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UNCORK YOUR SUCCESS

NetSuite for Wine & Spirits Distributors

Today's wine and spirits distributors face a complex set of business challenges:

- **Increased variety in the marketplace** – Like other industries, the wine and spirits segment has experienced an explosion of SKUs in recent years, making it even more challenging to manage demand and supply.
- **Complex regulatory requirements** – Wine and spirits distributors and importers not only have federal regulations to deal with but different regulatory requirements and potentially different distribution models in each state as well.
- **One tier too many?** – If wine and spirits weren't complex enough, the three tier system (importer/producer > distributor > retailer) and the impact of ecommerce in

“Before NetSuite, we had a patchwork solution combining QuickBooks and Excel spreadsheets to track our inventory and customer data base. With NetSuite, we now have a user-friendly solution with everything under one roof.”

Hal Oates, CEO, Porthos

“NetSuite is an amazing product that has enabled us to grow at an exceptional rate. I can’t think of another product that delivers integrated capabilities in a single solution and real-time insights into business performance.” [IWA Wine Accessories](#)

recent years has presented opportunities for startups and challenges for many established producers and distributors.

- **Managing complex trade promotions** – Depletion allowances, Bill Backs and other trade-related incentives have a significant impact on the bottom line, and tracking and accounting for them can be costly and complex.

As the leading cloud business system supporting commerce, Customer Relationship Management (CRM), supply chain, manufacturing resource planning, inventory management, order fulfillment and financials, NetSuite is uniquely positioned to address the complex challenges facing wine and spirits distributors with a single solution for all key business operations. NetSuite’s flexible role-based platform is tuned to address high volume operations where manual work is minimized and key processes flow from one role to another in an automated fashion.

Inventory Variety

Wine and spirits distribution is a high volume operation with a wide variety of SKUs and constant change due to shifting consumer demands, seasonality and global competition. With this increasingly complex product mix and high SKU turnover, NetSuite’s solution can help distributors offer the right product, at

the right time, and at the right price. Planning and executing with extreme efficiency is the name of the game in the wine and spirits segment and NetSuite and its partners can bring both advanced inventory planning, order management and warehouse management solutions to support these critical needs. Importers and producers, in particular, can benefit from the ability to plan inventory based on affiliate/distributor forecasts or depletions.

Complex Regulatory Requirements

With increasing demands for information, importers are challenged with ensuring they have key data earlier in the process to comply with customs regulations. And importers and producers, as well as distributors managing bonded inventory, not only have to deal with complex federal excise taxes, but each state often has their own regulatory and beverage tax requirements. For smaller organizations this can be a serious challenge and for larger organizations looking to move off legacy platforms, customizations can be a costly path leading to version lock. NetSuite provides a powerful and flexible platform that’s met the needs of both small and large organizations at the right price and without version locking that’s so common with on-premise systems.

One Tier Too Many?

The traditional three-tier distribution model does present its share of challenges as well.

“NetSuite has definitely given us the scalability for rapid growth. We can focus on what we do best in kegging premium wine rather than manual work with orders, inventory and accounting.” [Free Flow Wines](#)

The structure of the model, coupled with wide SKU variety and quick turnover can make it a real challenge to manage demand and supply. Some of this is alleviated via the use of depletion data, but that can present its own challenge for both growers and distributors as they attempt to automate what is often a cumbersome process. There’s also the complexity of dealing with Control States and the different rules in each state regulating how wine and spirits can be sold at a retail level. Finally, ecommerce has had a disruptive effect on the three-tier system, with many states now allowing direct shipment of wine and spirits directly to consumers. The result is an opportunity for some and a challenge for others in the supply chain. NetSuite provides a complete suite of solutions with a flexible platform including ecommerce, inventory planning and customer service solutions, all on a flexible platform helping producers and distributors to navigate these changing times.

Monitor Financial Health

In this increasingly competitive marketplace, wine and spirits distributors require a complete and timely view of business performance to ensure the highest business health possible. NetSuite arms distributors with real-time visibility into financial performance through dashboards, key performance indicators, pre-configured reports and a powerful end-user reporting tool catered specifically to the food and beverage industry like net margin tracking, vendor

performance and managing promotions and deductions.

Industry-Specific Trade Promotions

Depletion allowances in beverage distribution have long been a critical piece of the puzzle in wine and spirits segment. The NetSuite platform can provide a seamless solution to meet these needs with the ability to manage these trade agreements, facilitate customer pricing and vendor bill backs and most importantly, help the distributor to ensure they’re recouping costs and earning incentives to their potential. NetSuite understands wine and spirits distribution.

The Bottom Line

Wine and spirits distributors have long faced a complex supply chain with its highly regulated nature, but it’s become even more challenging with increased global variety and impact of an eroding three-tier model. As wine and spirits, producers, importers and distributors look to manage their operations and grow their businesses, it’s no wonder that more and more in the industry are turning to NetSuite as their solution of choice. With NetSuite as the IT backbone, wine and spirits distributors are better able to automate processes, plan demand and supply, manage and account for trade promotions, and drive efficiencies, which frees up time to focus on expanding their business into new markets and to perfect their product offerings.