Grocery Operations

LCBO

PRESENTATION TO ONTARIO CRAFT BREWERS

Grocery Program Update, Order Fulfillment, Returns/Refunds & Continuous Improvement

October 19, 2017

Grocery
Operations

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Agenda

Introduction & Program Update

Order Fulfillment

Return/Refund Process

Continuous Improvement

Q&A

Grocery
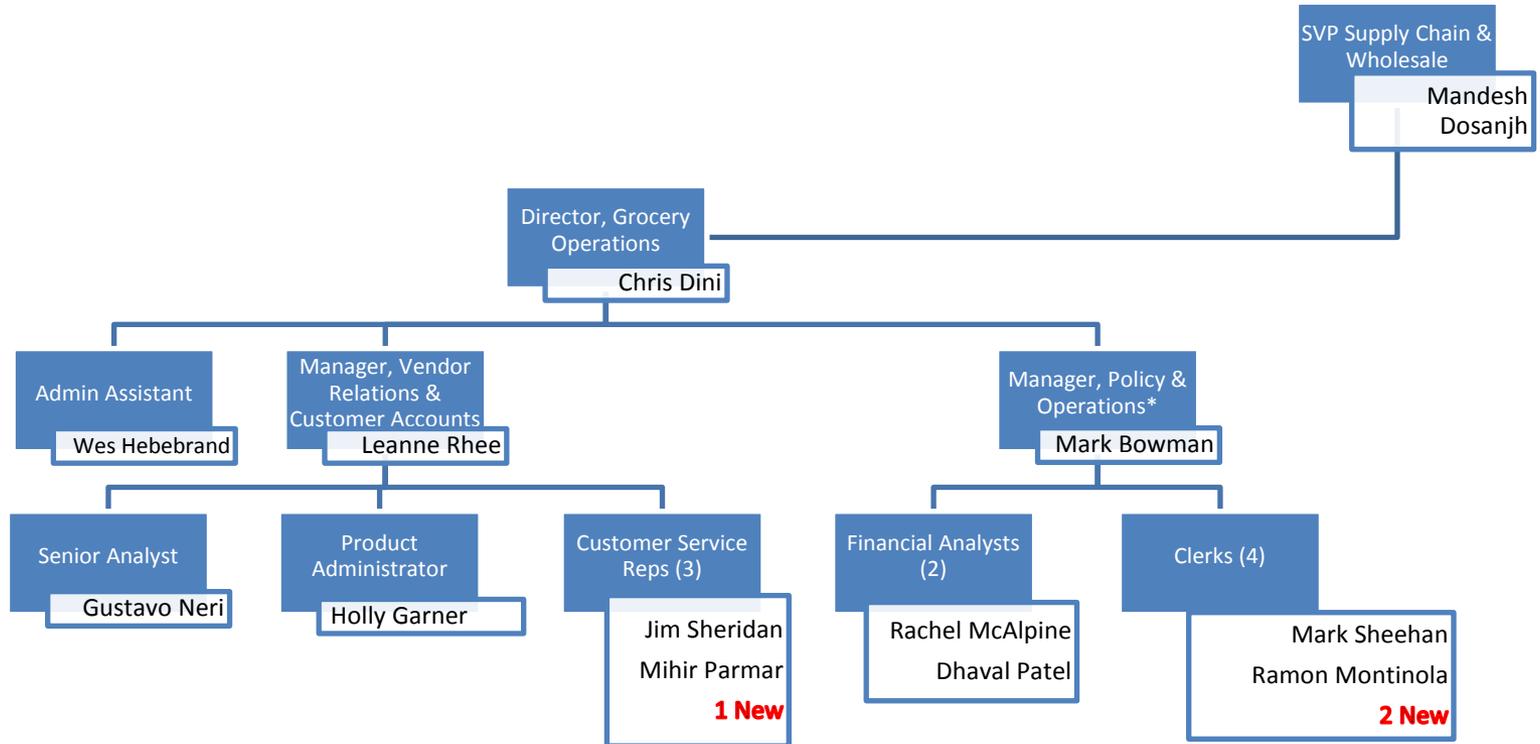Operations

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Introduction & Program Update

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SVP Supply Chain & Wholesale

Mandesh Dosanjh

Director, Grocery Operations

Chris Dini

Admin Assistant

Wes Hebebrand

Manager, Vendor Relations & Customer Accounts

Leanne Rhee

Manager, Policy & Operations*

Mark Bowman

Senior Analyst

Gustavo Neri

Product Administrator

Holly Garner

Customer Service Reps (3)

Jim Sheridan
Mihir Parmar
1 New

Financial Analysts (2)

Rachel McAlpine
Dhaval Patel

Clerks (4)

Mark Sheehan
Ramon Montinola
2 New

Sept 2017 – Oct 2018 Jamie Fazekas on maternity leave

2018 Authorizations: up to 95 locations

- **Beer & Cider**

  - **Up to 95 locations** → *Tranche 4 RFB closes November 6, 2017*

    - First legal selling day is expected to be in April 2018

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T = Tranche

Authorizations to Spring 2018

	Current T1 + T2 + T3	Still To Come T1 + T2 + T3	Spring 2018 T4	Total
Beer & Cider	104	33	95	232
Beer, Cider & Wine Restricted	35			35
Beer, Cider & Wine	35			35
Total Beer & Cider & Wine	174	33	95	302
Wine Boutiques	52	17		69
Total	226	50	95	371

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Order Fulfillment

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Two topics to discuss:

1. Why correct ASN data entry is important

2. What happens when a mistake is made

1. Why correct ASN data entry is important

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What is an ASN?

COMMUNICATION

Advance **S**hipping **N**otification

before delivery communication

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ASN Includes (GMS entry):

- Grocery Purchase Order #
- Items
- Quantities
- Ship date
- Estimated delivery date
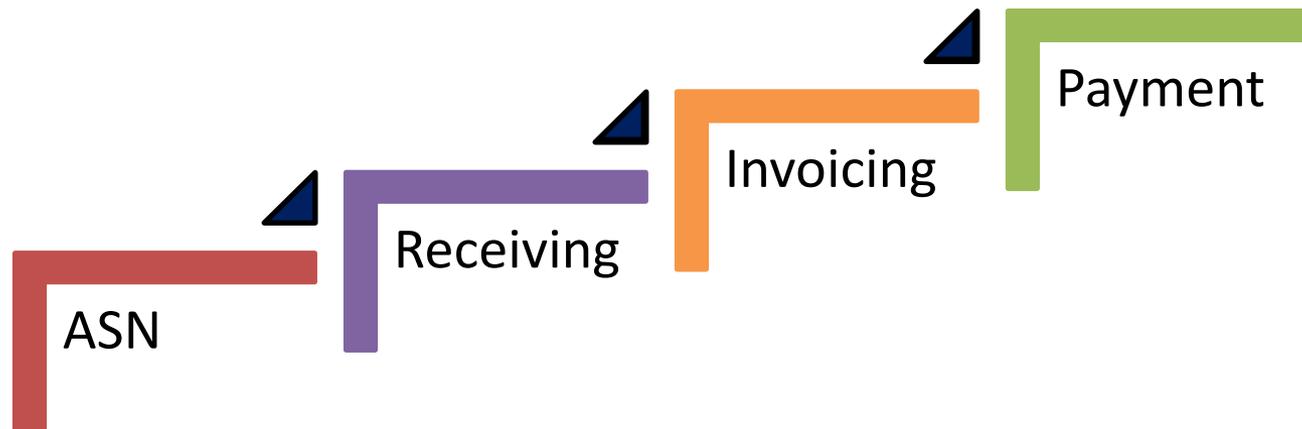- Bill Of Lading (BOL) #
- Carrier Name

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Question:

Why is correct ASN data entry important?

Answer:

ASN is ground zero; drives financial transaction for all parties

Payment

Invoicing

Receiving

ASN

Question:

2. What happens when a mistake is made?

Answer:

Payment to supplying source may be delayed or inaccurate

and…….

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Answer:

…..most important

Customer experience is poor

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Most common ASN data entry mistakes:

1. No ASN entry in GMS

2. Wrong quantities entered in GMS

3. Wrong delivery date entered in GMS

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1. No ASN entry in GMS

- Customer is not expecting delivery
  - No receiver; wait; redeliver

- Refuse to accept delivery
  - Lose sale; no payment

- Assume no shipment; enter 0 receipts and close PO
  - Lose sale; no payment or reconciliation required

- Deemed Not Shipped takes affect on 15th day
  - Shipped quantity = 0, no payment or reconciliation required

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From: Steve Makel (LCL) <Steve.Makel@loblaw.ca>
To: wholesaleservice; Celestial Jensen
Cc: McAlpine, Rachel
Subject: LCBO Missing ASN 4821417500

Hi,

Please send the ASN for 4821417500

Steve Makel
Sr. Analyst, ASN Supply Chain Support
Ph: 905-459-2500 ext: 616706

Loblaw Companies Ltd.
1 President's Choice Circle | Brampton | Ontario | L6Y 5S5
T:905-459-2500 | F:905-123-4567|steve.makel@loblaw.ca

loblaw.ca

From: NGR General 02639 Parker's YIG
Sent: Friday, October 13, 2017 2:36 PM
To: ASN Support <asnsupport@loblaw.ca>
Subject: Missing ASN

Missing ASN for P.O. 4821417500.

Thanks Ivan.
Parker's Y.I.G. 2639.

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2. Wrong quantities entered in ASN

Deliver **GREATER** quantity compared to ASN entry:

- Customer may refuse excess quantity
- If not refused, customer required to complete and submit a Return/Refund Authorization form to adjust invoice
- If on 'deemed receipt', receipts automatically populate in GMS to match shipped quantities (ASN); customer completes and submits a Return/Refund Authorization form to adjust invoice

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Return/Refund Authorization Form

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Reset Form

Instructions: (1) Complete and submit the completed form and signed Bill of Lading (BOL) to the LCBO by email: wholesalereturns@lcbo.com within 72 hours of delivery.

(2) When the return is approved, the LCBO will provide instructions on how to return the physical product. In some cases, if the return is due to a quality control issue and the product must be destroyed, the customer may not have to return the product but instead photos may be required documenting the product destruction.

(3) A credit memo will be issued when the product is received and verified by the LCBO.

(4) Products cannot be returned to an LCBO Retail Store.

Consumer Returns: Defective products returned by your customers must be accompanied by a completed "Product Quality Complaint" form.

All returns must be in original packaging and original shipping containers (carton or tray) must be saved when products are missing or damaged.

Store Operator Number 5499	Signature	Date 09/14/2017
Store Operator Name LONGO'S BROTHER	Contact Name MICHAEL GAUTHIER	Telephone Number 416-366-1717 xt. 2439
Address 15 YORK STREET, TORONTO, ON M5J 0A3	E-MAIL vera.yan@longos.com	

LCBO Item No.	Product Description	Quantity Units	Quantity Cases	Store Operator Purchase Order #	Receival Date	Reason for Return/Refund Request (please explain)
▮▮▮	▮▮▮	12	3	2721903	9/14/2017	sent double original case order. Ordered 3 case, shipped 6 cases.
▮▮▮	▮▮▮	12	4	2721903	9/14/2017	sent double original case order. Ordered 4 cases, shipped 8 cases.

Notes:

LCBO Use Only

Approved By: *(signature)*	Date: 09/14/17	Reference: MPS06-17
Declined By:	Date:	Reason:

Supplying Source Use Only

Quantity received: Units ____ Cases ____	Signature:	Date:

* It is the store operator's responsibility to ensure the form is complete and accurate.

LCB 2391

ALL FIELDS MUST BE TYPED. THE FORM WILL NOT BE PROCESSED IF HAND-WRITTEN

From: Parmar, Mihir [mailto:mihir.parmar@lcbo.com]

Sent: Thursday, September 21, 2017 3:50 PM

To: ███████████████████████████

Subject: Longos 5499 Return Approved

Hi ████████████

Could you please have over shipped items returned from Longos Store 5499 please, once the return has been completed, please resend the form with the supplying source section completed.

Mihir Parmar

CSR, Grocery Operations, LCBO

1 Yonge Street, 11th Floor, Toronto, Ontario M5E 1E5

T: 416-365-5941 X7665 E: mihir.parmar@lcbo.com

www.lcbo.com

www.vintages.com

Please discover and serve our products responsibly.

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2. Wrong quantities entered in ASN cont'd,

Deliver **REDUCED** quantity compared to ASN entry:

- If on 'deemed receipt', receipts automatically populate in GMS to match shipped quantities (ASN); customer completes and submits a Store Operator Adjustment form to report shortages and adjust invoice

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Packing Slip

INVOICE TO
Grocery - Zehrs - 5110
400 Conestoga Blvd.
Cambridge ON N1R 7L7

INVOICE # 48707
DATE 2017-09-06

PO
4820764728

:
GMS# 117812_4678

ACTIVITY	DESCRIPTION	QTY
Ale:RR-CAN-24x473-R-ON-CA	LCBO SKU#:	3
IPA:SM-CAN-24x473-R-ON-CA	LCBO SKU#:	3
Ale:SC-CAN-24x473-R-ON-CA	LCBO SKU#:	3
CAN-24x473-R-ON-CA	LCBO SKU#:	2
24x473-R-ON-CA	LCBO SKU#:	8
CAN-24x473-R-ON-CA	LCBO SKU#:	3

8 oos

Short shipped
marking a credit

DELIVERY DATE: _____   DELIVERY SIGNATURE: _____

Distributed By ColdHaus Direct

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Store Operator Adjustment Report

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It is store operator's responsibility to ensure the form is complete and accurate and submitted to the LCBO via email to wholesalereturns@lcbo.com within 72 hours of delivery. A signed Bill of Lading (BOL) must accompany each claim and, if requested, pictures.

STORE OPERATOR NAME	STORE OPERATOR NUMBER	DATE PREPARED MM/DD/YYYY	GOODS RECEIVED DATE MM/DD/YYYY
ZEHRS	5110	/ 07 / 2017	/ 06 / 2017

CONTACT NAME	E-MAIL	TELEPHONE NUMBER
JESSE REEVE	APP00533@LOBLAW.CA	519-620-1376

STORE ADDRESS	BOL NUMBER
400 CONESTOGA BLVD CAMBRIDGE, ON. N1R 7L7	4820764728

CARRIER NAME	FROZEN LOAD	SEAL INTACT	SEAL NUMBER
	○ Yes ⦿ No	⦿ Yes ○ No	

LCBO ITEM NO.	PRODUCT DESCRIPTION	PURCHASE ORDER NO.	CLAIM CATEGORY	ITEM RECEIVED	UNITS CLAIMED	SKIDS TIED	CASE POSITION ON SKID	CASE SEALED	BREAKAGE TYPE	BREAKAGE LOCATION	DRIVER AGREE?
███	███	4820764728	Shortage	No	192	Yes					Yes
TOTAL CLAIM QTY (Units)		192									

DRIVER'S REMARKS	STORE OPERATOR REMARKS
DRIVER SIGNATURE DATE:	STORE OPERATOR SIGNATURE DATE: 09/08/17

LCBO USE ONLY						
Approved by:	Date:	Reference Number:	Declined by:		Date:	Reason:

LCB 2397 (08-17)

ALL FIELDS MUST BE TYPED. THE FORM WILL NOT BE PROCESSED IF HAND-WRITTEN

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3. Wrong delivery date entered in ASN

ASN delivery date **LATER** than actual delivery:

- Customer is not expecting early delivery
  - No receiver; wait/refuse; may request redelivery

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3. **Wrong delivery date entered in ASN cont'd,**

ASN delivery date **EARLIER** than actual delivery:

- Customer may refuse late delivery, even within 14 days; enter 0 receipts and close PO
  - Lose sale; no payment or reconciliation required
- If on 'deemed receipt', receipts automatically populate in GMS to match delivery date (ASN); customer may be invoiced before product is delivered
 - For discrepancies customer submits a claim to adjust invoice; reconciliation required

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Summary:

1. Correct ASN data entry is important

   - Drives financial transaction for all parties
     GROCER – LCBO – SUPPLYING SOURCE

2. ASN entry mistakes

   - May impact supplying source payment, and make for a poor customer experience

Returns/Refunds Process

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Returns / Refunds

Supplying Sources
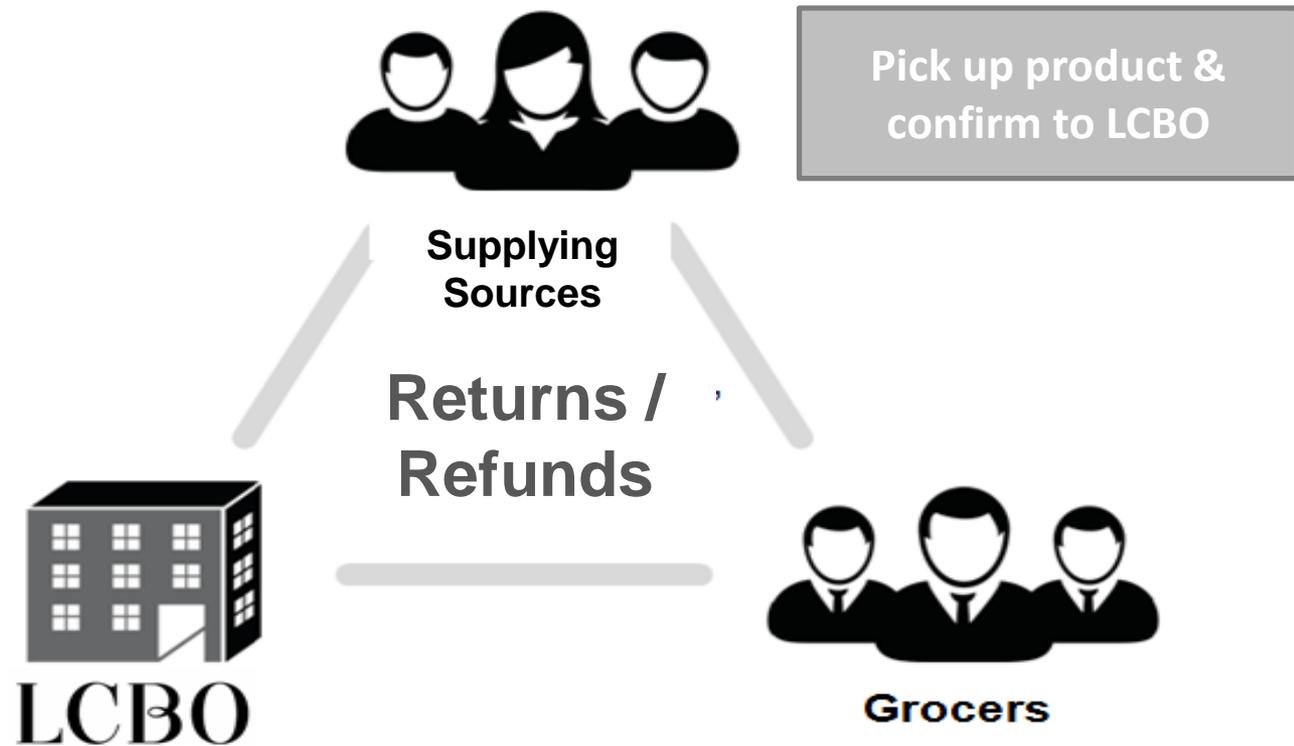
Pick up product & confirm to LCBO

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Review return requests & process financial transaction

Initiate return & ready product for pick up

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Returns/Refunds: GROCERS

- Returns/Refunds are **initiated** by the customer

- Makes a **request** to the **LCBO** to return **saleable** product (i.e., picking error)

- Completes and submits to LCBO a **Return/Refund Authorization Form**

- **Readies** product for pick up by supplying source, following LCBO approval

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Returns/Refunds: LCBO

- **Reviews** customer request: approve or decline

- If approved, Return/Refund Authorization form is sent to **supplying source** with reference #

- **Following** product pick up and returned confirmation by supplying source:

    1. **Credit:** customer for quantity returned
    2. **Debit:** supplying source for quantity returned

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Returns/Refunds: SUPPLYING SOURCES

- **Receive** from LCBO approved Return/Refund Authorization form

- **Arrange** for pick up of product on next delivery or within 14 days, whichever is first

- **Sign, date and confirm returned quantity** on Return/Refund Authorization Form

- **Send** completed Return/Refund Authorization form to wholesalereturns@lcbo.com

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Returns/Refunds: DON'Ts and a DO

- Do not submit a Return/Refund Authorization form **ON BEHALF** of a customer: it will be declined

- Do not **REMOVE** product without approval from LCBO

- Do not issue a **CREDIT NOTE** of any kind to a customer

- Do ensure **TIMELY** pick up of product from customer

- Training Videos

I was Shipped the Wrong Product

Continuous Improvement

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GMS Enhancements Vendor Portal – March 2018

- New function 'Decline Order' in one step

- Sort/filter/search order data

- Extract order details, by flexible criteria, for download

- ASN email notification to supplying sources

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Grocery Customer Feedback

- Consolidated deliveries

- Visibility to delivery schedule by supplying source ⭐

- Compliant shipping documentation ⭐

- Accurate and timely ASN entry in GMS ⭐

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Grocery Customer Feedback

- Reduced delivery lead time
  - Request for all supplying sources → 7 days

- Simplified Returns & Claims process

- Increased notice on Limited Time Offers (LTOs)

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☺ **Thank you**

Q&A period