

## **Brewing Up Fun in the Workplace**<sup>1</sup>

New Belgium Brewing started out of a biking trip to Belgium on a fat tired bike. When founder Jeff Lebusch returned to Fort Collins Colorado, he wanted to produce similar high quality ales to those that he had tasted on his trip. When his home experiments earned rave reviews from friends, Lebusch and his wife Kim Jordan, decided to open the New Belgium Brewing Company in 1991. They named their first brew Fat Tire Amber Ale in honor of Jeff's Belgian biking adventure.

New Belgium's dedication to quality, the environment, and its employees and customers is expressed in its mission statement: "To operate a profitable brewery which makes our love and talent manifest." The company's stated core values and beliefs about its role as an environmentally concerned and socially responsible brewer include:

- Producing world-class beers
- Promoting beer culture and the responsible enjoyment of beer
- Continuous, innovative quality and efficiency improvements
- Transcending customers' expectations
- Environmental stewardship: minimizing resource consumption, maximizing energy efficiency, and recycling
- Kindling social, environmental, and cultural change as a business role model
- Cultivating potential: through learning, participative management, and the pursuit of opportunities
- Balancing the myriad needs of the company, staff, and their families

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<sup>1</sup> © O.C. Ferrell 2006. This case was prepared by Melanie Drever, University of Wyoming, under the direction of O.C. Ferrell for classroom discussion, rather than to illustrate either effective or ineffective handling of an administrative, ethical or legal decision by management. All sources used for this case were obtained through publicly available material and the New Belgium website.

- Committing ourselves to authentic relationships, communications, and promises
- Having Fun.

At New Belgium, a synergy of brand and values occurred naturally as the firm's ethical culture- in the form of core values and beliefs- and was in place long before the company had a marketing department. Back in early 1991, New Belgium was just a home-brewed business plan of Jeff Lebesch, an electrical engineer, and his social worker wife, Kim Jordan. Before they signed any business paperwork, the two took a hike into Rocky Mountain National Park. Armed with a pen, and a notebook they took their first stab at what the fledgling company's core purpose would be. If they were going forward with this venture, what were their aspirations beyond profitability? What was the real root cause of their dream? What they wrote down that spring day, give or take a little wordsmithing, was the core values and beliefs you can read on the New Belgium website today. More important, ask just about any New Belgium worker, and she or he can list for you many, if not all, these shared values and can inform you which are the most personally poignant. For New Belgium Brewing branding strategies are as rooted in their company values as in other business practices.

Jeff Lebesch and Kim Jordan decided early on what their values and goals were. Having fun and allowing their employees to have fun was important to them. They decided that after a year of working for the company employees would receive “cruiser bikes”— like the one pictured on its Fat Tire Amber Ale label— and encourage them to ride to work. Recognizing employees’ role in the company’s success, New Belgium provides many generous benefits. In addition to the usual paid health and dental insurance

and retirement plans, employees get a free lunch every other week as well as a free massage once a year, and they can bring their children and dogs to work. Employees who stay with the company for five years earn an all-expenses paid trip to Belgium to “study beer culture.” Perhaps most importantly, employees can also earn stock in the privately held corporation, which grants them a vote in company decisions once they have worked there for a year. New Belgium’s employees now own one-third of the growing brewery. An open book policy also reinforces this mentality and ensures that all employees feel more involved in day-to-day operations and running the business. Employees can access all financial aspects of the company. New Belgium also provides education to employees on how to read the financials to ensure that they understand what they read. This made everything the company did more important to the employees.

By empowering employees New Belgium allows everyone to think about the benefits of investing in the future as well as the risks involved. The decentralized structure of the company also allows decisions to be made as far down the company as possible. Empowerment allows employees to make decisions without having to seek approval. By informing all the employees team members are all held mutually accountable for decisions and the success of the company. The environment of employee owners creates a desire for success by all involved. According to Kim Jordan Co-founder, “the vibe here is amazing... you can tell people really like being here.”

Even the philanthropy committee is a group of people from all parts of the company who collectively decide where the philanthropy money should be spent. By allowing the employees to help make business decisions everyone is involved in all aspects of the business and the ownership and empowerment ensures the company’s

success. The open communication creates real relationships with people which according to Kim “creates magical vibes.”

Every six-pack of New Belgium Beer displays the phrase, “In this box is our labor of love, we feel incredibly lucky to be creating something fine that enhances people’s lives.” Although Jeff Lebesch has “semi-retired” from the company to focus on other interests, the founders of New Belgium hope this statement captures the spirit of the company. According to employee Dave Kemp, NBB’s environmental concern and social responsibility give it a competitive advantage because consumers want to believe in and feel good about the products they purchase. NBB’s most important asset is its image—a corporate brand that stands for quality, responsibility, and concern for society. Defining itself as more than just a beer company, the brewer also sees itself as a caring organization that is concerned with all stakeholders, including the community, the environment, and employees.

Sources:

### **Discussion Questions**

1. How would you describe the corporate culture of New Belgium Brewing?
2. How has New Belgium implemented its core values and beliefs about environmental and social responsibility?
3. What is the role of employees in making New Belgium successful?

Sources:

New Belgium Brewing Company Website. <http://www.newbelgium.com/index.php>

(accessed June 22, 2006); Greg Owsley, New Belgium Brewing Marketing Director “The Necessity for Aligning Brand with Corporate Ethics,” In Sheb True, Linda Ferrell, O.C. Ferrell, “Fullfilling our Obligation,” Kennesaw State University, 2005. Bryan Simpson, New Belgium Brewing, “New Belgium Brewing: Brand Building Through Advertising and Public Relations,”