



Beer Needs a Homeland – and a Clever Recipe

Wheat beer from Erding is an export success par excellence: 76 countries around the world are supplied by the privately owned Upper Bavarian brewery. And it makes no compromises when it comes to pricing or the brand, let alone quality.

□_HEINER VON DER LADEN

📷_CHRISTOPH BAUER



Erdinger CEO Peter Liebert (54) in front of the company's original premises in the old town: "A good Bavarian beer goes best with a hearty snack"

Peter Liebert

Managing Director for Technology, Logistics, Purchasing and Human Resources, Privatbrauerei Erdinger Weissbräu Werner Brombach GmbH

- ▶ Born 4/9/1956 in Biberach, son of a Black Forest brewing family, married, three children
- ▶ Attained the title of Brewmaster at the Technical University Munich-Weihenstephan
- ▶ 10 years of service at a Scandinavian brewery; at Erdinger since 1996
- ▶ Track and field (running), hunter, hiker and nature lover



Pure Bavarian: In front of the inn on the square, two young ladies in traditional costume serve draft wheat beer accompanied—on a rough-hewn ash serving board—by a hearty array of sausages, aromatic cheeses, crisp radishes, and bread topped with lard or chives. “Hold it just a sec, the scene is perfect,” calls Consulting Magazine photographer Christoph Bauer before shooting one picture after another in rapid-fire mode. His subject is the friendly gentleman in the middle: Peter Liebert, sporting a white shirt and red tie beneath his traditional Bavarian *Lodenjanker* jacket, smiles into the camera. The man, a fifth-generation brewmaster, has every reason to smile: As the managing director of Erdinger Weissbräu, he produces the best-selling wheat beer in the world.

Erdinger wheat beer is named after its place of origin. Here in placid Erding, where photographers are spared the trouble of arranging clichés, but can simply snap the images of real life beneath a white and blue sky, is the traditional home of the brewery. First mentioned in official documents in 1886, today the brewery supplies its beer to 76 countries around the world to the tune of 1.5 million hectoliters a year. Even bottles destined for Cambodia are filled in the 35,000-strong Bavarian city near Munich Airport.

“Beer needs a homeland. We don’t grant brewing licenses for other countries,” says Liebert. He adds, “Our recipe is naturally a well-kept secret.” If pressed, he’ll concede that Erdinger drilled 165 meters through several layers of rock to reach the perfect water for wheat beer. And that Erdinger takes its exclusive aromatic hops from the neighboring Hallertau region—the biggest hop-growing region in the world. But he reveals no more than that.

By contrast, it’s no secret that Erdinger’s premium beer is fermented not in tanks, but in the bottle, a traditional technique that takes four to eight weeks and gives the beer a special touch of refinement. Bottle fermentation, similar to the Champagne method used for the French sparkling wine, is regarded as a great challenge. “It’s much more complex and requires far more care in the brewing process. You need a spotless brewery that meets the

absolute highest standards of hygiene,” says Liebert as he runs his hand across a tank in the brewhouse that has been polished to a shine.

For the brewmaster, product quality is the “number one priority”. All nine Erdinger beers are—of course—brewed in accordance with the Bavarian purity law of 1516. And although the brewery is highly modern and even recently began drawing environmentally friendly electricity from the company’s own fuel cell, the company is completely immune to trends when it comes to their product: “We’re not interested at all in beer mix drinks; we’re sticking with wheat beer,” says Liebert, who is not preoccupied with volume—at least not primarily. “Of course we’re happy to sell more hectoliters, but not at any price.” The Upper Bavarians have steered clear of the sometimes ruinous discount battles that break out repeatedly in the retail beer market. The consensus in the brewery is simple: “If you only focus on volume, you lose.”

Whether for the domestic market or for export, Erdinger does not haggle. “We have a uniform unit price ex-works for every customer,” says Liebert. “Shipping costs are borne by the customer.” Their philosophy of not needing to make every deal seems to be paying off: In a market that has been struggling for years, with declining beer consumption and consolidation into huge international brewing groups, the proud, privately owned Erdinger brewery is unfazed and extremely robust. Liebert recalls with pleasure that “Erdinger has never had to lay off employees due to poor sales or economic performance.”

Erdinger’s 480 employees are fiercely loyal to the company: Giant crown corks with portraits of all employees who have been with the company for at least 10 years pay tribute to longtime staff—and it’s getting crowded in the glass-encased crown cork gallery high above the bottling plant. The prized jobs at the plant (there has never been a strike) are secure: “The beer stays here” is the management’s promise to employees. Only once did they have to move—a bit. In 1983, when the expanding brewery next to St. John’s Catholic Church in the midst of the picturesque old town area was bursting at the seams and the beer trucks were on top of each other in the

streets, the company moved to the commercial park on the outskirts of town. There it built new, more efficient production lines. At the traditional home of the brewery at Lange Zeile 1–3, the “Zum Erdinger Weissbräu” four-star hotel remained, with banners adorning the romantic façade and a proper Bavarian inn on the ground floor.

For Liebert, Erdinger’s ability to go its own way and achieve great success has a very straightforward explanation: “We are a private company. A family-run business can afford to say no sometimes. After all, we don’t have to answer to shareholders.” Erdinger has been in the Brombach family since 1935. Meanwhile, son Werner Brombach (71) has been at the helm for 35 years. He’s regarded as a wheat beer pioneer, who nearly 40 years ago began to advertise and “export” his beer beyond the borders of Bavaria. He takes great pains to ensure that customers’ hard-won loyalty to the brand is maintained. To allow wheat-beer lovers to be close to their favorite brewery, Brombach broke new ground in the beer market by founding a fan club, which now counts over 80,000 members and has its own magazine—the *Erdinger Fanpost*—to keep members abreast of what’s going on in the company. Owner Brombach writes the editorial on page three personally. There readers are updated on news such as the recent addition of Magdalena Neuner, Olympic biathlon gold medal winner in Vancouver, to the “Team Erdinger Alkoholfrei”.

The Olympic beer ambassador and other top athletes in the team have a special significance for the brewery: Erdinger is positioning its non-alcoholic wheat beer as an isotonic drink for anyone who plays sports—whether recreationally or competitively. Soccer idol Franz Beckenbauer—an Erdinger ambassador since 2003—is likewise an excellent fit.

But an increasing number of less athletic beer lovers are also taking to the non-alcoholic version of Erdinger—not least for the great taste, which remains a difficult challenge for purveyors of non-alcoholic beer. The taste factor is certainly among the main reasons that Erdinger non-alcoholic has raced to the top of the German market for non-alcoholic beers ahead of all other non-alcoholic →



PHOTO_ERDINGER_WEISSBRÄU

Erdinger beers destined for the whole world are all bottled in Erding. The only difference is the language on the label

“Every Erdinger customer pays the same unit price ex-works”



Brewmaster Liebert in the brewhouse. His wheat beer ferments in bottles in the fully automated high rack storage area; capacity: 15 million bottles (photo on the right)

“I find it fascinating to compare our company with the perfection of Porsche”

types of beer. What’s striking about this fact is that although alcoholic wheat beer commands just 9 percent of the German beer market against 63 percent for pilsners, the leading non-alcoholic beer is a wheat beer.

The brewery sees a lot of potential for the new product internationally as well. That said, they’re in no rush at the Erdinger brewhouse. Peter Liebert presses the point with extra emphasis on a day like this, sitting across the table from the Porsche Consulting team. “Brew-

ing beer at top speed would be a big mistake. In contrast to a Porsche vehicle, you can never speed up truly good beer.” Despite these contrasts, the Black Forest native appreciates the close contact and exchanges with the consultants from the Stuttgart-based Porsche group: “I find it fascinating to compare our company with the perfection of Porsche.” So the Bavarian brewery grants the Swabian process specialists a closer look at its normally well-concealed cards in order to identify opportunities for sustainable increases in productivity.

Under no circumstances, Liebert emphasizes, should anything be done that would damage the family-owned company’s prized employee satisfaction.

The assignment: 1. Design an improvement process without compromising the quality of the product. 2. Persuade and involve all Erdinger employees in the project. 3. Don’t drag it out.

The almost military ring to the assignment gets the sporty Porsche Consulting team up to operating temperature in a flash. The assignment is a perfect fit with their core competence. The assessment in the brewery produced concrete opportunities: By reducing setup times by 57 percent, the brewery was able to massively increase the availability of filling machines; in logistics, internal transports between plant sections could be reduced by a fifth; and even in the administration and maintenance and human resources departments, processes could be significantly optimized. “We’ve standardized a lot more, freed up capacities, increased efficiency, and even fine-tuned our administration, all the way down to our advertising store-room, where we tended to improvise at times,” Liebert is happy to report.

The basis for their success was the founding of an internal continuous improvement process (CIP) team whose members were recruited from the Erdinger staff and trained over a 25-week period. The team is headed up by two CIP representatives who were freed from their regular duties by management to concentrate exclusively on the assignment. Naturally, the entire Erdinger top management team also attended training at the Porsche Consulting model factory in Bietigheim-Bissingen (Baden-Württemberg) at the outset of the process. Among the participants was Erdinger owner Werner Brombach, who carefully timed his top managers with a stopwatch during the simulated logistics processes at the “Porsche Akademie”.

“It’s true,” says Liebert, “we are a very meticulous brewery. Here at Erdinger, the owner still gets involved in all important issues personally.” And that’s why Werner Brombach puts his name to every label on every bottle. You can check next time you drink an Erdinger—wherever in the world you may be. ←

