

Social and ethical responsibility: new belgium brewery



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Introduction

How do we judge if a company is good or bad? There are many ways that can be used to define greatness. The company might pay out high dividends to investors or the company may have a huge net income on its monthly yearly statements. Really there is an endless amount of ways to judge how good or bad a company is doing, but probably one of the most critical ways to decide if a company is first-class is how ethically and socially responsible the company is. One such company that not only meets these standards but exceeds them is New Belgium brewery. In the following case study we will answer the following questions, how would you describe operations management at new Belgium, why is it important to engage employees in ownership to enhance quality and efficiency, what does alternatively empowered mean to you, and do you think New Belgium's focus on environmental responsibility and sustainability in its production process is a major cost or benefit that enhances profits of the company. After reading this case study you will be able to judge for yourself if New Belgium is a great company by meeting its social responsibility by lessening the company's ecological foot print.

1. How would you describe operations management at New Belgium Brewing?

New Belgium Brewery has an open book management policy which means that its employees can see the company's financial statements, and can take part in making decisions for the company. New Belgium Brewery provides financial training to its employees, in order for them to understand how to make sense of the business side of business. The employees also have a say

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in the production of new types of beers that are being introduced to the public. Employee contribution affects the company's profitability, from the different brewed beers they choose to produce to their vote on company projects.

In 1995, New Belgium Brewery designed themselves a state of the art custom-built facility. They ensure quality and productivity in their products, and also the efficient and environmentally friendly way the beer is produced at their plant. Quality assurance is critical in operations management, especially when it will be produced in large volumes. It is difficult to maintain a consistent product, but in the brewery employees constantly monitor every step, from receiving the hops, to brewing and finally bottling to ensure the highest possible quality of its product.

At New Belgium Brewery their employee's expertise, knowledge and their passion helps the company's profitability. By having cutting edge technology implemented in their plants thanks to the vision of the company's management and employees has helped the company to cut costs and also help the environment in the process.

2. Why is it important to engage employees in ownership to enhance quality and efficiency?

Employee involvement is creating an environment in which people have an impact on decisions and actions that affect their jobs. Employee engagement is not the goal nor is it a tool, as practiced in many organizations including The New Belgium Brewery. At New Belgium Brewery employee engagement is the key ingredient in High Involvement Culture. They consider ideas from

over 300 unique perspectives with their coworkers. This helps the Brewery to operate more intelligently while recognizing everyone's unique gifts.

“ Forty three percent of New Belgium is owned by the employees through an ESOP (Employee Stock Ownership Plan). After one year of employment with the company, employees become employee-owners, which give them an interest in the success of the company”. Source: Textbook pg 404

New Belgium opens all of the books to employees and provides financial training so people can understand the business of doing business. Trusting each other with this level of detail also helps them to feel appreciated, empowered, and ultimately more fulfilled. Employees have the opportunities to ask questions, provide feedback and share their ideas with one another.

“ Engaged employees create loyal customers who in turn create Bigger Profits”. Richard Branson at Virgin says: “ We embarked on consciously building Virgin into a brand which stood for quality, value, fun and a sense of challenge. We also developed these ideas in the belief that our first priority should be the people who work for the companies, then the customers, then the shareholders. Because if the staffs are motivated then the customers will be happy, and the shareholders will then benefit through the company's success.” Sources: [www. maganement-issues. com](http://www.maganement-issues.com)

The New Belgium Brewery employees are considered area leaders, and everyone is responsible to ensure that each product is of the highest possible quality and ensuring that quality remains high. In other words, it is very important to New Belgium Brewery to engage employees in ownership

to enhance quality and efficiency for the company's success and benefits for everyone who worked hard to improve and growth of the company.

3. a) What does “ Alternatively Empowered” mean to you?

What being alternatively empowered means to me is doing activities in a way that minimizes social and environmental impacts by protecting natural resources. For instance activities like reusing and recycling bottles and cans, reducing paper by using e-bills and turning off equipment not in use to save energy, and reduce water by reprocessing and filtering. These three examples reduce costs while allowing them to carry out tasks efficiently and productively. Respecting coworkers and employees is also important, this gives motivation to everyone involved in a business to feel responsible and get involved in their job. Utilizing and preserving natural, technical, human resources by minimizing the costs to ensure quality and progressive results while making any business decisions. Therefore, coming up with quality outcomes in an effective way is what alternatively empowered means to me.

b) Comment on New Belgium Beliefs are related to being “ Environmental Stewards”?

Today's growing industrialization and development has resulted in pressures on the environment. Therefore it's a business's responsibility to conserve them, New Belgium Strives to care for the planet on which they sustain their business. New Belgium's method of reducing coal-fired electricity prevents air pollution. Burning coal is the leading cause of smoke, acid rain and global warming; most heart and breathing disorders results from coal power. New Belgium supports innovative technology by utilizing their facilities, they have also employed an innovative waste water reclamation plan, and this allows

them to use waste water to create some of its own energy. New Belgium also supports involvement of their employees, each employee acts as an owner within their own departments, which contributes to their successful environmental project implementations.

c) Utilized Green Design throughout our Building

By starting so small, New Belgium was able to be more focused into the quality of the beer and any decisions that needed to be made almost in an instant. But with a lack of resources, their process at the time was not efficient in meeting their demands from consumers. By the time they were able to purchase a new location; they designed a state-of-the-art custom built facility and is considered more efficient than standard brewers. With the new available resource, they were able to increase production efficiently while maintaining the quality their customers expect. Taking advantage of the abundant sunshine in Fort Collins, the company maximizes the amount of light produced by the sun with sun-tubes, UV blocking windows, and light shelves. Using evaporative coolers to condition their 55, 000 square foot packaging hall instead of compressors uses less energy which lowers the power consumptions, and in it return reduces costs. Pine beetles kill 98% of their lodge pole pines, so New Belgium uses the fallen trees as materials for various jobs. Maximizing their productivity, the company can fully utilize their facilities and employ new and innovative technologies such as the waste water reclamation plan, which converts the waste water from the plant into energy that can be used in the factory. With other major brewers already established, the technology New Belgium acquired goes a long way in giving the company an edge over its competitors by lowering their power

consumption, reducing their costs, carbon foot print, and being recognized within their community as a green company.

d) Wind -Powered Electricity since 1999

Becoming the largest private consumer of wind-powered electricity in 1999, New Belgium made a ten year commitment to buy all of their electricity through the city-sponsored wind program in Colorado. Un-wanted judgment from the community reflexes bad on a company and destroys its reputation so New Belgium goes out of their way and employs wind power as a source of power. Instead of polluting the environment and continuing their commitment, also reducing unnecessary cost and improving efficiency. Sustaining this mandate as a leader in green efficient energy brewers, many other brewers may follow in their carbon free foot prints and continue to grow and expand as a newer, smarter, and greener industry. As a work in progress, there are many other technologies that can be implemented in the business as another step to be more green such as solar panels on the roof from the sun, or capture heat underground as geothermal and reducing their heat bill while staying nice and toasty during the winter times. With much improvements over the years as a green leader in the brewing business, leaving the pollutant past behind and leading the way with a greener future is beneficial for both the industries and consumers.

4. Do you think New Belgium's focus on the environmental responsibility and sustainability in its production process is a major cost or benefit that enhances the profits of the company?

New Belgium Brewery's focus on environmental responsibility and sustainability during its production process is a major benefit that enhances the profits of the company. New Belgium's focus on the environment has helped the company grow their customer base as well as their brewery, by using such technologies as wind power, water recapture, turning waste water into energy, energy efficient brew kennels, spent grain going to a local cattle farm, 98% landfill diversion rate, constructing the factory from reclaimed timber, and recapturing steam are among some of the methods New Belgium uses to be environmentally friendly. These choices that New Belgium brewery has made have helped to grow the brewery's clientele. This has been done with much success because of all the attention that is being given to the health of our planet. By being the first brewery to adopt such methods in the United States, New Belgium was able to gain consumers from other more prominent breweries through environmental stewardship, and in turn the customers have given New Belgium their unwavering support. As it turns out going green does cost money, but it actually saves money in the long run, and has made New Belgium extremely profitable. This is obvious from New Belgium's humble beginnings in a basement to its new brewery state of the art brewery; this can also be seen because New Belgium is the third largest craft brewery and ninth largest brewery in the US. New Belgium Brewery has secured its place in the American brewing industry and will continue to gain a loyal following in the future thanks to cutting edge

technology, it can produce the highest quality product while at the same time being sustainable. The outcome of this is very big profits

Conclusion

To wrap things up, New Belgium Brewery is ethically responsible to its employees and socially responsible through its environmental stand point that is instilled in the company from its infancy to maturity. New Belgium is a first-class company by these standards of being ethically and socially responsible as was shown through the management, employee ownership, environmental responsibility sustainability, and earning profits at the same time. Will New Belgium be able to meet and exceed its ethical and social responsibility's? That remains to be seen, but if New Belgium Brewery's past and present have bearing on the future then the company probably will.