

Supply Chain Planning

Wine & Spirits

The client is the largest wine and spirits producer and distributor in the world with over 150 brands and numerous wineries in California and Canada

The Challenge

The client implemented Sales & Operations Planning process in the U.S. five years prior. Due to poor implementation and sustainability practices, the process dissolved. The client wanted to re-invigorate and sustain S&OP to reduce inventory they were carrying to shield against demand variability. Key challenges in this effort included:

- Long production lead times due to grape acquisition (up to 5 years) and fermentation process (up to 2 years)
- Being able to respond to customer's changing tastes inside of lead times
- Excessive Finished Goods and WIP inventories

The Solution

Our methodology consisted of:

- Simultaneously implementing common Supply Chain Planning Processes in the U.S. and Canada
- Developing a Demand Planning Process that accounted for critical factors in the client's business and industry
- Developing a Supply Planning Process that minimized excess inventory production
- Developing an Inventory Management Strategy and Process that would stop the growth of inventory and work to reduce total inventory over time while increasing Customer Service Levels
- Facilitating the S&OP process and meetings

The Value

As a result of our project, we reduced inventory from \$250M to \$150M in one year through better business decision making, supply chain planning, and coordination of resources.

