

Updated October 21, 2021

On-Boarding Model FAQs

What makes the new on-boarding / off-boarding model different from the previous model?

- The **new SKU-specific** on-boarding / off-boarding model will allow for greater distribution of consistent high volume product when space is available in the LDB distribution centres, and reduce the number of slower moving stocked products. Under the new SKU-specific model, **each individual SKU must meet the minimum sales criteria below** in order to be eligible for LDB distribution:
 - Wine and spirits: 5 or more cases each week, for at least 9 out of the most recent 12 financial periods
 - Beer and refreshment beverages: 25 or more cases each week, for at least 9 out of the most recent 12 financial periods

How do I get on the waitlist to be on-boarded?

- Vendors with direct delivered SKUs that meet the on-boarding criteria and not yet waitlisted can add their eligible SKUs to the waitlist by downloading and completing the direct delivery waitlist template located in the vendor resource section of the LDB Wholesale website at <https://wholesale.bclddb.com/resources/vendors> and emailing it to ldbagentinfo@bclddb.com.
- Vendors with non-stocked wholesale product (NSWP) with listing codes XPBO and XCBO do not need to add their SKUs to the waitlist. The LDB Wholesale Supply Chain team will contact the vendor directly if there are any eligible SKUs for on-boarding when there is available space in the distribution centres.

I signed up to the waitlist. When will I be notified when my product is being evaluated?

- We appreciate the patience of vendors currently on the waitlist for LDB distribution and not yet contacted by the LDB Wholesale Supply Chain as the team is currently evaluating SKUs for onboarding in order of those already on the waitlist.

How often will opportunities open up to get off the waitlist and into the DC?

- When we launch the on-boarding model this month we will be connecting with the vendors currently on the waitlist to determine if their SKUs meet the minimum sales criteria. Once we complete the initial rollout, the evaluation frequency for on-boarding and off-boarding will be up to three times a year or when there is available space in the distribution centres.

How are the sales figures calculated for the minimum criteria?

- When an eligible SKU (whether NSWP or direct delivered waitlisted) is selected for on-boarding evaluation and consideration, the LDB Wholesale Supply Chain team will contact the vendor to confirm the sales data on file meets the on-boarding criteria and review the projected sales forecast. Calculations will be based on LDB sales history for NSWP and self-reporting sales volume by direct delivered products submitted to the LDB for the past 12 financial periods.

Do I have to sign up each product I want to be distributed through the LDB or do all my SKUs get automatic onboarding privileges once I get one SKU onboard?

- The on-boarding model is SKU-specific and each SKU must meet the minimum sales criteria as noted below:
 - **Wine and spirits: 5 or more cases each week**, for at least 9 periods, out of the most recent 12 financial periods
 - **Beer and refreshment beverages: 25 or more cases each week**, for at least 9 periods, out of the most recent 12 financial periods
- Please note that vendors with LDB distributed products under the previous “all or nothing model” must also meet the on-boarding criteria for new products. This means that any new non-seasonal SKUs will need to be direct delivered until they meet the minimum sales criteria required for the LDB on-boarding process.
- Once the SKUs meet the minimum on-boarding criteria, and vendors would like to apply for LDB distribution, vendors will need to add these SKUs to the waitlist available on the vendor resource page of the LDB Wholesale Operations website and they will be evaluated in the order of those already on the waitlist.

Why is the minimum sales criteria different for wine and spirits compared to beer and refreshment beverages?

- The minimum sales criteria is based on the average volume of sales for product categories and the available space in the warehouse. This calculated to 5 cases per week for wine and spirits and 25 cases per week for beer and refreshment beverages.
- Over the past few months, LDB Wholesale engaged with industry to review the new on-boarding / off-boarding model while the LDB distribution centres completed efforts to make space available for new SKUs to be on-boarded.

I have a SKU on the waitlist that is no longer my highest volume product in my inventory. Can I swap the SKU on the waitlist for the higher performing SKU? Or do I lose my spot on the waitlist?

- The on-boarding model is SKU-specific and each SKU needs to be added to the waitlist to be considered for on-boarding. The LDB Wholesale Supply Chain team will review the specifics of the waitlisted SKUs to confirm if they meet the minimum sales criteria and will recommend next steps.

Are seasonal products allowed under the new on-boarding / off-boarding model?

- During the transition to the new SKU-specific model, brewers with LDB distributed products may apply for LDB distribution for seasonal products within the framework of the on-boarding/off-boarding model. The intent of the interim seasonal SKU program is to provide brewers with products currently distributed by the LDB with access to LDB distribution for seasonal SKUs, for a defined period of time (typically less than six months), when there is space available in the distribution centre.
- **Vendors that currently rely on LDB distribution for their products**, may apply for LDB distribution for seasonal products within the framework of the on-boarding/off-boarding model when there is space available in the distribution centre and if the product meets the following criteria:
 1. Product must have a short, limited selling period typically less than six months with a selling start and end date i.e. November 1st to April 30th.
 2. The majority of the product must be pre-allocated with the balance achieving depletions of 25 cases a week for beer/refreshment beverage and 5 cases per week for wine/spirits.
 3. At the end date, any remaining product will be put on hold and a return to vendor will be initiated for any remaining product.
- Vendors with LDB distributed products who are interested in the seasonal products program, typically less than six months, may discuss the details with their assigned demand planner or identify the SKU as a seasonal in the comment field when submitting a product registration.

Are one-time allocations allowed under the new on-boarding / off-boarding model?

- Vendors that currently rely on LDB distribution for their products, may also apply for LDB distribution for one-time allocations if the product is 100 per cent pre-allocated and there is available space in the distribution centre. Please note that one-time allocations cannot be repeated and each application will be assessed on a case-by-case basis.
- Vendors with LDB distributed products who are interested in the one-time allocation may discuss the details with their assigned demand planner or identify the SKU as a one-time allocation in the comment field when submitting a product registration.

Will BCLS stores automatically start carrying my product if it's stocked and being distributed by the LDB distribution centres?

- Please note that stocked products at the LDB distribution centres are not automatically carried by BC Liquor Stores.

What happens if there are temporary supply or demand issues that are not in my control while it's on the waitlist? Will that impact my product's standing?

- The LDB Wholesale Supply Chain team will review the specifics of the waitlisted SKUs to confirm if they are meeting the minimum sales criteria and will recommend next steps.

What's the ordering and shipping process once my product is on-boarded?

- To assist vendors in preparing shipments to our warehouses, the LDB has created an Inbound Shipment Handbook that is available in the vendor resource section of the LDB Wholesale website at <https://wholesale.bcldb.com/resources/vendors>. The handbook contains vital guidelines for all vendors, related to inbound shipments entering the LDB warehouses.

How will customers know where to order my product once it's on-boarded?

- It is the responsibility of the vendor to notify customers of any ordering and delivery changes as a result of on-boarding.

Can manufacturers such as breweries place orders for customers?

- No, manufacturers, including breweries cannot place orders on Webstore as this is a portal for wholesale customers. To assist customers with the ordering process and guidelines, the Wholesale Customer Centre has created an Order Handbook Guide that is available in the wholesale customer resource section of the LDB Wholesale website at <https://wholesale.bcldb.com/resources/wholesale-customer-centre>

Can I still direct deliver my product to select customers once it's been on-boarded for LDB distribution?

- No. Once a product has been on-boarded for LDB distribution it can no longer be distributed by any other channels.

What happens during the on-boarding process?

Step 1: Initial Communication

During the initial conversations, waitlisted vendors with eligible high-volume products will meet with an LDB Wholesale Supply Chain team member to review:

- Information provided by the vendor.
- Product sales on file to ensure each individual waitlisted SKU is meeting the minimum sales criteria - five or more cases each week, for at least nine out of the most recent 12 financial periods.
- Details on what to expect during the on-boarding process specific to pricing, distribution channel changes, ordering, shipping, finance changes and accounts receivables.

Step 2: On-Boarding Support

When a product is on-boarded, the LDB Wholesale Supply Chain team will provide further guidance related to:

- Ordering and shipping product to the LDB warehouses. Vendors are also welcome to review the Inbound Shipment Guide available at <https://wholesale.bcldb.com/resources/vendors> .
- How to advise customers of the LDB ordering process for LDB distributed products. The Wholesale Customer Centre has also created an Order Handbook Guide available at <https://wholesale.bcldb.com/resources/wholesale-customer-centre> .
- Sales forecasting and demand planning.
- Processes and timelines for LDB distributed products.

Where can I find out more information?

- Details of the on-boarding / off-boarding model are available on the vendor resource page of the Wholesale website at <https://wholesale.bcldb.com/resources/vendors> . If you have any questions that are not answered in the on-boarding / off-boarding section of the vendor resources page please contact ldbagentinfo@bcldb.com.

FAQs for Domestic Wineries and Distilleries

Do all wineries have to sign up for LDB distribution?

- No. It is the vendor's choice if they would like to apply for LDB distribution for eligible SKUs that meet the minimum sales criteria. This model is separate and distinct from BC Liquor Store (BCLS) listed products. If a domestic wine product is BCLS listed it must be LDB distributed to BCLS, it cannot be direct-delivered to BCLS. But, the product may be direct-delivered to other wholesale customers. On the other hand, a product on-boarded for LDB distribution to wholesale customers does not guarantee a BCLS listing.

Does the on-boarding / off-boarding model impact BCLS-listed products?

- No. If your product is listed with BC Liquor Stores (BCLS), it will be stocked at the LDB distribution centre and shipped to BCLS locations. If it is not a BCLS-listed product you can continue to use private distribution to deliver the same product to private liquor stores and hospitality customers.

Can I still direct-deliver my wine/spirit and be on-boarded for LDB distribution

- Yes. Domestic wineries and distilleries that follow a hybrid distribution model may continue to do so under the new on-boarding / off-boarding model. However, to be eligible for LDB distribution, each individual wine SKU must meet the minimum sales criteria of five or more cases each week, for at least nine out of the most recent 12 financial periods.

Are there any changes to VQA rebates under the new model?

- No. The on-boarding / off-boarding model does not impact the VQA rebate program.

Are there any impacts to the small wineries boutique program with BCLS?

- No. If your wine is listed with BC Liquor Stores (BCLS) as part of the small wineries boutique program, it will be stocked at the LDB distribution centre and shipped to BCLS locations per your agreement.