



Greene King

Consona Customer Management

Greene King brews and serves more ale in more places with Consona Customer Management

Remarkable growth has not stopped UK brewer Greene King from taking CRM to 'heart'



GREENE KING

Brewing success

Greene King has been brewing beer and operating pubs for over 200 years, growing steadily from 800 pubs in 1996 to more than 2,600 today. A vertically integrated business,



Greene King operates 870 directly managed outlets across the UK leisure market (from occasion dining and family food to traditional inns, venue bars

and community pubs); 1,730 leased pubs operated under franchise-style agreements; 10 distribution centers; 2,600 Greene King pubs; and two breweries that produce 500,000 bulk barrels of ale per year, including leading brands Abbot Ale, Old Speckled Hen, Greene King IPA, Ruddles and Belhaven Best. Ale is supplied to Greene King pubs, national UK pub groups, over 4,000 independent "Free Trade" operators, as well as the off-trade (national supermarkets) and export outlets.

In addition, Greene King distributes a wide-range of factored products to its pubs and independent free trade customers (lager, stout, cider, wine, spirits and minerals), totaling 1,600,000 bulk barrels (including own-brewed ale). Greene King employs over 16,200 people of which around 1,440 are office, brewing and distribution personal, while the remainder are pub managers and staff.

The Growing Pains

Greene King faced a number of issues following rapid expansion, including concerns about the potential breakdown of customer satisfaction. Customer contact was fragmented, falling between account managers and weekly customer sales contacts with no transparency of performance levels. The company decided that a dedicated team was required to manage relationships with pub managers and lessees, as well as independent free trade, national and off-trade customers to more effectively manage product quality, distribution, installation of dispense equipment and other business issues. In addition, Greene King also recognized the importance of managing growing consumer expectations for product quality and customer service.

Leased pubs, operated as a separate business division under the name Greene King Pub Partners, had no integrated platform for the management of the properties and the relationship with business partner lessees. A number of key business processes were a potential risk, especially the process of changing a lessee and property rent reviews. In addition, changes in the business were causing these concerns and needs:

- Creating a one-stop shop information front end for faster employee decision making.

Return on Investment at a Glance:

Greene King, a UK-based brewery and pub chain, has expanded rapidly through a series of acquisitions. With Consona Customer Management, which the Greene King team refers to as "Heart," the company has been able to achieve the following:

- Rapidly expand the business through acquisition without adding staff for a savings of £250k per year.
- Deal successfully and efficiently with license reform and new regulatory requirements with an estimated savings of £100k per year in cost avoidance.
- Reduce the new licensee failure rate from 20 percent to 6 percent during the first two years of implementing the system.
- Manage the rent role, annual retail price increases, rent concessions and countless other processes, eliminating an estimated 2 percent loss which adds up to about £1 million per year.
- Use Consona Customer Management to manage a UK licensing change for pubs, saving £1.4 million, compared to the previous use of external solicitors.

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- Improving the quality of lessees through the coordinated management of recruitment, performance and business improvement training programs.
- Providing online access to business performance data, property maintenance, and training history for a more transparent business relationship, as well as readily available business support information and the potential for online ordering.
- Equipping the business to seamlessly integrate future acquisitions and efficiently deliver inherent business synergies.
- Responding to possible changes in European and UK government legislation. (Changes in licensing reform in England, Wales and Scotland had the potential to impact how the company dealt with a number of issues, including property stamp duty, lease registration, maintenance contractor controls, disabled employees, alcohol disorder zones, fire protection, and smoking.)
- Managing business risk and lessee communication through a central platform.

To deliver on its vision, Greene King sought out a combined CRM and property database with a flexible front end and the ability to manage business processes and projects in a user friendly format, ensuring that the system would be positioned at the “heart” of the business. The company ultimately turned to the Consona Customer Management solution (then known as Onyx CRM) from Consona Corporation.

Taking it to Heart

Greene King named the system “Heart” to represent its position within the business and ensured that it was referred to as a “Central Information System.”

Bringing the “Heart” system online was a major project, as Greene King was changing processes for a working staff with varying degrees of technical ability. A project team was created to focus on business needs and define clear, measurable objectives for success. The implementation was undertaken in bite-size chunks, with all steps defined to add value to users in terms of efficiency and transparency of information. Training and

support occurred throughout each phase of the implementation and was tailored to individual needs.

Initially “Heart” was introduced as a basic information system and implemented across pub partners in groups of 6-8, with desktop links added to individual PCs at the same time. Training was supported by an easy-to-use reference manual and mouse map depicting the entry screen and navigation indicators. Usage of “Heart” was monitored and one-on-one training was put into place, which is still being used today.

Month by month, new processes and pieces of the system went live while old processes and systems were switched off. All other upgrades, changes to the system and processes have been similarly paced. The Consona Customer Management “Heart” system is now central to the total Greene King business. Not only does it carry all the core business processes within the pub partners leased division, but it has also been expanded into the managed division and the Belhaven estate in Scotland as a property management information system.

Managing Growth

Greene King has achieved its goal of creating a one-stop-shop for business information and decision making, supporting the successful move to out-based operational structures and significantly improved customer relationships.

Key processes have been implemented, which have reduced business risk through the transparent management of lessee legal agreements (with a link between the property and the individual) and the movement of pub managers, as well as retaining a history of performance and history of licensees and their staff. The company’s rent review process has maximized rental income streams and action reviews to manage a rent role of over £40 million (\$[\$\$] million). The greatest benefit is that Greene King has been able to expand its business through acquisition and integration without having to employ additional administrative staff. A quick comparison between numbers pre- and post-Consona Customer Management suggests

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that around eight additional people would have been required to undertake highly manual administration work, costing at least £250k per year.

The system has been flexible enough to allow for the introduction of additional critical processes, as well as support legislative changes which could have carried potential risk to the business if not effectively managed. For example, licensing reform required interaction between the licensee and Greene King, and applications had to be managed to tight deadlines. Preparation for the recent smoking ban also has been successfully managed, with 98 percent of the Greene King properties having customer smoking solutions in place. The system also helps Greene King ensure compliance. For example, all statutory notices are held on the Consona Customer Management system with actions tied to the individuals responsible. If these workflows were not in place, the company could face fines for non-compliance—not only a cash loss but also resulting in negative press.

When the UK introduced a change of licensing for pubs, Greene King developed an automated system within Consona Customer Management to manage the change. By completing the exercise on time and in-house, Greene King estimates savings of £1.4 million. Further savings will be realized when the local licensing authorities are able to accept online submissions and electronic payment, for which the Consona system has been designed.

Another key area of return for Greene King was ensuring that customers (licensees and managers) had easier access to business information. A secure Web site with data driven from Consona Customer Management, supported by faster online communication through emails, has saved over £100k in postage.

“Consona Customer Management has allowed our vision to be realized but, just as importantly, we are moving on, as demonstrated by the development of the asset management system, where we are using the principles already in place, allowing us to further maximize the full value of our assets,” said Clive Pettitt, director of market planning. “Quite simply, we could not have achieved what we have without Consona Customer Management.”

Automating Business-Critical Processes

The Consona Customer Management solution also has helped Greene King achieve significant savings based on the controlled and automated implementation of new process and process changes—ranging from the generation of legal agreements to security bonds, police checks, and rent and sales account setup.

After introducing a new lease policy five years ago, the lessee failure rate within the first two years of agreement has dropped from 20 percent to below six percent and has been instrumental to Greene King winning the UK NITA industry training award for new licensees for the last two years.

Managing the rent role that pub tenants pay (currently over £40 million a year) is a high risk to the business and dependent on individual agreements. Consona processes are in place to automatically manage and charge these from day one of agreement. In addition, annual retail price increases are also automated, as are rent concessions for pub closures, and more. The company estimates that around two percent of the rent role was being lost pre-Consona, which is worth around £1 million today.

Since implementing Consona Customer Management, Greene King has acquired an additional seven major brewers/pub companies, adding well over 1,000 additional pub sites. These businesses have been seamlessly integrated into Greene King, maintaining key income streams and securing relationships with lessees/managers with first-class communications supported by the Consona system.

“We believe we are the only business within the UK leisure industry to provide this level of support/information to staff, operations, and our licensees. This level of effort will ensure that the business continues to deliver the double digit-growth that we have achieved for last 20 years,” Pettitt said. “Our internal staff has been repositioned to customer-facing roles, and there has been no significant growth in staff numbers. Our ability to maintain the same level of staff despite all of this growth tells us that synergy gains from acquisitions have been fully maximized.”

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