



Case Study:
ALLIED BEVERAGE GROUP

Enabling Better Business Decisions
Across the Enterprise

Quick Facts

Organization: Allied Beverage Group, LLC

Industry: Wine & Spirits distribution

Revenue: \$1.2 billion

Employees: 1,040

Customer since: 2000

Solution: Diver® Platform and Program Advisor®

Website: alliedbeverage.com

KEY TAKEAWAYS

- ❑ *Diver has expanded from a sales tool to an enterprise-wide business intelligence deployment, touching all areas of the company.*
- ❑ *Diver provides an industry-standard analytics solution that touches 80% of product sold in the wine and spirits industry.*
- ❑ *Allied Beverage's accounting department saves three days each month or 15% of an accountant's time through Diver's ability to automatically invoice suppliers, resulting in a yearly cost savings of \$20,000 in that department alone.*
- ❑ *Program Advisor enables Allied Beverage to easily calculate and split goals at all tier levels, which saves time spent in Excel formulas and calculations.*



"Our CEO is very focused on ROI and bringing in revenue. The fact that Diver is here and its use keeps getting expanded across the organization is a testament to his intuition that the technology is highly valuable and highly useful."

— Brian Margolies,
Chief Information Officer

BACKGROUND

Allied Beverage Group is the largest wine and spirits distributor in New Jersey, and it ranks among the top 10 distributors in the United States. Allied Beverage's roots trace back to the repeal of Prohibition in the early 1930's. The company represents the product lines of the world's leading beverage alcohol suppliers as it services the needs of New Jersey's licensed package stores, restaurants, hotels, taverns, and clubs.

In 2017, Allied Beverage merged with Breakthru Beverage New Jersey, a move that increased the company's revenue by up to 30%.



Brian Margolies, Chief Information Officer

THE CHALLENGE

Although it is the top wine and spirits distributor in New Jersey, Allied Beverage is not content with doing business the same old ways as always. The company is continually looking for ways to improve upon processes and gain new insights to maximize revenue.

Allied Beverage faces several challenges in its daily operations:

- ❑ **Merging operations:** As part of the merger with Breakthru Beverage New Jersey, the company has had to integrate its people, processes, and technology, which it has found is no easy task.
- ❑ **Managing the needs of its suppliers:** Allied Beverage has more than 550 wine and spirits suppliers. Many of these organizations are small with limited staff members, and they rely on Allied Beverage to provide them with data and reports. Allied Beverage itself has a

small staff to manage these requests, so effective time management is critical.

- ❑ **Retail incentive pricing (RIPs):** Suppliers send Allied Beverage suggestions on how to price their products and provide incentives to retailers (RIPs), but they often don't do so in a consistent format.
- ❑ **Forecasting inventory:** Forecasting is an art. Forecasting too much product results in excessive inventory; forecasting too little results in unrealized revenue. It can be difficult to find the right balance without accurate data.

In addition to these challenges, the beverage alcohol business environment in New Jersey is growing ever more difficult. While the Breakthru Beverage New Jersey merger has narrowed the competitive landscape, there is always pressure from the state to broaden competition.

THE GOAL

Allied Beverage had several goals when it came to making more informed decisions from its data:

- The sales department needed a way to keep tabs daily on what was selling and what wasn't selling, and be able to dive down into details to understand the "why" behind the numbers.*
- The organization needed a centralized way to track effectiveness of sales programs and provide sales reps with a daily look at their progress towards goals.*
- Purchasing needed to understand inventory levels to make better forecasting decisions and work with sales to move product with higher days of inventory.*
- Accounting needed to automate the invoice process for billing suppliers back for RFPs.*
- The company wanted an industry standard product that was consistent with the technology that its suppliers use. With consolidation in the distributor industry, an industry standard solution would also help merge data between organizations.*

THE SOLUTION

Allied Beverage implemented Dimensional Insight's Diver Platform in 2000. The company has seen the Diver implementation grow over nearly two decades from a sales reporting tool to an enterprise-wide business intelligence deployment that touches several different departments, including sales, program management, finance, purchasing, and more.

Brian Margolies, chief information officer, says when he arrived at Allied Beverage in 2009, "The objective was to propagate Diver beyond sales to the other divisions, and it has been pretty well done. One of the cornerstones of the Allied Beverage technology stack is business intelligence through the use of Diver."

Here's how the organization is using Diver:

- Sales:** On a daily basis, sales management can go into Diver to see how divisions are performing. The department can get a live look to see how the business is doing, and if need be, dive down into the details to understand the root cause of any issues. In addition, sales can look at accounts purchasing data as well as inventory to see what needs to be sold and make sure there is enough inventory for sales-based programs that are being launched. Brand managers are able to see sales by accounts and compare accounts sold vs. last year and cases sold vs. last year.



"There hasn't been another product in the market that was worth the time and the effort to train. In its simplicity, in its completeness, Diver represents a good way for our users to access and interact with the data they need to conduct their business."

*— Brian Margolies,
Chief Information Officer*

- ❑ **Purchasing:** The purchasing department uses Diver to track inventory and forecast so it can buy the right amount of product. The department can view different kinds of inventory, such as current inventory, inventory in reserve, and distressed inventory. It also runs reports that show days of inventory by brand and by SKU. With these reports, the purchasing department can make forecasting decisions on what to buy based on what has or hasn't sold. If there are certain brands or SKUs that have higher than average days of inventory, the company can develop sales programs to try and move those products.
- ❑ **Accounting:** Allied Beverage's accounting department uses Diver in conjunction with its JD Edwards accounting system in order to generate invoices back to suppliers for their portion of the retail incentives. Allied Beverage's corporate accounting manager praises Diver for helping consolidate the information in a clean way and helping the company avoid manual entry of invoices.

In addition, the organization is using Program Advisor, an application built on Diver Platform, that tracks and measures the effectiveness of sales programs. With Program Advisor, Allied Beverage is able to set sales program goals for reps. The reps are then able to log in to the application to get real-time updates on whether they are meeting those goals. Allied Beverage is also able to track incentives and payouts through Program Advisor.

This ability to track programs is important, given that Allied Beverage has about 20 programs it is running every month for sales staff. That number can grow to as much as 50 programs in the months leading up to the holidays at the end of the year.

THE RESULTS

Allied Beverage has seen improvements in its decision-making process across the organization as a result of its Diver Platform and Program Advisor deployment. Although it has been hard for Allied Beverage to quantify the ROI from Diver over the years, it's clear the technology has made a major impact on the company.

"Our CEO is very focused on ROI and bringing in revenue," said Margolies. "The fact that Diver is here and its use keeps getting expanded across the organization is a testament to his intuition that the technology is highly valuable and highly useful."

And Allied Beverage has been able to calculate the cost impact in at least a couple of areas in the organization. For example, in accounting, Diver has automated the process of invoicing suppliers for retail incentives. This means the company doesn't have to manually input 250 invoices each month, resulting in a time savings of three days each month or 15% of an accountant's time. That equates to a cost savings of approximately \$20,000 per year.



Karl Mende, Business Analyst



“The speed and accuracy of Diver are its biggest value.”

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Business Analyst*

Everyone across the organization values the data that Diver brings to light. Karl Mende, business analyst at Allied Beverage, says, “The speed and accuracy of Diver are its biggest value. Executives need something five minutes ago. They’ll be sitting in a meeting and think of something, ‘OK, can I get this information?’ And Diver brings it back instantly. They look smart, the company looks smart, they get their point across. The information is right there at their fingertips.”

Also important to the organization is the relationship that Allied Beverage has had with Dimensional Insight over the years. Lilia Alfonso, IT assistant director, has been with the company since the beginning of its Diver deployment, and she says the support she has received from Dimensional Insight has been stellar.

“The thing that’s great about Dimensional Insight is it’s a family. As large as it is, when I see staff from there, I know these people – for the past 20 years. They always make you feel comfortable. And they’re a phone call away. Within seconds, something is resolved.”



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IT Assistant Director*



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WHAT'S NEXT

Up next for Allied Beverage: integrating the data from Breakthru Beverage New Jersey as a result of its 2017 merger. Thankfully, Breakthru Beverage New Jersey was already a Diver customer, so even though Breakthru has some of its data fields set up differently than Allied Beverage does, integrating the data will be easier than it would have otherwise been.

Allied Beverage is also planning to upgrade its deployment to Diver Platform 7.0, which utilizes columnar databases. This means Allied Beverage will enjoy the increased speed and performance that comes with that technology.

LESSONS LEARNED

One of the keys to Allied Beverage's success with Diver has been that the organization has been really proactive in making sure its users are well-versed in how to use Diver and gain insights from it.

For example, several years ago Mende attended a "train the trainer" session with Dimensional Insight, and as a result, he has been offering users regular classes to better acquaint them with Diver. These classes run at beginner, intermediate, and advanced levels, and are offered every month or two. Allied Beverage also tests users on their level to make sure they are keeping up their skills and advancing.



Margolies says, "To train on it, to use it, is probably by order of magnitude simpler than some of the other systems I've seen. That's why I'm a supporter of Diver and why I've always been one. There hasn't been another product in the market that was worth the time and the effort to train. In its simplicity, in its completeness, Diver represents a good way for our users to access and interact with the data they need to conduct their business."



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