

Interview with Alf Smiddy,

Managing Director of the Beamish & Crawford Brewery, Cork

Date of Interview: Monday, 12th of December

Interviewer, Author: Stefan Krautwurst, DCOM4, Regional Technical College

Lecturer (Management): Noel Collins

1) *Description of the process of delayering / downsizing in general in a few sentences. Overview of what had been done and the major changes attached to this.*

The major changes were:

- Downsizing the amount of employees from 320 to 200 (loss of 35%)
- Outsourcing of distribution and technical services, which means, that other companies now deal with these tasks
- Delayering / simplifying the levels of management (see appendix).
- Rationalization and automation of many procedures, a general streamlining of the way the company does its business
- New technologies, computerization
- Change in the canteen facilities

2) *Which situation had there been before the change?*

Before the change there were many old customs and too many layers of management, which limited both production and effectiveness. There were too many people working in the company and the structure of the organization didn't fit into the modern competitive-oriented market.

3) *What was the goal?*

The goal was to become competitive again and a long range protection of the Beamish brewery.

4) *What were the core activities to reach the goal?*

The company reached the goal by clinging very strictly to the plan describing how to realize the change. Even after a strike and a strong resistance of the workers, the company didn't deviate from this plan.

5) *Which problems did you have to pay attention to while the change was in process?*

The significant changes caused a strong resistance among the workers, fearing the loss of their work. There was a 6 day strike (March 1993?).

Other problems were encountered at the very beginning of the outsourcing, as the new companies involved had to adapt their proceeding at work to the expectations / conditions of the Beamish Brewery.

6) How long did the change take?

The major change took about 6 months, but the change in general does never stop. Beamish always tries to improve and to adapt to new situations, to be able to meet the demands of the modern market nowadays. According to Mr. Smiddy and common sense, a company is not able to survive, when its management stops thinking about improvement.

7) Did the customers notice any change?

As Mr. Smiddy was told, the customers noticed an enhancement in service. The general streamlining of the whole organization and the outsourcing of distribution and technical service resulted in faster and more reliable service.

8) How did the managers / employees react?

There was a strong resistance among both managers and employees, because they feared to lose their workplace (see question nr. 5).

Afterwards:

9) *Advantages of the change.*

Simply to become competitive again and to protect the Beamish brewery for a longer period of time (see question nr. 3).

In detail: better customer service, improved organizational structure, higher effectivity, higher profit.

10) *Disadvantages of the change.*

Mr. Smiddy didn't know any. He only mentioned the problems which came up within the first weeks after the outsourcing, as already explained in the answer to question nr. 6.

11) *Use of the saved money for which area or section of the company?*

The saved money is used for the new brands (e.g. Foster's Ice Beer) and advertisement in the U.K.

12) *Do you think you reached the goal? What could have been done better?*

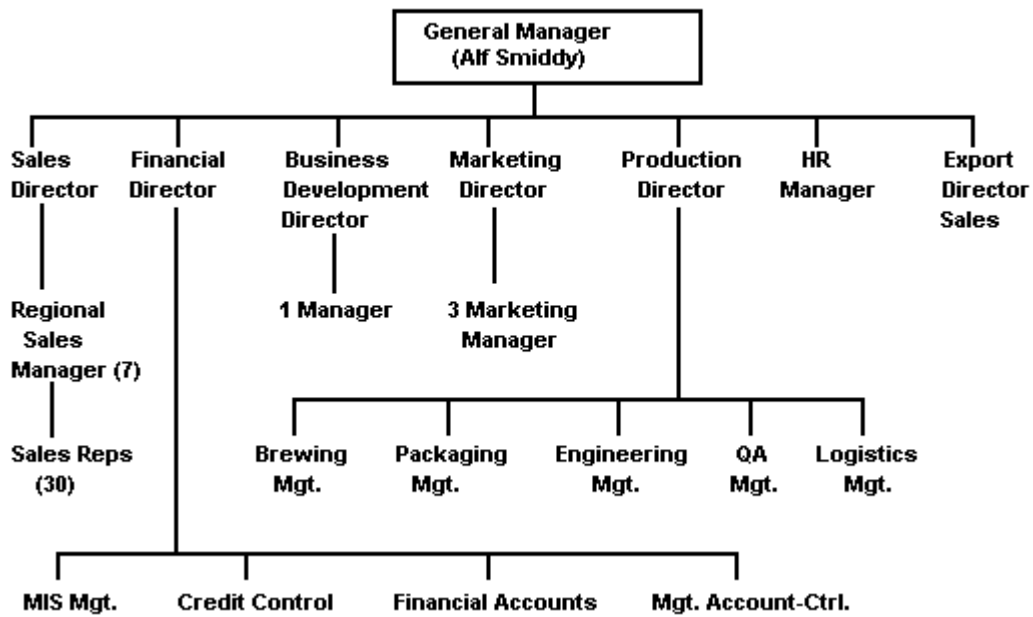
According to Mr. Smiddy and recent reports in the newspapers, the company reached the goal. Mr. Smiddy didn't know anything what could have been done better. He said that they spent a very long time to plan the change exactly. So they only had to follow these objectives in a hard line, in order to be successful.

13) *Are there any future aspects to this topic to look at?*

"Yes. Beamish has to carry on concentrating on sales and marketing." (see answer to question nr. 6).

Appendix

Line Diagram of the new Management Structure



Please notice that the 4 Manager reporting to the Financial Director are on the same (second) level as the 5 Manager reporting to the Production Director. Consequently, we only have one to three levels of management left.