



# DLC Supplier Oracle Implementation Briefing

**Presented by**

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# Agenda

- Supplier Portal
- Key Dates for Pricing Submission
- Purchase Order Compliance
- Pricing Markups
- Blanket Agreements
- Walk-ins
- Retail Store Pickups/Warehouse Pickups

# Supplier Portal



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Maryland





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Department of Liquor Control

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## Department of Liquor Control



### ATTENTION SUPPLIERS AND SALES REPRESENTATIVES

#### DLC goes live with their new Warehouse Management System on February 1, 2015.

**As a Supplier** you will be updating Liquor and Wine Prices online via iSupplier. In addition, you will be able to view approved Purchase Orders and Payments via iSupplier.

Beer prices will continue to be updated via your DLC Buyer (previously Natasha Wilkerson) via an email to them.

Please register all personnel who need to update prices, view Purchase orders and Payments on iSupplier.

Please note the time to update prices is the 2 nd day of each month through the 11 day midnight. You will be updating prices for the following month.

**As a Sales Representative** effective February 01, 2015 you will use the iStore Internet ordering application to place an order on behalf of a Licensee. DLC Buyers cannot process orders on your behalf.

Please register all personnel who need to place orders on behalf of Licensees prior to February 01, 2015.

**PLEASE CONTACT CHRISTINE WILLIAMS AT 240-777-1903 or via email [Christine.Williams@Montgomerycountymd.gov](mailto:Christine.Williams@Montgomerycountymd.gov)**

**Please provide the name of the company. Christine will send you a Temporary user id and password along with registration instructions.**

**To verify if your company has already registered, please click [here](#).**

<u>Supplier Reps</u>	<u>Sales Reps</u>	<u>Video Tutorials</u>	<u>Communications</u>
Quick Start Guide for Inquiry	Quick Start Guide for iStore	iSupplier Inquiry	Special Order Memo
Quick Start Guide for Price Change Submissions	AccessMCG Access and Registration - Sales	iSupplier Price Change Requests	<a href="#">iStore/iSupplier Newsletter</a>
AccessMCG Access and Registration - Suppliers		iStore for Sales Reps	

# Key Dates for Price Submission

- For wine and liquor only - price changes must be submitted through iSupplier any time between the 2nd and the 11th of each month for the following month (ex. price changes submitted February 2-11 will take effect March 1st)
- Beer price submissions must be submitted to your DLC beer buyers (also between the 2nd and the 11th of each month)

# Purchase Order Compliance

Effective February 1, 2015, DLC will implement an invoice payment system that requires a three-way match in order for a payment to be released

1. The purchase order price must match the invoice price
2. The purchase order must reflect the item on the invoice (i.e. an order for that item must exist)
3. The quantity on the supplier invoice cannot exceed what is on the purchase order

A failure to meet any of the above conditions puts the invoice payment on hold, which may delay the payment.

DLC requests that suppliers comply with the terms of the purchase order. If changes are necessary, please contact your DLC buyer to make the changes to the purchase order to avoid a payment hold and unnecessary delay in a payment to your company.

# Pricing Markups

Please see attached markup schedule for all of our products today versus February 1, 2015

- When the Supplier gives DLC an allowance (DA), the retail markup is reduced
  - Example: wine is marked up 28% over wholesale without a DA and is marked up 7% above wholesale with a DA
- After February 1, DLC will discount the retail markup by 0.836 to achieve the same result as above

# Rounding of Prices at Retail

- There is no bypass for retail pricing
  - formula-driven
- There is no price alignment
- You must achieve price alignment through your price submission process in iSupplier
- Please see the next slide for an explanation of how rounding will work after February 1, 2015.

# Explanation of Rounding

- There IS bypass pricing for Liquor and Wine – Wholesale
- There is NO bypass pricing for Liquor and Wine – Retail
- DLC will NOT adjust pricing to achieve a desired price point at retail. It is the responsibility of the vendor to achieve that.

**Each supplier should follow the listed methodology to understand how retail pricing for LIQUOR AND WINE will work.**

1. Locate the markup table and blanket agreement document available on the DLC portal under the Supplier tab (contains freight and excise tax among other information). These will be available after Feb. 1, 2015.
2. Understand the retail discounts (on the markup table) for items on a monthly or weekly sale.
3. Understand how rounding will work at wholesale and retail

Wholesale case price plus freight and excise tax is multiplied by the margin. The case is calculated per bottle and is then rounded up to a 5 or a 9. Rounding is as follows: 0-5 becomes a 5 and 6-9 become a 9. After the rounding to a 5 or 9, the price per bottle is multiplied by the number of bottles in the case to arrive at a case cost.

# Explanation of Rounding (cont.)

Retail case price begins from cost (not from the wholesale price) plus freight and excise tax, which is multiplied by the wholesale margin and then retail margin. The retail case is calculated per bottle and then rounded up to a 5 or a 9. Rounding is as follows: 0-5 becomes a 5 and 6-9 become a 9. After the rounding to a 5 or a 9, the price per bottle is multiplied by the number of bottles in the case to arrive at a retail case cost.

Retail Promotion Items are discounted from step two above as follows:

- Wine on promotion is discounted 0.836
- Liquor on promotion is discounted 0.833 for 1L and 0.848 for all other sizes
- Non-alcohol on promotion is discounted 0.833

The objective is to group the discounted price into the following categories, ending price in two decimals.

- 00-29 then 29 cents
- 30-49 then 49 cents
- 50-79 then 79 cents
- 80-99 then 99 cents

Delisted Liquor and Wine items will not be discounted further, as we are marking them at cost plus ten percent for wholesale and retail.

# Rounding Example

Wholesale		Retail	
Case cost	\$100	Case cost	\$100
Freight per case	\$4	Freight per case	\$4
Excise tax per case	\$0.95	Excise tax per case	\$0.95
Wholesale markup (35%)	\$141.68 (104.95 x 1.35 = 141.68)	Wholesale markup (35%)	\$141.68 (104.95 x 1.35 = 141.68)
Bottle cost	\$11.81 (141.68 ÷ 12 = 11.81)	Retail markup (28%)	\$181.35 (141.68 x 1.28 = 181.35)
Rounding (round to 5 or 9)	\$11.85	Bottle cost	\$15.11 (181.35 ÷ 12 = 15.11)
Wholesale case selling price	\$142.20 (11.85 x 12 = 142.20)	Retail bottle price (round to 5 or 9)	\$15.15
		Retail case selling price	\$181.80 (15.15 x 12 = 181.80)

**Retail Promotion – Price Per Bottle When On Sale:**

Retail bottle price = \$15.15; Discount is 0.836 per bottle or \$12.67 (15.15 x 0.836 = 12.665)  
 Grouping sale items \$12.79 (see grouping categories on previous slide)

# Blanket Agreement

- A blanket agreement is a document that reflects all of the products available for purchase from a supplier site – FOB point. A supplier may have multiple supplier sites.
- Note the DLC buyer on your blanket agreement.
- Periodically, DLC would like you to review and mark items that you no longer carry. You may mark up the blanket agreement, scan it and email it to your buyer.
- DLC requests that you provide your supplier item number – we will show the supplier item number on the purchase order to assist you in completing the order.
- Supplier item number is provided only one time to DLC via the monthly price submission – effective February 1, 2015.
- You will use the blanket agreement to estimate your wholesale and retail shelf price as this document provides you the freight and excise tax, which when used in conjunction with the pricing markup and rounding document, should provide you the entire methodology DLC uses.
- Lead time is the time it takes from DLC releasing the purchase order to the time DLC receives the product. This is a new feature, and DLC will be tweaking lead times as we gain experience based on actual orders and receipts.

# Blanket Agreement Report Sample

**DEPARTMENT OF LIQUOR CONTROL  
BLANKET AGREEMENTS REPORT**

**SUPPLIER: A I G WINE & SPIRITS – SITE: AIG W&S – BLANKET: 100003**

**BUYER: BREWBAKER, WILLIS**

ITEM CODE	ITEM DESCRIPTION	BTL SIZE	ITEM TAG	SUPPLIER ITEM CODE	UNIT PRICE	EXCISE COST	FREIGHT COST	MIN QTY	MAX QTY	LEAD TIME	ITEM PLANNER
120200	DOM DES FONTANELLE S/BLC	750ML	LS		56.00	0.95	2.00	0	0	15	OVER ROAD3
189030	DOM DES FONTANELLES MER	750ML	LS		56.00	0.95	2.00	0	0	15	OVER ROAD3
179612	DOM DES FONTANELLES SYR	750ML	LS		56.00	0.95	2.00	0	0	15	OVER ROAD3
341193	FONTANELLES CHARD	750ML	LS		56.00	0.95	2.00	0	0	15	OVER ROAD3
412465	LES FONTANELLES CAB	750ML	S		56.00	0.95	2.00	0	0	15	OVER ROAD3
335452	LES FONTANELLES P/NOIR	750ML	S		56.00	0.95	2.00	0	0	15	OVER ROAD3
24171	LIQUID ICE VODKA - ORGANIC	750ML	SC		96.00	1.78	2.00	0	0	15	OVER ROAD3
75124	NAGASAKI NAPA SAKE	375ML	SC		86.00	0.48	2.00	0	0	15	OVER ROAD3
111430	NAGASAKI NAPA SAKE	375ML	LS		86.00	0.48	2.00	0	0	15	OVER ROAD3
111422	NAGASAKI NAPA SAKE 6/CS	750ML	S		80.00	0.48	2.00	0	0	15	OVER ROAD3
119229	TROCADERO SPARK(BRUT)	750ML	S		60.00	0.95	2.00	0	0	15	OVER ROAD3
100811	VARICHON ET CLERC BDB SPARK	750ML	LS		74.00	0.95	2.00	0	0	15	OVER ROAD3
301223	VARICHON ET CLERC SPARK RSE	750ML	S		74.00	0.95	2.50	0	0	15	OVER ROAD3

# Walk-Ins

What is a Walk-in?

- An unscheduled sales order from a licensee
- A sales representative is coordinating the completion of the sales order

What is the Process?

- Sales representative will get a purchase order from the DLC buyer
- Sales representative will take the PO to the warehouse manager
- Warehouse manager will receive the PO
- Sales representative will go to the order section to place the order for pickup
- Sales rep will go to the cashier section and sign the commercial invoice
- The transaction ends here, as you already have the product

# Retail Store Pickups

- Transferring products from a retail store to the warehouse for the benefit of a licensee has been discontinued
- Product will be transferred to the retail store closest to the licensee location
- The licensee will go to the retail store to complete the transaction and will receive all wholesale discounts

# Resources

## Supplier Video Tutorials:

Price Submission:

<http://www.screencast.com/t/7ru0HXto2Dwx>

Purchase Order, Invoice and Payments Inquiry:

<http://www.screencast.com/t/gXw9SMpbwGV>

## Newsletters:

Are sent to the email address you provided when you registered for iSupplier