



PRESENTATION TO CIDER MANUFACTURERS & AGENTS

Information session presenting an overview of the cider in grocery program.







Today's Agenda

PRESENTATION: 45 MINUTES

1- New rules & regulations

Summary of the policy change and new program

2- Resources

Information available to suppliers

3- Roles & responsibilities

LCBO, suppliers and grocers

4- Product registry

Getting products registered for grocery: timeframes & requirements





Today's Agenda

PRESENTATION: 45 MINUTES

5- Orders, fulfillment, delivery & payment

- Order process
- Grocer Management System (GMS)
- Shipping documentation and delivery
- Supplier payment
- Supplier set up & steps to follow

Q&A: 30 MINUTES

Grocery Operations members





After today's session:

- Further understanding of cider in grocery program.
- 2. Detailed process steps and timelines to guide you.
- 3. Knowledge of the resources available to you.
- 4. Grocery Operations full contact list.



LCBO

1 - New rules and regulations

Policy change







LCBO

April 2015

Premier's Advisory Council on Government Assets ("PAC") Striking the Right Balance: Modernizing Beer Retailing/Distribution in Ontario

- **150 grocer** licences before May 2017 to sell beer to the public.
- Maximum of 450 total

June 2015

Ontario Budget Building Ontario Up

Province announced it would **proceed** with this recommendation.

September 2015

LCBO RFB open

RFB 2015-010 Wholesale supply agreements for beer

Up to **60 grocery stores** before e/o/2015.





November 2015

LCBO RFB 2015-010 closed

13 successful respondents → 60 locations

December 2015

Grocer Management System (GMS) launched

December 15 authorized grocers place beer orders

February 2016

Premier's Advisory Council on Government Assets ("PAC")

Striking the Right Balance: Modernizing Wine and Spirits Retailing/Distribution in Ontario

- Existing authorized grocery stores (60) licenced to sell beer can sell cider
- Initial allocation of 70 wine, beer and cider licenses; competitive process to begin mid-2016
- Winery Retail Stores permitted to operate inside grocery stores before May 1,
 2017 → beer and cider license





Cider eligibility requirements

Some key regulations effective June 6, 2016:

- Cider definition for grocery is broader than Food & Drug regulation
- Containers 750 millilitres or less.
- Total alcohol content cannot exceed 7.1 % ABV.
- Only packages with six (6) containers or less.





Cider eligibility requirements cont'd.

- 20% of cider on display to consumers must be produced by small producers (< 25,000 hectolitres/year).
 - Suppliers offering products for sale to grocery need to inform the LCBO of their annual global volume.







Cider eligibility requirements cont'd.

Also to note:

- Grocers cannot have financial interest in a brand or trademark of cider offered.
- All products must be made available to all grocers; no exclusive products nor private label brands.
- No retail-level discounts or rebates for multiple package buying.





Grocery retail price = Uniform price

- The retail price for cider sold to the public by authorized grocers will be as determined by suppliers
- It will be the same through all retail channels; LCBO, grocery and on-site store
- The retail price is communicated by the LCBO to authorized grocers

LCBO

2 – Resources

Information available to suppliers





www.doingbusinesswithlcbo.com

Click through to grocery section of the site

LCBO

Doing Business with LCBO



Trade Resources Online Beverage Alcohol



Store Construction, Real Estate, Agency Stores





LCB()

Grocery website: landing page

Wholesale **Operations** Group

LCBO

Home

Supplier

Grocers

FAQ

Contact Us

Welcome to the Grocer information site

This website is a dedicated resource for selling beer in grocers in Ontario. Information and forms can be found for (1) suppliers to grocers, and (2) grocery operators.

For our customer facing web presence, please visit LCBO. Other trade resource information may be found at our trade resources site.

l atest News

Winning Bids Announced

2015 Nov 18

The first grocers to be eligible to sell beer in Ontario grocery stores were announced Read more >

Background

In its April 2015 report, Striking the Right Balance: Modernizing Beer Retailing and Distribution in Ontario, the Premier's Advisory Council on Government Assets recommended that the government authorize qualifying grocery stores to sell beer to the public. In the 2015 Ontario Budget, Building Ontario Up, the government announced it would proceed with this recommendation and subsequently introduced regulatory changes establishing the LCBO as the wholesale supplier of all beer, domestic and import, to authorized grocery stores.

grocers by end of 2015

licenses by May 2017

PAC Premier's Advisory Council



LCBO

Supplier page

Wholesale Operations Group

LCBO

Supplier

Supplier To Grocers

This page contains information and forms for suppliers to grocers.

Hom

Trade Letters

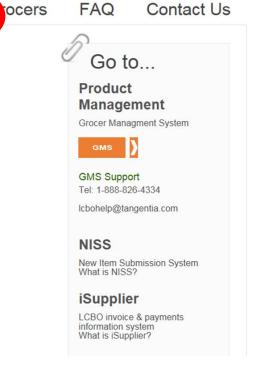
Information Session: Cider In Grocery

Training Video

Grocer Management System (GMS) training video

LCBO GMS Vendor Manual for Supplying Sources









Website contains

Important information for doing business with authorized grocery stores

- Documents, presentations, forms, and Purchase order terms and conditions
- 2. List of authorized grocery stores
- 3. Link to Grocer Management System (GMS) and training materials
- 4. **Primary** form of **communication** with suppliers



LCBO

Policies & Procedures Manual for Wholesale



LCB0

Wholesale Operations Group

Addendum to LCBO Product Management Policy & Procedures Manual for Wholesale to Authorized Grocery Stores





Government resources available to suppliers

- Striking the Right Balance <u>https://www.ontario.ca/page/premiers-advisory-council-government-assets</u>
- Ontario Regulation 290/15
 <u>www.ontario.ca/laws/regulation/150290</u>
- AGCO
 www.agco.on.ca/en/whatwedo/beer_sales_grocerys
 tores.aspx
- Master Framework Agreement Schedule 6.5
 http://www.fin.gov.on.ca/en/consultations/beer/



LCBO

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<u>leanne.rhee@lcbo.com</u> T: (416) 365-5889

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jamie.fazekas@lcbo.com T: (416) 365-5912

Product Administrator: Holly Garner

holly.garner@lcbo.com T: (416) 864-2541

Customer Service: **Jim Sheridan** T: (416) 365-5842

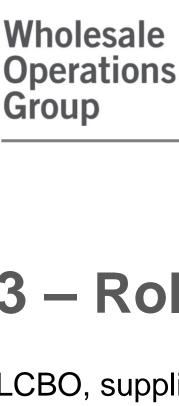
wholesaleservice@lcbo.com





Key takeaways: Resources

- Information and support available to suppliers.
- Familiarize yourself with the details of the grocery program.
- Knowledge will enable you as a supplier to grocery.





3 – Roles & Responsibilities

LCBO, suppliers and authorized grocers





Enabling you to pursue sales opportunities

CONDUIT TO OPPORTUNITY

The LCBO Grocery Operations team is here to serve as a **conduit for you to grow** your businesses by selling through the new grocery channel.

YOUR CHOICE TO PROCEED OR NOT

It is **your decision** to determine whether you wish to sell through this channel, and up to what degree if you choose to do so.





We are your partner in selling through to grocers.

- Established a new group within the LCBO.
- Staffed and dedicated to partnering with suppliers.
- Provide wholesale transactional services to grocers.
 - Finance
 - IT
 - Logistics
 - Inventory tracking
 - Customer service (dedicated contact for sales and service)





People and technology are in place to assist you:

- 1. New **online system** listing all available products & ordering.
- 2. Dedicated wholesale customer service staff and resources to provide ongoing support.





The LCBO's increased mandate

- 1. An operational enterprise of the Province.
- 2. Importer of record for all beverage alcohol products in Ontario.
- 3. Wholesaler of record for all beverage alcohol sold by grocers.





What we are involved in ...

- 1. Business-to-Business wholesale transactions
- 2. Access between suppliers and grocers
- 3. Listing and order flow
- 4. Financial processing
- 5. Fulfillment facilitation

What we aren't involved in ...

- 1. Targeted consumer marketing
- 2. Product category management
- 3. Grocer sales & marketing plans
- 4. LCBO sales and promotions
- 5. Determining wholesale product mix





Roles

SOURCE OF SUPPLY



Suppliers

Wholesaling
"Beer & Cider In
Grocer" Program





Grocers

WHOLESALE OPERATIONS

BUSINESS CUSTOMERS





Joint activities

PRODUCT LISTING



Suppliers

MARKET OPPORTUNITY

Wholesaling
"Beer & Cider In
Grocer" Program





Grocers

PRODUCT ORDERING & FULFILLMENT



LCBO

LCBO responsibility



PRODUCT LISTING

Suppliers

Wholesaling
"Beer & Cider In

Grocer" Program





MARKET

OPPORTUNITY

Grocers

PRODUCT ORDERING & FULFILLMENT

Responsible for:

- providing product catalogue to grocers
- receiving all orders for beverage alcohol from authorized grocers
 - filling grocer orders through varying supplying sources
- supplying source for all imported beverage alcohol
 - Invoice grocers for products received
- Pay suppliers for products grocers receive





Supplier responsibility

PRODUCT LISTING



MARKET OPPORTUNITY

Wholesaling "Beer & Cider In

Grocer" Program



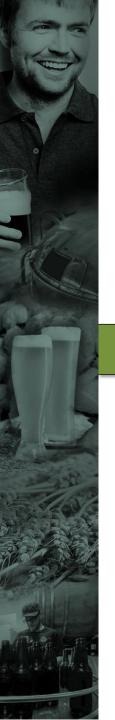


Grocers

PRODUCT ORDERING & FULFILLMENT

Responsible for:

- manufacturing and listing products for wholesale through the LCBO
- setting retail prices
- pursuing sales and marketing opportunities with grocers
- supplying source to grocers for domestic beer



LCBO



Grocer responsibility



PRODUCT LISTING

Suppliers

Wholesaling

"Beer & Cider In

Grocer" Program



MARKET

OPPORTUNITY

PRODUCT ORDERING & FULFILLMENT

Responsible for:

- purchasing decisions on brands and quantity of products ordered
- brand and marketing relationships with suppliers
- Paying LCBO for beverage alcohol received



LCBO

4 – Product Registry

How to list products for grocery







The cider listing & ordering process provides the ability for:

- 1. Manufacturers to **post products** available for sale to grocers.
- 2. Grocers to view available products and place their orders.
- 3. LCBO Wholesale Group to **process orders** and transactions.

All products will be presented **fairly and identically** across all grocers, according to the standardized product details provided by manufacturers.



LCBO

Product Listing & Ordering System

SUPPLIERS

LCBO

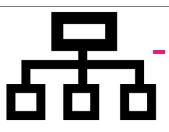
GROCERS

NISS

INTERNAL **SYSTEMS**

GROCER MANAGEMENT SYSTEM







Product call in NISS that suppliers use to enter and manage the products that you would like to make available for sale to grocers.

Enterprise-wide platform used by the LCBO and its partners to manage aspects of product listings, inventory, ordering, fulfillment, and transactions.

Online system which provides grocers with the ability to view all products available for sale and to place their orders.





For existing eligible products:

- Suppliers may have eligible products already in LCBO database with an assigned LCBO item #
- You may not elect to have all product varieties offered for sale at the grocery
 - Example: if a supplier offers 5 kinds of cider, they may only want 3 to be available for sale through grocery and retain others for other sales channels.





Identifying existing eligible products for grocery:

- A list of eligible products will be sent to cider Agents on Friday April 29th.
- For each product (LCBO item #) confirm:
 - Available to grocery: YES or NO
 - Small producer: YES or NO
 - Supplying Source: LCBO or PRODUCER
 - Master UPC and SCC and case information
- Completed list returned to Holly Garner by Friday May 13th
 - Products will be tagged for grocery
 - If list is not returned we assume you do not want to sell your products in grocery





For new Ontario cider products:

- Use New Item Submission System (NISS) to enter and submit a new product.
- This will in turn allow for tagging of products intended for grocery.
- Tagged products will be reflected in GMS for grocers to order.





Open and ongoing product call for Ontario cider

Product Need ID # 139 Beer & Cider Grocery Channel 2016/17

Product Need Item # 2201 Ontario Cider - Grocery Channel

- Start submitting into NISS on Tuesday May 3rd
- Grocers authorized to order mid-June
- Final lab samples for new products must be received by Wednesday May 25th to be in catalogue mid-June





CIDER IN GROCER LISTING PROCESS

access to NISS(New Item Submission System) Accepts Completes product submission in NISS with Complete and accurate information suppliers Submission for accuracy and eligibility Assigns an LCBO SKU/Item to product # to product # to product be databasing Coding information Alkes products active and available for sale to grocers in catalogue Requests Label Review and certificates Review and accurate information Suppliers Coding information Makes products active and available for sale to grocers in catalogue Completes databasing Assurance analysis Supplier Advises Supplier product is available for sale suppliers Assigns an LCBO SKU/Item available for sale to grocers in catalogue Advises Supplier product is available for sale	OIDER IN OROGE				
Suppliers Operations Group Operations Group Reviews submission for accuracy and eligibility Completes product submission in NISS with complete and accurate information Operations Group O	PRODUCT	SUBMISSION	PRODUCT		> PRICING &
submission for accuracy and submission for System) * Completes product submission in NISS with complete and accurate information * Requests Label Review and accurate information * Submission for accuracy and eligibility * Assigns an LCBO SKU/Item submission to proceed * Requests Label Review and certificates information * Coding information, supplier quote * Makes products active and available for sale to grocers in catalogue * Requests final lab sample for LCBO Quality Assurance analysis * Advises * Advises * Supplier * Advises * Advises * Supplier product is available for sale analysis * Advises * Advises * Supplier quote * Makes products * Accepts active and available for sale analysis * Advises * Supplier product is available for sale analysis * Advises * Supplier product is available for sale analysis * Advises * Supplier product is available for sale analysis * Advises * Advises * Advises * Supplier product is available for sale analysis * Advises * Supplier product is available for sale analysis * Advises * Advises * Supplier quote on active and available for sale analysis * Advises * Advises * Advises * Supplier quote on active and available for sale analysis * Advises * Advises * Advises * Supplier quote on active and available for sale analysis * Advises * Advises * Advises * Supplier product is available for sale analysis * Advises	Suppliers	Operations	Operations	Operations	Operations
to drocers	access to NISS(New Item Submission System) Completes product submission in NISS with complete and accurate	submission for accuracy and eligibility Accepts submission to proceed Requests Label Review and	Assigns an LCBO SKU/Item # to product Completes	Coding information, supplier quote & UPC/SCC confirmation Requests final lab sample for LCBO Quality Assurance	of products • Makes products active and available for sale to grocers in catalogue • Advises supplier





Simplified and streamlined process for grocery

- NISS submission
- 2. Vendor form (if new supplier)
- 3. Label review (and if applicable shipping carton)
- 4. Date coding/shelf life information
- 5. UPC/SCC confirmation
- 6. Supplier quote
- Final lab review





What is required for final lab sample?

- Retail ready sample is required = product ready for sale on grocer's shelf
 - Final liquid
 - Final packaging format and labelling
 - Final UPC

2. Sample delivered to 43 Freeland Street, clearly marked:

Attention Holly Garner – NISS# and LCBO# – GROCERY





Cider Listing Process Additional Information

- LCBO Warehouse: Available to distribute to grocery for products also available through LCBO channel.
- LCBO & Grocery Products: New products you wish to make available to both LCBO and Grocery channels are submitted to LCBO product calls – you do not need to submit to both.
- **Discontinued Grocery Products:** Supplier/Agent to advise when products are no longer available to grocery. Products will be removed from catalogue.





Key takeaways: Product Registry

- Confirm existing items for grocery by May 13
- New Ontario ciders for grocery NISS call opens May 3
- Accurate data is critical to your success at grocery.
- Unique UPC and SCC crucial to an efficient transaction between grocer, LCBO and supplier.
- Incorrect data ultimately impacts orders, delivery and supplier payment for grocery orders



5 – Orders, Fulfillment, Delivery & Payment

How to receive orders, delivery and receive payment







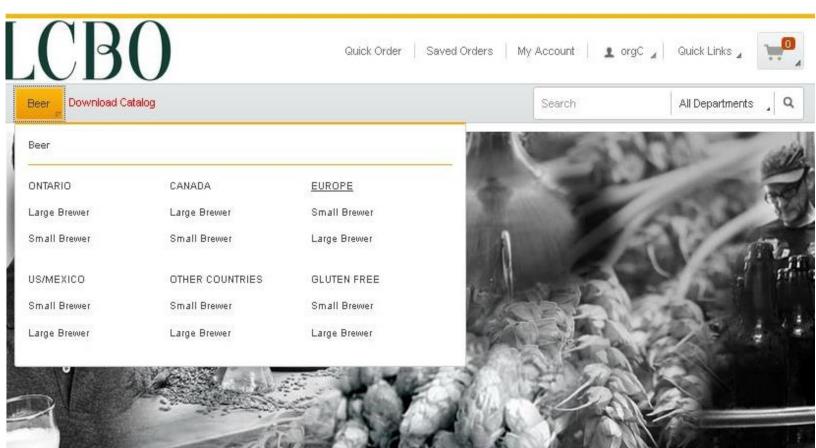
Orders for eligible cider products

- Addition of cider is optional for existing 60 authorized grocery stores
- Grocers can begin placing orders for cider mid-June
- The first legal selling date for cider for grocers is Thursday June 24
- Authorized grocers may take delivery of cider before June 24



LCBO

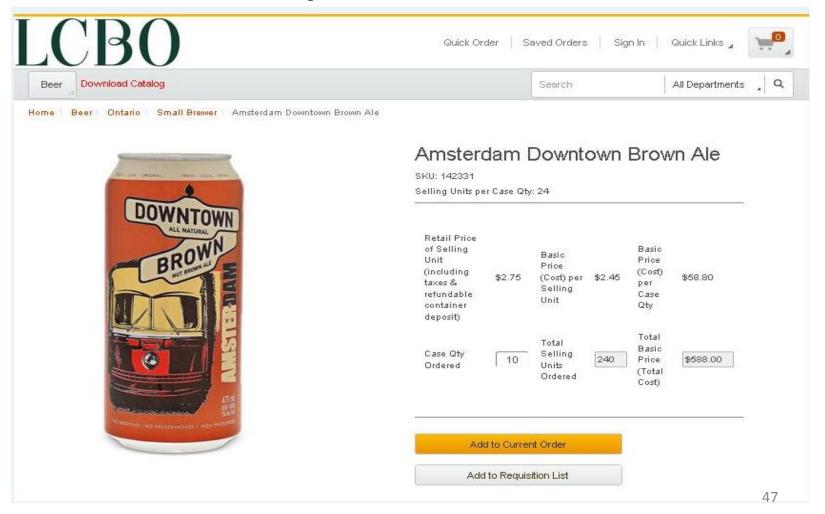
Product catalogue landing page: Cider mid-June







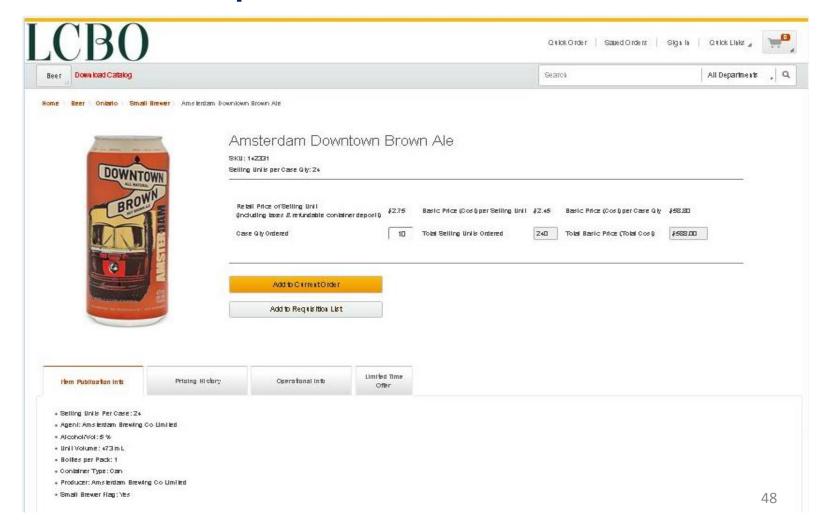
Sample Item Screen

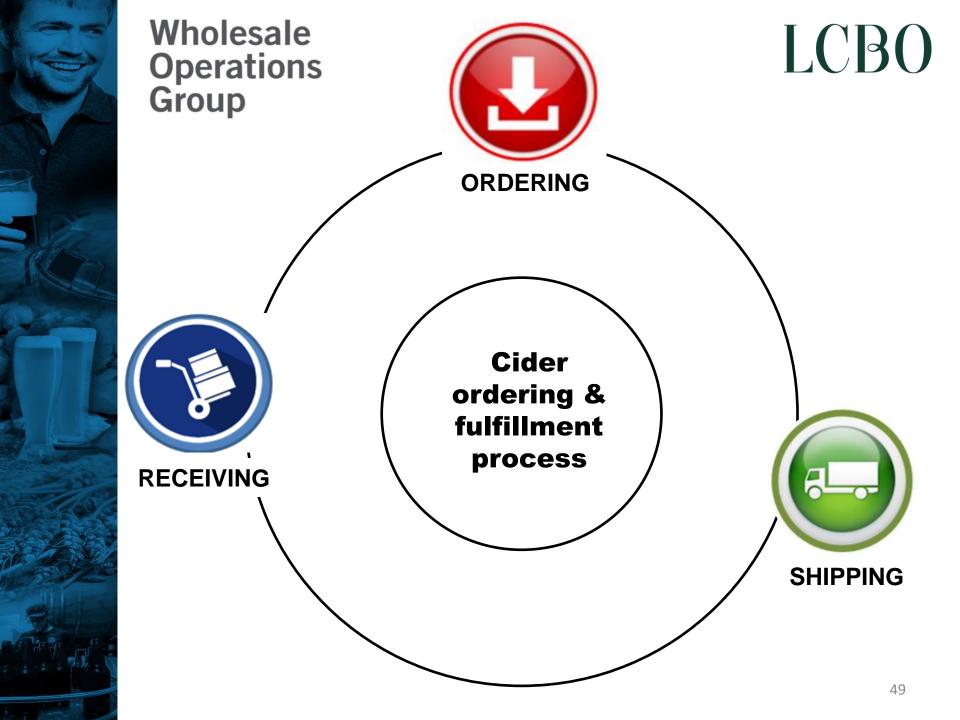


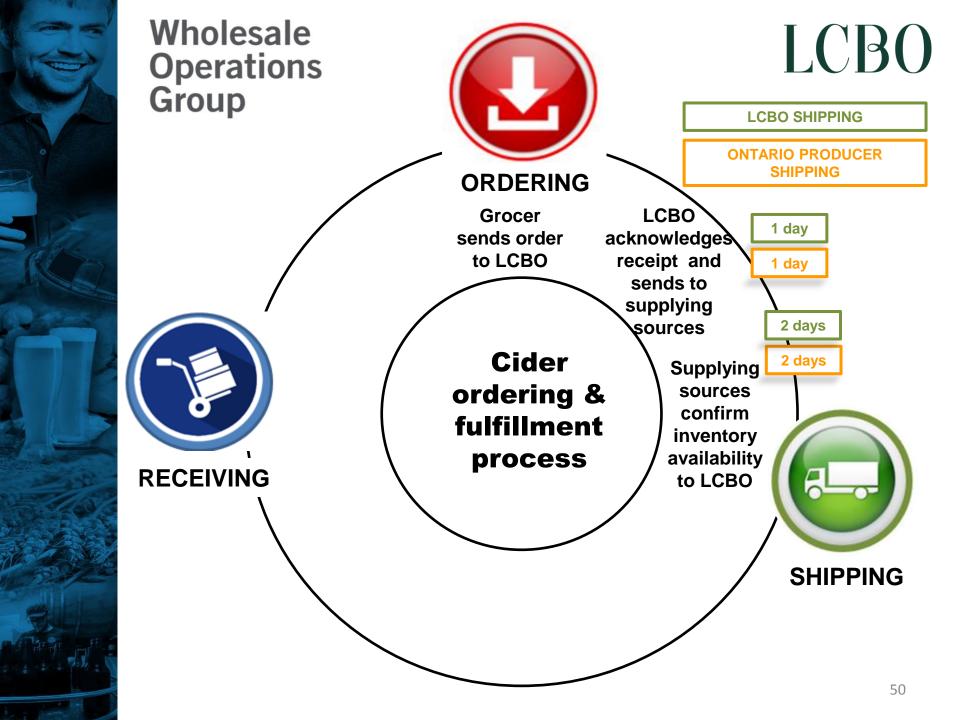


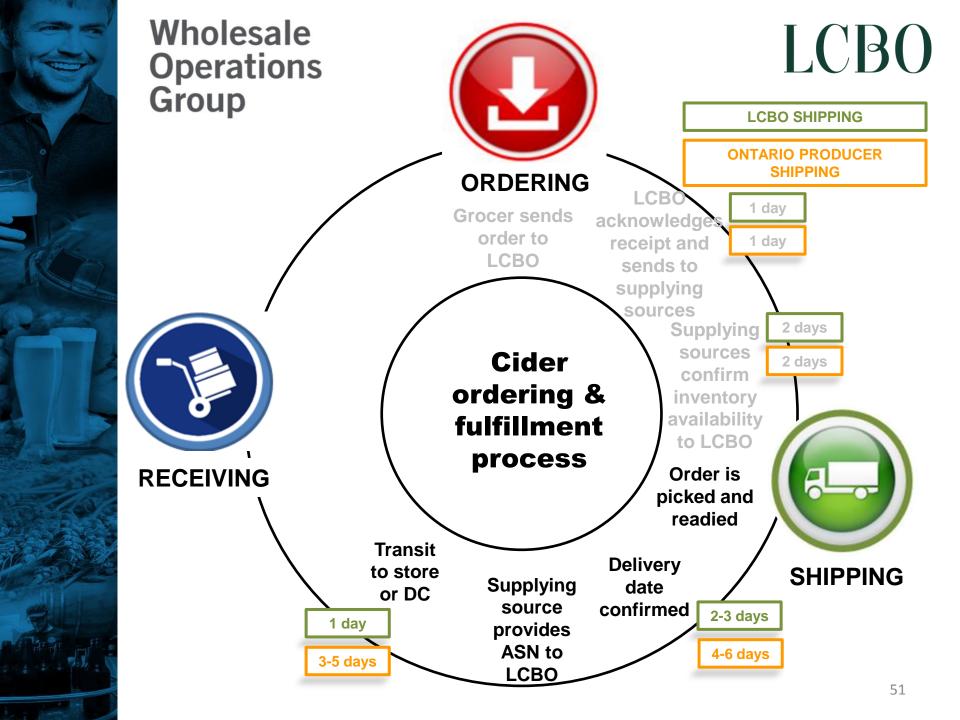


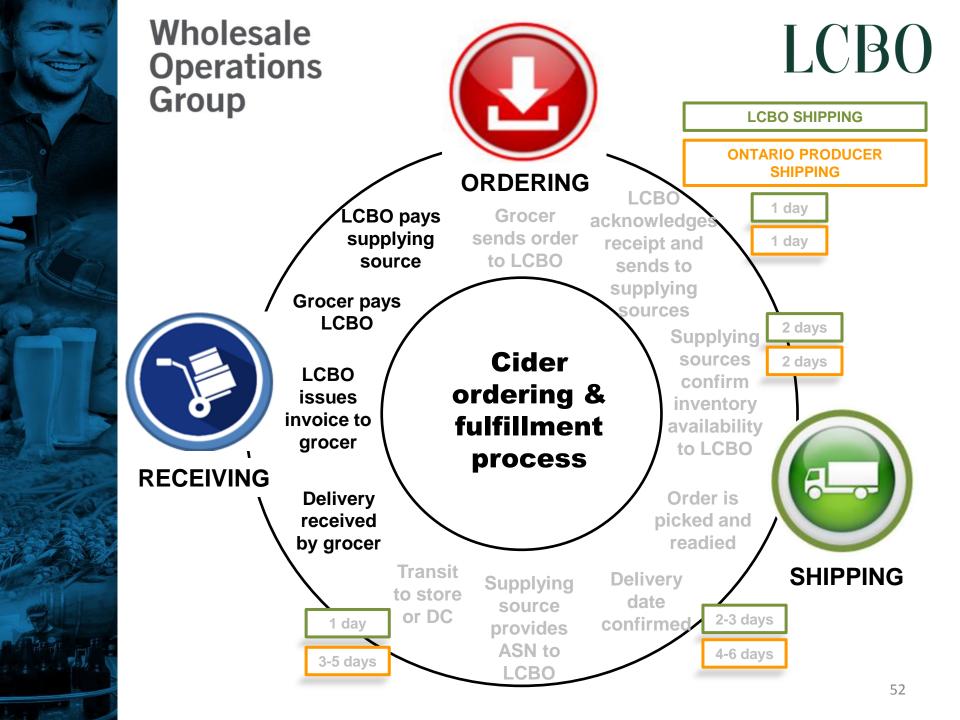
Sample Item Attribute Screen

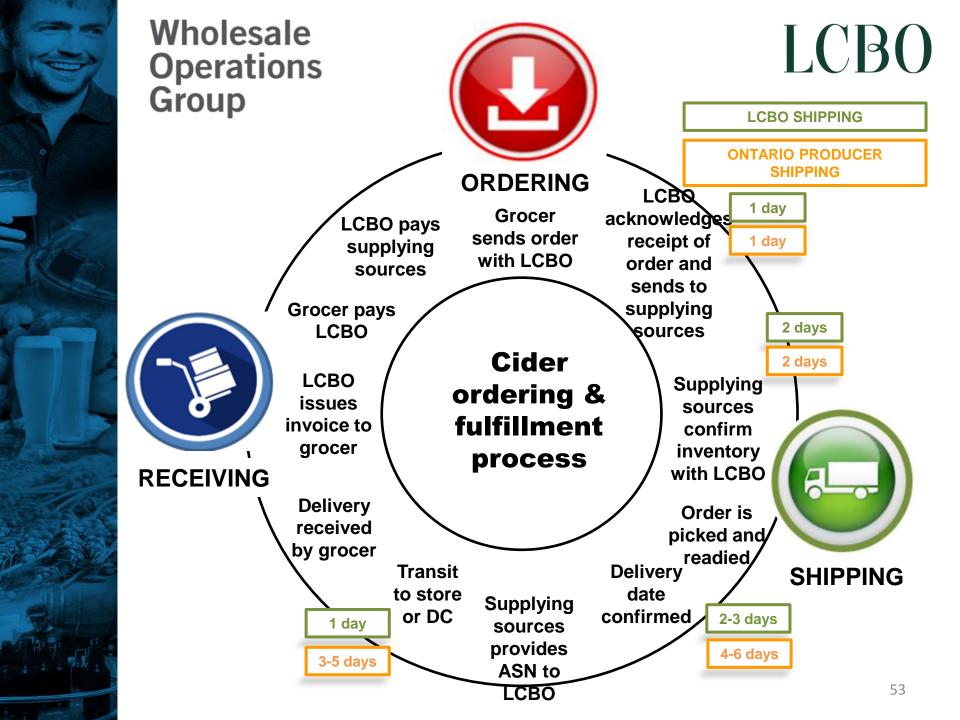
















Cider orders fulfilled by LCBO delivery

- All imported and out –of-province cider available in the Whitby warehouse
- Any Ontario cider available in the Whitby warehouse
- LCBO will deliver products within 7 days from the time the grocer places order
- No change to supplier payment for purchase orders
- Shipments to grocery from LCBO Whitby warehouse is available through LCBO's Sale of Data program



Cider orders fulfilled by direct delivery from producer

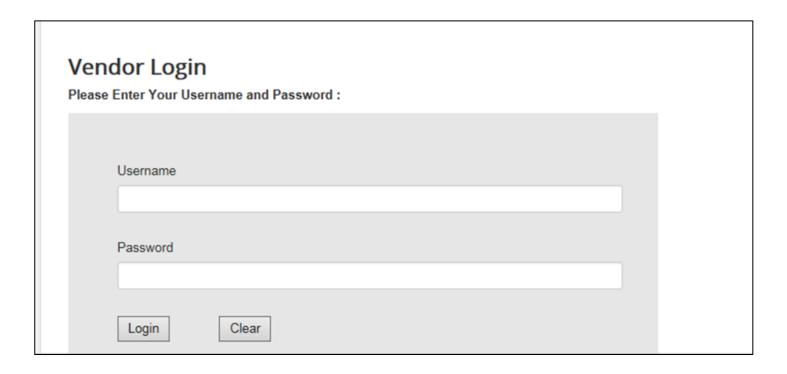
- Option available to any Ontario cider producer
- Producers who direct deliver to grocery are eligible for a freight rebate administered by LCBO with payment
 - Rate TBD by Government and PAC
- Supplier will direct deliver products to grocer within 14 days from the time the grocer places order
- Suppliers access grocery orders in Grocery Management System (GMS)







GMS Supplier sign in for direct delivery to grocery





Loblaws (LCBO) Dec 3, 2015 4:19 PM

Sobeys (LCBO) Dec 3, 2015 12:24 PM

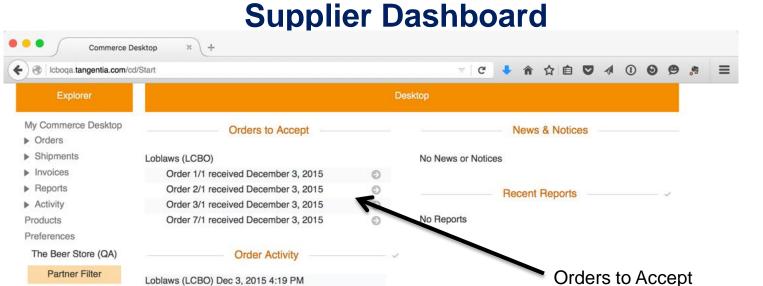
1 Order Received

1 Order Received



/ Acknowledge

Orders in Process





For support, please contact us: CommerceGateway@tangentia.com (905) 947-1904

Quick Tasks

You are currently logged on as:

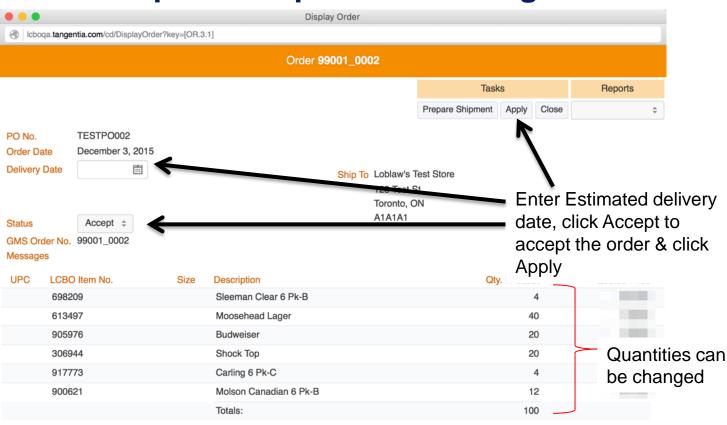
> CD02164Z Logout

> > 57





Step 1: Accept / Acknowledge Order

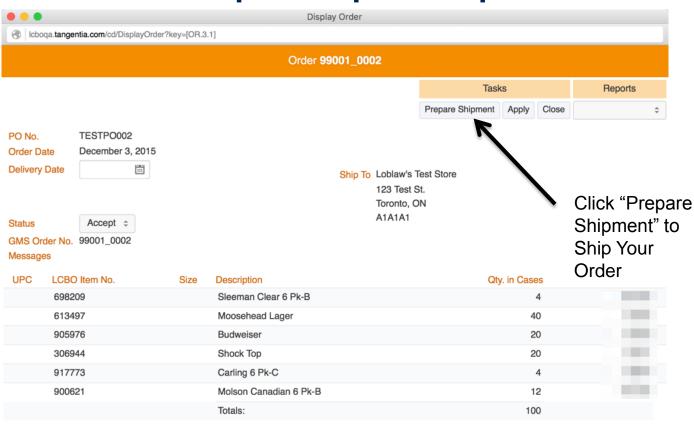


Complete within 24 hours of receiving order







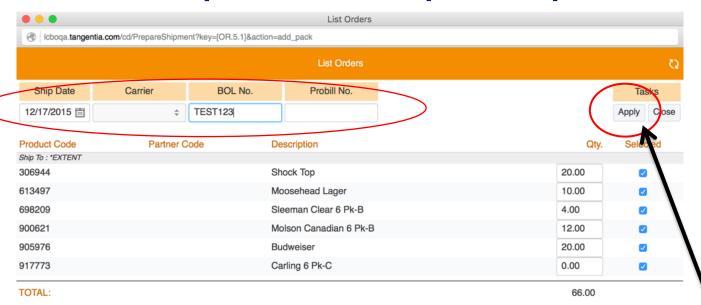


Complete 24 hours prior to delivery





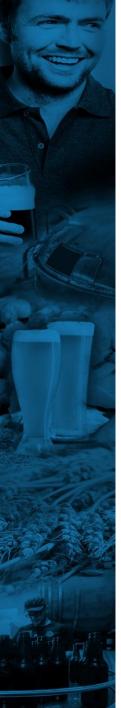
Step 2 cont'd: Prepare Shipment



Enter Ship date, Delivery date, Final Ship Quantities, Carrier and BOL #.

Complete 24 hours prior to delivery

Click "Apply" to confirm the shipment



Wholesale

Operations

Group

LCBO

Step 3: Required Shipping Documentation

The following shipping document must accompany each shipment and be type faced

- Bill of Lading (BOL)
 - Ship to location Grocery store name and corresponding LCBO store #
 - Grocer Purchase Order Number
 - Total number of cases
 - Marked freight pre-paid



Wholesale Operations Group Step 3 cont



Step 3 cont'd: Required Shipping Documentation

- Packing Slip
 - Ship to location Grocery store name and corresponding LCBO store #
 - Grocer Purchase Order Number
 - Itemized list of the shipment
 - LCBO Item #
 - Product description
 - Quantity in cases





LCBO

Step 3 cont'd: Required Shipping Documentation

Two options available to direct delivery suppliers:

- Own paperwork
 - BOL and packing slip with required information
 - Not an invoice
- 2. GMS paperwork
 - BOL and packing slip available to print in GMS

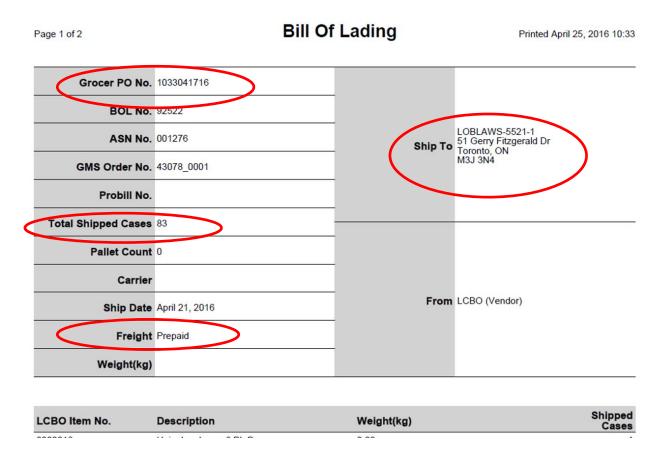






Step 3 cont'd: Required Shipping Documentation

Bill of Lading (BOL) available in GMS







LCBO

Step 3 cont'd: Required Shipping Documentation

Packing Slip available in GMS







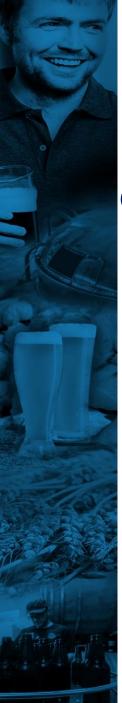
Delivery information general guidelines

- The supplying source will be responsible for arranging where necessary delivery appointments with each ship to location
- Supplying sources are expected to familiarize themselves with each grocers delivery specifications
- All deliveries will be freight prepaid by the supplying source, FOB ship-to location



Delivery information general guidelines cont'd

- Products will not ship
 - in quantities greater than the purchase order,
 - be backordered,
 - be substituted by other products to top-up an order or replace unavailable product
- Supplying sources cannot attempt a second delivery for products that were originally unavailable
- A packing slip and Bill of Lading (BOL) must accompany each shipment





GMS set up for direct delivery suppliers

Grocer
Management
System IT
Access form

Wholesale Operations Group

LCBO

GROCER MANAGEMENT SYSTEM (GMS) IT ACCESS FORM

To request access to the grocer management system (GMS) supplying sources may request up to 2 users per organization. User types, quantities and functionality:

Admin User (1): manages accounts at the supply source level, views and updates grocer orders for fulfillment and delivery

Operational user (1): views and updates grocer orders for fulfillment and delivery

Notification e-mail: views notifications/updates on grocer orders for fulfillment and delivery

	Administrator User	Operational User
*First Name	-	
Middle Name		
*Last name	3	
*Email Address		
*Verify Email Address		
Occupation	2	
*Supplier Name	1	
*Supplier Phone Number		
*Supplier Address		
Notifications		
Y- use above e-mail or enter		
Alternative e-mail address for		
Notifications		
Producer Code (LCBO Use Only)		

Return form to: Jim Sheridan at: wholesaleservice@lcbo.com





Go to <u>www.doingbusinesswithlcbo.com</u> and click through to grocery section of the site

Contains: documents, forms, training materials and link to GMS

- 1. To be able to receive orders, fulfill, deliver and receive payment for grocery orders, all direct delivery Ontario cider manufacturers must complete an IT GMS Access form and submit to wholesaleserivce@lcbo.com by Friday May 27.
- 2. Your pre-assigned **temporary username and password** will be emailed to you mid-June and is to be used for access to the secure portion of site used for product ordering.





Supplier payment for direct delivery to grocery

- Suppliers are paid based on what grocer's receive
- Grocer payment terms, net 30 days
- Reconciliations may occur, keep proof of delivery documentation on file





Key takeaway: orders, fulfillment, delivery & payment

- Enter the acknowledgment and ASN information
- Ship what was ordered in accordance with leadtimes
- Importance of paperwork
- Submit GMS Access form





Commitment to continuous improvement

We will maintain **ongoing dialogue and feedback** with you to ensure all participants in this process quickly get up to speed.

We are committed to **making continuous improvements** as to how we **service and facilitate wholesale transactions** between source-of-supply manufacturers and grocer retailers.





After today's session:

- 1. Further understanding of cider in grocery program.
- 2. Detailed process steps and timelines to guide you.
- 3. Knowledge of the resources available to you.
- 4. Grocery Operations full contact list.





Supplier next steps

- Familiarize yourself with the resources available Now
- Submit new Ontario cider products to NISS start May 3rd
- Confirm existing cider products for grocery by May 13th
- If you are delivering directly to grocers:
 - Download GMS Access Supplying Source form to set up a GMS account with the LCBO to receive grocers orders
 - Complete and submit form to <u>wholesaleservice@lcbo.com</u>by
 Friday May 27th to guarantee set up by mid-June



LCBO

Thank you

Q&A period Grocery Operations members

