

Carlsberg case study

Background

J.C. Jacobsen founded Carlsberg in 1847 and in 2006, Carlsberg was ranked fifth brewer in the world with sales in 150 markets, rising from eighth place in 1999. Thirty-one thousand employees produce beer, soft drinks and mineral water at 95 sites in fifty countries. In 1975, the slogan 'Probably the best lager in the world' was developed.



Background Carlsberg Denmark

For twenty-five years, beer sales in Denmark declined as wine became the preferred social drink across Europe. The market has become much more competitive. In the last three years, beer has become Denmark's favourite drink once more, but with this sudden resurgence in popularity, there are now 86 independent breweries serving a population of only 5 million!

Carlsberg serves 16,000 licensees in Denmark. Fifty-three Field Sales Representatives have 300 to 500 customers each, and they visit 5 of their most high-volume, high potential customers every day.

A proactive telesales team of 28 makes regular outbound calls to the next tier of customers in the Licensed trade (our case study deals with this group). Another 18 proactive telesalespeople call off-licence customers regularly.

Customer Service Representatives take inbound calls from customers, which sometimes involves order-taking. Carlsberg has a 60% market share overall with a dominant 70% share of the licensed trade ('on-trade'), but it is not complacent.

Situation

Although gross beer volume production has almost tripled globally over the last 8 years, the beer market in Denmark was stagnant between 2003 and 2004. In a fiercely competitive marketplace Carlsberg was losing market share to rival breweries on its own doorstep. For the parent company to slip down the rankings was bad for morale.

Claus Blæsbjerg, Head of Licensed Telesales (On Trade) and Klaus Pedersen, Regional Telesales Manager, manage the team of 28 salespeople in the Licensed Division. Each telesales representative handles between forty and fifty customers. Every week, they phoned to take orders and discuss new promotions. Market share was declining so a radical rethink was required.

Solution

In the summer of 2006, the blueprint for a radical restructure of the licensed (On Trade) business was developed. Outbound Telesales was a business unit in the logistics function and it was moved to frontline sales operations to be closer to the customer.

Objectives

Telesales Managers set these objectives:

- Get closer to the customer
- Realign and retrain the telesales team
- Minimise routine order-taking and paperwork
- Increase sales
- Regain market share
- Regain premium producer's position in Denmark



Part of the change management was investment in training. Traditional classroom-based training was ruled out because Carlsberg could not allow Telesales staff to be away from the phones for two days. That would have directly affected sales. Unlike other training companies, Ladegaard offered a flexible alternative with an innovative, blended-learning sales training solution. They also made a bold promise of increasing sales by adding one extra crate of beer to every second order taken over the phone! Carlsberg liked the flexibility of a classroom, audio CD's and internet-based training. They liked the tailored, product-focused solution that showed Ladegaard's training was not an 'off-the shelf' programme. They were reassured by major Danish companies on Ladegaard's client list.

According to Sales Manager, Claus Blæsbjerg 'This has been very much a knowledge partnership. Carlsberg has been very open about its challenges and we invited Ladegaard to coach our sales team at all levels.'

Between September 2006 and June 2007, twenty-eight people are taking part. They start with pre-course reading and the one-day introduction provides plenty of motivation with an overview of course content and trial exercises. One audio CD provides motivation for days when a salesperson finds things tough. The other contains revision modules on specific parts of the course. People listen to the CD's as they drive and the web-based training involves multiple-choice tests, which are timed to simulate the pressure of real sales situations.

Another classroom session 6 weeks later, focuses on the specific daily challenges people face. The trainer uses live examples to coach people. Feedback on what worked and what didn't allows the coach to refine the approach and sales techniques even more. The team encourages individuals and people are highly motivated to succeed.



Ladegaard is teaching Carlsberg's team to prepare more thoroughly before each sales call. The key to increased sales has been making the right recommendation of beer for the customer's brand portfolio.

According to Claus Blæsbjerg 'Ladegaard had the perfect concept for Carlsberg. So many times we have tried two-day training courses that have failed. A few days later people have forgotten 90% of what they learnt. Our telesales people cannot take two days out of the calendar, so the mix of self-study, internet-based training and coaching is absolutely ideal for our team.'



Results

Claus Blæsbjerg confirms that the average customer order value per outbound telesales phonecall has increased and says 'We see a direct correlation between the amount of hours of self-study and increased sales. Blended learning changes people's approach to their work and Ladegaard has a very strong training proposition, which has paid for itself in half the time. 'However, sales training is only one part of the jigsaw puzzle. The restructure has had a major impact and the new Web sales channel accounts for 2% of orders. Customers who used to call the Customer Service Department now browse online and their average order value has increased significantly through 'self-service'.

Gross sales are 4% to 5% up on the same period last year, which was already 5% up on the previous year. More importantly, following the restructure and training, Carlsberg Denmark's annual profit has increased. According to Claus Blæsbjerg, 'It's the first time in twenty years we have had growth in the beer market so the restructuring has been a great success. It's difficult to pinpoint the direct effect of sales training but we know it has contributed.'

Course founder Jens Ladegaard and PH Bergmann are working on a rollout into the off-licence (off-trade) distribution channel with another team of 18 telesales people.