



Here are the same issues from the Supplier point of view



### MESSAGE FROM RG

This is the second of what I plan to be a quarterly newsletter. It will deal with management techniques intended to be of value to you.

Although my company works as a management associate with organizations in a wide range of industries or fields of endeavor. My recent background has been in the Wine Industry.

The Wine industry has a unique structure with regulated, required use of tiers of distribution for supplier products to reach most consumers. This system has a built in inherent conflict of interests.

Issues		Supplier	
<b>Management Style</b>		Resource Management- maximize return on raw material	
<b>Management Method</b>		Few Customers, need <b>SPECIFIC EXPECTATION</b> of results	
<b>Time Horizon</b>	<b>Investment</b>	Product mix can change only very <b>SLOWLY</b>	
		Sales Priority- <b>TURN INVENTORY</b> Sell what is in inventory by a given sell date	
		<b>LONG -- Three to Five YEARS</b>	
		Months Sales in Inventory	<b>18 to 30</b>
	Trucks&Warehouse	<b>Small \$</b>	
	Winegrowers/ Winemakers/ Marketers/ Sales People	<b>wide range</b>	
<b>Key Success Factor</b>		Meeting expectations of the <b>Consumer</b> with quality and price	

Issues		Distributors	
<b>Management Style</b>		Time Management, "Squeaky Wheel gets the grease"	
<b>Management Method</b>		Many Suppliers, must <b>LIMIT EXPECTATIONS</b> for each	
<b>Time Horizon</b>	<b>Investment</b>	Product mix can change <b>RAPIDLY</b>	
		Sales Priority- <b>SATISFY CUSTOMERS</b> .Want to sell what is "hot"	
		<b>SHORT --- One to Three MONTHS</b>	
		Months Sales in Inventory	<b>2</b>
	Trucks&Warehouse	<b>Large \$</b>	
	Sales / Delivery People	<b>narrow range</b>	
<b>Key Success Factor</b>		Meeting expectations of the <b>Retailer</b> with delivery and service	

First look at the issues from the Distributor point of view.

These same issues exist for Suppliers but suppliers have a different perspective.

Because of the regulatory nature of the industry distributor and supplier MUST work with each other. Therefore these conflicts MUST be dealt with if either is to have the kind of success that they want.

## SOLUTIONS

SR Management has a variety of management techniques to solve these problems in ways that meet the interest of BOTH distributors and Suppliers.

One that I want to mention today is the principal product of a company that I have started in partnership with Chris Spear former director of IT at Hogue/VNW. *Beverage C<sup>3</sup>I*

Its main business is the acquisition of distributor depletions/ Inventories and Accounts sold electronically. We will deliver this product to suppliers using a WEB based interface.

The principal value is to reduce the time spent in meetings arguing about what "is" and instead to spend the time talking about what should be done.

If you would like to know more about *Beverage C<sup>3</sup>I*, please give me a call.

In future Newsletters, I will explain some other Solution tools like Repeating Deadlines, the Framework to Manage Change, and the Six Guidelines for Effective Communication plus others.

I hope each of you is doing well.

Sincerely,

*R. G. Hess*