

LCBO

HOW TO START DOING BUSINESS WITH LCBO

OCTOBER 29, 2019

LCBO

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1. LCBO Retail - Merchandising

Mark Wilson – Category Manager, Beer

Neal Boven – Product Manager, OCB

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

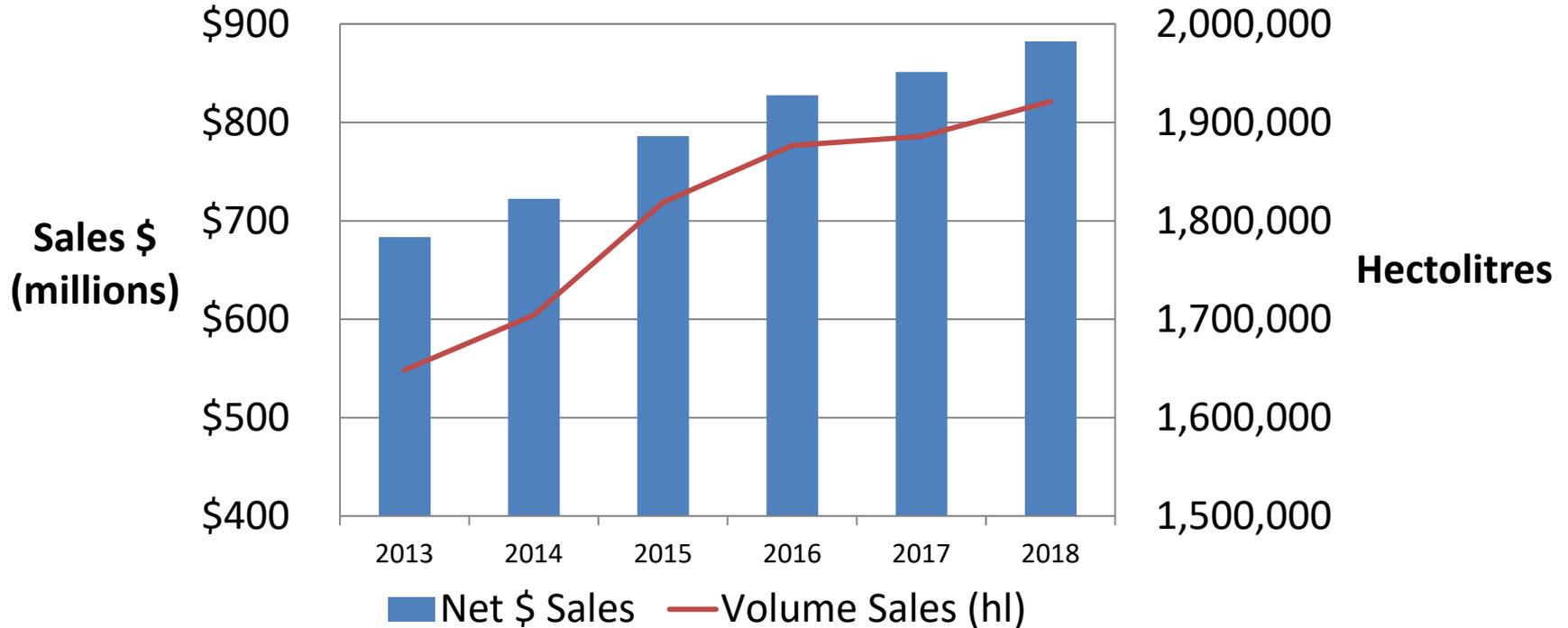
- \$6.2 billion Net Sales
- \$2.1 billion Dividend
- 663 Retail stores
- 210 Agency stores
- 5 Distribution Centres



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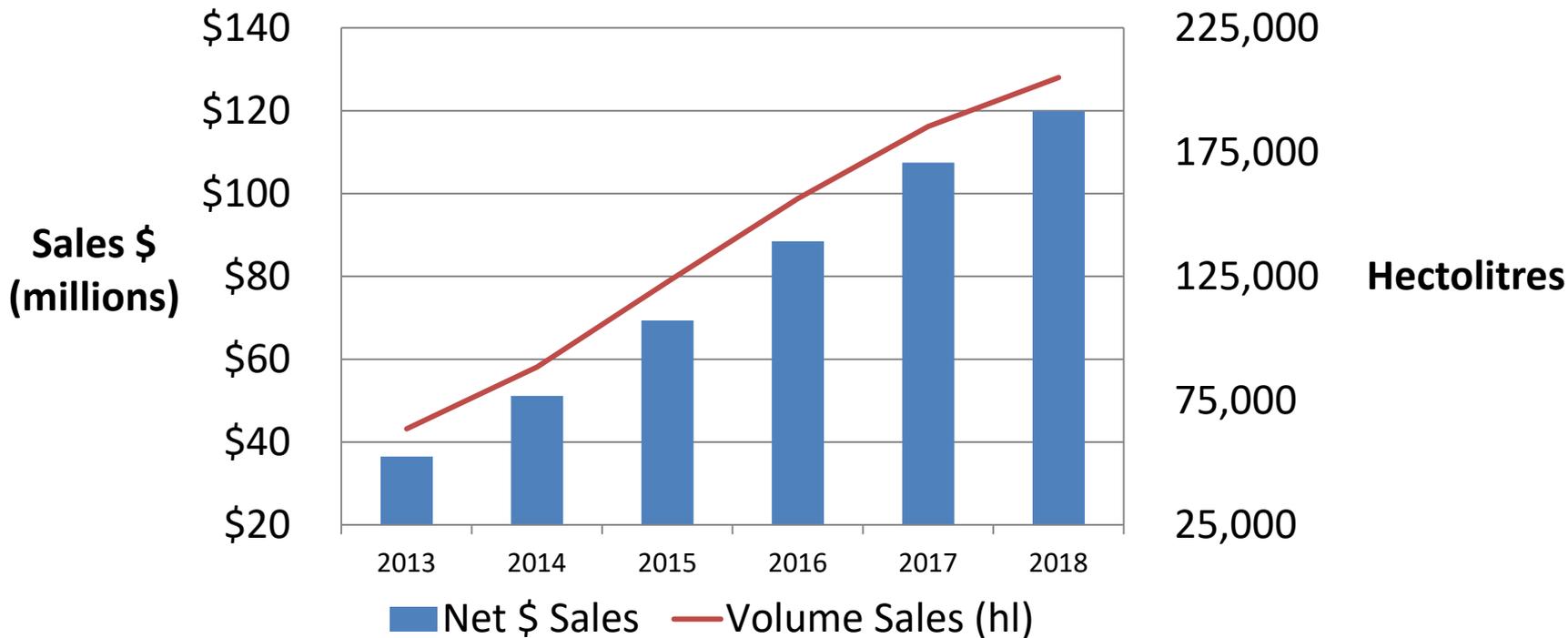
LCBO TOTAL BEER SALES



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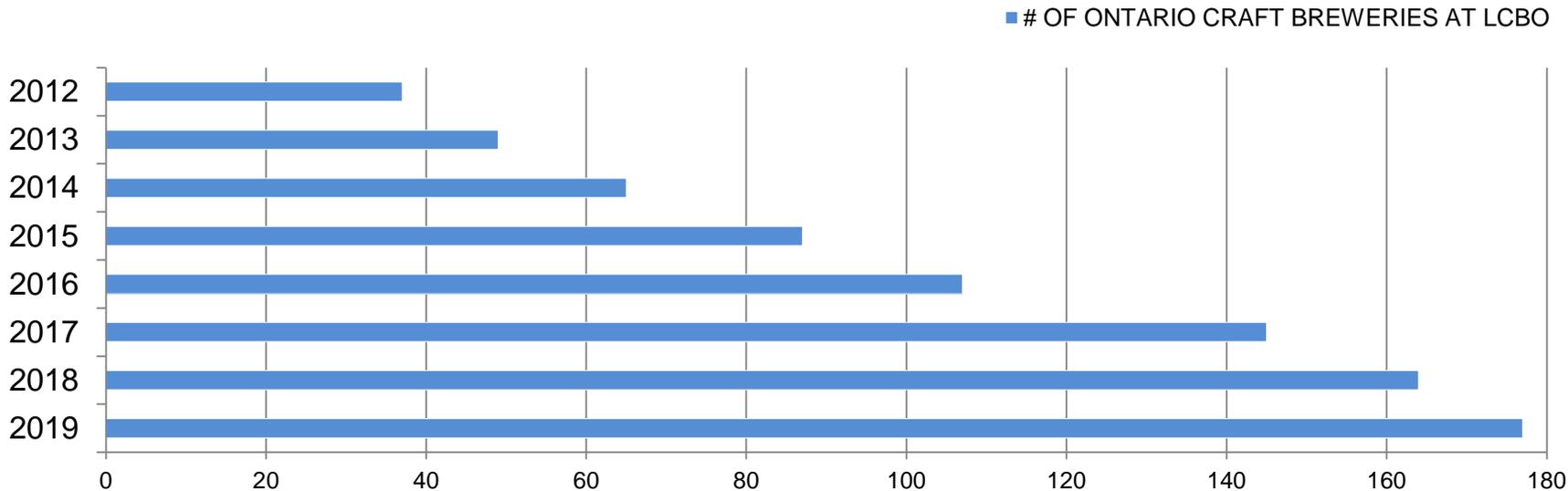
LCBO ONTARIO CRAFT BEER SALES





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ONTARIO CRAFT BREWERIES AT LCBO 2012-2019



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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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TRADE RESOURCES ONLINE

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Doing Business with LCBO
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

NEWS

VINTAGES PROGRAMS

WHAT'S NEW

STORE OPENINGS

WEB SYSTEMS

TOP DOWNLOADS

SERVICES

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Trade Resources Online
www.doingbusinesswithlcbo.com/tro

Product Management
Manual
<http://www.doingbusinesswithlcbo.com/tro/New-Supplier-Agent/HowToWorkWithLCBO.shtml>

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CONTACT US TO PRESENT YOUR PRODUCT



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PRODUCT CALLS FOR ONTARIO CRAFT BEER



Product Needs Letters

<http://www.doingbusinesswithlcbo.com/tro/Forms-Documents/ProductNeedsLetters/ProductNeedsLetters.shtml>

Beer Product Calls

<http://www.doingbusinesswithlcbo.com/tro/Forms-Documents/LettersToTheTrade/Downloads/A2019-20%20Merchandising%20Needs%20Grid%20-%20AMENDMENT.xlsx>



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ONTARIO CRAFT BEER PRODUCT CALL TIMELINES

NISS CALL ID	Product Category	Price Range	Product specs	Pre-sub Deadline	Call back Deadline	Sample Deadline	Tasting Date	Max # Subs.
2839	Ontario Craft Beer – New Suppliers	Various	<p>Submissions for year-round listings from Ontario craft breweries new to the LCBO will be considered. Should have year-round appeal and be positioned as the flagship brand.</p> <p>Pricing worksheets are available on the Doing Business With LCBO website. The minimum sales target for this product is an average of 20 litres per store per four-week period.</p> <p>All tasting/lab and marketing samples must arrive labeled with the NISS or LCBO #.</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
- Direct Delivery Vendor Portal (DDVP)

Trading Partner Access Request (TPAR)

Applying to TPAR - Trading Partner Access Request - allows you to request access to various LCBO web-based systems.

To complete the form please [click here](#).

[Frequently Asked Questions](#)

For TPAR questions: email tpar@lcbo.com

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- Access NISS and other systems through a Trading Partner Access Request

<http://www.doingbusinesswithlcbo.com/tro/Web-Systems/Trading-Partner-Access-Request.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
 - Faulted samples
 - Concerns about commercial viability
 - value offered
 - packaging appeal/marketing plan
 - positioning will not appeal to craft customer

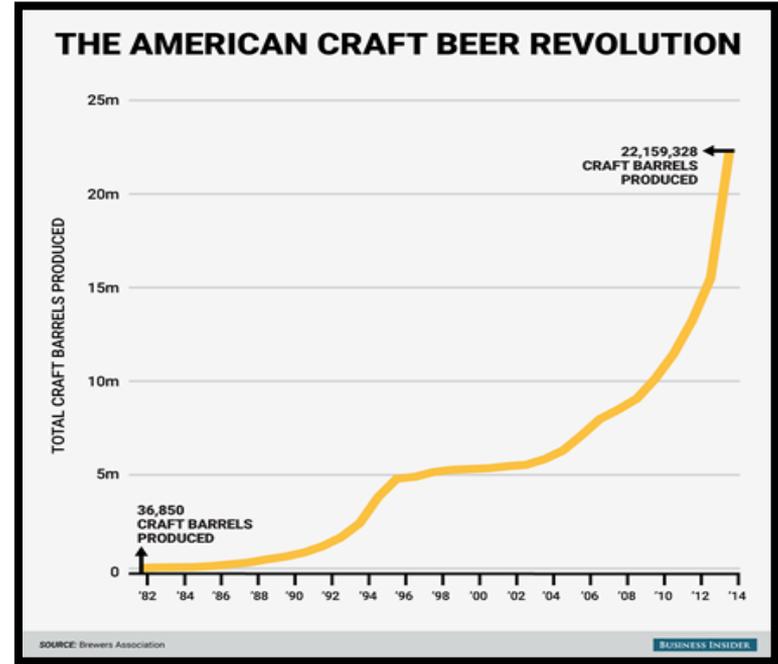


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LISTING PROCESS DECISIONS

- 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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QUALITY & COMPLIANCE

Product Quality

- With the fast growth of the industry we have seen an increase in product quality issues
- LCBO's Quality Management program is evolving, record keeping is key



Compliant Labelling

- As part of the listing process labels are reviewed for compliance with CFIA/Health Canada regulations
- New regulations are rolling out that affect beer, find:
 - a summary of the new food labelling changes [here](#)
 - the updated guidance for industry and CFIA Labelling Tool [here](#)
 - information about Lot Code requirements under the new Safe Food for Canadians Regulations [here](#)
- Attend “Update on New Regulatory Labelling Requirements” tomorrow, room 204 at 1:30

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STORE DISTRIBUTION

Direct Delivery

- Supplier controls distribution and delivers product direct to LCBO stores themselves or through third party

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

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- 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, Pricing Administration
T: 416-365-5869
E: kyle.baker@lcbo.com

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

Pricing Calculators

- Beer Import (effective April 2019)
- Beer Ontario (effective April 2019)
- Flavoured Beer Import (effective April 2019)
- GIFT PACK BEER (effective April 2019)
- SPIRITS (effective April 2019)
- WINE (effective April 2019)
- GIFT PACK COOLER RTD CIDER (effective April 2019)
- GIFT PACK WINE (effective April 2019)
- GIFT PACK SPIRITS (effective April 2019)
- Flavoured Beer Import Keg (effective April 2019)
- Beer Import Keg (effective April 2019)
- KEG CIDER (effective April 2019)
- COOLER RTD CIDER (effective April 2019)

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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 #

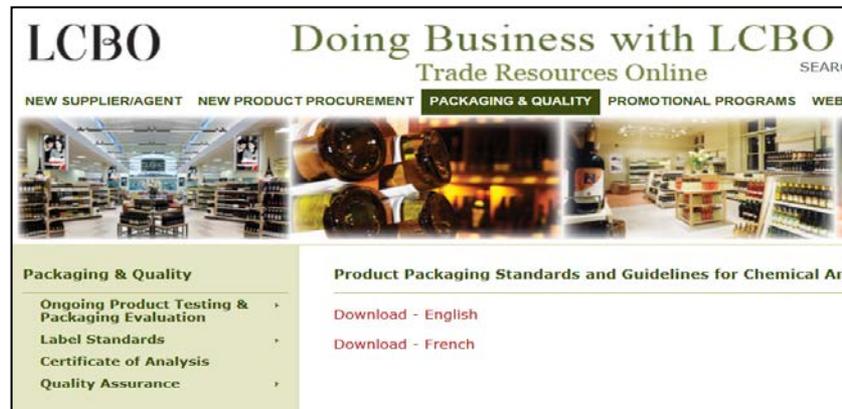
Sample Labelling

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



Consumer Labels & Testing

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



NISS Submissions

- Upload 1-pager on brewery/beer/marketing plan and label if available on Product tab

Attachments:

(If applicable, please upload any files that will help provide more information about the product, These can include reviews, press coverage, images, etc.)

 ▶

(Maximum File Size: 5MB)

- Data integrity is crucial



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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

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John Tyler, Product Manager, Import & National Brands

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Karen Carter, Category Administrator, OCB

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Holly Garner, Category Administrator, Wholesale

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GROCERY CHANNEL: B2B

GROCERY OPERATIONS – SUPPLY CHAIN & WHOLESALE

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LCBO GROCERY OPERATIONS

- \$252M net shipments
- 29 customers
- 363 grocery stores
- 68 wine boutiques
- 165 supplying sources
- +1,900 beer, cider & wine products

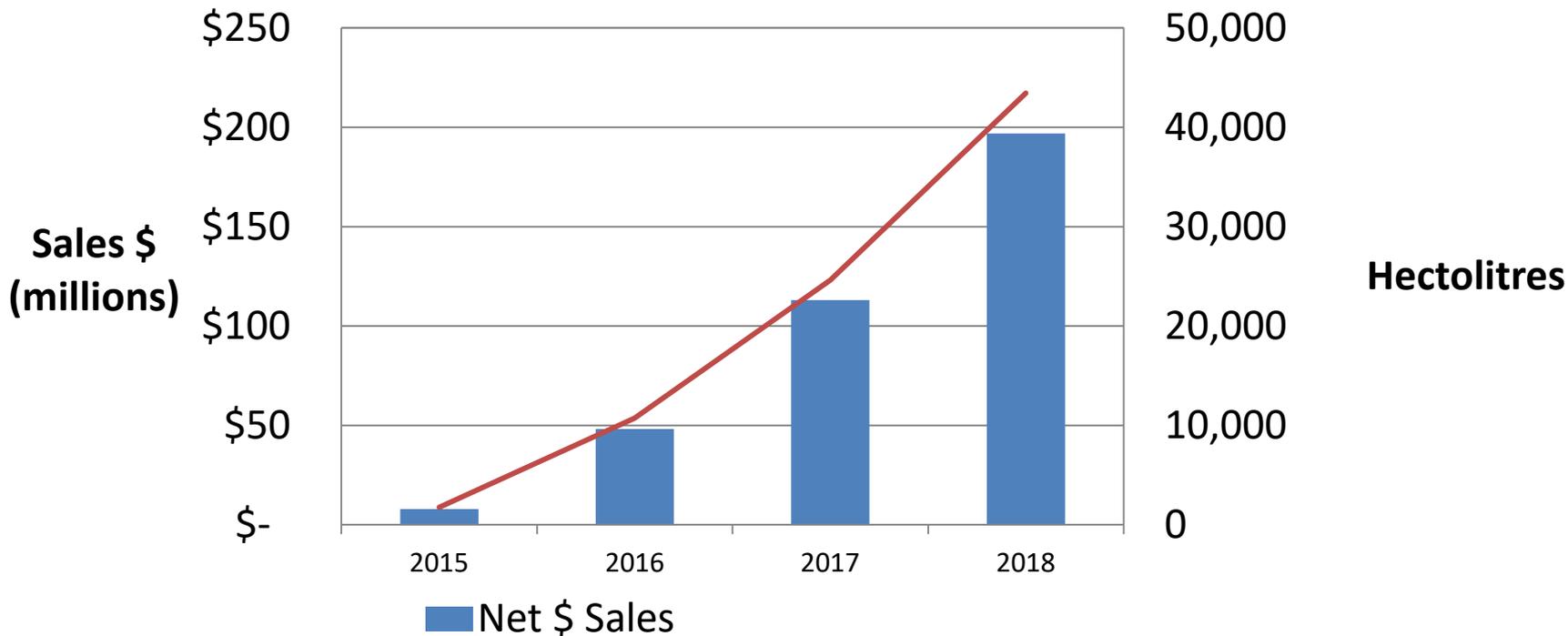
LCBO | Grocery Operations



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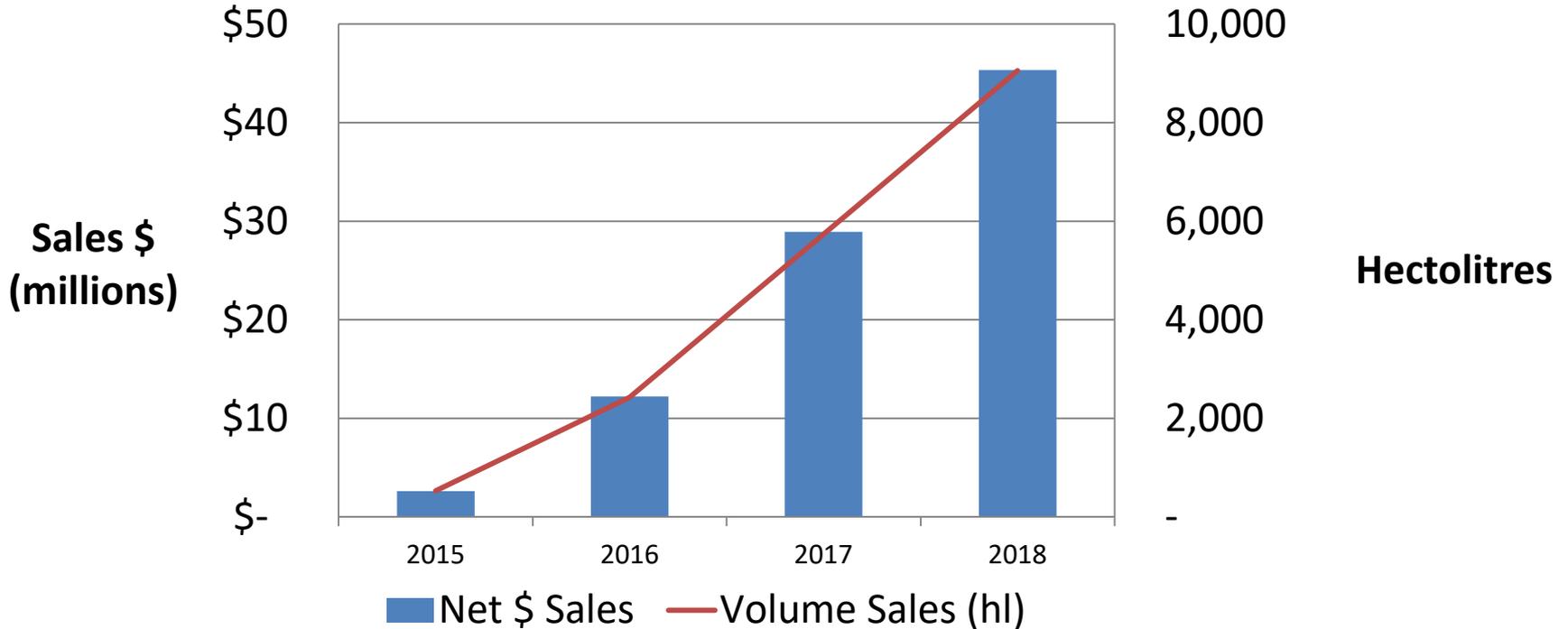
GROCERY OPERATIONS TOTAL BEER SALES



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GROCERY OPERATIONS TOTAL 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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WWW.LCBOWHOLESALEROPTIONS.COM

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Welcome to the Grocery Operations Information Site

www.lcbowholesaleoperations.com



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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Grocery
Operations

AUTHORIZED GROCERY STORE OPERATORS

Home Store Operators **Suppliers** FAQ Contact Us



DOCUMENTS &
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TRADE LETTERS

TRAINING MATERIALS/JOB
AIDS

[AUTHORIZED STORE
OPERATORS INFORMATION](#)

Authorized Store Information

List of store operator locations.

[> View XSLX](#)

Operator Contact Information

[> View XSLX](#)

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GROCERY CHANNEL DISTRIBUTION

Direct Delivery

- Supplier controls distribution and delivers product direct or via approved Third Party Logistics company (3PL) to authorized grocers

LCBO Warehouse System

- Product is received at LCBO warehouse and distributed to authorized grocers by LCBO

The Beer Store (TBS) Distribution System

- TBS distributes product to authorized grocers

	Supplying Sources		
	Brewer	LCBO	TBS
Vendor of Record <i>(paid by LCBO)</i>	<ul style="list-style-type: none"> Brewer 	<ul style="list-style-type: none"> Brewer 	<ul style="list-style-type: none"> TBS
Grocery Management System (GMS) access	<ul style="list-style-type: none"> Brewer 	<ul style="list-style-type: none"> LCBO 	<ul style="list-style-type: none"> TBS
Delivery to grocery	<ul style="list-style-type: none"> Brewer TBS Approved Third Party Logistics Company (3PL) or brewers 	<ul style="list-style-type: none"> LCBO 	<ul style="list-style-type: none"> TBS
Proof of Delivery (POD) <i>(Reconciliation)</i>	<ul style="list-style-type: none"> Brewer 	<ul style="list-style-type: none"> LCBO 	<ul style="list-style-type: none"> TBS

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ENABLING SALES OPPORTUNITIES - GROCERY CHANNEL



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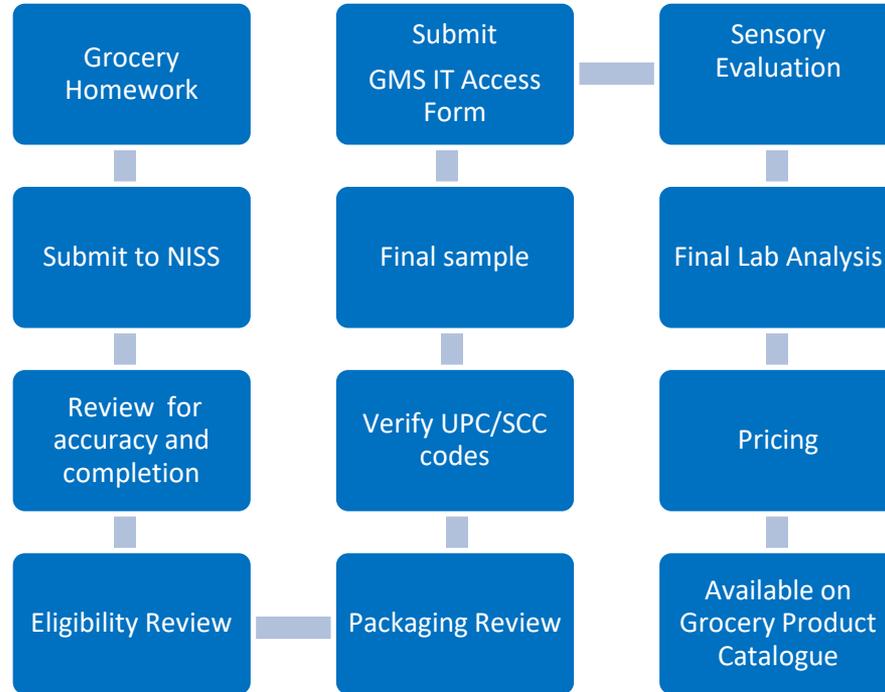
ONTARIO CRAFT BEER – GROCERY CHANNEL PRODUCT CALL

NISS Product Need	NISS Product Need Item	Product Category	Product specs	Pre-sub Deadline	Call back Deadline	Sample Deadline	Tasting Date	Max # Subs.
202 Beer & Cider Grocery Channel	2857 Ontario Beer – Grocery Channel	Ontario Beer	Open and ongoing product call Refer to Ontario Regulation 232/16 for product eligibility	31-Mar-20	No call back	No Samples	No tasting	No max

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LISTING PROCESS OVERVIEW – GROCERY CHANNEL





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LISTING PROCESS DIFFERENCES: RETAIL vs GROCERY

Differences between LCBO Retail and Grocery wholesale listing process:

- Pre-submission evaluation = Eligible products as per Ontario Regulation 232/16
- No category tasting or evaluation
- GMS IT Access form required (if brewer is supplying source)

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 (*if brewer is supplying source*)

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ORDER, DELIVERY & FULFILLMENT

When Brewer is the Supplying Source to Authorized Grocers:

- Require access to GMS to receive and process orders
- Step 1: Acknowledge order in GMS
- Step 2: Prepare Advance Shipping Notice (ASN) in GMS
- Compliant shipping documentation accompanying every order delivery



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MAINTAINING GROCERY STORE LISTING(S)

Maintaining listing(s) at Grocery

- Sell through & inventory turns
- Consistent supply and fill rate
- Ship order in full and on time
- Consolidated deliveries
- Quality product
- Data integrity (UPC/SCC)
- Timely response



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CONTACT INFORMATION - GROCERY OPERATIONS

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Customer Service : hello_LCBO

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Q&A – RETAIL & WHOLESALE TO GROCERY