

# LCBO TRADE DAY 2021

Breakout Session

# Specialty Services: The Road Ahead

Archie Karanxha, General Manager

# Today's Agenda



## Overview



## Details and impact/benefit:

- Removal or Private Orders
- New Consignment Tier
- Other changes to Consignment and HVC
- Storage, Handling and Administration fees



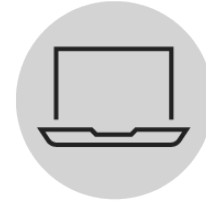
## Q & A

# Questions?



During session

Submit questions via CHAT on screen



Following session

Submit questions via email to:

[Psinfo@lcbo.com](mailto:Psinfo@lcbo.com)

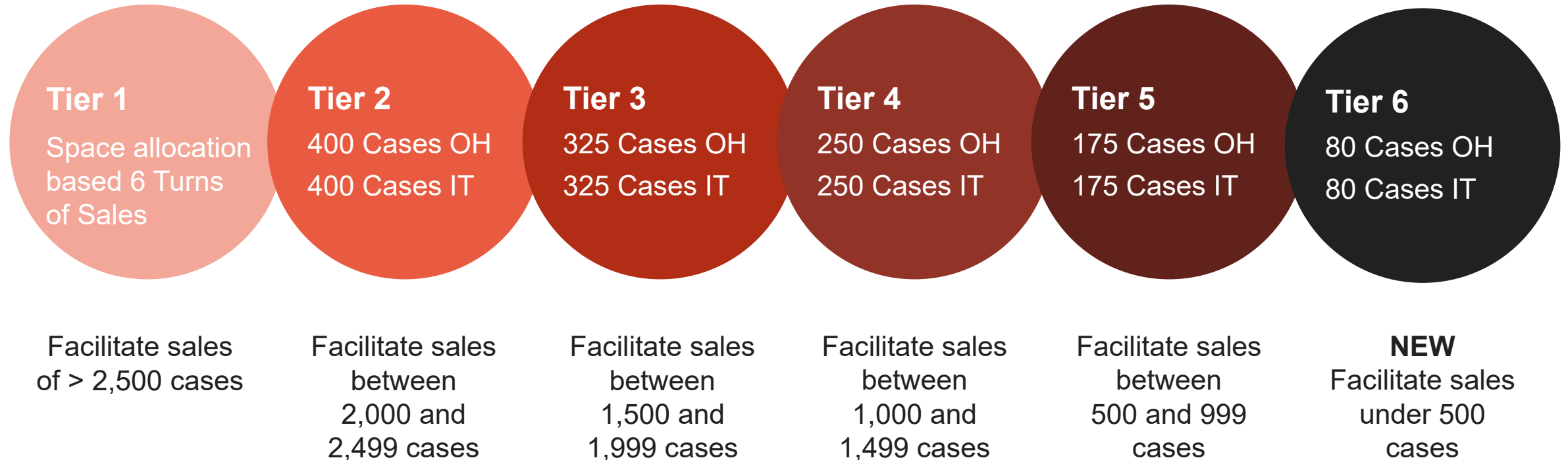
# Guideline Change Overview

- Collaborative effort between LCBO and Industry
- Intend to implement later this year, once we see some stabilization in the hospitality industry
- Intent of changes are to:
  - Improve ordering flexibility
  - Enable continued growth and access for all agents
  - Create efficiencies

# Private Ordering Changes

- Removal of Private Orders for all agents
- Creation of entry level Consignment Tier to facilitate ordering
- Addition of paid security flex space of up to 200 cases
  - Security deposit of \$75/case of desired threshold space
  - Security deposit to be refunded on exit from program in good standing

# Consignment Program Tier Structure



# Consignment Changes

- 4 seasonal consignment threshold adjustments
- Increase minimum Consignment order to 20 cases/item
- Additional space calculated as 10% of agent Consignment threshold to be allocated for orders where quantity/item is less than minimum
- Qualification for HVC reduced to 200 cases sold in last 12 months for an item





# Consignment Changes

- Exception for products with vendor quotes over \$20/bottle CAD
- Payment terms will be on a period basis to align with LCBO's fiscal calendar for payment on depletion of PO's for Consignment and HVC orders
- The option to order multiply items under the same Consignment Purchase Order.
- Product seizure timelines changed to 365 days



# Storage Fees

- Storage fees will be consistent across all programs (Seasonal, Consignment, HVC) as outlined in chart below
- Handling fee will be consistent across all programs at \$1.05/case at time of receipt

Storage Time in Days	1-30	31-60	61-90	91-120	121-150	151-180	181-210	211-240	241-270	271-300	301-330	331-365	>365 Days
Storage Fee/case	Free	\$0.50	\$0.50	\$1.00	\$1.00	\$2.00	\$2.00	\$4.00	\$4.00	\$6.00	\$6.00	\$6.00	\$6.00

# Administration Fees



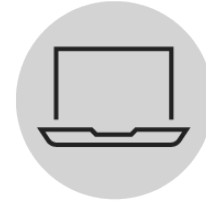
- Vendors to be charged for all corked product returns, in line with the handling through Retail channels
- Escalating fees for non-compliance shipments and associated rework/corrective fees including incorrect case markings
- Applicable fees for corrective PO, PO cancellation and PO reprice

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# Thank You