

LCBO

HOW TO START DOING BUSINESS WITH LCBO

NOVEMBER 7, 2018



Let's get together.

LISTING PROCESS DECISIONS

1. LCBO Retail - Merchandising

Mark Wilson - Category Manager Beer & Cider

2. LCBO Wholesale – Grocery Operations

Leanne Rhee - Manager Vendor Relationships & Customer Accounts

3. Q & A

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RETAIL CHANNEL: B2C

CATEGORY MANAGEMENT – MERCHANDISING

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LCBO TODAY

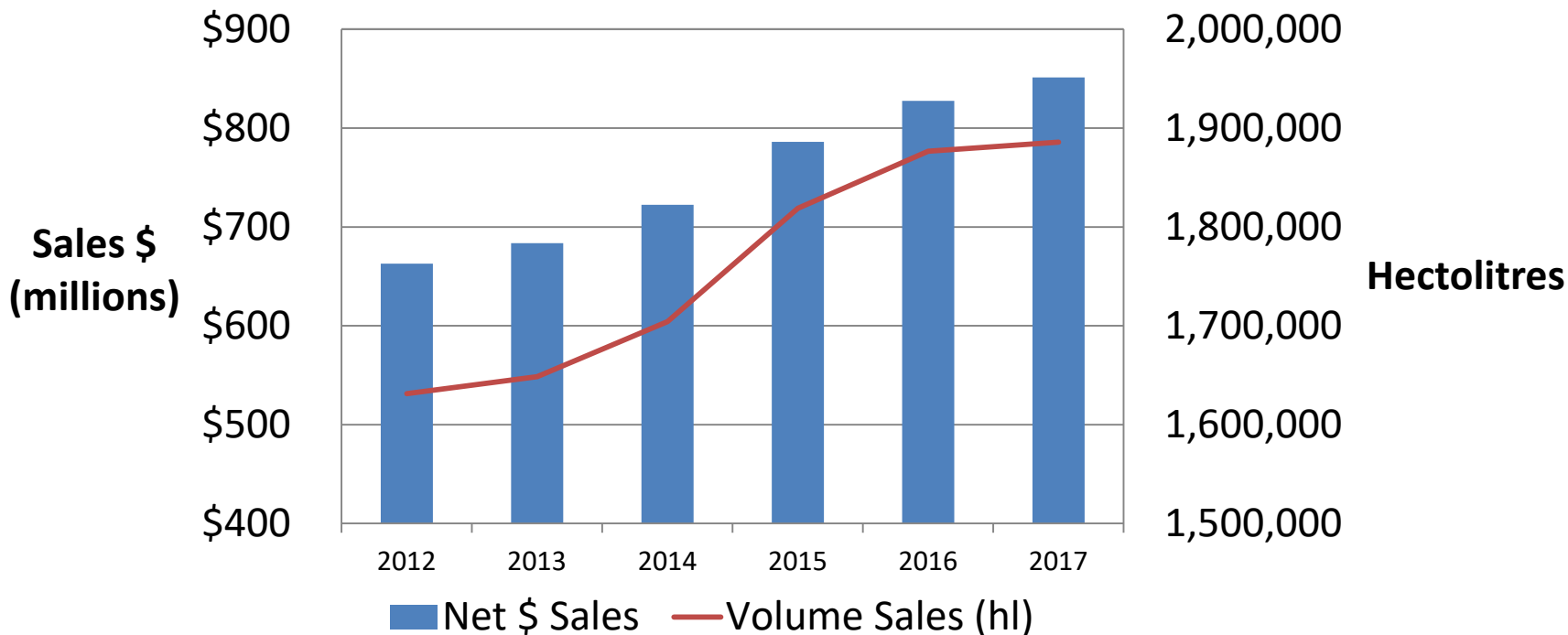
- \$5.9 billion Net Sales
- \$2.1 billion Dividend
- 654 Retail stores
- 210 Agency stores
- 5 Distribution Centres



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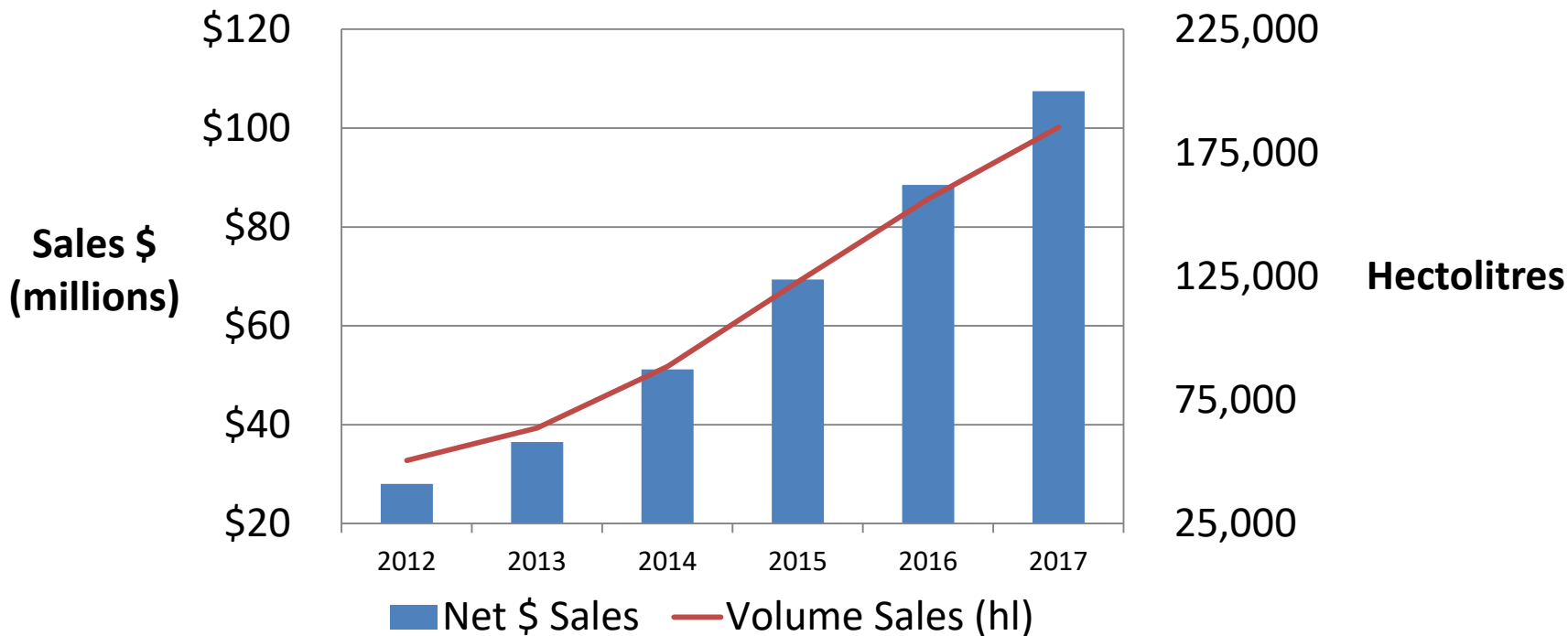
LCBO ONTARIO CRAFT BEER SALES



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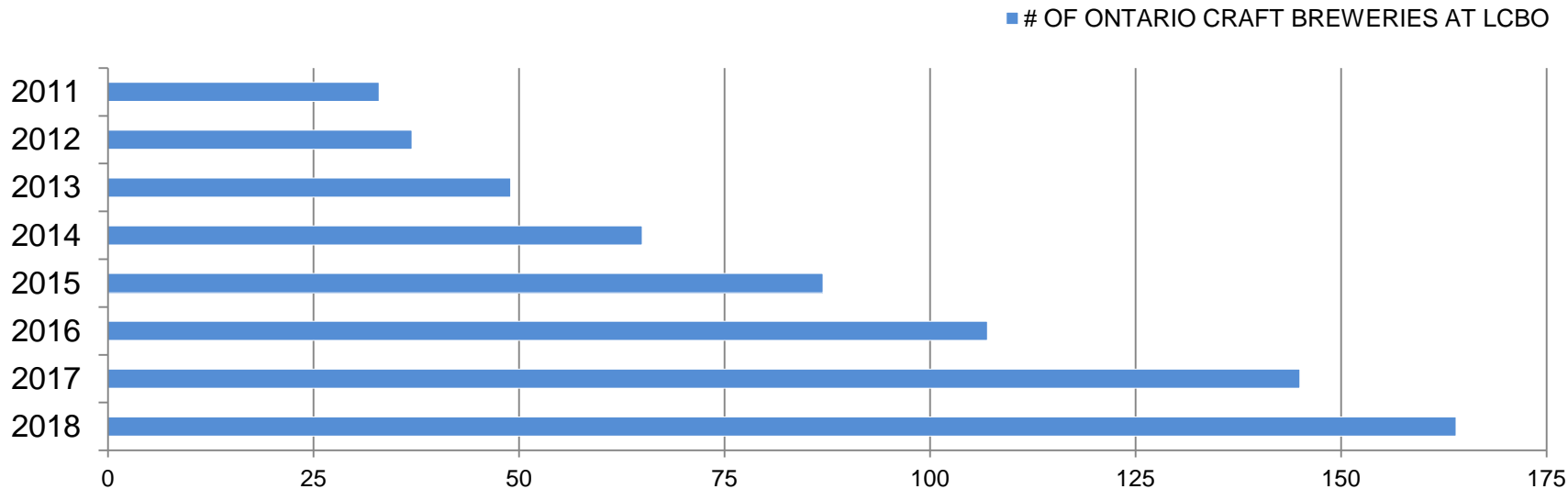
LCBO ONTARIO CRAFT BEER SALES



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ONTARIO CRAFT BREWERIES AT LCBO 2010-2017



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A LITTLE HOMEWORK GOES A LONG WAY.....



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SPEAK WITH ONTARIO CRAFT BREWERIES AND STORES



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WWW.DOINGBUSINESSWITHLCBO.COM

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Trade Resources Online

SEARCH **GO**

NEW SUPPLIER/AGENT NEW PRODUCT PROCUREMENT PACKAGING & QUALITY PROMOTIONAL PROGRAMS WEB SYSTEMS FORMS & DOCUMENTS

How To Work With LCBO
Access LCBO Web Systems

VINTAGES PROGRAMS

WHAT'S NEW

STORE OPENINGS

WEB SYSTEMS

TOP DOWNLOADS

SERVICES

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www.doingbusinesswithlcbo.com/tro/index.shtml

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SEARCH **GO**

NEW SUPPLIER/AGENT NEW PRODUCT PROCUREMENT PACKAGING & QUALITY PROMOTIONAL PROGRAMS WEB SYSTEMS FORMS & DOCUMENTS

How to Work with LCBO

New Supplier/Agent

How to Work with LCBO
Access LCBO Web Systems

How to Work with LCBO

An updated version of the Product Management Policy and Procedure manual is now available online!
This will provide information and direction towards working with LCBO.

What's new? Updates include:

- Submission process
- Sales targets process
- Environment and Social Responsibility focus.

To view the document, [please click HERE](#)

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CONTACT US TO PRESENT YOUR PRODUCT



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PRODUCT NEEDS LETTERS



The screenshot shows the LCBO website interface. At the top left is the LCBO logo. To its right is the title 'Doing Business with LCBO' and 'Trade Resources Online'. A search bar with a 'GO' button is positioned to the right of the title. Below the title is a horizontal navigation menu with the following items: NEW SUPPLIER/AGENT, NEW PRODUCT PROCUREMENT, PACKAGING & QUALITY, PROMOTIONAL PROGRAMS, WEB SYSTEMS, and FORMS & DOCUMENTS. The 'FORMS & DOCUMENTS' item is highlighted in a dark green box. Below the navigation menu are four images: a glass of wine with a lime wedge, an interior view of an LCBO store, a close-up of wine glasses, and an exterior view of an LCBO store building. On the left side of the page is a vertical navigation menu with the following items: Forms & Documents, Forms, Documents, Letters to the Trade, Product Needs Letters (highlighted in a dark green box), Terms & Conditions, Trade Presentations, Video, Glossary, and Archive. On the right side of the page, under the heading 'LCBO', is a list of product needs letters.

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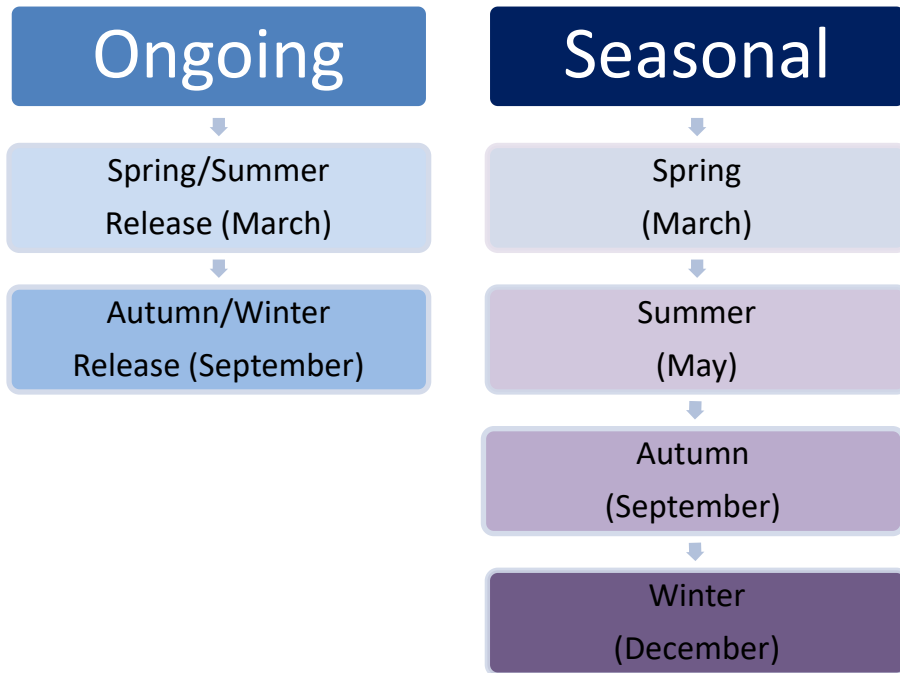
- Vintages Spring-Summer 2019 Product Call - submissions accepted starting September 26, 2018
 - Vintages Product Needs Spring-Summer 2019
- Amendment to LCBO Wines Product Needs for 2018-19 - New Need Call ID 2682
 - Wines New Need Call ID 2682 - House Wines
- LCBO Value beer product need
- Licensee Wines Portfolio 2018-19 Product Call
 - Licensee Wines Portfolio 2018-19 Needs Schedule
- Amendment to LCBO Wines Product Needs for 2018-19. New Need Call ID 2678 Value Wines - All NW Countries
 - New World Value Brands Call (AMENDED)
- Amendment to LCBO Wines Product Needs for 2018-19. New Need Call ID 2672 Spain Value Brands Red Only
 - Spain Value Brands Call
- LCBO WINES, SPIRITS & BEER Product Needs for 2018/19

<http://www.doingbusinesswithlco.com/tro/New-Supplier-Agent/HowToWorkWithLCBO.shtml>

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PRODUCT CALLS FOR ONTARIO CRAFT BEER





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ONTARIO CRAFT BEER PRODUCT CALL HIGHLIGHTS

NISS CALL ID	Product Category	Price Range	Product specs	Pre-sub Deadline	Call back Deadline	Sample Deadline	Tasting Date	Max # Subs.
2523	Ontario Seasonal Craft Beer – Summer 2019	Various	<p>Ontario craft seasonal beers appropriate for summer (wheat, fruit beers, saisons, etc.) will be considered. Available for a limited time only. Sales success from a brewery retail store or on-premise will be considered, along with sales performance of current LCBO listings.</p> <p>Listing is active in retail – P3 through P6.</p> <p>All tasting/lab and marketing samples must arrive labeled with the NISS or LCBO #. All lab samples go to the attention of Karen Carter.</p>	7-Dec-18	14-Dec-18	4-Jan-19	10-Jan-19	3

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ACCESS NEW ITEM SUBMISSION SYSTEM (NISS)

LCBO Doing Business with LCBO
Trade Resources Online

SEARCH **GO**

NEW SUPPLIER/AGENT NEW PRODUCT PROCUREMENT PACKAGING & QUALITY PROMOTIONAL PROGRAMS **WEB SYSTEMS** FORMS & DOCUMENTS

Web Systems

- Trading Partner Access Request (TPAR)
- New Item Submission System (NISS)**
- Web Purchase Order System
- Inbound Scheduling (IMS)
- In-Store Tasting
- Merchandising Promotions Tracking System
- ISupplier
- Sale of Data

New Item Submission System (NISS)

NISS is an easy-to-use, web-based tool that allows agents and suppliers to:

- submit products for review
- view LCBO Product Needs letters online
- track your product submission online
- provide additional information and upload various required documents
- view the "Notice to Purchase" (NTP) (*new!*)

We are replacing the "Letter of Commitment" (LOC), with a notification document called "Notice To Purchase" (NTP). This change will have the following benefits:

- Unlike the LOC, the Notice to Purchase (NTP) does not require the suppliers' action. The Notice to Purchase (NTP) will be sent to the agent who created the submission and copied to the supplier.
- Should there be any concerns with the Notice to Purchase (NTP); the agent will be able to fully represent the supplier in this matter.
- The Notice to Purchase (NTP) will be attached to the email notification as a pdf document. Therefore, the supplier will no longer be required to request access to NISS or to login to NISS to review the Notice to Purchase (NTP).
- As part of the Notice to Purchase (NTP) process, the agent may be asked to submit some documents (e.g., Organic Certificate) or complete some forms (e.g., Label Examination form). These transactions will now also be done online as part of our continuous efforts to reduce paper usage.
- No extra action is required from the agent or the supplier. If you already have access to NISS, you will automatically be able to view any NTPs that are created for your submission.

LCBO staff use NISS to log, track and approve or decline submissions. This new tool speeds up the application process and reduces turn-around times.

You are encouraged to become familiar with NISS now.

YOU MUST APPLY TO USE NISS

To request access to NISS, please [click here](#).

<http://www.doingbusinesswithlcbo.com/tro/Web-Systems/New-Item-Submission-System.shtml>

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LISTING PROCESS OVERVIEW



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LISTING PROCESS TIMELINES

WEEK	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
NISS SUBMISSION DEADLINE																
ACCEPTED FOR CATEGORY TASTING																
TASTING SAMPLE DEADLINE																
CATEGORY TASTING AND EVALUATION																
INITIAL LAB ANALYSIS																
LABEL REVIEW																
CARTON REVIEW (if warehouse)																
ISSUE NOTICE TO PURCHASE																
FINAL LAB AND PRICING																

Assortment decisions for new breweries

- ~50% success rate
- Why have products been declined?
 - Inadequate information
 - Distribution/capacity issues
 - Faulted samples
 - Liquid or positioning does not target a craft customer- usually a taste profile close to a macro lager

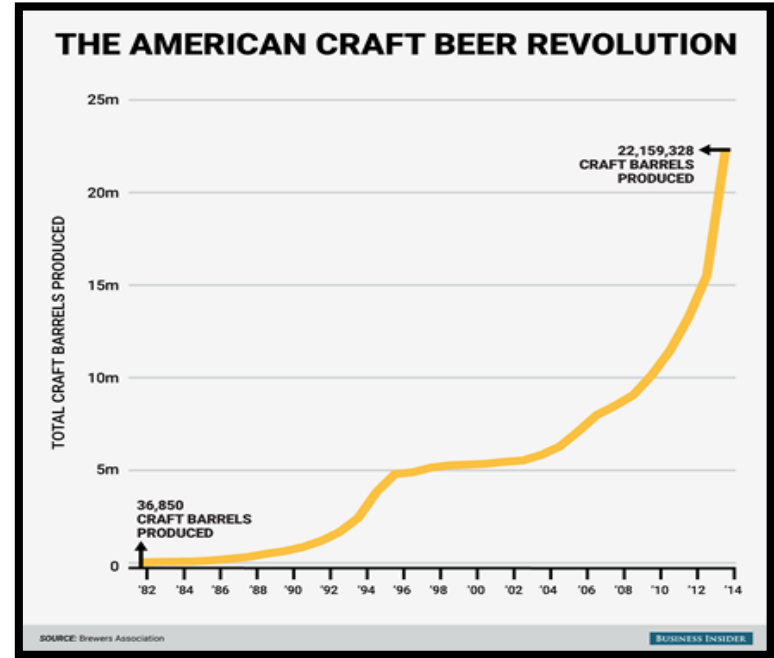


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LISTING PROCESS DECISIONS

- Quality and value are a focus for both OCB and LCBO
- Maintain growth by providing the customer with a great experience
- Avoid US experience of lower quality impacting the whole market



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LISTING PROCESS DECISIONS

Product Quality

- With the fast growth of the industry we have seen an increase in product quality issues
- LCBO's Quality Management program is currently being reviewed



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STORE DISTRIBUTION

Direct Delivery

- Supplier controls distribution and delivers product direct to LCBO stores

LCBO Warehouse System

- Product is received at LCBO warehouse and distributed to LCBO stores by their supplying warehouse

The Beer Store (TBS) Distribution System

- TBS distributes product to LCBO stores

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STORE DISTRIBUTION

- Customers are loving local
- Local can be a strong seller – 5x per store sales
- Grow from your base with support



Sales Targets

- How ongoing listings are evaluated
- Current target is 20 litres/store per 4-week period
- Target re-set annually, products reviewed semi-annually
- Falling below that measure means the product will be considered for delist
- This measure is used when considering line extensions and seasonal products



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Sale of Data Program

- Receive weekly sales and inventory data
- Free for unformatted data on your own products

www.doingbusinesswithlcbo.com/tro/Web-Systems/Sale-of-Data.shtml

Liquor Control Board of Ontario (LCBO)																
OPTION 1A / PACKAGE E: AGENT SPECIFIC PRODUCTS																
Units Sold and Inventory On-Hand in LCBO Stores and Depots Listing these Products																
							Store Sales			Depot Sales						
Agent	LCBO#	Product	Retail \$	Set/Subset	Start Date	End Date	Regular	Agency	License	Regular	Agency	License	# of STORE	Units On-Hand STORES	Units On-Hand DEPOT	Units On-Hand WHSES
1234	11111	BEER A	2.85	417865	2015/09/	2015/10/31	8553	82	3	0	24	6	447	2995	26	0
1234	22222	BEER B	2.85	417865	2015/09/	2015/10/31	8444	60	5	0	24	2	511	5679	45	0
1234	33333	BEER C	2.85	417865	2015/09/	2015/10/31	8280	60	3	0	47	9	432	15891	169	0
1234	44444	BEER D	2.85	417865	2015/09/	2015/10/31	8040	28	0	0	24	0	265	4074	58	0
1234	55555	BEER G	2.85	417865	2015/09/	2015/10/31	7739	67	2	3	72	7	464	7556	80	0



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PRODUCT PRICING

Pricing Administration:

- Pricing calculators available on trade website
- Contact: Kyle Baker, Manager
T: 416-365-5869
E: kyle.baker@lcbo.com

<http://www.doingbusinesswithlcbo.com/tro/Form-s-Documents/Documents/Documents.shtml>

Pricing Calculators

- Flavoured Beer Import (effective November 01 2017)
- [Beer Ontario \(effective November 01 2017\)](#)
- Beer Import Keg (effective November 1 2017)
- Beer Import (effective November 01 2017)
- WINE ONT (effective April 2017)
- WINE COOLER (effective April 2017)
- WINE (effective April 2017)
- STILL CIDER (effective April 2017)

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BEST PRACTICES

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PRODUCT SUBMISSIONS

NISS Access

- Apply as “Agent” not “Supplier”
- Allow 5-7 days

Grocery and LCBO?

- Only one NISS submission needed
- Indicate “Beer & Cider Grocery Catalogue” on Product tab

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PRODUCT SUBMISSIONS

E-mail

- Concise
- Include NISS submission # or LCBO #

Sample Labelling

- Always with NISS submission # or LCBO #
- Purpose and to whose attention



Consumer Labels

- Review standards on LCBO Trade Resources
- <http://www.doingbusinesswithlcbo.com/tro/Packaging-Quality/ProductPackagingStandards.shtml>
- Potential issues
 - Single field of vision
 - Common name
 - Allergens
 - mL not ML





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PRODUCT SUBMISSIONS

NISS Submissions

- Upload 1-pager on brewery/beer/marketing plan and label if available on Product tab
- Validate submitted retail price and costing
 - Uniform pricing
 - Two markups increase per year
- Data integrity is crucial
 - Pickup point or direct delivery
 - Case pack
 - UPC / SCC codes

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STORE LISTING TIPS

Circular

- Issued to all stores
- Info requested in template prior to release

Grocery SKU's

- Can be visible to stores in system
- Only ship LCBO approved products

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BEERS NEW PRODUCT CIRCULAR
BEERS CIRCULAR #016



TELL YOUR CUSTOMERS

- ✓ Made with Pilsner Malt
- ✓ Limited Time Availability
- ✓ Refreshing

TASTING NOTES

An easy drinking beer with a big, bold flavour. Expect hop aromas, crisp and refreshing palate with a delicate hop flavour.

SUGGEST IF CUSTOMERS LIKE

- ✓ Steamwhistle
- ✓ Warsteiner
- ✓ Pilsner Urquell

BEER STYLE: Lager

STYLE PROFILE: Medium & hoppy

FROM: Toronto, Ontario, Canada



STARKE PILSNER
AMSTERDAM BREWING
COMPANY

LCBO #458513, 473mL, 24cs, 5.2%
Retail: \$2.95

Release: February 22th, 2016

DISTRIBUTION:

Direct Delivery
If you are interested in ordering this product, please order direct from Amsterdam Brewing Company at 416-504-1040. Please receive using Distributor Code #3842.

Delivery Restrictions will apply.
This product is only available for a limited time.

MERCHANDISING TIPS

SECTION: Merchandise in Ontario Craft Beer Single Can Section.

1 in 1 out: Please visit [SEAR](#) now to delist an underperforming SKU from your Beer assortment.

Please markdown and run out on shelf.



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STORE LISTING TIPS

Key Retail Personnel

- Store Manager, Beer Ambassador, Product Consultant

Information

- Brief and concise
- Geographical / Trending style / Diverse portfolio

Timing

- Don't approach stores more than 1-2 weeks in advance of listing
- Avoid peak hours

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STORE STAFF TASTINGS

Staff Tastings

- Schedule with store manager
 - Brief and insightful
- Provide:
 - Sample cups
 - Spittoons
 - Food pairing
 - Sell sheet
- Comparable product





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CONTACT INFORMATION - LCBO BEER & CIDER

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Karen Carter, Category Administrator

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Michael Gieck, Category Administrator

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GROCERY CHANNEL: B2B

GROCERY OPERATIONS – SUPPLY CHAIN & WHOLESALE

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LCBO GROCERY OPERATIONS TODAY

- \$157M net shipments
- 26 customers
- 364 grocery stores
- 68 wine boutiques
- 160 supplying sources
- 1,923 products

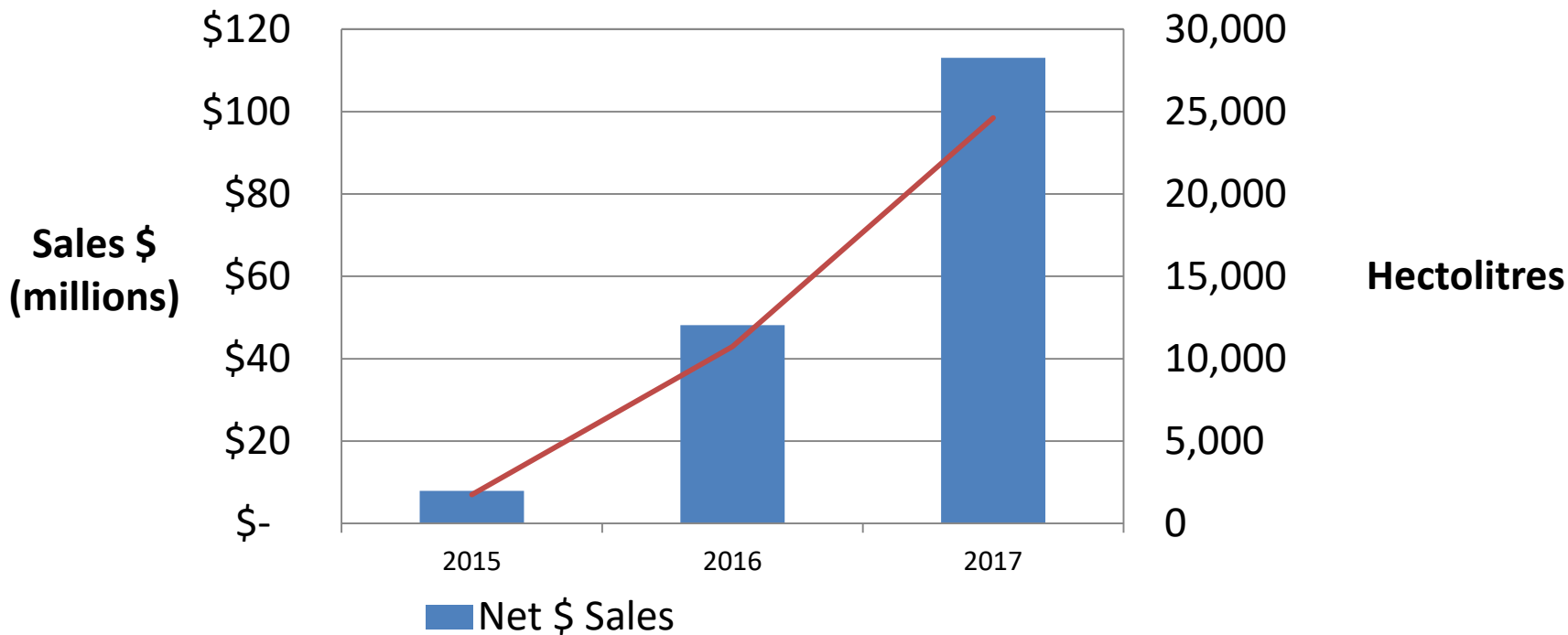
LCBO | Grocery Operations



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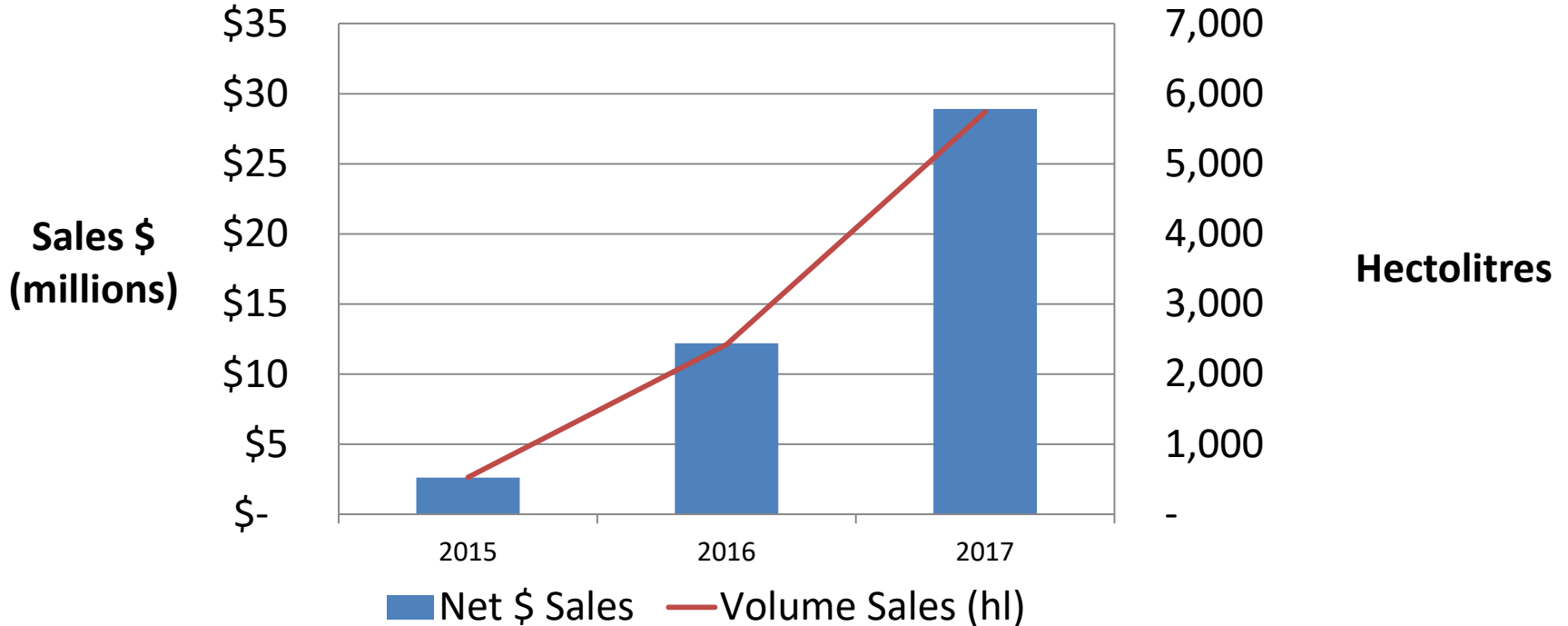
GROCERY OPERATIONS TOTAL BEER SALES



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GROCERY OPERATIONS SMALL BREWER SALES



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A LITTLE GROCERY HOMEWORK GOES A LONG WAY.....



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REVIEW GOVERNMENT RESOURCES

Ontario Regulation 232/16

www.ontario.ca/laws/regulation/160232

Master Framework Agreement Schedule 6.5

<http://www.fin.gov.on.ca/en/consultations/beer/>

AGCO

www.agco.on.ca

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BEER PRODUCT PARAMETERS AND DEFINITIONS



- Alc content \leq 7.1%
- No malt based coolers
- No container $>$ 750ml
- Pack size \leq 6

MALT BASED COOLER

Alcoholic beverage that is produced from a base of malt blended with juice, water, carbon dioxide or flavouring and that does not have the aroma or taste commonly attributed to beer

<https://www.ontario.ca/laws/regulation/160232>

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SPEAK WITH ONTARIO CRAFT BREWERIES AND GROCERY STORES



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Operations

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Store Operators

Suppliers

FAQ


Contact Us



Welcome to the Grocery Operations Information Site

www.lcbowholesaleoperations.com

Home Store Operators **Suppliers** FAQ Contact Us



Suppliers

DOCUMENTS & PRESENTATIONS

- FORMS
- TRADE LETTERS
- TRAINING MATERIALS/JOB AIDS
- AUTHORIZED STORE OPERATORS INFORMATION

Documents

Addendum to LCBO Product Management Policy & Procedures	> VIEW PDF
LCBO Purchase Order Terms and Conditions	> VIEW PDF
Sample of Beer Supplier Quote	> VIEW PDF
Small Brewer - Direct Delivery Policy	> VIEW PDF

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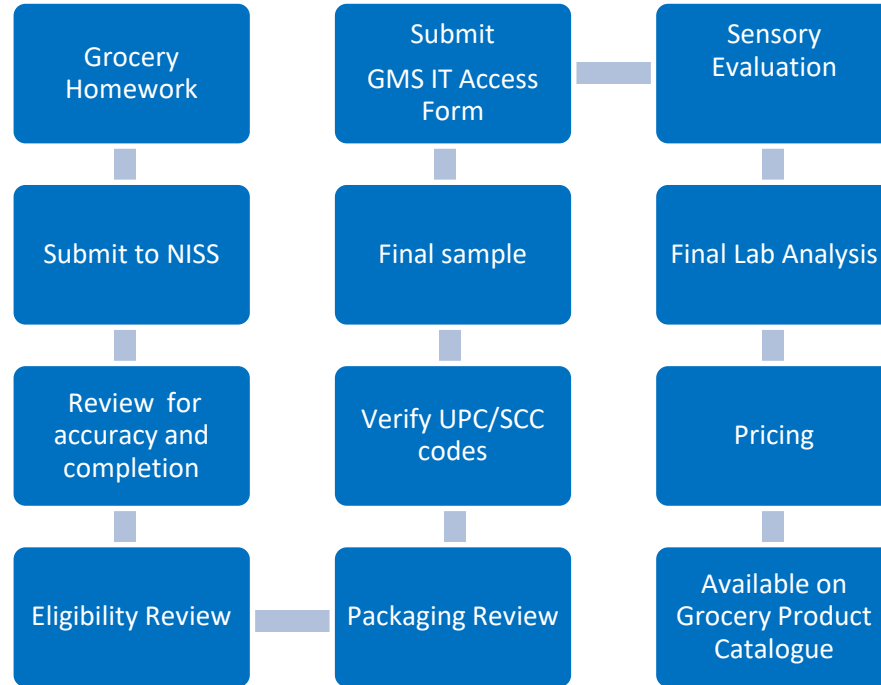
ONTARIO CRAFT BEER – GROCERY CHANNEL PRODUCT CALL

NISS Product Need	NISS Product Need Item	Product Category	Product specs	Pre-sub Deadline	Call back Deadline	Sample Deadline	Tasting Date	Max # Subs.
185 Beer & Cider Grocery Channel	2659 Ontario Beer – Grocery Channel	Ontario Beer	Open and ongoing product call Refer to Ontario Regulation 232/16 for product eligibility	31-Mar-19	No call back	No Samples	No tasting	No max

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LISTING PROCESS OVERVIEW – GROCERY CHANNEL



What can delay the grocery listing process?

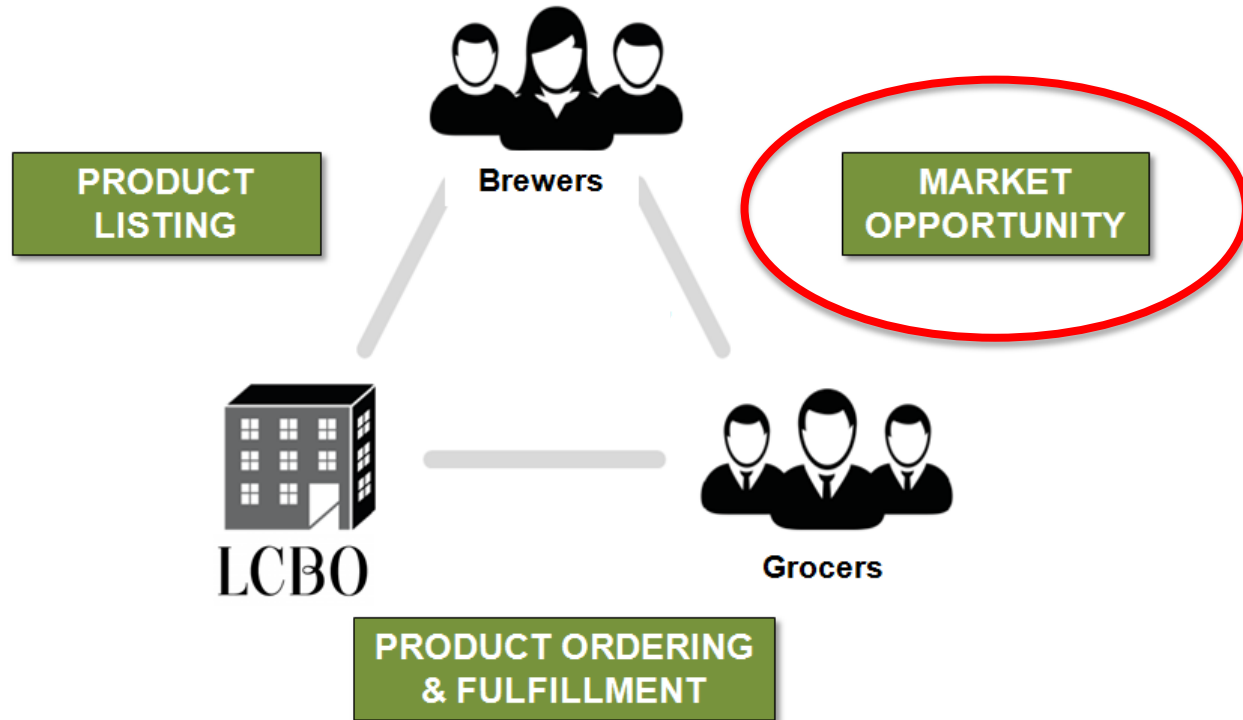
Incomplete or missing information in NISS Submission

- Inaccurate NISS submission
- Multiple label reviews
- Timeliness of response
- Final lab sample not labelled correctly
- Faulted final lab sample
- GMS IT Access form not submitted

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ENABLING SALES OPPORTUNITIES - GROCERY CHANNEL



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GROCERY CHANNEL DISTRIBUTION

Direct Delivery

- Supplier controls distribution and delivers product direct or via 3PL to authorized grocers
- Supplier is vendor of record
- Requires Grocery Management System (GMS) access

LCBO Warehouse System

- Product is received at LCBO warehouse and distributed to authorized grocers by LCBO
- Supplier is vendor of record

The Beer Store (TBS) Distribution System

- TBS distributes product to authorized grocers
- TBS is vendor of record

In addition to previously mentioned best practices:

- Complete and accurate NISS submission
 - UPC/SCC codes
 - Case pack details
- Data integrity is crucial
 - Efficient ordering and receiving process
 - Facilitates POS transaction



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DELIVERY & FULFILLMENT TIPS

Direct Delivery to Authorized Grocers

- Access to GMS
- Acknowledge order in GMS
- Prepare Advance Shipping Notice (ASN) in GMS
- Compliant shipping documentation
- Ship order in full and on time
- Consolidated deliveries



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MAINTAINING GROCERY STORE LISTING TIPS

Maintaining listings at Grocery

- Sell through & inventory turns
- Consistent supply and fill rate
- Quality product
- Data integrity
- Timely response





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CONTACT INFORMATION - GROCERY OPERATIONS

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Q&A – RETAIL & GROCERY WHOLESALERS