

LCBO WINES

Sales Target Updates





**New
methodology to
support
premiumization
strategy**

**Standard/Premium
Deluxe targets**

**New World
Wine &
European Wine
only**



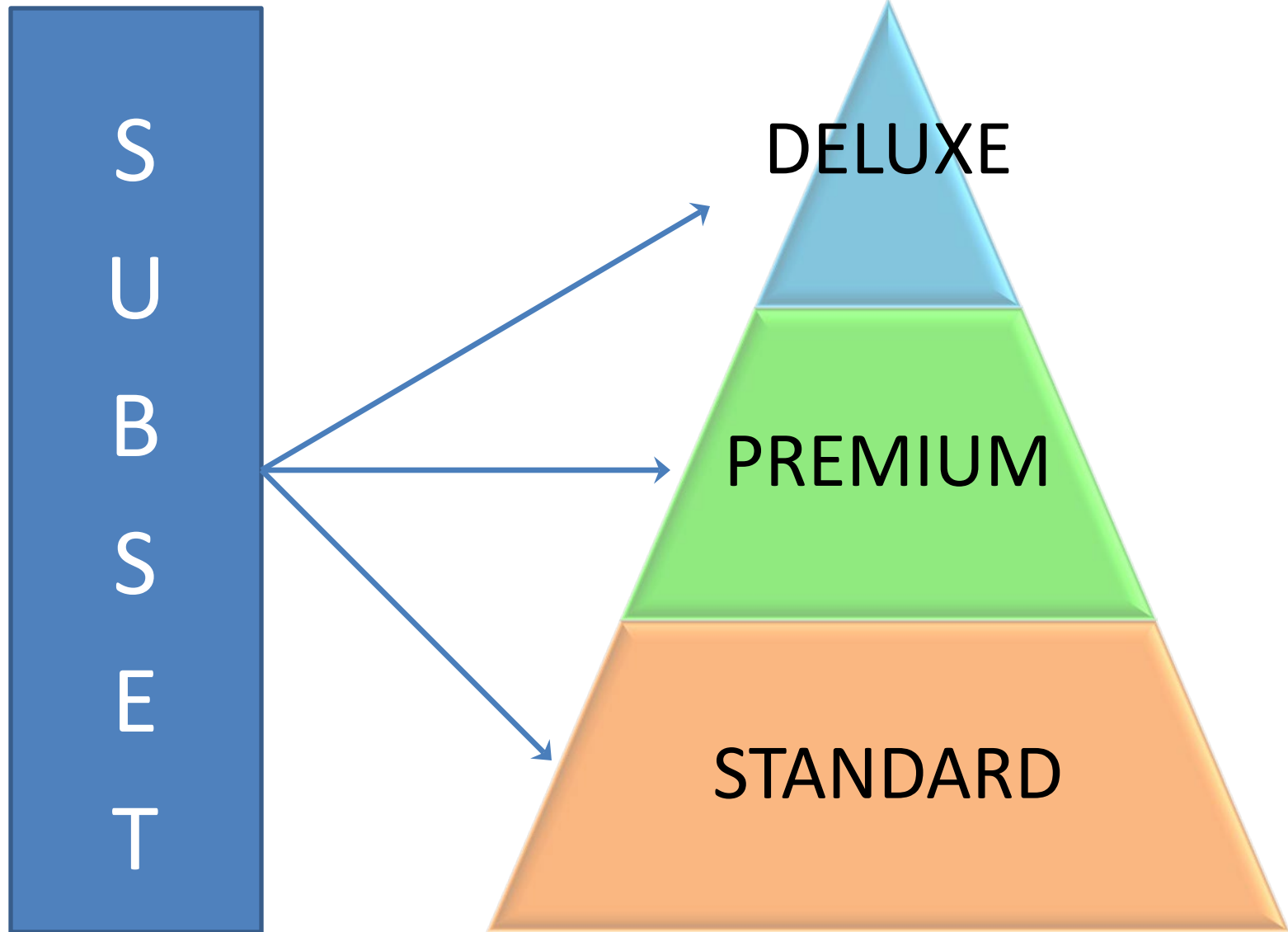


WHY CHANGE ?





TIERED APPROACH





SETTING TARGETS

AUSTRALIAN SHIRAZ	EXISTING	MODEL	CATEGORY ADJUSTMENT
Standard </=\$11.95	\$695,000	\$1,300,000	\$845,000
Premium \$12-<\$16.95		\$515,000	\$525,000
Deluxe \$17+		\$215,000	\$245,000

TIERED APPROACH

NEW WORLD EXAMPLE

SUBSET	TIER	# WINES BELOW OLD TARGET	NEW TARGET	# WINES BELOW NEW TARGET
AUSTRALIAN SHIRAZ	Standard ≤\$11.95	0	\$845,000	1
	Premium \$12-<\$16.95	9	\$525,000	6
	Deluxe \$17+	4	\$245,000	1
TOTAL		13		8

Former Target: \$695,000



TIERED APPROACH

EUROPEAN EXAMPLE

SUBSET	TIER	# WINES BELOW OLD TARGET	NEW TARGET	# WINES BELOW NEW TARGET
SPAIN - TEMPRANILLO	Standard <\$12	0	\$375,000	0
	Premium \$12 - <\$15	2	\$300,000	2
	Deluxe \$15 +	1	\$200,000	1
TOTAL		3		3

Former Target: \$335,000



PORTFOLIO IMPACT

EW & NW 750mL

SKU Count	SKUs Below Current Target	SKUs Below New Target	Change
904	335	337	-0.4%



IMPLEMENTATION





PRICING?



QUESTIONS ?



INVENTORY MANAGEMENT

BEST PRACTICES



BEST PRACTICES - COMMUNICATION

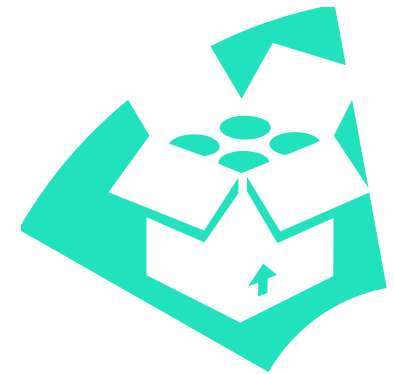
- FORECASTING
- ORDERING





BEST PRACTICES - QA

- EMBRACE THE PRODUCT PACKAGING STANDARDS



BEST PRACTICES- SUPPLY CHAIN

- Web PO
- Narrowcast Reports
- Freight Forwarder/Carrier Issues





BEST PRACTICES - CLOSURES

- Communicate Supplier Shut Downs, Maintenance on Production Lines, etc. that will interrupt Supply



Communicate

- “ We never turn down a meeting”
- Feel free to contact Henry Chan or Linda Strycio for further information/insight
- Contact: henry.chan@lcbo.com
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QUESTIONS ?

