

DESCHUTES BREWERY

Helping Deschutes Grow Their Business Through Value-Added ERP Selection

West Coast Craft Brewing: The Deschutes Story

Founded in 1988, Deschutes Brewery is a craft beer manufacturer located in Bend, Oregon. The Deschutes brand was first conceptualized as a small brewpub in Bend, but then morphed into a manufacturing business once their carefully designed craft beers were met with high demand and strong support from the community.

Deschutes leaders and staff pride themselves on their sustainable business model, high-end processes and production of fine beers. In addition to their two brewpubs in Oregon – one in Bend, the other in Portland – their product is sold in retail stores, and at other foodservice locations. They run their business mostly through process and batch manufacturing flows.

In addition to the company's main manufacturing plant in Bend, Deschutes has multiple off-site warehouses. During Ultra's initial engagement, Deschutes had a growth plan to expand to the East Coast, however this plan could not be supported by their existing ERP system – one they had been utilizing, in addition to several manual processes, for nearly 19 years.

East Coast Expansion and Drivers for Change

In setting aggressive growth goals — particularly a second brewery on the East Coast — Deschutes knew it was time for a change to their ERP system, knowing their current system would not be able to support this vision of expansion. They would need to select a system that would accommodate a multi-plant operation.

As the Deschutes team set out on this second, more complex journey to a new system, they realized they did not want to implement a system based on how their organization operated today. Rather, an ERP system— and related business processes — that would accommodate the demands of their growing company was their priority.



"Ultra did an amazing job of guiding us through all the phases of the project. It was funny how quickly Ultra learned our brewing technology and how we do things at Deschutes. This paved the road for a lot of successes along the way."

- Tim Plummer, IT Director,
Deschutes Brewery

Further on...

- Why An Independent Consultant?
- Methodology and Business Process Improvements: Ultra Adds Value
- The ERP Selection Process
- Forging a Trusted Advisor Relationship



Deschutes Brewery

Deschutes' existing ERP system was not an ideal fit for their organization, forcing staff to rely on copious amounts of manual work outside the system, especially in the areas of scheduling, forecasting, and ordering. Additionally there was a heavy reliance on Excel spreadsheets and manual data entry to organize their demand planning and production planning processes.

This dependence on spreadsheets was a serious inhibitor to the East Coast growth plan; It would be imperative to have inventory and supply chain accuracy before expanding their operations. Tim Plummer, IT Director for Deschutes, explained:

"We would have been hard-pressed to grow too fast with all of the manual processes we had in place. We needed real-time inventory and supply chain accuracy. Having one, single version of the truth provided by the right ERP system was a main goal, in addition to eliminating our dependencies on Excel spreadsheets and manual systems."

In addition, Deschutes struggled with their previous software because it was mainly designed for discrete manufacturers. Being a process manufacturing organization at their core, they had difficulty with certain processes like production planning, and tracking raw materials and finished goods inventory, operations so imperative to their business. Deschutes needed a solution that could improve their supply chain inventory and accuracy, and provide visibility into real-time inventory.

Why an Independent Consultant?

Deschutes engaged Ultra in their project to offer a truly independent voice and perspective on the vendors and systems throughout each phase. During their last implementation, Deschutes worked with the software vendor directly rather than contracting with an independent consultant to aid with the system selection and implementation. As a result, the project suffered. The Deschutes team felt the vendor was more loyal to their

"Some manufacturing industries are less mature from a technology standpoint, and craft brewing is one of them. We needed that independent, external expertise Ultra provides to help guide us through our software selection and business requirements."

- Tim Plummer, IT Director,
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system than to Deschutes as the client. Throughout their project with Ultra, Deschutes appreciated Ultra's function as a liaison between their team and the vendor, and that Ultra always had in mind Deschutes' best interests. Said Tim Plummer:

"After doing some research and seeing there were actual independent ERP consultants out there, it was a pretty easy decision to partner with Ultra to go through the selection process."

"Ultra really was a trusted advisor, especially when interacting with vendors during the selection process. I don't think there was ever a moment where we didn't think Ultra had our best interests at heart. There was never a moment where we didn't trust Ultra was looking out for us. When Ultra resources were on site, we saw them as members of our team. Sometimes consultants don't get to that level or build that kind of relationship. We look to Ultra as a peer and a partner."

- Tim Plummer, IT Director,
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Methodology and Business Process Improvements: Ultra Adds Value

Asked about the part of the project where Ultra added the most value, Tim Plummer said, "Without a doubt it was the Ultra methodology, as well as Ultra's attention to the tedious definition and mapping of our current state business processes." The methodology and its steps changed Deschutes' view on their operations.

It is Ultra's methodology that sets it apart from other consulting organizations: Understanding each segment of a business and— together with the client's project team, subject matter experts and process owners— visually mapping the key steps of the current business processes. By creating these visual maps, the client's team members can easily recognize gaps in their day-to-day operations. The Deschutes team were able to physically hold a visual of their processes in their hands to reference at any point during their project.

Ultra's ERP detailed education methodology was a critical step in Deschutes understanding of the ERP vendors, and the possibilities with each system operating within Deschutes. Per our methodology, it is Ultra's goal for every client employee to understand the purpose of ERP and what a new system can do for their organization.



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Deschutes Brewery



The Deschutes team appreciated the steps taken to make sure they were aware of and understood every step of the process. Education within a project is a two-way street, and Ultra makes every effort to fully understand the client's business processes and future state needs, in addition to the client understanding key concepts about enterprise software. According to Tim Plummer:

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The ERP Selection Process

Once the Business Process Improvement had been completed, Deschutes and Ultra together initiated the software selection phase. By taking the lessons learned during the current and future state mapping, Ultra put together a vendor long list for Deschutes' consideration. Ultra reached out to each vendor to request on-site, two-day demos of each vendor solution, accompanied by a detailed demo script, crafted by the Ultra team, that was specific to Deschutes' business processes. Said Tim Plummer:

"Ultra added some necessary structure to hold the vendors accountable. The vendors just want to show you what they think you want to see. Ultra held them to a script, which is essential for narrowing a long list down to a short list."

Forging a Trusted Advisor Relationship

As a result of Ultra's project with Deschutes, an ERP vendor and system were selected, and implementation immediately followed. Deschutes publicly announced on their website that they have finalized plans to open an East Coast plant in Roanoke, Virginia, and anticipate breaking ground on this new site by 2019.

Tim Plummer commented on the value brought by Ultra to Deschutes, and the creation of a solid relationship so critical to the project:

“Ultra really was a trusted advisor, especially when interacting with vendors during the selection process. I don’t think there was ever a moment where we didn’t think Ultra had our best interests at heart. There was never a moment where we didn’t trust Ultra was looking out for us. When Ultra resources were on site, we saw them as members of our team. Sometimes consultants don’t get to that level or build that kind of relationship. We look to Ultra as a peer and a partner.”



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About Ultra Consultants

Ultra Consultants is the leading independent consulting firm for the manufacturing and distribution industries. We are a valued partner to our customers because of our focus on each customer’s industry objectives, our deep industry experience, in-depth enterprise technology insight, and our independent thinking.

Since 1994 we have helped manufacturers and distributors — in North America and those with global operations — reduce their effort, resources and cost in their enterprise software projects. Our services help our customers realize increases in productivity, better information timeliness and accuracy, improved customer satisfaction and business performance. Ultra’s guidance brings our customers faster and greater ROI on their projects, and long-term business value.

With Ultra in your corner, your journey is one of continuous improvement. Our mission is to successfully lead you through business process improvement strategies and tactics that drive your business performance improvement. You will work smarter with Ultra, through our effective and efficient processes.