

# **NEW BELGIUM BREWING: WHAT DOES TOMORROW HOLD?**

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## **ABSTRACT**

This case discusses the history of New Belgium Brewing, the environmental initiatives of the founders and employees, and the operations of the company. The company sold to Lion Little World Beverages of Australia, which is a subsidiary of Kirin. Will new foreign owners maintain the CSR initiatives developed by the founders of New Belgium Brewing?

Keywords: New Belgium Brewing, management, human resources, marketing, startup

## **THE CASE**

The news was announced in December 2019 --- New Belgium Brewing employee owners approved sale of the company to Lion Little World Beverages of Australia, a subsidiary of Kirin, a Japanese beverage company. The international beer conglomerate employs 4,000 people in Australia, New Zealand, the United Kingdom, Asia, and the United States (Associated Press, 12/18/2019).

New Belgium Brewing officially opened in 1991 by founders Kim Jordan and Jeff Lebesch. From the very beginning this was a different kind of brewery. Kim and Jeff decided to focus on Belgian beers, a different style than other beers in the United States. They wanted to develop a company that was environmentally conscious, had a high involvement culture, and included employees in the planning process. They achieved all of this and more.

Environmental Stewardship is one of the core values of NBB and developing sustainable business practices began in 1995. Over the years, the company has purchased 100% of its energy from wind power, built a recycling plant and built a waste treatment plant, became a certified B Corporation, reduced greenhouse emissions, and achieved LEED Certification. Today, New Belgium Brewery is a certified zero-waste brewery.

What will the acquisition of New Belgium Brewing bring in the next few years? Will Lion Little World Beverages allow the company to operate autonomously? Will New Belgium Brewing need to adapt to the culture and policies of its purchaser? What benefits and resources will the new owner bring to New Belgium?

## **THE TEACHING NOTE**

### **Suggestions for using the case**

Several classes could use the story of a successful startup, to a well-run company built on solid values and principles, to an employee-owned company. The case could be used in a strategic management, human resources, marketing, and beginning management courses.

## **Learning Objectives**

1. Analyze company actions by applying brand management principles.
2. Analyze the macro-environmental forces.
3. Analyze the competitive environment using Porter's Five Forces Analysis.
4. Evaluate the leadership and actions taken.
5. Recommend actions for the owners on how to maintain employee engagement.

## **Suggested Assignment Questions**

1. Prepare an analysis of macro-environmental factors and discuss how they impact the industry using a SWOT analysis.
2. Prepare a Porter's Five Forces analysis of the industry.
3. What overall strategy should the new owners pursue and why (cost leadership, differentiation, focused differential or focused low cost)?
4. How can the Human Resources department help implement this strategy? What would be the impact on future employee motivation, morale, engagement, and productivity with each of these strategies?
5. If you chose focused differentiation or focused low cost, what participative management techniques such as an ESOP, incentive plans should they implement and why?
6. What recommendations, if any, would you make to the new owners with respect to maintaining marketing and brand management?
7. What recommendations, if any, would you make to the new owners with respect to maintaining socially conscious practices?

## **REFERENCES (Available Upon Request)**