

FROM SCHEDULED BUYS TO SAVINGS: HOW A WINE & SPIRITS DISTRIBUTOR CUT CARRYING COSTS BY 10%



BLUE RIDGE

CUSTOMER PROFILE

A national importer and distributor of fine wine & spirits from around the world was struggling to use their legacy system which relied solely on a rigid, calendar-based ordering cycle, preventing them from adapting to dynamic market conditions. Additionally, the lack of order alerts forced buyers to sift through data manually, a time-consuming and error-prone process.

This cumbersome approach made it difficult to maintain optimal stock levels and effectively track service level – crucial metrics for success.

CHALLENGE

Buying on a fixed order schedule creates unnecessary inventory costs (overstock) and stockout risks.

SOLUTION

An exceptions-based system that suggests the most optimal time to buy, reduced inventory costs, and schedule dependence.

RESULT

~ 10%

REDUCTION IN
CARRYING COSTS



OVERALL OPERATIONAL
COSTS

BE SUPPLY CHAIN INVINCIBLE

“WITH BLUE RIDGE, WE WERE ABLE TO REACT TO CHANGES MUCH MORE QUICKLY THAN WE COULD HAVE OTHERWISE.”

INDUSTRY LANDSCAPE

Wine and spirits distributors are required to navigate a challenging landscape. Striking a balance between carrying the right amount of inventory to meet ever-changing consumer demands and minimizing carrying costs is crucial. Compounding these difficulties are complex regulations, labor shortages, and the rise of e-commerce, which disrupts traditional distribution models.

However, these challenges can be overcome. Distributors can optimize operations by embracing technology for accurate forecasting and real-time inventory visibility. Building strong partnerships throughout the supply chain further enhances their competitive edge.



THE BLUE RIDGE DIFFERENCE

Blue Ridge's supply chain solutions transformed this buying team's workflow. Exception-based alerts replaced time-consuming data analysis, enabling them to prioritize tasks and focus on strategic decision-making. This resulted in optimized inventory management and enhanced visibility into key metrics.

Ultimately, these improvements empowered the team to deliver higher service levels, leading to more satisfied customers along with the following:

- Increased forecast accuracy, inventory turns, and profitability
- Little to no out-of-stock challenges after switching to demand-based order cycles
- More optimized service and inventory levels as a result of automation
- Higher guarantees of profitable buys due to streamlined deal assessment
- Better warehouse management across the distribution network
- Decreased operational and transportation costs