From Micro to Regional:

Brewer employment challenges from a production and economic perspective

From Micro to Regional

Areas of discussion

- Brewery comparison
- Labour
- Market flexibility
- Supply side issues
- Conclusion

Dark Star

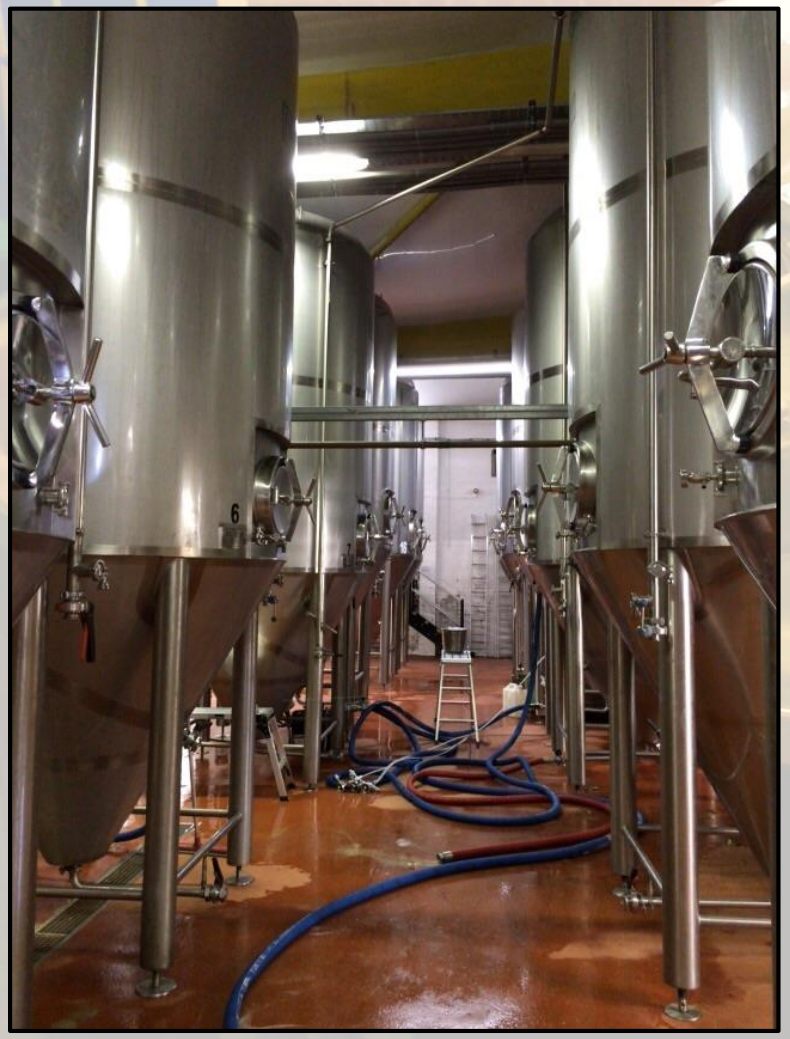
Location: Partridge Green, West Sussex

Nearest urban areas: London and Brighton

Annual output: 20,000 brls

Dark Star

Brewery size: 50 brls



Fermentation capacity:
800 brls

Dark Star

Packaging: cask, with limited keg and bottle

Production staff: 8

Shepherd Neame

Location: Faversham, Kent

Nearest urban areas: Canterbury, Maidstone and London

Annual output: 250,000 brls

Shepherd Neame

Brewery size:

Ale stream 220 brls

Lager stream 150 brls

Fermentation capacity:
20,000 brls

Shepherd Neame

Packaging: primarily bottle and keg, as well as cask

Production staff: >50

Labour

Microbreweries have low staffing levels

Flexibility is vital

Inefficiencies emerge

Amateur brewers enter brewing industry at lower wages

Labour

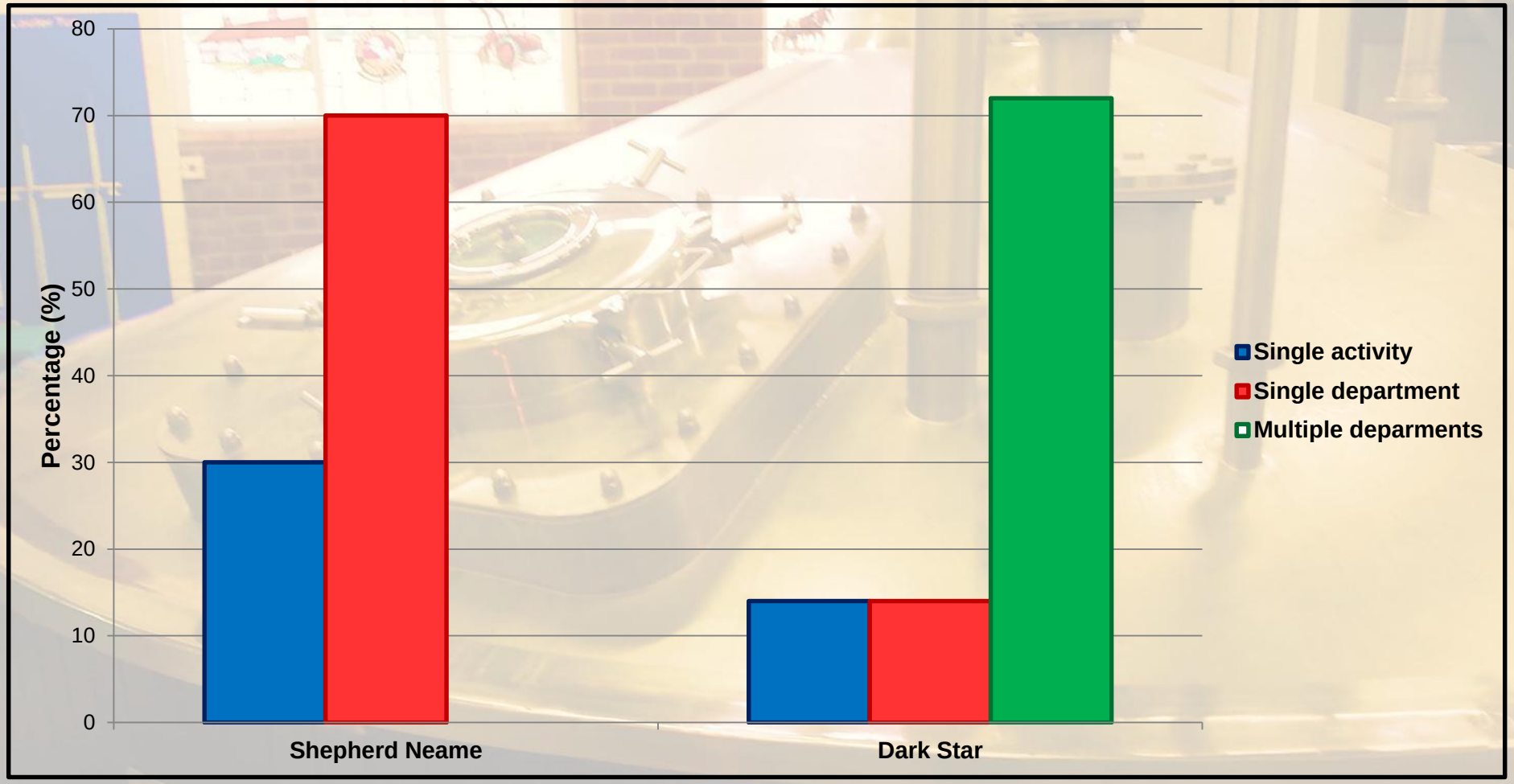
Regional breweries require division of labour

Workforce tends to be local

Greater efficiency

Education and schemes made available to increase involvement

LABOUR



Division of labour is extensive in regional breweries, where as flexibility is key to microbrewery employment

Market Flexibility

Demand for microbrewery products can be turbulent

Core products are in-house, allowing for substitution with ease

Innovation is wholly internal and rapid

Market Flexibility

Innovation and NPD is rapid and not subject to extensive bureaucracy

Lack of company outlets can reduce exposure of new products

Market Flexibility

High capacity allows regional breweries to brew under licence and for contracts

Shepherd Neame licenced brands are Sam Adams and Asahi

Supermarket contracts are with Sainsburys, Tesco, Asda and Lidl

Wide range of products has led to development of new employee skills

Market Flexibility

Flexibility in the market is reduced due to commitments

Bureaucratic requirements slow down reaction time

Shepherd Neame's investment in a 4 brl pilot plant has let innovation and NPD flourish

Supply Side

Raw materials supply can be inconsistent at microbreweries

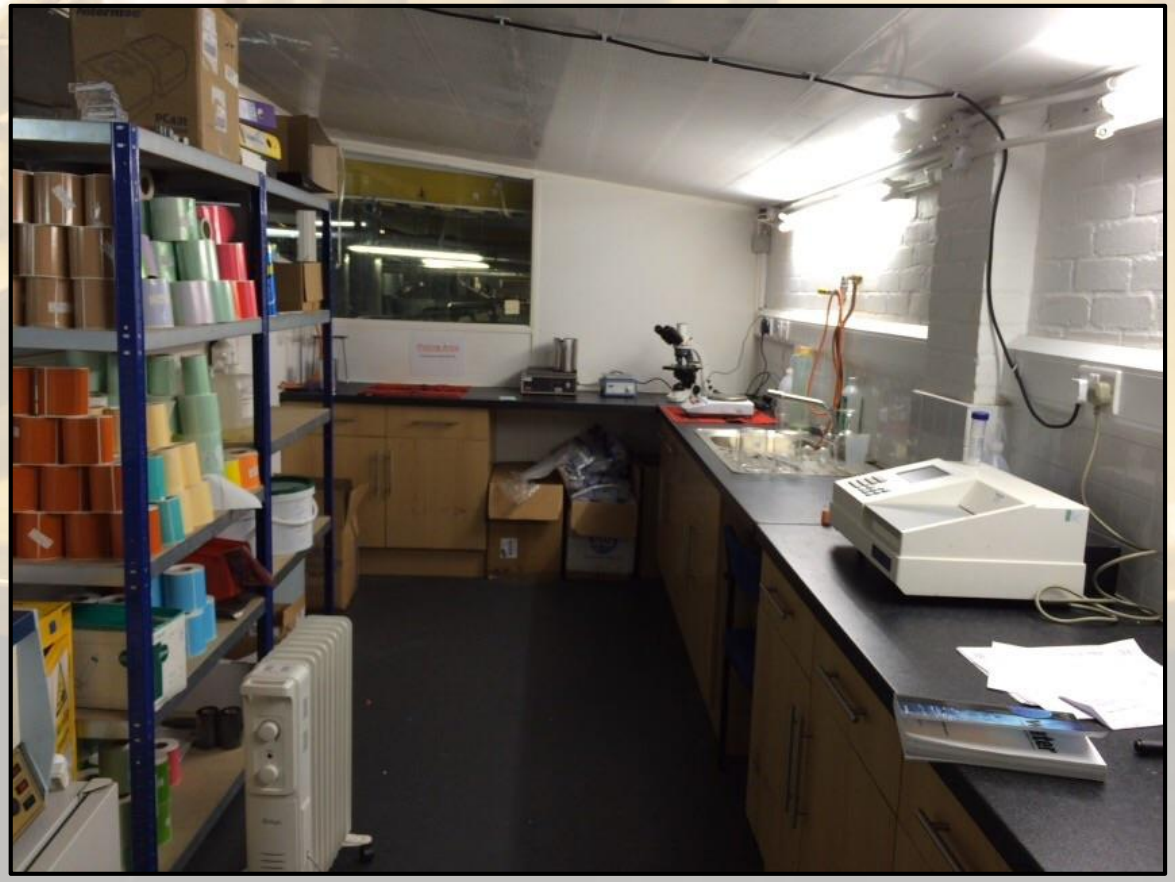
Substitution of raw materials is possible

Network of similar size brewers can support each other when in need

Supply Side

Smaller mass of raw materials allows for flexibility but reduced security

Inevitable limited quality control can lead to acceptance of less desirable raw materials



Supply Side

Regional breweries have higher quality and longer contracted supply

Substitution is not an option and flexibility of raw materials is reduced

A wide range of raw materials makes stock control and planning an extensive task

Supply Side

Shepherd Neame has an effective silo system for near Just In Time deliveries

Comparatively high wealth leads to increased ability to examine raw materials.

Conclusion

Brewers are likely to work across micro, regional, and national breweries

Microbreweries are more dynamic, have passionate staff and on the forefront of highly competitive markets

Regional breweries have highly specialised staff, diverse products, and success is national.

Adaptation to new ways of working is important for future success