



The Charmer Sunbelt Group

SAP Bolsters Position as Distributor of Choice

SUMMARY

As a leading distributor of fine wines, spirits, beers, and non-alcoholic beverages, The Charmer Sunbelt Group (CSG) faces complex challenges—from increased demands from wine and spirits suppliers to unique state and local laws and regional customer preferences. CSG decided to implement a new Enterprise Resource Planning (ERP) system to help maintain and strengthen its position as the “Distributor of Choice” and bolster its highly effective, localized sales and distribution structure. Partnering with Clarkston Consulting, CSG responded with a strategy that addressed corporate-level needs while preserving and enhancing the advantages of local operations and addressing their unique business challenges.

“Implementing a robust SAP ERP system based on global process design, coupled with a Shared Services model, strong change management program, and partnering with Clarkston Consulting proved to be the right answer for The Charmer Sunbelt Group.”

Paul Fipps, CIO & VP, Business Services, The Charmer Sunbelt Group

CHALLENGES & SOLUTIONS

Challenge 1: *Wine and spirits manufacturers frequently undergo mergers, acquisitions and alliances that cause brands to be moved back and forth, requiring beverage distributors like CSG to remain nimble and maintain a dynamic portfolio.*

Solution: CSG sought a common process and technology platform that would help the company maintain its strong position within its business segment. One of the initial steps was to upgrade the company’s existing ERP system from SAP 4.7 to ECC 6.0 at their 10 current locations with the following modules: HR, FI, CO, PA, MM, WM, IP, and SD.

To manage rebates, chargebacks, and incentive compensation, CSG implemented the Incentive and Paybacks Module developed by Vistex, an SAP partner. In addition, Microsoft was chosen for the data warehouse to provide enhanced capabilities around enterprise pricing and sales reporting.

The team employed various innovative and unique processes to achieve an accurate and rapid deployment, including a strong PMO, focused, integrated project teams for each house, an effective change management program to balance local (state) and corporate requirements, and a robust testing process designed to be used at each deployment.

Challenge 2: *The three-tier alcohol beverage distribution system, as well as variations in demographics by brand and type of product consumed, make it difficult to maximize profits while streamlining costs in the beverage distribution business.*

Solution: As the SAP blueprint was implemented across the enterprise, CSG developed the other key component of its strategy—centralizing core business functions in order to improve service, increase efficiency, and support localization where appropriate.

The project team took charge of the assessment, design, and implementation of Shared Services, a model that consolidates support operations for selected business functions into a single, highly efficient organizational unit. This improves efficiency by eliminating duplication and streamlining processes. The Shared Services solution was designed to:

- Further leverage CSG’s SAP investment.
- Increase focus on core competencies.
- Provide better service to suppliers and customers.
- Reduce transactional and operational costs.
- Ease integration of new business units.
- Increase net operating profit

BUSINESS BENEFITS

Because the new business process provided a positive business impact in a short time and the new capability focused on improving the business capability of CSG, the team decided to call themselves “Business Services” instead of “Shared Services”. This underscored their dedication to executing business services that are driven to support the customers and the suppliers, not just CSG.

While preserving and strengthening its position as the Distributor of Choice, the Shared Services model provided benefits across multiple business units. Specific benefits from the project included:

- ROI of more than 200% from operating efficiencies.
- Accelerated delivery of business benefits through parallel tasking.
- An ideal balance of Shared Services and localized control.

PARTNERING for SUCCESS

CSG has always been willing to invest in the systems needed to improve its operations while providing a competitive advantage to its business partners. As a result, CSG now has an integrated system aligned with its business needs, entrepreneurial culture and growth objectives. The new system and core business processes implemented with Clarkston's help promise increased efficiency and improved results across the entire enterprise. The project achieved substantial cost savings and was completed within the required timeframe and within

budget, with no service level disruption to its customers.

Key success factors for the overall effort included:

- Active, motivated participation by all CSG and Clarkston team members.
- Unwavering commitment from CSG leadership.
- System and processes aligned with enterprise blueprint.
- Application of PMO and other proven control and management solutions.
- Minimal customization—operational processes followed standard SAP best practices.
- Dynamic change management and training programs to ensure user acceptance.
- Positive reaction and adoption from business unit stakeholders.

CSG chose to partner with Clarkston Consulting because of our vast experience with large-scale SAP implementations, thorough knowledge of the distribution and consumer products industries, and success in completing past projects for the company.



Headquarters
Research Triangle Park
1007 Slater Road, Suite 400
Durham, NC 27703
Phone: 800-652-4274
Fax: 919-484-4450

www.clarkstonconsulting.com

Copyright © 2011 Clarkston Consulting. All rights reserved.
0524_0411

ABOUT CLARKSTON CONSULTING

Clarkston Consulting is a different kind of management and technology consulting firm. We deliver a unique experience for market leaders within the Consumer Products and Life Sciences industries. Considering professionalism, expertise, and value as prerequisites, we take service a step further through our unyielding commitment to the success of people as individuals, both our clients and our employees. By combining integrity, adaptability, and a whatever-it-takes attitude, we have achieved an extremely high rate of referral and repeat business and a 10-year average client satisfaction rating of 96%.

For more information, contact Rob Klein: 877.362.3649 / rklein@clarkstonconsulting.com