

25% Reduction in Support Costs on Tap at Miller Brewing Company

Keane Satisfies Brewer's Thirst for Productivity Improvements and Cost Reductions

Abstract

For nearly a decade, Miller Brewing Company has leveraged Keane's Application Outsourcing (AO) services to meet its evolving business challenges. In the 1990s, the brewer looked to AO to reduce costs and optimize the performance of its information systems. Entrusted with the support and maintenance of the brewer's entire application portfolio, Keane has helped Miller Brewing cut support costs by 25% even as the company's application portfolio has increased by 30%. With respect to the brewer's focus on operational excellence, Keane's AO services enable the ongoing transformation of Miller Brewing's information systems. By helping to boost productivity, reduce total cost of ownership, and optimize processes, Keane's AO expertise allows the brewer to direct more resources toward achieving operational excellence in all aspects of its business.

Challenge

In a flat market that is driving ongoing consolidation, intense rivalry, and an ever-larger selection of alternative beverages, the 150-year-old, Milwaukee, Wisconsin-based Miller Brewing Company realized that it must gain market share in order to grow. In July 2002, the company was acquired by South African Breweries (now SABMiller plc). Soon thereafter, Miller Brewing embarked on a three-year turnaround plan that focused on disciplined execution in all aspects of its operations — from sales and marketing to manufacturing and distribution.

With this renewed focus, Miller Brewing, the second-largest brewer in the US with \$4.7 billion in annual revenues, has rebounded. Its market share and

sales have increased. In the increasingly crowded light beer category, which accounts for roughly 45% of the domestic beer market, Miller Lite saw double-digit growth in 2004, making it the fastest growing mass-market beer.

But this mandate to rejuvenate the business is also challenging several of Miller Brewing's business functions — including its information systems — to cut costs, reduce inefficiencies, and improve productivity.

Solution

To help Miller Brewing address these challenges, Keane continues to take on the support and maintenance of an increasing number of applications. Today, nearly 40 Keane IT professionals support over 200 applications for both mission-critical and business-critical systems for all six of the brewer's plants in the US, as well as its corporate headquarters. These applications support a variety of functions, such as sales, marketing, and distribution; plant operations and the supply chain; data warehousing; and payroll and human resources. And they range from legacy platforms and SAP applications to client-server systems and multi-tier, browser-based systems.

In response to Miller Brewing's evolving business and IT needs, Keane also managed and delivered an SAP Package Release Enhancements development project, enabling the brewer to improve quality and meet time and budget requirements. Keane has managed a number of small development projects at Miller Brewing, in such areas as order configuration, age of product reporting, and packaging performance metrics, to bring those projects to market more quickly, efficiently, and effectively. Keane also

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has conducted workshops and training sessions on transitioning business requirements to technical requirements, improving defect management, and implementing more robust testing methodology. This targeted training should assist Miller Brewing in avoiding project delays and defining systems that better meet user needs.

Results

By continuously taking on new technologies and applications and providing needed technical training, Keane is partnering with the brewer to provide ongoing productivity improvements, cost reductions, and optimized business processes. Specifically:

- Since 1997, Keane has reduced support costs 25%, while Miller Brewing's application portfolio size has increased 30%.
- Keane has improved productivity while reducing the cost of Miller Brewing's base set of applications every year.
- Keane has consistently met or exceeded increasingly challenging service level agreements on business-

Client Story: Beverage Manufacturer

critical and mission-critical applications, such as response times, resolution times, and backlog of work.

Keane's focus on optimizing existing applications, as well as assisting with design reviews, testing, and quality inspections of new development projects, is helping the brewer improve quality and contribute to its goal of reducing its time to market for new systems. This ongoing maintenance and development

support also ensures that Miller Brewing's information systems will meet its evolving business needs.

As competition in the beer marketplace continues to intensify, Keane's business and IT services help Miller Brewing maintain its focus on operational excellence. Keane's AO expertise also keeps pace with the many innovations the company is brewing as it continues its business turnaround.

"In our nine-year partnership, Keane has brought stability and flexibility to Miller Brewing's application portfolio, providing significant business value to our customers, distributors, and users. We look forward to our continued partnership and achieving continuous improvements."

Dave Baumann, Vice President of Information Systems, Miller Brewing Company

Keane is a global services firm that specializes in enabling transformation of its clients' business and IT functions.