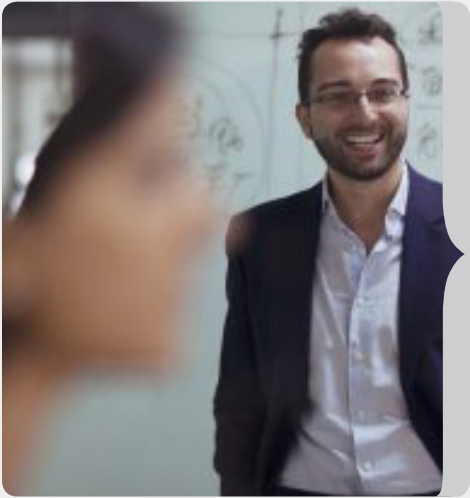


# VALUE CREATION PROGRAM

A three-step approach to improve brewery financial performance





"I would like to thank the entire First Key team for its very professional, responsive, and high-quality work."

**Urmas Paavel**  
Head of Private Equity, ETC Initiative,  
European Bank for Reconstruction and  
Development ("EBRD")

## VALUE CREATION PROGRAM

It's tough work to grow a brewery. An endless flow of new competitors and a wide range of other issues pressure brewery managers daily. The winners – those breweries positioned to deliver superior shareholder returns over time – need to identify and execute a blend of strategies that will boost revenue, control costs and tap new processes and systems that will help sustain the results. That formula, however, can be very challenging to apply when managers lack the time or resources to step back and take a fresh perspective of their brewery. First Key offers a solution to address that challenge.

Our **Value Creation Program** is a structured three-step program to improve and sustain the financial results at your brewery.

- 1 Opportunity Assessment** — We will assess your brewery and identify specific recommendations that are focused on three key areas that impact profitability:
  - Cost reduction opportunities
  - Revenue enhancement opportunities
  - People, processes and systems improvements
- 2 Implementation** — We work together with your team to implement the recommendations as seamlessly as possible using the principles and practices of change management.
- 3 Follow-Up Audits** — We review the results post implementation to ensure the expected benefits are being realized. We will help the team address any gaps and provide guidance to ensure the results are sustained.

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## STEP ONE

### Opportunity Assessment

The Opportunity Assessment starts with a customized information request and is followed by an on-site review. Our assessment consists of a 40-point checklist focused on three key areas that impact brewery profitability: cost reduction, revenue enhancement, and people, processes and systems improvements. During this phase we develop an in depth understanding of your specific business.

With your permission, we will analyze and discuss the information and observations with the key designated team members to identify the main issues impacting profitability, understand the root causes, and collaboratively prepare a set of specific recommendations.

Next, we will rank the recommendations in terms of their impact on performance, ease of implementation and urgency. The recommendations will be incorporated into a comprehensive Opportunity Assessment Report that will include a summary table that can be used to track implementation progress across the brewery. For each recommendation, First Key will:

- Articulate the actions that need to be undertaken to implement each recommendation
- Provide first-order budget cost estimates to implement each recommendation
- Provide estimates of the achievable benefits from implementing each recommendation

WE HAVE WORKED FOR CRAFT TO LARGE-SCALE BREWERIES IN OVER 50 COUNTRIES AROUND THE WORLD FOR MORE THAN 30 YEARS. WE KNOW YOUR BUSINESS AND HOW TO IMPROVE PROFITABILITY.

## STEP TWO

### Implementation

“A strategy is not a solution until it is implemented.”

In Step 2, First Key will provide a range of services to help you implement the recommendations developed during the Opportunity Assessment. Our implementation services are guided by the principles and practices of change management to motivate people and maximize improvements. Below are the different ways that we can help you with implementation:

**Targeted Project Support** — if you are interested in targeted support to implement certain recommendations from Phase I, we can step in and provide project management and functional expertise to effectively deliver project solutions on time and on budget.

**Continuous Improvement Implementation** — if you are interested in broader support to implement a culture of continuous improvement across your brewery, we can implement a customized “toolkit” that includes the processes, systems and methodologies to make this step change across your brewery (e.g. KPI management, six-sigma problem solving, visual management, etc.). This is a great way to teach your own brewery team how to “fish where the fish are” on an ongoing basis.

**Program Management** — if you are interested in “full service” support to implement all of the recommendations from Phase I in a coordinated way, we will provide overall program coordination, project management, functional expertise, budgeting, resourcing and overall results scheduling and tracking to realize the value potential across your brewery.

## STEP THREE

### Follow-Up Audits

In this phase we follow up to check that the results are realized as planned and sustainable for the long term. We assess and make recommendations for the on-going practical use of the continuous improvement “toolkit” within the brewery.

**Check sustainability of the results** — review financial performance to see if results are being sustained and improved

**Check sustainability of the “toolkit”** — audit the continuous improvement processes, systems and methodologies that were implemented (verify that the tools are still understood, being used, and driving tangible results); provide a gap analysis and actions (coaching, refresher training, updates to the toolkit, change management practices).

**Let's get started!**



“First Key was engaged to assist in our investment evaluation of a large multi-plant brewing organization. After their preliminary marketing and technical evaluation, we re-engaged them to conduct a full due diligence with the objective of identifying issues to be aware of as the brewing company moved forward. First Key assembled a 5-member team consisting of marketing, distribution and procurement, operations, engineering and finance specialists. They conducted site visits and prepared an integrated report identifying the issues, categorizing their impact in terms of quality, cost and capacity, and ranked them according to subjective investment risk. We were very pleased with the depth of their analysis, and the quality of their work. First Key helped us to understand critical elements of the beer business and strengths and weaknesses of the target company.”

**Dmitry Chernyak**  
Investment Manager  
Texas Pacific Group



We provide integrated solutions that truly make a difference to your bottom line. Please contact us anytime.



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