also benefits

from the partner's wide distribution network, including other pubs as well as the retail and export markets. In addition, the joint venture itself is on track to realize significant and potent annual cost benefits through a combination of reduced overhead costs, brewery and logistics efficiencies and procurement savings.

Today, Accenture is not only helping Carlsberg follow through on those strategic acquisitions and partnerships, but also adjusting project planning and implementation around the brewer's peak production seasons. The team is timing the rollouts of new platforms and systems so as not to interfere with Carlsberg's ability to focus on what it does best—making exceptional beers.

Disclaimer

This content is provided for general information purposes and is not intended to be used in place of consultation with our professional advisors. This document refers to marks owned by third parties. All such third-party marks are the property of their respective owners. No sponsorship, endorsement or approval of this content by the owners of such marks is intended, expressed or implied.

Copyright © 2023 Accenture.

All rights reserved. Accenture and its logo are registered trademarks of Accenture