## onebeat

#### Case Study:



Industry:
Retail, Wine

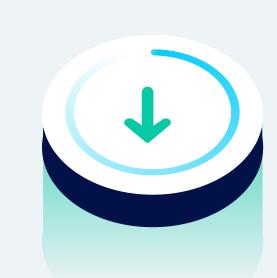
Headquarters:
São Paulo City, São Paulo, Brazil

Grand Cru is the largest wine import and distribution company in Latin America. With a strong omnichannel market, Grand Cru offers more than 1,000 types of wine from around the world, with more than 100 retail stores from the north down to the south of Brazil. With franchises, owned stores, and an expansion into e-commerce, Grand Cruise is rapidly growing its distribution network in places like restaurants, hotels, and liquor stores. For 20+ years, Grand Cru has been recognized as a brand that delivers a unique experience and quality for wine lovers.

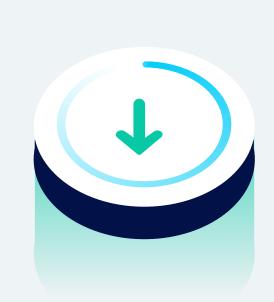




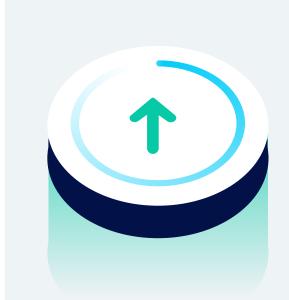
35%
Inventory in stores reduced



25%
Inventory Value in stores reduced



50% Shortage level decreased



up to

3X

GMROI by store increased



"Onebeat helped us to improve product availability and the quality of inventory in the different stores. It helps us to manage the catalog according to actual client preferences. The unique thing about this solution is its ability to simplify complex algorithms into an "easy to do" decision-making process that everyone in the company can understand and appreciate."



Alexandre Bratt
CEO of Grand Cru



### Key Challenges

The wine market has most of the variety with low inventory turns, so the tail size is quite big and challenging to manage. Grand Cru was not unique because of the tail and ineffective replenishment of fast movers with high store inventory.

Another important challenge was the oxidation of wines due to the very low speed of sales. This led to a considerable loss for Grand Cru. Also, because of the variety, the year of production is not important in the client's eyes but significant to reducing oxidation waste. The lack of multiple SKU management and proper FIFO management has driven Grand Cru to face problems with wine oxidation.

With many varieties of products with different demand profiles by store/region, Grand Cru faced complaints from clients such as missing store products that were available in other places in the chain. The unbalanced supply chain was the most common reason for store-level shortages. Daily store operation was frequently disturbed due to overstock, capacity constraints, and frequent pullbacks. Also, from the headquarters, there was a lack of visibility per level of overstock in stores, negative inventory, product aging, wine oxidation, product shortage, and out-of-shelf.



### The Solution

Onebeat team addressed all supply challenges in an integrated and smart fashion. Onebeat's real-time learning algorithm integrates a multiple SKU management system and a FIFO intelligent solution. This automatically replenished Grand Cru stores by aligning all stores' distribution to real demand and protecting their stores from oxidation.

# Results

Once Onebeat was implemented, the Grand Cru team experienced measurable results. After only three months, Go-Live Grand Cru achieved a 20% inventory decline with a 50% shortage reduction. All operations became simpler and automated, allowing managers from the stores and headquarters to focus on clients and not manage numbers behind the scenes.

The summary details the quantifiable results of implementation one year after Go-Live:



Shortage: **50%** 

Inventory Units: 35%

Store GMROI: up to 3x



Ultimately, inventory automation and improvements enabled Grand Cru to manage better and allocate the variety of products in each store. Due to the potential and size of inventory level reduction, all improvements were aligned and discussed with the merchandising team to protect the visual and store display.

