

The ABCs of Demand Planning

ABC Fine Wine & Spirits Shares the Secrets to Successful Demand Planning

“Mi9 Retail enabled us to allocate the right products in the correct quantities at the proper locations, a key feature that our legacy replenishment system lacked. The Mi9 Retail solutions are both modern and flexible and enable us to keep up with consumers’ changing buying habits.”

Kristine Becker
Sr. Director of Purchasing of ABC Fine Wine & Spirits



ABOUT ABC FINE WINE & SPIRITS

With approximately 125 locations throughout Florida, **ABC is the country’s largest privately owned wine and spirits retailer.** As ABC celebrates its 82nd anniversary, their stores now span the Florida peninsula from Tallahassee and Jacksonville to Naples and South Miami. In a cluttered marketplace of products and services – and places to get them – ABC Fine Wine & Spirits stands out for three simple reasons: **the best products, the best service, and the best prices.**

CHALLENGES

Prior to implementing a demand forecasting and planning application from Mi9 Retail, ABC Fine Wine & Spirits struggled with a homegrown replenishment system that yielded an unsatisfactory level of out-of-stocks on some labels and left the company over inventoried on others.

Because its in-house replenishment system was based on hand-keyed store level data, store managers had to adjust their replenishment orders based on their perceived display needs (crates and stacks of wine, for instance, which weren’t necessarily for sale) and their intuition. The result was poor in-stock positioning, particularly of more expensive, rare, or slower-moving SKUs, and too much inventory tied up in merchandise that wasn’t running.

SOLUTION

ABC Fine Wine & Spirits reduced out of stocks and lifted sales with an automated demand forecasting, planning, replenishment, and allocation solution from Mi9 Retail.

Smarter Forecasts and Better Reporting Capabilities

Since implementing the Mi9 Retail replenishment solution, ABC Fine Wine & Spirits has been able to plan and allocate inventory more effectively, as the system takes into account seasonal variations, sales trends, TPR (total store price reduction), and promotions. What’s more, the included lost-sales reports help the company refine replenishment and merchandising strategies to drive their business forward.

With the value-added pack report, ABC can also manage nuances in the packaging of specific SKUs, an important feature for building accurate inventory forecasts. “Around the holidays, we have multiple items that come as a gift set — a bottle of wine packaged with wine glasses or a bottle of bourbon boxed with a flask, for instance,” said Jennifer Petrash Jessen, Demand Planning Manager at ABC Fine Wine & Spirits. “The system allows us to view sales of those packaged sets as regular sales of the ‘naked’ bottle of that product as opposed to a separate SKU.”

No More Lost Sales

The solution gives ABC a differential advantage in a rapidly evolving retail landscape where customer loyalty is important. “Out-of-stocks equate to lost sales, and lost sales equate to lost customers. The system has **drastically reduced out-of-stocks and increased our GMROI** (gross margin return on investment) at most stores. We’re now seeing sales lift on SKUs that were previously plagued by out-of-stocks.”

Lifting Sales While Boosting Productivity

The time ABC used to spend on inventory replenishment tasks has dramatically reduced since using Mi9 Retail, as the new system takes all of the Excel spreadsheets and manual work out of the process. Petrash Jessen added that “reducing the amount of time it takes to get everyday tasks done is essential to thrive in today’s fiercely competitive retail environment. We can now focus on different areas of the business, especially on analytical work.” The Mi9 Retail demand management solution also enables ABC to act on demand-driven data, so they can effectively plan out and allocate new seasonal items to the right stores.

Reducing Inventory Costs

By having orders routed directly from the Mi9 Retail system to their vendors, ABC Fine Wine & Spirits has seen a **decrease in inventory cost** and has **significantly reduced their warehouse costs.** They can directly influence their stock on hand by using the Mi9 Retail safety stock and policy features.