



“ At New Belgium, we believe passionately that our culture and employees are our strategic differentiators.

This is why we commit the amount of time and resources in remaining culturally connected as our company continues to prosper and grow in size and geography. ”

– Kim Jordan, CEO

New Belgium Brewing Company

Brewing Product, Passion & Possibilities

The founders of New Belgium Brewing Company (NBB) envisioned building a world-class beer brand while minimizing the company's footprint on the planet. Nearly 20 years and 350 employees later, NBB is the 7th largest brewery in the United States and the 3rd largest craft brewery worldwide.¹

New Belgium has grown exponentially. Over the past five years, they have consistently met or exceeded their revenue and profit targets. 2009 was an important year as they launched a new line of 100% recyclable beer cans and expanded their U.S. distribution network, which now totals 26 states. 2010 has brought them the highest production year in their history and they are

New Belgium Brewing Company Fort Collins, CO

- Founded 1991
- Craft brewing
- ESOP company; 40% of employees own stock
- Revenue 2009: \$100 million
- 365 Employees
- Average turnover over last 3 years: 7%
- Average tenure: 5 years
- 2008 Top Small Workplace Winner as awarded by Winning Workplaces and The Wall Street Journal

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researching opportunities to increase capacity.

From the beginning, the founders were intent upon growing a decentralized, high-involvement workplace driven more by their core values and beliefs and less by excessive mandates and rules. As their culture evolves, NBB continues to place a high value on relationships and participatory decision making and remains committed

to developing a workforce – at all levels – that is autonomous, self-directed and inspired to pursue their passions, wherever they may lead.

¹ 2009 Top 50 Brewer List of The Brewer Association. Ranking is based on 2009 beer sales volume.

The Workforce

New Belgium Brewing Company (NBB) has a workforce of 365 employees. Nearly 35% work in sales throughout the United States, and the rest are based at their Fort Collins headquarters, known as the "The Mothership." Approximately 32% of headquarters staff are managers, engineers, administrators and beer tasting center employees. The remaining 33% are the employees that work in production, either in the manufacturing plant or the warehouse; this report focuses primarily upon this subgroup.



Production employees work in four main processing areas:

- **The Brewhouse** (where all brewing takes place)
- **The Cellar** (where beer is fermented)
- **Packaging** (where the canning, kegging and bottling takes place)
- **Warehousing** (managing inventory and loading trucks)

The average entry-level wage for production employees is \$12-\$14 an hour; approximately 30% of the workforce earn at or below \$40,000. When the

company achieves its organizational targets, which has always been the case, the entire workforce receives a generous bonus.

NBB has a national reputation for being an employer of choice; consequently it receives an abundance of resumes for most of its entry-level positions. When hiring, they require a High School or GED diploma as well as basic communication and computer skills. In addition, management places a high value on the behavioral interview that is conducted for new recruits assessing their:

- Ability to operate in teams
- Desire to continue to learn and grow
- Passion for NBB values around sustainability and customer care.

Turnover has been historically low at NBB, averaging around 7% for the last three years.

It Begins with Culture

To understand how NBB develops a motivated, self-directed workforce, especially among its production employees, one must first understand its cultural foundation.

Leaders at NBB passionately believe their culture and employees are strategic differentiators. Consequently, they invest time and money to remain culturally connected as they grow in size, geography and work structures. Strategies used to cultivate this kind of culture include:

1. grooming effective and responsive managers
2. purposefully arranging community-building rituals and events
3. practicing open book management

Guide, Don't Over Manage

As NBB grows it becomes increasingly difficult to maintain a sense of community and to build employee

New Belgium's culture begins with its purpose statement, "To operate a profitable brewery which makes our love and talent manifest."

relationships in large numbers. Leadership relies upon its managers to perpetuate the culture by being effective communicators, modeling good decision-making and growing strong sub-communities that are aligned with the larger organization. NBB leaders philosophically believe managers should be very directive when first teaching employees their jobs, but after that they should give them much latitude to figure out how best to do their work.

The company promotes managers that are strong team facilitators and coaches, innovative and open-minded thinkers. Rather than adhere to strict policies, managers are given a significant amount of discretion to manage their departments and the needs of their co-workers. They are typically very flexible and use team decision making when setting the ever-challenging shift schedules, trying to balance individual/family needs with the business needs.

Managers access a variety of onsite learning opportunities:

- **Self Leadership Training** – operating in a self-directed work environment
- **Situational Leadership** – adapting one's style to best fit the needs of individual team members
- **Crucial Conversations** – having conversations in a productive and authentic manner
- **Crucial Confrontations** – having a confrontation that is productive and authentic
- **Manager Panels** – discussing business challenges among peers and subject matter experts

"We knew we did not want to be the police enforcing rules, more of a teacher helping to guide decision-making.

Rules tend to be used as crutches for people making decisions."

- Jenny Briggs, Human Resources Director

Intentional Communities

With a growing, dispersed workforce, NBB creates opportunities to bring all its employees together to renew relationships, learn new things and integrate their collective knowledge. In addition to the standard fare of company lunches, holiday parties and team recognition, NBB's gatherings and rituals include:

- **The Ownership Ceremony:** Twice a year, all production is shut down for a ceremony honoring employees and celebrating accomplishments. New Belgium is 100% employee-owned and 42% ESOP owned. During the ceremony, employees give short speeches on what becoming an employee owner means to them. *"Becoming an owner at New Belgium,"* as expressed in their local ESOP Chapter newsletter, *"is often an emotional experience that leaves few of the 200+ attendees with dry eyes."* This event has become a rite of passage that *"grounds employees to the past and provides a connection to the future."*
- **The Annual Strategy Retreat:** Designed to foster trust and employee involvement, NBB brings their collective energy back to Colorado on an annual basis and solicits input and ideas for the upcoming year. Co-workers interact in a day of community building and business action culminating in a comprehensive

action plan. Each employee, as part of their individual development, identifies one personal initiative that they commit to in order to help the business achieve its annual strategy.

- **Belgium Excursion:** Upon their five-year anniversary of employment, staff enjoy an all-expense paid pilgrimage to Belgium with one of the founders and NBB's Brewmaster, in order to learn more about beer culture. Employees attest that this always proves to be a bonding and educational experience.

High Involvement Through Open Book Management

Building a culture of employee ownership where there is fiscal transparency requires substantial education and communication. To increase the workforce's business acumen, NBB deploys the following:

- During orientation, new hires learn basic financial concepts and tools
- Managers share department finances with their teams on a routine basis
- Monthly all-staff sessions are convened to discuss business performance and for employees to ask questions of leadership
- Accounting staff creates materials that are accessible and understandable
- Remote employees participate in electronic group forums to engage with decision makers and learn of the latest business trends
- Employees access a variety of information from the company intranet that provides financials, dashboard metrics with progress updates and a means to interact with other employees and leaders

Developing A Self-Directed Workforce

Philosophically, NBB's intention is to develop a workforce that, at all levels, is self directed, makes reasoned decisions and is inspired to pursue their passions at work. In addition to establishing its cultural foundation, NBB develops its talent by providing a menu of opportunities for all staff including: a process for employees to establish their own work objectives, onsite internal training, tuition for external education, a job shadowing program or participation on one of NBB's committees. Many of these activities are directed by its large 10-person staff in Human Resources.

Personal Work Objectives (PWO)

Each year, all employees sit down with their supervisor to establish their own personal and professional

objectives. "We want to encourage employees to follow their passion at work – we can offer opportunities but it is up to them to pursue them," says Human Resources Director Jenny Briggs. For some employees that means taking on new challenging roles, for others their passion may come from participating on one of the NBB's numerous committees. All employees include at least one stretch goal for that year.

Internal Development

NBB offers a wide array of onsite development opportunities, some delivered centrally by Human Resources, others delivered at the individual department level. All employees access the following fundamentals:

- **Computer Learning Labs:** 24/7 service where employees brush up on a variety of applications and technologies. Internal staff

continued on page 5

Success Story



Before starting work at NBB nine years ago, David worked in restaurants, a bakery and on assembly lines. He applied several times at NBB before being hired in as a Packaging Technician. Mentored by co-workers, he was able to master all department competencies in six months. "Even though I was only there a short time, I was ready for new challenges. When the tasting room position opened up I asked my manager what he thought and he said it would be a good fit for me and supported my move," says David.

Tasting Room Reps work at the onsite tourist center giving tours and beer tastings. In the early days, the Tasting Room was run quite informally. As the company grew, NBB leaders recognized the need to create a first-time managerial position to run the operation more professionally. David helped develop the job description,

applied for the position and was interviewed, along with external candidates. Eventually he was hired. "I was in my late 20's and had to transition from peer to manager with my co-workers so I relied on my manager for assistance. She is my boss today. Having the same mentor for the past seven years has been an incredible gift," says David.

In addition to the mentoring, David built his leadership capacity by attending several internal trainings and participating in monthly Managers' Group sessions, learning how his peers deal with common organizational challenges.

"We have an incredible platform for learning here. We have amazing resources and great folks that continue to challenge each other to grow," says David.

host most sessions and include self-paced, online learning guides.

- **Self-Leadership Training:** Employees assess their own development and learn how to ask for what they need to be successful
- **Communication Training:** All employees attend sessions aimed at helping them be effective communicators, cooperate with diverse personalities and manage conflict productively



Production and manufacturing employees have additional skill requirements, training processes and competency checklists they must master. New employees work closely with co-workers observing specific tasks and equipment procedures. Once the more experienced employee observes the new recruit mastering the equipment or process, he/she signs off on the checklist and the new recruit moves on to the next competency. This self-paced, flexible process takes into consideration a person's previous experience, knowledge and skills. Management has observed that employees working side by side, in a less pressured manner, often leads to improved communication and work relationships.

**NBB Core Value:
Cultivate potential through learning,
high involvement culture and the
pursuit of opportunities.**

External Development

All employees can access additional funds for approved outside education and degree programs. These are handled on a case-by-case basis between the employee, supervisor and Human Resources. Tuition is reimbursed for those external programs and certifications that benefit both the employee and

the company and each year approximately 20 - 30% of the production workforce takes advantage of the tuition program. For example, two years ago, when NBB sought to improve its food safety measures, it funded one production employee's degree in this specialized area.

This year, NBB is in the process of implementing what it calls a Tuition Savings Account Program. Modeled on its 401k program, employees put aside, for example, 5-10% of their wages. The company matches the wages employees contribute, and the balance can be used for any external development opportunity.

Moving Around At NBB

NBB asks that employees take initiative and speak up about opportunities they would like to pursue at the company. To facilitate this, they have developed a practice entitled "Moving around at NBB" allowing people to move into other positions of interest. They structured this practice by laying out the specific steps and responsibilities of the individual employee, the manager and Human Resources. Moving people around can significantly impact departmental work and require a great deal of energy and training resources. While the company does not have a strict policy dictating how long an employee should stay in any one position, managers do make it clear to the employees that they should expect to stay for a minimum period of time. That time period is dependent

continued on page 7

Benefits and Way Beyond

NBB provides a generous and comprehensive package of benefits. Their benefits go way beyond the traditional and are aligned with their values of environmentalism and employee well-being. Management has found that paying attention to employee well-being builds community and decreases workplace stress and absenteeism. Increasing environmental awareness engages the passion of the workforce, is aligned with the company mission, and builds camaraderie among the staff.

- **Health Insurance:** 100% employee premium paid by employer
- **Health Insurance:** 50% dependent premium paid by employer
- **Dental Insurance**
- **Vision Insurance**
- **Employee Assistance Program**
- **Life insurance**
- **401K**
- **Pre-tax spending benefits**
- **Paid Time Off:** 13 days off plus 10 holidays; after 11 years - 26 days
- **Onsite fitness activities** and discount for health club memberships
- **Custom cruiser bicycle** at end of first year
- **Flexible work arrangements** & available laptops
- **Paid trip to Belgium** after five years of employment
- **NBB matches volunteer hours** one to two: employees receive one hour of paid time off for every two hours spent volunteering
- **Sabbaticals** after 10 years of employment, employees are eligible to take 4 - 6 weeks paid to pursue interests



on the amount of time involved in training. To date approximately 20% of production employees have taken advantage of this opportunity over the last two years.

Learning via Committee Work

NBB routinely hosts 15-20 cross-departmental committees with active participation from production staff. These committees design and launch new initiatives and spearhead organizational improvements. Examples of committees include:

- **Ownership Culture Group:** strengthens and grows NBB's ownership culture through education and community building

- **Wellness Committee:** acts as a sounding board for wellness plans, plans co-worker activities, and approves activity scholarships
- **The Sustainability Team:** advises on eco-friendly projects and educates co-workers on living in a more sustainable manner
- **The Capital Expenditures Group:** reviews all ideas presented by employees that would cost over \$5000 and have a large impact on the brewery. This group works with the employee from ideation to execution

continued on page 8

Success Story



For eight years, Matt has watched NBB grow steadily and has seized upon many opportunities to grow with the company. Presently, he functions as the National Field Quality Manager working with wholesalers to ensure the brewery quality. His career path, like so many others at NBB, has taken a series of twists and turns.

Matt started in the packaging department and quickly learned all the processes and equipment. After six months he was promoted to Shift Lead supervising all packaging and testing.

As the company grew, he was hired as a Draft Technician, taking classes to learn all he could about quality standards. He eventually became the Draft Lead maintaining all the draft systems in Fort Collins. Soon, it was Matt teaching new employees about quality standards and line cleaning methods. At the same time, he was assisting the Field Quality Manager who would take him along on trips where he gained experience outside of Denver.

As the Field Quality Manager transitioned out of his role, he mentored Matt who eventually took over this position along with his duties as Lead Draft Technician. After being exposed to so many facets of the business, Matt envisioned a new role for the Field Quality Manager – one that would build on his prior experience. He developed first-time quality standards that wholesalers must meet in order to sell NBB product. Matt stepped into this new role where he remains today, traveling across the country. Recently he hired two new people to manage the Midwest and the West Coast.

"I'm really passionate in this position. We've seen a lot of changes in the industry relating to quality and I've been a part of that. I hope to continue to develop the program to match New Belgium's growth. I am continually challenged, which keeps it exciting for me," says Matt.

Employees cultivate a wealth of skills and knowledge from committee participation, improving their presentation and conflict resolution abilities and strengthening their project management and execution skills.

By accessing an array of developmental opportunities, approximately 35% of the production workforce has advanced to a new job over the last two years.



Career and Wage Progression - One Scenario

NBB employees are widely encouraged to move around and test out other jobs. While there are few “typical” paths, below is one example of a progression track for production employees.





Conclusion

As NBB strives to maintain a self-directed, values-driven workplace, its leaders walk a fine line. With its exponential growth come the inevitable communication challenges and pressures to develop more formalized structures, policies and practices. By many accounts they appear to be doing a good job balancing the competing demands.

New Belgium Brewing Company continues to grow at a

steady pace, releasing new brands and moving into new markets. The workforce is expanding and becoming more dispersed and management remains committed to sustaining a culture where there is a strong sense of community, transparency and challenging work – for employees at all levels.

Inside the company, the passion continues to run deep – for its products, for the environment and for one another.



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