



Client:

UK-based ethical beer
brandSector:
CPG

Solution:

Revenue Growth
Management

Key highlights

- ▶ Toast Ale wanted to explore how to expand its environmentally-conscious brewing methodology across geographies and brewing companies
- ▶ Engaged The Smart Cube to research and analyse potential market and growth opportunities
- ▶ Analysis undertaken on financial information from 15 beer companies, and bread wastage and beer production volumes across six countries
- ▶ Identified key markets that offer most potential for expansion and additional sales generation

CASE STUDY

The Smart Cube supports Toast Ale's growth and social mission ambitions with customised research and analytics



Business challenge

Food wastage is a massive global problem, and it's only getting worse. In 2017, The United Nations Food and Agriculture Organization estimated food wastage at 1.3 billion tonnes per year. [According to recent predictions](#), total annual wastage is expected to reach 2.1 billion tonnes by 2030 – the equivalent of a staggering 66 tonnes of food lost or thrown away every second.

Across most of the world, bread is one of the biggest culprits – in the UK alone, it accounts for 900,000 tonnes of the total annual wastage of 15 million tonnes. That's 44% of all the bread baked every year (the equivalent of 24 million slices per day).

[Toast Ale](#) is helping to change that. The company uses waste bread to brew beer – and critically, to inspire and teach other breweries to do the same. A dedicated social enterprise that donates 100% of its profits to charities, Toast Ale is currently brewing in five countries around the world.

It wants to bring its environmentally-conscious brewing methodology to as many regions, countries and breweries as possible – especially those with very high bread wastage.

To achieve that, Toast Ale needed to understand:

- ▶ The scale of global bread wastage and volume of beer production
- ▶ How the company's profitability stacked up against similar sized players
- ▶ Its commercial/financial 'brand value'

The team chose to collaborate with The Smart Cube for its CPG sector experience, and combined research, analytics and business consulting skills.



The Smart Cube solution

The Smart Cube and Toast Ale worked together to scope an approach that would help to demonstrate the full value of the unique brewing method, and also to identify the greatest opportunities for expansion and growth.

The resulting strategy, combining research and analytics, included:

- ▶ **Global market analysis** to identify the countries where beer consumption and bread wastage are consistently high – and therefore the markets where Toast’s model could have the biggest impact, with particular focus on the USA and selected European countries
- ▶ **Gross margin analysis** to help the company better understand how its brewing method stacked up against traditional options in terms of costs and financial viability
- ▶ **Brand value analysis** to help put some solid numbers against the social value that Toast’s mission has added to its brand using market analysis of the CSR strategies, financial spend on CSR, and brand impact of CSR for multinational alcohol companies

Rob Wilson, Chief Toaster, Toast Ale said:

“ We already knew our model would work elsewhere. What we really needed was systemic insight to see if the world could realistically switch to the Toast production model. What The Smart Cube found reaffirmed the importance of our mission and motivated us to accelerate our efforts immediately.”



Results

The analysis provided a wide range of interesting insights and actionable intelligence that could support Toast’s mission, with key highlights including:

- ▶ The **identification of numerous markets** around the world where Toast’s model could be adopted by breweries, such as the Netherlands
- ▶ That Toast’s brewing **operations were running at a very similar gross margin** to many of its competitors
- ▶ That similar breweries could adopt the approach with **low impact on their profitability**
- ▶ That the company’s **ethical mission added a huge amount to its overall brand value**, and therefore theoretically it could do the same for others



Value delivered

The research gave Toast Ale a more complete vision of its own operations, and greater understanding of the potential impact it could have on the world's bread wastage.

Clearly demonstrating both the financial viability of its ethical approach and the impact it could have in new global markets has reaffirmed Toast's dedication to its goal.

Now, armed with fresh insight and direction, the company continues to have a positive impact at a local level in the UK, USA, South Africa, Brazil and Iceland, while working towards a more ambitious global social goal than ever before.

It recently passed the milestone of processing more than 1 million slices of bread – and has already donated almost £25,000 of profits to charity.

The research has also:

- ▶ **Put verified insight behind the trends** that Toast Ale was aware of anecdotally
- ▶ **Provided a solid foundation for demonstrating the value of Toast's brewing approach and methodology** to other breweries (so far, the company has directly collaborated with 20 breweries, and inspired at least 23 more)
- ▶ **Helped the company better understand its own value**, and what that value can be attributed to

Rob Wilson, Chief Toaster, Toast Ale said:

“Once we identified the challenge we wanted to address, we handed it off to The Smart Cube team and they took care of everything. The whole research project was handled professionally, and delivered on schedule. We got data, we asked questions, we got answers. It was the perfect solution for us.”

Learn more about how our [Revenue Growth Management solution](#) helps maximise revenues and drive profitable growth in consumer goods, using a combination of advanced analytics, AI tools and technologies.

Head Office

No 1, Farriers Yard
77 Fulham Palace Road
London W6 8JA
United Kingdom

Switzerland
Romania
India
United States