

## Beverage Cost Network (BCN)<sup>TM</sup>

**The Challenge:** lower your beverage alcohol costs and improve the effectiveness of promotions with wine, spirits and beer suppliers and distributors.

Casual dining and hotel groups have real challenges when buying wine, spirits and beer across multiple markets. These include centralized approved product lists, agreeing to national promotions with brand owners, optimizing purchasing from local distributors with their complex discounts and promotions, and ultimately executing programs at the outlet level.



All Suppliers in the beer, spirits and wine industry use third-party distributors to reach the outlet level and therefore have additional complexity in managing their supply channel compared to other product categories. Even in the best-run companies, there is a significant gap between promotion potential and promotion execution – particularly at the retail outlet level. Supplier sales people often call on your headquarters without specific knowledge of the price their brands will be ultimately sold to your stores. The result is sub-optimal merchandising and sales efforts for both the national chain and for the brand owner. The lack of transparency of true cost of acquisition at the store level, versus the quoted headquarter price negatively impacts chain account profitability.

**The Solution:** automated, online wine, spirits and beer supplier and distributor management

The Beverage Cost Network enables national chains to manage their suppliers and distributors. Using the Beverage Cost Network<sup>TM</sup>, buyers can quickly setup and modify any new product or promotions. They can then communicate those details through the supply chain to their distributors and to the stores for execution against the product or promotion at the retail level. National chains get access to variance reports of quoted cost vs. actual on invoice cost down to the outlet level. This enables buyers to force compliance and to negotiate more effectively with suppliers and distributors.

**The Technology:** eSkye's Beverage Cost Network

The Beverage Cost Network provides chains with a simple Web interface to manage all their suppliers' pricing and promotion details. This information can be immediately sent to all of the chain's retail outlets and can be used to manage ordering of approved products.

For every \$10 million of alcohol sales you have in your chain, we can help you find savings and increased margin of between \$100,000 and \$1 million annually.

## Beverage Pricing Report

Report Title
Variance for Absolut 1000 Case

Casual Dining Chain	HQ Negotiated \$	Actual Invoice \$	Variance \$	Variance %
Store #102	\$ 234.00	\$ 276.00	(42.00)	-17.9%
Store #111	\$ 234.00	\$ 240.00	( 6.00)	- 2.6%
Store #176	\$ 234.00	\$ 264.00	(30.00)	-12.8%
Store #2215	\$ 234.00	\$ 240.00	( 6.00)	- 2.6%
Store #2279	\$ 234.00	Not Reported	NA	NA
Store #3163	\$ 234.00	\$ 264.00		

### Features of eSkye's Beverage Cost Network

The way to improve your alcohol business is to know the answers to some pretty basic questions:

- Know what you are selling
- Know your inventory
- Know the price structure of your distributors
- Optimize the mix and quantity to
  - Increase sales
  - Decrease cost
  - Improve ROI
- Service for finding out what prices are being quoted and what prices your chain is actually paying. Are you getting the right pour costs?
- Reporting permits analysis at sku / store level and the ability to roll that information up for the chain by supplier by brand by state or zone for complete vision of profitability
- Real-time update of information by seller and / or distributor via the Web or through automation

- Status alerts notify the chain when various conditions have not been met (e.g. a distributor fails to update a delivery within 24 hours of the targeted delivery date, or the changes to a delivery exceed a certain dollar amount, etc.)

### About eSkye Solutions

eSkye Solutions provides wine, spirits and beverage software and services for over 200 of the world's leading wineries, brands owners, distributors and retailers. eSkye Software enables the world's wineries and brand owners to maximize product quality by efficiently managing investment outlays, tracking all steps in the production process, ensuring compliance with the many statutory reporting requirements and efficiently connecting with customers electronically. eSkye's Missing Link Service provides account level depletion reporting as well as a national account price and promotions network to brand owners and retailers. This service provides companies with critical brand decision making data through eSkye's database of over 25,000 SKUs of beer, spirits and wine. eSkye was founded in 1999 by senior executives from the consumer-packaged goods and distribution industries and bases its operations in California and Indiana.

For more information on how eSkye Solutions can work for you, visit our Web site at: [www.eskypesolutions.com](http://www.eskypesolutions.com) or contact us at:

UNITED STATES 250 E. 96th Street, Suite 415, Indianapolis, IN 46240 Tel +1 317-574-6400 Fax +1 317-574-6424

**West Coast Office** 13716 Arnold Drive, PO Box 2109, Glen Ellen, CA 95442 Tel +1 707-996-9754

**Southeast Office** 330 Sarto Avenue, Coral Gables, FL 33134 Tel +1 305-926-2263