8 WAYS ERP CAN EMPOWER WINE AND SPIRITS SUPPLY CHAINS

Change is a constant, and keeping up with a dynamic business environment can feel daunting. While the wine and spirits sector was feeling the winds of change before the coronavirus outbreak, the pandemic increased the pressure on wholesalers as workflow demands shifted.

Retailers' hunger for a more efficient wholesale experience intensified with increased sales of retail inventory and fewer face-to-face meetings, thanks to work-from-home mandates and other pandemic restrictions. In addition, increased competition for labor highlighted the need for a shift to performance-based pay and swift adoption of automation and other innovations to create operational efficiencies.

Accounts also leaned on wholesalers to ease the pain of supply chain disruptions as increased consumer demand created backlogs and shortages. More accurate inventory data and more efficient

routing were required to get product restocked quickly, and accounts now expect that every day.

Piecemeal technology adoption only exacerbated the issues.

"It's very challenging when you've been bolting systems on top of systems," says Jon Helton, vice president of operations for Tryon Distributing, LLC, in Charlotte, N.C. "When things are changing quickly, the old way doesn't allow you to pull information easily."

To successfully address these market dynamics, a modern, integrated, mobile-enabled and cloud-based technology infrastructure is essential.

USING TECHNOLOGY TO STAY COMPETITIVE

"Things have to change in the industry, and that can't happen without technology," Helton says.

Change Management & Technology Adoption

Staying ahead of industry changes with new processes and technologies is imperative, and the E8 team has implemented its system enough to know that change can be daunting, even if it's required to move a business forward. Bringing deep experience in the foundations of successful change management, such as articulating the trends driving change and developing a common vision and the goals and objections that support it, the E8 team partners with wholesalers in the wine and spirits distribution industry to reduce change-based anxiety, overcome resistance and provide sufficient training for employees to feel confident in using the new system, which is built to scale and grow with businesses, unlike other large complex ERP systems that require several months, if not years, of customization while having to teach the system integrator the details of a business. E8 will also work with a wholesaler's leadership team to identify risks and contingencies and create incentives to encourage participation. In a typical non-COVID year, the E8 team spends the equivalent of about 8 years training wholesaler teams on site, consulting with leaders and launching the ERP system. ∎

Tryon recently deployed the Encompass-powered solution E8 ERP to improve performance in three key areas, which offer at least eight clear benefits.

▶ **BUILD A BETTER BUYING EXPERIENCE**
The right ERP solution improves sales and ordering, which bolsters two important drivers of loyalty and repeat sales: representative performance and customer satisfaction.

1 **Empower sales execution** by giving reps fast access to data. When reps lack valuable insights on orders and inventory, "it's definitely frustrating for everyone involved — the customer, the rep and the warehouse," Helton says. "E8 ERP gave our reps immediate access to information. It's a powerful thing."

The technology also supports better sales reporting, such as revenue by product, customer or customer type. For Helton, the game-changer was being able to gather data from multiple sources to determine quarterly profitability per customer.

"This gave us the insight to look at not just how much it costs to make a delivery — the truck, the insurance, the driver's wage — but how long the rep was there," he . "Now we can see what it really costs to get that delivery off…, so you can figure out what you need to do to reduce this cost."

2 **Meet accounts' e-commerce expectations** with the online ordering, tracking and re-ordering your customers want. The Encompass DSDLink e-commerce platform enables retailers to order anywhere, anytime and on any device, providing them with the most current pricing and promotions as well as suggesting popular or newly available products on the DSDLink mobile app or online portal. Reps also become strategic partners for accounts, strengthening relationships, solving problems, identifying opportunities and sharing personalized reports built from the ERP.

STREAMLINE OPERATIONS
▶ Operational efficiencies unleashed by ERP influence cost savings, risk reduction and sales.

3 **Make inventory management easy** with real-time inventory of everything from receiving to replenishment to shipping across the board. Encompass reduces close-dated product, manages oversold scenarios and provides up-to-date counts to reps and drivers. Wholesaler teams can pinpoint where the stock is and what's arriving down the line.

Encompass also supports data-informed decisions that improve inventory efficiency with more accurate tracking of turnover, shrinkage and other inventory KPIs.

4 **Increase warehouse efficiency** with digitization, automation and transparency. Tryon's prior warehouse management system relied on paper and manual data entry. This was slow, inaccurate and not available to reps and drivers in the field. "We got rid of all the paper and replaced it with tablets, which gave us a new level of transparency," Helton says. The technology reduced data entry errors and replaced repetitive tasks with automation that improved productivity and efficiency.

5 **Simplify picking and loading** by combining the right pick strategy with the right SKU location. Encompass' voice-pick, pick-to-light and drag-and-drop bay space management enable faster loading. Staging bins, customizable pick rules and dynamically generated pick line replenishment plans accelerate workflows even more.

6 **Optimize routing and delivery** to save fuel, cut time on the road and quickly resolve order discrepancies. "We had routing software, but there was a lot of importing and exporting data between three software programs — routing, sales and warehouse," Helton recalls. Integrating Encompass pulled the data into one system and supported what-if territory planning. "We could take an in-depth look at what we're doing with our trucks and routes. Instead of scrambling, it gave us the time to improve where we were crossing paths."

Real-time routing helps drivers find the most efficient delivery paths across routes. And mobile-enabled access means that if there's a quantity dispute or wrong product, "we can fix it right there," Helton says. "When it was on a paper invoice, the driver's scratching out numbers and the warehouse clerk has to interpret whether that's a 4 or a 7. So many delays and hurdles dissolved with this one change."

▶ **USE DATA FOR STRATEGIC DECISION-MAKING**
ERP systems put valuable data at your fingertips, accelerating your ability to address key issues and get results.

7 **Reduce workforce challenges** with data to right-size headcount and support more competitive pay that attracts and retains high performers.

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"After deploying E8 ERP, we reduced our number of workers and were able to pay higher wages to those who remained because we were more productive," Helton says. "We can pay for performance, offer better compensation and incentivize my workers. And that's the biggest thing of this all. We're all hurting so bad for people, and with incentives offered to interview at [a national fast-food chain], that's not going to go away. But with an in-depth system that measures quality of work for warehouse and delivery workers, I can make these $25–$30-per-hour jobs, reduce turnover and increase retention."

8 **Forecast more accurately** using dynamic rather than static information so you can analyze trends, explore multiple scenarios, prepare cash flow projections and track the metrics that are most relevant to your particular business.

And since reports are automatically populated, errors and compilation time are reduced.

INVESTING IN A MORE COMPETITIVE FUTURE

With all the challenges facing businesses this year, it may not seem like the best time to spend money on technology. But Helton challenges that assertion.

"It's a competitive industry now, and alcohol margins aren't amazing for distributors," he says. "You have to run a lean operation. If you're not investing in ERP, I don't know how you get the analytics and data to expose opportunities in your operation. And if you don't have the tools to even start identifying those things, you'll be behind other companies who do have those tools." ◼

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ABOUT ENCOMPASS

E8 ERP helps over 600 beverage distribution warehouses increase operational efficiency and manage growth effectively. The customizable system is specifically built for the wine and spirits distribution industry and functions to fit your unique business needs with products including warehouse management, sales execution, logistics, warehouse automation, retailer ordering tools and more.

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Take control of your business with this all-in-one cloud-based system, E8 ERP