

#### **PURPOSE**

Identifying ways to work together, to improve efficiencies and to better utilize resources to focus more on developing existing programs and identifying new opportunities to grow sales of Ontario VQA Wine



#### BETTER UTILIZE RESOURCES TO GROW

Strategic
Planning and
Program
Development

Administrative Follow Up



#### AGENDA



- Introducing the Buying & Inventory teams
- Where to Find Information
- > Frequently asked Questions
- > Best Practices
  - > Products
  - > Promotions
  - > Tastings
  - > Inventory
- > WCO
- > Go to Market Direct Delivery Program

#### **BUYING TEAM**



#### Tamara Jakes

Category Manager Ontario WINES/ VINTAGES

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#### **Astrid Brummer**

Product Manager
Ontario WINES/VINTAGES

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#### Lucy Skeard

Category Administrator Ontario WINES/VINTAGES

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#### **INVENTORY TEAM**



#### Linda Strysio

Inventory Manager Ontario & New World WINES

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#### Tony D'Alessio

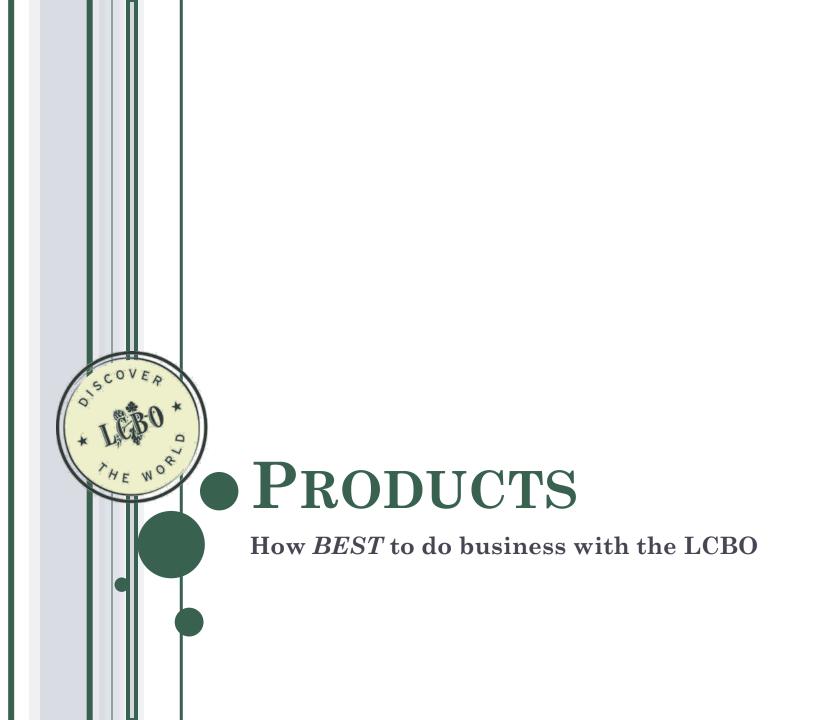
Inventory Replenishment Manager Ontario & New World WINES

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#### Jim Spirou

Inventory Order Specialist Ontario & New World WINES

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#### PRODUCT CALLS ARE PUBLISHED

- > In the New Item Submission System (NISS)
- > On the Trade Resources Online site (NEW ADDRESS!!)
  - www.doingbusinesswithlcbo.com
- Distributed by WCO and Drinks Ontario to membership





## How do I track the progress of my new listing?

Through the new item submission system

Product Needs | SUBMISSIONS | NTP Sent | Password | Logoff

Need Id: Need Item Id: Need Item Description: Submission ID: Status:

New Pre-submission Ontario VOA - New World Wines VINTAGES 342440 1316

Product Description: Name of Wine 2011 LCBO #:

Agent | Supplier/Producer | Product | Multi Pack | Price/Pack | Status | NTP | Lifecycle

Date	Status	Updated By
31-Oct-2012 02:29PM	New Pre-submission	Allan Craik
31-Oct-2012 02:20PM	Incomplete Product Submission	Allan Craik

New Item Submission System (NISS), v6.5 Trade Resources Web Page



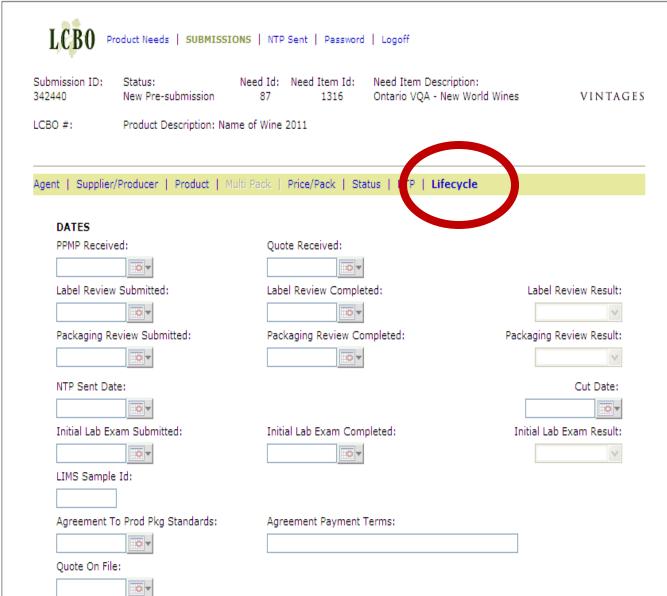


## What has happened with your submission

#### Who did it

Date	Status	Notification Sent	Updated By
25-Sep-2012 08:35AM	NTP Sent To Agent - No Additional Info Required	Yes	Astrid Brummer
14-Jul-2012 05:07AM	Product Set-up Completed	No	NISS
13-Jul-2012 06:05PM	Product Set-up Initiated	No	Lucy Skeard
12-Jul-2012 07:12PM	Initiate Product Set-up	No	Lucy Skeard
26-Jun-2012 10:47AM	Sample Ready for Lab Testing	No	Lucy Skeard
26-Jun-2012 10:47AM	QA Sample Received	No	Lucy Skeard
14-Jun-2012 10:49AM	Submission Accepted to Proceed	Yes	Astrid Brummer







# What do I do if I have a great product that I would like to present to you, and it is outside of the stated needs or does not meet the timelines of the product calls?

- > Applying to the published calls provides the <u>best</u> opportunity, but we maintain an ad hoc option so that we don't miss out on great things
- > Meet with Astrid / Tamara to discuss your idea we may instruct you to wait and apply to the next call or advise if another opportunity exists



# How are VINTAGES release products allocated to stores?

- > Stores are sent order forms 6 weeks in advance of the release
- > Orders are reviewed by Vintages Inventory team and may be increased to push 85% to retail
- > Allocations are sometimes decreased if store orders total more than what was purchased
- > 10% may be retained to fill customer and licensee orders



### How do I get Product Consultants or Store Managers to order my VINTAGES Release wines?

- > Prepare your sales reps to promote in-store in advance of the Store Order deadline
- > Book Product Consultant educational sessions
- > Plan for staff tastings Manager approval required



# How do I get stores to re-order my VINTAGES Release products?

- > Upon release, work with a strong sales team to focus on Retail execution
- ➤ Book In-Store Tastings focused on the VINTAGES
  Release day
- > Take advantage of the VINTAGES Tasting Bar
- >Budget for LTO or BAMs for 3rd period of release (should product not be achieving sellthrough target)



#### What are the actual sell-through targets?

- > The target is to sell 100% of the inventory ordered by 12 weeks post release
- > A rebate may be applied to any wines that have not achieved 75% sell-through in 12 weeks



# How do I monitor how well my VINTAGES Release product is performing?

- > Narrowcast Weekly reports will indicate the inventory levels at Retail and in the Warehouse
- > Compare this to the total order quantity to determine the depletion rates





# Once you have agreed to purchase my product, how can I ensure that I get a PO and it is released as quickly as possible?

> We are so glad that you asked...







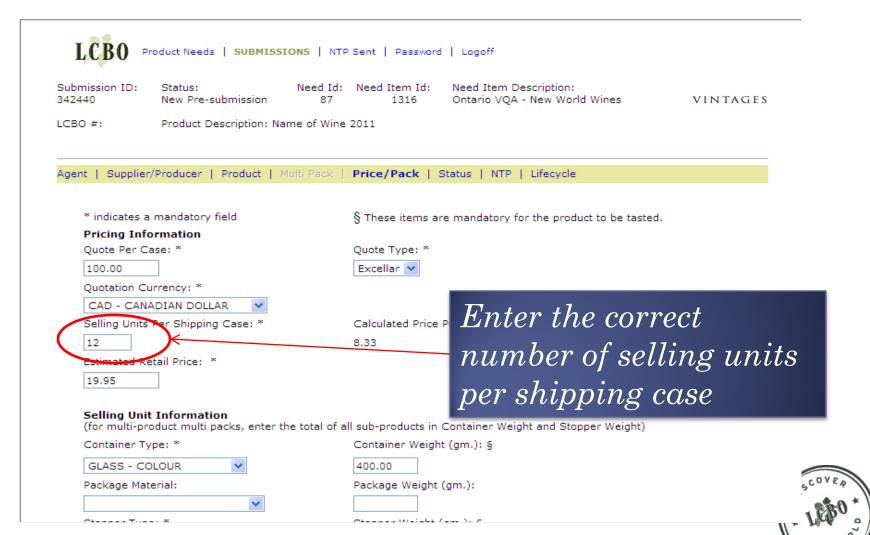
## Get forms online, do not use outdated forms



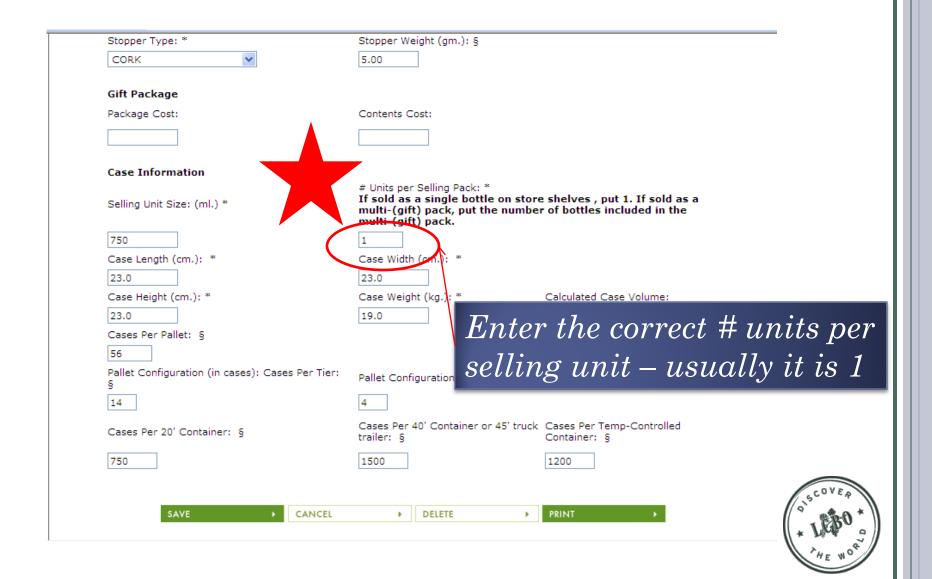
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## BEST PRACTICES - SUBMISSIONS



### BEST PRACTICES - SUBMISSIONS





### READ THE NTP CAREFULLY



Keep reading....



#### READ THE NTP CAREFULLY

#### Required Information

Please confirm the final UPC EAN number and shipping container code (SCC) with [Category Administrator: User Name].

Please provide valid organic/VQA certification.

Page 1 of 2

Please email a close-cropped fina bottle shot to [Category Administrator:User Name].

Please provide a 25-word tasting note to be used for a New Product Bin Tag Your agent will be invoiced \$700 for the production of this item unless you request to have the supplier charged instead.

Keep reading....



#### READ THE NTP CAREFULLY

#### A PO will only be issued if all of these conditions have been satisfied:

LCBO laboratory analysis of the wine is favorable.

LCBO label exam is favorable.

LCBO shipping container exam and Ti Hi pallet pattern are favorable and are based on the Shipping Carton Review Results obtained from Quality Services.

The product is in compliance with Product Packaging Standards. For details see <u>Product Packaging Standards</u>.

For complete explanation of terms and conditions please see <u>LCBO Purchase Order Terms</u> and <u>Conditions</u>.

P. S. If there are any issues or concerns regarding this notification, you must advise us no later than Wednesday, November 14,2012.

Keep reading....



# BEST PRACTICES: ACCEPTED TO PROCEED SUMMARY

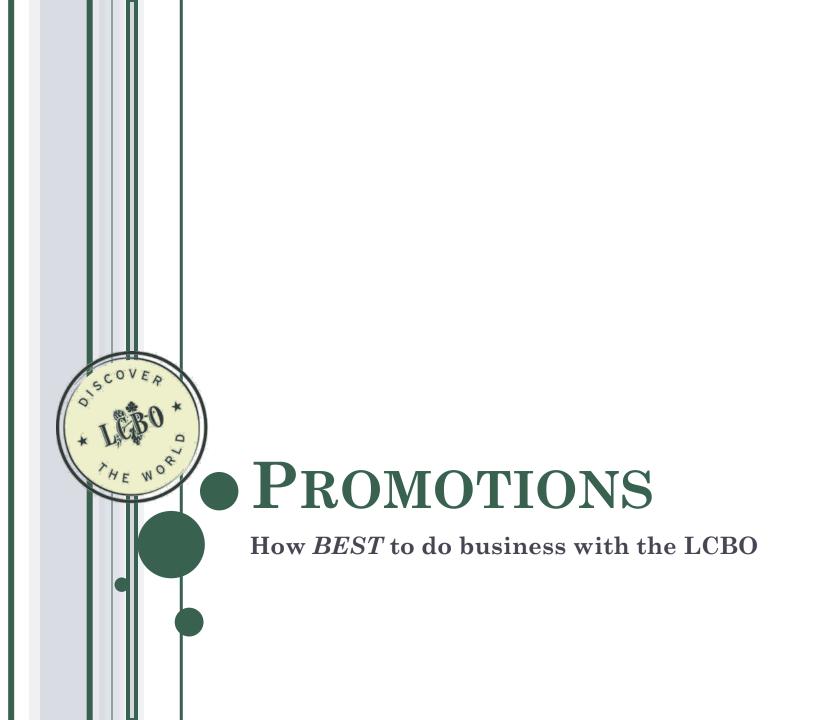
- 1. Send in all required components <u>quickly</u> and in <u>one</u> complete package
- 2. Send the quote on supplier letterhead and signed product review application together and immediately (VINTAGES)
- 3. Contact our Pricing Department to get a price calculator (demo)
- 4. Use your <u>real</u> shipping container for the case carton evaluation

### BEST PRACTICES - SHIPPING

- 1. Ship with the correct TI-HI
- 2. Virtual and Event Offers: Don't disappoint us and customers hold the allocated inventory of the right vintage (VINTAGES)









# WHERE DO I FIND INFORMATION ON PROMOTIONAL OPPORTUNITIES FOR THE LCBO AND VINTAGES?

Promotional Information is published:

- >On the Trade Resources Online site
  www.doingbusinesswithlcbo.com
- > Distributed regularly by WCO and Drinks Ontario to membership



# WHERE DO I FIND INFORMATION ON PROMOTIONAL OPPORTUNITIES FOR THE LCBO AND VINTAGES?







### How do you determine the amount of inventory required to support the promotions?

- > Past performance of similar promotions of similar products are used to determine the inventory required
- > Seasonality is also a consideration
- > Supplier forecasts are used as additional information to assist with forecasting for promotions
- > Other initiatives outside of in-store promotions are also considered e.g. listing drives, licensee push or promotion, adverting etc.
- > Display quantities are also considered



# What can I do to ensure that you are ordering the right amount of inventory to support upcoming promotions?

> We are so glad that you asked...







#### BEST PRACTICES

- 1. Make Promotional applications before the deadline
  - > You have a good shot at getting the promotions you want if you enter IMAGE applications into MPTS on time
- 2. Collaboration on forecasts always works best
- 3. Proactively communicate with the Buying Team and Inventory Manager regarding any external marketing or sales initiatives
  - > Contact us when you are planning bursts of activity (licensee pull, listing drive, many tastings) or when you have concerns







### WHERE DO I FIND INFORMATION REGARDING TASTINGS?

> Everything you need to know about applying for tastings can be found in the In-store Tasting Requirements document

> On the Trade Resources Online site

http://www.doingbusinesswithlcbo.com/tro/Promotional-Programs/LCBO-Programs/Experience-Programs/Tasting-Programs.shtml





#### How are tasting spots allocated?

- > It is an automated point system
- > Products are assigned points based on how closely they are aligned with the thematic
  - > E.g. Ontario wines will get the highest rank in Ontario Wines promotions, high rank in wines promotions and lower rank in Spirit or Beer promotions
- > Additional points are awarded based on strength of the promotion
  - > e.g. Display components will get the highest rank followed by support programs etc.



### How to I maximize the chances of getting selected for tastings?

> We are so glad that you asked...



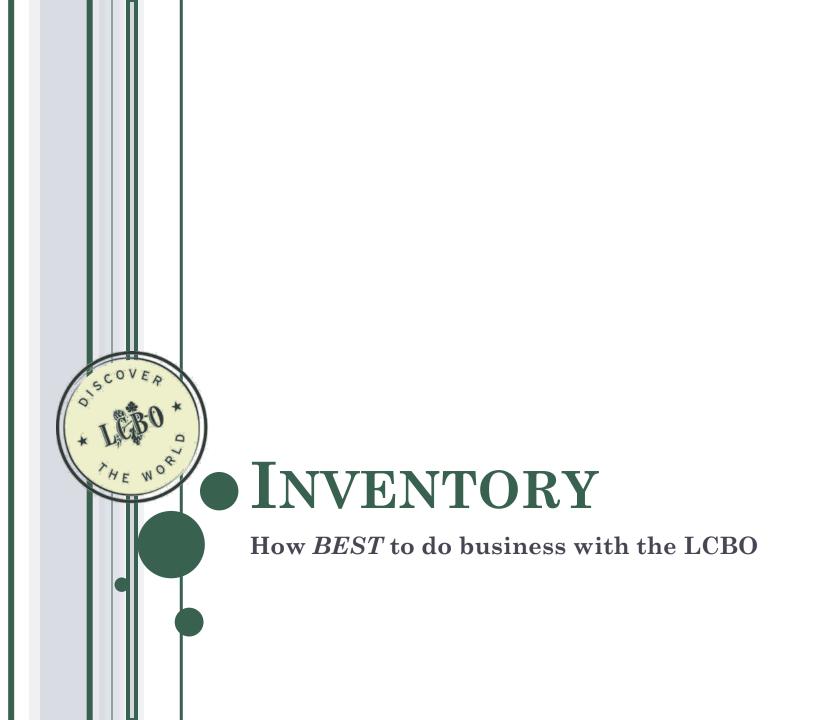




#### BEST PRACTICES

- 1. Apply for tastings before the published deadline
- > You have a good shot at getting the bookings you want if you apply to the In Store Tasting Program before the deadline
- 2. Apply for tastings in a variety of locations and dates
- > There is greater competition for high traffic stores on Saturday afternoons – you may have a better success rate if you spread out your options







#### How often do we order and what is the process?

- > We review all vendors for ordering once a week.
- > Mondays we order from the Niagara, Markham, Vaughan Areas (consolidation) for delivery the following Monday, or Tuesday for London Direct Deliveries.
- > Tuesdays we order from the Prince Edward County Area (if required) for delivery the following week
- > Thursdays we order from the Lake Erie/North Shore area for delivery the following week
- >Our forecasting system calculates order quantities based on projected sales and sales trends

### How often do you transfer products to outlying warehouses?

> We review all skus that require Inter-warehouse Transfers on a daily basis. Our forecasting system generates suggested inter-warehouse transfers again based on sales projections, so when a warehouse runs low, it will suggest we transfer more product to support upcoming sales





### How and when do we order Promotional Product?

- We order a large portion of product to support Promotional activity (End Aisles, Hero, POD program, Superstars, Popular Picks, to arrive in Durham the first week of the previous period (ie. PT7 promo product(Display) arrives the first week of PT6).
- > This is done so we have time to Inter-warehouse Transfer the goods to London, Ottawa and Thunder Bay where applicable and the inventory is in place for Retail to draw





#### BEST PRACTICES

- 1. If you can't supply us with a product, please advise and indicate when the product will be available again
- 2. If you are doing a listing drive, have a new licensee, or other external promotional activity; please contact the Inventory Manager and share your plans so there is inventory in place to support your initiatives
- 3. If you are changing your case sizes, please provide us with the new case dimensions and case weight so we can provide you with the new ti-hi schematic so you aren't subject to compliance fines
- 4. Check your Narrowcast reports
- 5. The key is Communication





# WINE COUNTRY ONTARIO AND LCBO PARTNERSHIP

- > Programs we coordinate with the LCBO
  - > WOW Tours
  - > Product Consultants
  - > Tastings
  - > VINTAGES Taste Ontario events (Toronto & Ottawa)
  - > Period 7 thematic
  - Outreach to Regional Directors, District Managers, Store Managers, Category and Senior Management

#### > WOW Tours

- Overview
  - > 2 day tour of 3 wineries in Wine Country Ontario
  - > Educational components:
    - > Vineyard Tour in-vineyard tour
      - > wine regions compared to other regions in the world
      - > Major influences affecting the regional climate
      - > Types of soil and aspect of land
      - > Label terms of single vineyard and estate terminology
      - > Appellations and sub-appellations
    - > Production Tour showcasing the process from harvest to bottle
      - > How wine is made seven steps
      - > Difference between styles: white, red, sparkling, Icewine
      - > VQA rules on harvest and production
    - Cellar/Barrel Tour aging and different types of oak
      - > Why and when Oak is used
      - > How long wine is kept in oak
      - > How many times a barrel can be used
      - > Describe barrel fermented versus barrel aged

#### > Planning

- Work with Category and Knowledge Resource Group from LCBO on content and objectives
- > Allocation of regions to be visited based on 'home Store' and travel distance



#### > WOW Tours continued

- Winery participation
  - Must be currently doing business with LCBO or VINTAGES
  - > General call out for participation identifying availability, offering of experience, commitment of winemaker/principal.
  - > Allocation based on best experience for WOW Leaders.
    - Locations chosen to showcase mixture of winery experiences, winery size, distance between visits and cross referenced to where WOW Leader has toured in the past.

#### > Timing

- Tours are proposed for summer months beginning in late June
- Call for participation end of May



#### > Product Consultant Annual Conferences

- > Overview
  - > Panel discussion and lunch featuring VQA wines
- > Planning
  - Work with Category and Knowledge Resource Group from LCBO on content and educational objectives
- Winery participation
  - > Winery participation is by <u>invitation</u> only
    - > Due to the small # of wineries able to be featured and focus of panel
    - > Consistency of message and interaction of panel members
    - > Must be winemaker or principal must commit to participate in 4 sessions
  - Must be currently doing business with LCBO or VINTAGES
- > Timing
  - > Fall or Winter



#### > Tastings

- > Overview
  - Subsidy available to support extension of VQA tastings in LCBO stores during key period (P1 – Easter, P4 – Canada Day, P7 – Sept/Oct.)
- Planning
  - > Work with Dave Smith, LCBO, and Category to identify participating tasting stores and focus on top VQA sales stores.
- Winery participation
  - Call for participation in line with LCBO deadlines
  - > Allocation is in partnership with Dave based on equal opportunity, brands carried in stores and # of tastings available
- > Subsidy
  - Sent from WCO following period based on COMPLETED tastings



- > VINTAGES Taste and Buy
  - > Role
    - > Assist with execution of Consumer event in time and financial to help subsidize ticket price
  - Winery participation
    - > Call for winery participation by invitation only directly from VINTAGES
- > Period 7
  - > Role
    - Seat on the Steering committee on planning and components of thematic
    - > Financial support for Period 7
- > Outreach
  - > Role
    - Presentations to all levels of LCBO staff from WOW Leaders, Product Consultants, Store Managers, District Managers, Regional Directors, Category and Senior Team to keep Wine Country Ontario top of mind



#### How are winery visits selected and allocated?

- > Submitting forms ON TIME and complete
  - > 40+ wineries sign up to participate
- Availability and commitment of winemaker and/or principal
- > Best property aligned with the learning objectives
  - > Vineyard tour
  - > Production tour
  - > Cellar tour
  - > Lunch or dinner hosting capability
- > Expectations
  - > Winery is expected to be aligned with the Wine Country Ontario brand, support other wineries and not use their time with the WOW Leaders as a sales pitch only. Be aware of educational component and not repeat what has been covered at prior tour
- > Evaluations from each group are reviewed and shared. Feedback is taken seriously and could result in the selection of your winery for the next year.

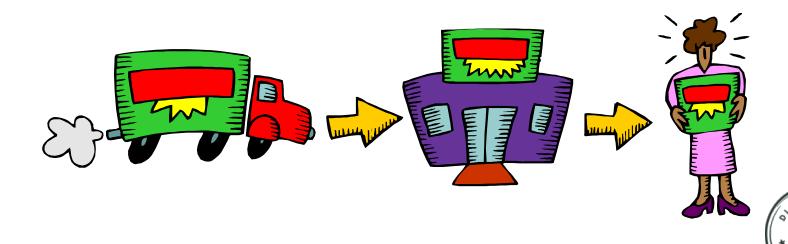


#### **OVERVIEW**

➤ The VINTAGES and LCBO Go-to-Market programs have been consolidated and renamed the Ontario Wines Direct Delivery Program (DDP)

#### Why?

> To make it easier to execute, understand and manage



#### **OBJECTIVES**

- 1. Augment the Ontario wine assortment in stores with market potential
- 2. Create destination locations for customers interested in a broader assortment of local VQA wines
- 3. Grow and develop regional wines
- 4. Improve operational efficiencies and increase sales





#### WHAT IS NEW?

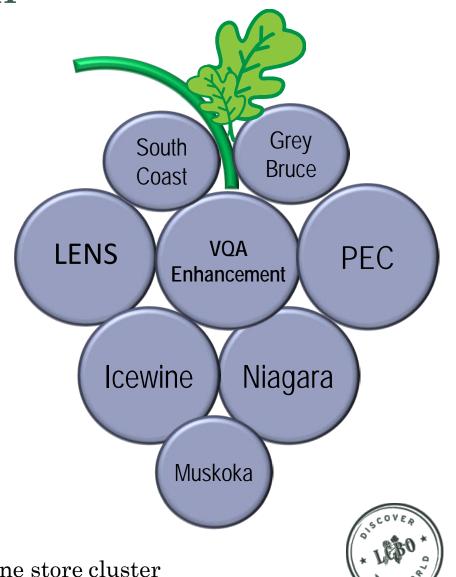


- > NISS calls: 3 x year
- > Regular updates to Retail:3 x year
- Comprehensive Direct Delivery Guide
- > Cluster approach

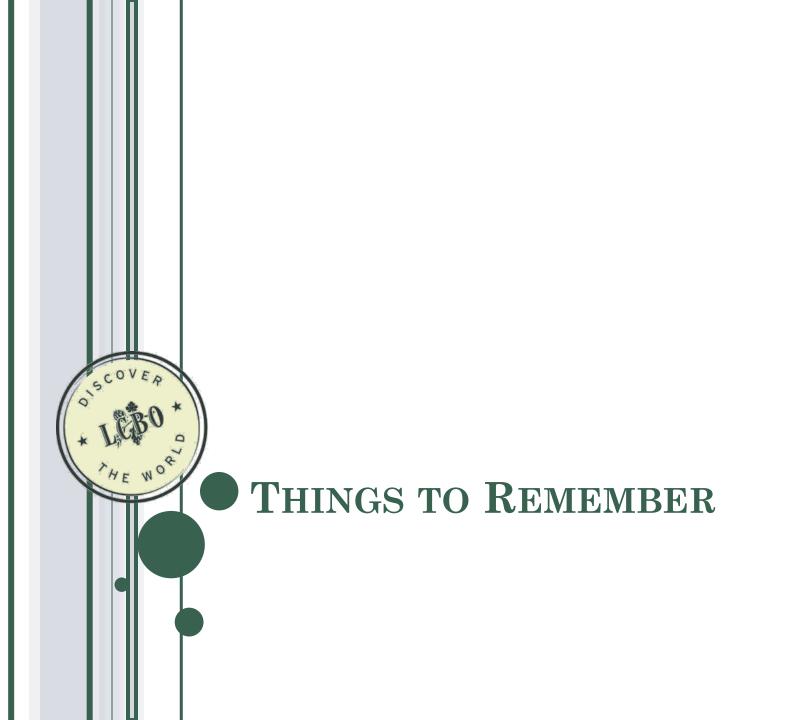


#### **CLUSTER APPROACH**

- Clusters identified to support the objective of developing regional wines, where customer support and demand is strongest
  - Based on historical sales performance
  - > Sales potential
  - > Proximity to region



\*Wines may be approved for more than one store cluster



#### NEW LCBO PRODUCTS LAUNCHING BEFORE PERIOD 7 2013

>NISS submissions for any products that you intend to launch in to market prior to Period 7 2013, must be entered by **February 8, 2013**.

ID# 90 Wines 2012/2013 Call #1355 Ontario VQA

Call back deadline Feb. 15, 2013 Samples due March 1, 2013 Tasting date March 7, 2013



#### NEW VINTAGES SUBMISSIONS FOR CONSIDERATION IN THE ONTARIO SEPTEMBER RELEASE PERIOD 7 2013

NISS submissions for any products that you would like considered for the Ontario release in period 7, must be submitted by **November 28th, 2012.** 

ID# 87 VINTAGES 2012/2013 Call #1316 Ontario VQA

Call back deadline Dec. 5, 2012 Samples due March 7, 2013 Tasting date March 11, 2013



# REMINDER OF LIGHT WEIGHT GLASS DEADLINE

- >420g for 750mL bottles
- >460g for Hock bottles
- > Deadline is **January 1, 2013**



# ONLINE IS A GREAT RESOURCE TO ANSWER YOUR QUESTIONS

> Check online for answers to your questions

> NEW ADDRESS!!

www.doingbusinesswithlcbo.com







