

TEAM 1 – OPERATIONS AND PRODUCTIONS STRATEGY OF

STEAM WHISLTE BREWING

Executive Summary

The purpose of this report is to study the best practices followed by Steam Whistle Brewing, which is a craft brewery producing premium pilsner lager beers in Toronto. Steam Whistle Brewing has been very successful from the day its beer started to roll out onto the market back in 2000. To understand the reasons behind their business success, we considered the various operations within the company. Therefore, the primary objective was to understand the various operations and productions strategy involved in the brewing industry as well as appreciate the strategies of a high performing company such as Steam Whistle Brewing.

The project commenced with the team gathering information about the Brewing Industry and understanding the various economical and political obstacles that have always plagued the food and beverage industry. On October 30th, the team went on a plant tour of the Steam Whistle facility and had a first-hand experience of brewing industry to examine the operation strategies. A meeting was scheduled with a company representative during the tour and valuable information on the operation strategies was collected. The information provided from the tour made it known to our team, the various factors which make Steam Whistle a successful company as well as a household name in Toronto. The approach during the entire project was to divide the work among all the team members and have weekly team meetings which involved brainstorming sessions to ensure that progress is made according to the approach we set out at the commencement of the project

During the literature survey, it became evident that although Steam Whistle is very successful in the beverage market, they still have a few areas where improvements can be made to withstand the stiff competition from the larger brewing companies. Strategies implemented by

steam whistle ranged from using JIT for supply chain management, having an open-plan office space concept to improve communication, building a family-like work environment for improved employee satisfactions and performance, and operating and producing in an environmentally friendly manner that can reduce the impact it has on the environment. All the major facility operations are very efficient however, improvements can be made in the layout design as the workplace is very confined and lacks space for expansion. Moreover, the inventory control can be made more efficient by incorporating automated ERP systems that can place orders without any human intervention. Steam Whistle Brewing also has to deal with various political, and economic obstacles such as the government taxation system example being Alberta's small brewers tax support program which preferentially supports only Alberta's own breweries in the form of giving tax grants. The craft breweries are also facing intensive competition from magnets in the industry as they are mass producers of beer and the craft breweries lose out of capturing a major section of the market population. Just like most alcoholic brewing companies, Steam Whistle has engineering and scientific limitation stemming from limited space and production capacity. Finally, the report was concluded with various recommendations arrived after brainstorming sessions among team members that may add value and improve the profitability and efficiency in production of Steam Whistle. These recommendations include applying queue time elimination and moving the bottling line setup to the new brewing facility to increase efficiency and capacity, incorporating automation such as sensors to eliminate human errors associated with production and maintenance and eliminate tedious and boring tasks of the job. This project is considered finished as all objectives were fulfilled and met through teamwork.