

San miguel corporation case study

[Business](#)



With the company's extensive experience in managing the IT infrastructure and systems of one of the Philippines' leading business magnetometers, SMITES combines industry best practices and business-specific customizations to enable clients to improve business performance. SMITES has one of the largest and most experienced pools of SAP consultants in the Philippines and has had experience in providing Enterprise Resource Planning (ERP) solutions to its clients.

With exceptional functional and technical expertise, extensive industry knowledge and a strong vision for growth, SMITES is the ideal choice for IT consulting to drive business growth and transformation.

Company Profile A. Location B. Type of Industry C. Product Line and Products
The Company's and SMALL Group's (collectively, the "SMB Beer Group") product portfolio has grown over the past 122 years from a single product produced in a single brewery in 1890.

The Company markets its beer under the following brands: San Miguel Pale Pines, which is the Company's flagship brand, San Miguel Super Dry, San Mix Light, San Miguel Premium All-Malt, San Mix Strong Ice, Carved Negro, Red Horse, Octobers Brew, and Gold Eagle. The Company also sells Call, the country's only malt-based non-alcoholic drink.

Call is available in three variants: Call PineApple, Call Ice and Call Light (low-calorie). The Company recently launched San Miguel Alcoholic Malt Beverage which comes in apple and lemon flavors.

The international beer operations also offer the Pale Pipelines and San Mix Light brands in the Hong Kong, China, Thailand, Vietnam and Indonesia markets. In the Thailand market, in addition to local brands: Andrea Horse (Hong Kong, China), Blue Ice (Hong Kong), Dragon and Gang's Pineapple (South China), Cool and Blue Star (North China), WIN Blab and Adz (Vietnam) and Inker, Kudus Put, Soda, and Soda Ice (Indonesia). Brands Red Horse and Pale Pipelines.

Together, revenues of these two brands contribute 9% of the total revenues of the Company. Export sales from the Philippines were only 0.8% of total revenues of the Company in 2011. The Company's top three export markets in 2011 were Korea, Taiwan and Singapore. Exports to these markets accounted for approximately 18%, 16% and 12%, respectively, of its total export volumes. Other Revenues include sales of CO and traded products.

In addition to serving their local markets, the breweries of the SMALL Group also sell their products in various export markets. D. Brief History Established in 1890, La Fabric De Carved De San Miguel, Southeast Asia's first brewer produced and bottled what would eventually become one of the bestselling beers in the region.

Within the span of a generation, San Miguel Beer would become an icon among beer drinkers. By 1914, San Miguel Beer was being exported from its headquarters in Manila to Shanghai, Hong Kong and Guam. A pioneer in Asia, San Miguel established a brewery in Hong Kong in 1948, the first local brewer in the crown colony. Today, San Miguel Beer-the Company's flagship

product-is one of the largest selling beers and among the top 10 beer brands in the world.

While brewing ere is the company's heritage, San Miguel subsequently branched out into the food and packaging businesses.

From the original carved that first rolled off the bottling line, San Miguel Corporation has since expanded its portfolio to produce a wide range of popular beverage, food and packaging products which have-for over a century-catered to generations of consumers' ever changing tastes. It has also diversified into heavy industries including power and other utilities, mining, energy, tallboys and airports. The Company's manufacturing operations extend beyond the Philippines to Hong Kong, China, Indonesia, Vietnam, Thailand and Malaysia. Its products are exported to major markets around the world.

Continuing a tradition of product quality, San Miguel is capitalizing on its unique strengths in brands and distribution to weave its products more deeply into the fabric of everyday life. Not just in the Philippines but in the Asia-Pacific region. San Misuse's partnerships with major international companies have given the Company access to the latest technologies and skills. Our marketplace experience, technical expertise, and innovation capabilities, while largely homegrown, also reflect our long term partnerships with world class players.

San Misuse's Joint venture partners include Hormone Foods Corporation, Yammer Glass and Fuss Machine and Mold Manufacturing of Japan. A

strategic equity investment in San Miguel by Japan's leading brewer and global player, Shrink Brewery Company, Ltd.

Has further enhanced San Misuse's competitive position in Asia, a region in which it is already well placed. E. Organization Structure Objectives of the Study * To gain better understanding in the change of software development in a particular company * To determine the feasibility of SAP Project Management in San Miguel Brewery Inc.

Sales and Distribution This section tries to identify the representation of San Miguel Brewery in an SAP system that would include different units in the areas of sales, shipping and billing. Sales and Distribution begun by analysis of the structure and process organization in San Miguel Brewery then it was compared with the SAP Structures. There were some changes that were made in the names in order to achieve a high degree of identification and acceptance with project members and user departments in the beginning.

The framework of sales processing with the SD System was set-up by the organizational units. In addition, the master records of sales and distribution together with the documents used in processing were entered in dependency with the organizational structures. However, the master records would only be valid within a certain part of the organization in which the documents for the sales and distribution are entered in the respective sub area of the organization.

Organizational Structure This is the representation of a selling unit responsible for product liability and other claims made by customers where in each business transaction is processed within a sales organization. Master
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Data Maintenance for Customers, Pricing at Sales Organization Level is also found in this section.

It creates link for the Sales Organization Assigned to a Company Code whereas Sales Revenue is Recognized (Links SD ; F') and Plants Assigned too Sales Organization. Sales and Distribution of San Miguel Brewery G. Master Data General Data San Miguel Brewery Inc. Arrests, sells and distributes primarily in the Philippines and are distributed and sold at 481 , 103 outlets.
1.

Off-premise Outlets: Supermarkets, Grocer Stores, Sari-sari Stores, Convenience Stores 2. On-premise Outlets: Bars, Restaurants, Hotels, Beer Gardens Company Code Data 1. Outlets: Supermarkets Grocer Stores Sari-sari Stores : SMB-CSS : SMB-AS : SMB-AS Convenience Stores : SMB-SMS Bars Restaurants Hotels Beer Gardens 2. Sales Offices: Area Location Stay. Mesa, Manila : SMB-B : SMB-R : SMB-H : SMB-BAG . SMALL .

GAMMA-south Bugling-away, cloacae City : GAMMA-North Clammy, Laguna . SAL Stay.

Cruz, Dave Del Sure : MIN Region Location GAMMA SOUTH West South East GAMMA NORTH Central North : SMALL : GAMMA-SW : GAMMA-SON Northwest Vulcan CANAL East Central West Central Panamanian Cordillera ' locos Canaan SAL Laguna Lucent Cavity Battings Palatal Legal's Nag South Zebu North Zebu Backlog Tactical Lillo Demagogue MIN Dave GAMMA-SE : GAMMA-NC : GAMMA-AN : GAMMA-NNW : GAMMA-N. B. : CANAL-CE : CANAL-WAC : CANAL-P : CANAL-C : CNN_A-I : SAL-LABOR : SAL-SPUR : SAL-CPRM : SAL-BPR : SAL-STEP : SAL-SUB : SAL-N. B.

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: VISA-c. v. : VISA-C. V. : VISA-w : VISA-E : VISA-P : VISA-N : MIN-D General Santos : MIN-S Misaims Occidental : MIN-NM Zamia Button Gambling : MIN-NW : MIN-C : MIN-AS Dave Del Norte : MIN-RSI Materials Management The Company markets, sells and distributes its products principally in the Philippines. The Company's beer products are distributed and sold at 481 , 103 outlets, including off-premise outlets such as supermarkets, grocery stores, sari-sari stores, ND convenience stores, as well as on-premise outlets such as bars, restaurants, hotels and beer gardens.

The Company maintains a network of six production facilities that are strategically located in the three main islands of the Philippines: Luzon, Visas and Mindanao. The Company has production facilities in each of Valueless City, Metro Manila; Stay. Rosa, Laguna; San Fernando City, Pangaea; Mandate City, Zebu; Backlog City, Negroes Occidental; and Daring, Stay. Cruz, Dave del Sure. The strategic location of the Company's production facilities in the Philippines reduces overall risks by having alternative product sources to avert possible shortages and meet surges in demand in any part of the country.

This also assists the Company in ensuring that the beer is freshly delivered to customers at an optimal cost.

The Company has a far-reaching and efficient distribution system in the Philippines, which is based on six strategically located production facilities and effective management of third party service providers. The Company's products are delivered from any one of the Company's six production facilities by contract haulers and, in certain circumstances, by a fleet of

boats contracted by the Company, to a sales office or dealer warehouse generally within five days from production in the facilities. The sales office or dealer then delivers the beer to the wholesaler or retailer promptly afterward, ensuring ample stock and quality wherever and whenever San Miguel Beer products are needed. As of December 31, 2011, the Company had 50 sales offices and 501 dealers throughout the Philippines.

The Company also formed the Market Development Group under its Sales function to handle accounts management and business building of the modern trade accounts such as hypermarkets and convenience stores and high visibility on-premise outlets.

Field sales operations, on the other hand, are responsible for the servicing requirements of these accounts. Volume contribution of modern trade off-premise sector was estimated at 2% in 2011. As of December 31, 2011, the Company, together with its distributors and call center associates, had a sales force of approximately 1, 180 in the Philippines. I. Master Data Vendor Master Data Raw Materials 1 .

Malt and HOPS [SMASH] Australia – Joe White Malting Pty. Ltd (vendor number 100300) New Zealand – Malamutes (vendor number 100301) France – Militaries Soufflés (vendor number 100302) 2. Ran Cartographic, Reticular [SCAM] Cnaan Corn Products (vendor number 100401) Northern Star Rice Mill, Inc (vendor number 100402) Ltd (vendor number 100403) Packaging Materials 3. Packaging [SUMP] Coached Starch Co. San Miguel Yammer Packaging Corporation (vendor number 100501) Printwheel Inc. (vendor

number 100502) DIM Print and Labels Specialist, Inc (vendor number 100503) * up J.

Organizational Structure K. Master Data Malting 1 Fully ripened barley grains are “steeped,” or soaked in cold water until they are fully saturated. The water is changed once a day, and after 45-72 hours the grains are placed in shallow tanks. The grain is aerated and stirred, which causes it to germinate, releasing enzymes such as malt diastase. Malt diastase converts the starches contained in the grain to sugar for fermentation.

As soon as the germination is adequately complete, usually six days, the grain is roasted to stop the germination process. The exact point at which the roasting starts and ends affects the flavor and color of the beer. The product at this point is referred to as malt. While amateur brewers swap recipes at will, the commercial recipes for beer are held tightly as any state secret. Until recent decades, the production of beer, like wine, was a wonderful combination of art, science, and luck.

At the heart of the process has been the Brewster, a traditional craftsman wrapped in the lab coat of a scientist and carrying the clipboard of a production engineer.

In the 20th century, corporate breweries have evolved into an intriguing combination of flow production in the brewing process and automated canning, bottling, and warehousing. In the 19th century, the brewing industry flourished as numerous brewers drew on their European heritages and functioned as chemists, biologists, engineers, inventors, and salesmen. The combination of local ingredients, water quality, and the
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breakwater's traditions and skill meant that many regions, even locales, could have their own brands. Before mechanical refrigeration, bastardization, and rapid of this was that the United States has always enjoyed a wide variety of regional beers.

In 1867 there were breweries in every state and territory, an astonishing total of 3, 700; in 1934 there were still over 800 in operation; in 1994 there were about 500. After Prohibition and with the development of steel cans for beer in 1935, breweries hefted their focus away from primary interest in bars and toward home consumption. Despite the seeming pervasiveness of national brands from the mega- breweries supported by their huge advertising budgets, this tradition of hundreds of local brands continues. In recent years it has even been augmented by the proliferation of so-called “microbreweries” which often display the brewing equipment as part of the decor of a drinking establishment and distribute their products primarily on-site. William S.

Pretzel Preparing the mash 2 The malt is crushed using iron rollers and transferred to the mash tank (or “tune”). This tank is a large copper or stainless steel vessel that mixes the malt with warm water until it is of porridge-like consistency. This mixture is called mash. After mixing with similarly prepared cereal grains, the temperature of the mash is raised incrementally from 100-0FF (38-ICC) so that the enzymes react. The enzymes break down the starch in the grain and convert it to simple sugars.

Later, the yeast will convert the sugars into alcohol. Once complete, the mash is allowed to sit undisturbed so the solids can descend to the bottom of the tank.

Beer requires these ingredients for proper brewing: prepared cereal grain (usually barley and corn or rice), hops, pure water, and brewer's yeast. Each ingredient can affect flavor, color, carbonation, alcohol content, and other subtle changes in the beer. Brewing the wort 3 The liquid contained in the mash is transferred into another tank called a lauter tun.

This is accomplished by drawing the liquid out through the bottom layer of mash solids, which acts as a filter. Hot water is added to the top of the mash tank to rinse the remaining liquid, now called wort, from the mash. The solid remains of the grain are dried and sold by the brewery as animal feed.

The wort travels on to the brew kettles, where it is boiled to sterilize it, and where the carefully prepared hops are added. The addition of the hops is important because they contribute to the bitterness of the beer. The brew kettles are the most impressive equipment in the process.

Gleaming copper, they can be 7-12 feet (2-3.6 m) in diameter and two stories high. Steam usually provides the heating energy to the brew kettles. After brewing is complete, the finished wort is filtered again and pumped to the fermentation tanks. Fermenting 4 In the fermentation tanks, the atmosphere must be carefully controlled to prevent *K. rouge* bacteria from interfering with the yeast.

Carefully maintained yeast (approximately one pound per barrel of wort) is added to the wort, and the temperature of the mixture is slowly reduced over a period of days to between 50°F and 55°F (10-13 °C). In this temperature range, the yeast grows, consuming the sugar in the wort, and bubbles of carbon dioxide form. The wort has now become beer. The new beer is filtered and transferred once more into the aging casks, where the temperature is controlled at 50°F (10°C) for 2-24 weeks. The shorter storage time produces a pale lager beer while the European lagers (called Pilsners) are aged longer. After aging, the beer can be pasteurized to kill the remaining yeast and prevent further alcohol production. This is accomplished by heating the beer above 160°F (71°C).

This process, named after Louis Pasteur, is widely known for preserving milk.

Interestingly, Pasteur originally developed this process to preserve beer in the 19th century. Pasteurization, however, is not used in the production of genuine draft beers. These beers are also known as “ice” beers, since they must be kept refrigerated to preserve their flavor and slow the remaining yeast activity. Many consider the draft beers best in aroma as well as taste.

Packaging 6 Whether packaged into cans, bottles, or kegs, the beer is always moved gently through the maze of piping in the bottling area. This is to preserve the natural carbonation. During bottling, additional carbon dioxide gas from the fermentation kettles is used to improve the aroma of the beer.

High-speed packaging lines can process thousands of cases of beer per day, and with modern computerized control, the inventory can be tracked throughout the distribution network. Most beer is delivered from local

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distributors who have purchasing contracts with the major rewire. Most beer is available in the following package sizes: “ pony” cans and bottles of about 8 fluid ounces, standard 12-ounce cans and bottles, 16- and 32- ounce Jumbo cans, 40-ounce “ picnic” bottles, 8-gallon “ pony” kegs, and the standard 16-gallon beer keg.

Other novelty and party packages are also available. Cans and bottles are packed in 6, 8, 12, or 24 each to a box or case. Most states require a deposit at point of sale to encourage the return of the bottles and cans.