



Melger's Dranken

Beverage Wholesaler

CASE STUDY

Customer Details

Melger's Dranken is a beverage wholesaler with one of the largest assortments in the Netherlands. The company's origins lie in the beverage store Veronica Melger opened in Haarlem in 1972. Over the years, the store and the resulting beverage wholesaler grew so fast that they were split up five years ago into Melger's Wijn en Dranken (store) and Melger's Dranken (beverage wholesaler).

Industry

Food & Beverage

Aptean Solution

DIN Beverages, from Aptean

Challenges

- Growing stock was not correctly maintained, challenge to properly monitor the margins
- Lack of good insights

Benefits

- All missing functionality is guaranteed in DIN Beverages from Aptean
- Greater control and insights into stock, history and margins
- Overview!

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Toby Raamsveld, Head of Finance

Growth through flexibility, trust and a broad assortment

"As a beverage wholesaler, we've grown considerably in recent years. For example, after our move, we became an agent for Gulpener beer and we took serious steps with Jopen and Uiltje beer. Our strongest point, in addition to our assortment, is the delivery service we have with our own drivers. Due to the short lines of communication with our fleet, we can operate flexibly and respond slightly more to the customer's individual wishes. Because we're so close to our customers, we also build up trust, with our so-called core customers. These are bars, restaurants and other businesses with specific opening times, which are often closed at the specified delivery times. Based on established trust, we can simply deliver the goods inside and collect the empty ones. Our customers really choose us for that extra service.

We go a step further than the larger catering suppliers.”

“Over the last few years, we’ve grown tremendously in terms of our customer base, partly thanks to our assortment, service, and flexibility. Our customer base consists of a mix of newcomers and customers who we’ve been supplying goods to for years. For example, a new bar—the Lager House, has recently opened in Amsterdam that has 51 beers on tap. This customer chose us because of his previous positive experiences. We also supply goods to many customers, as well as another main supplier; for example, a specific demand for specialty beers. That’s what they come to us for.

New need for current insights

“We now supply cities from Haarlem to Rotterdam and Utrecht and everything in between. This regional growth has prompted a different stock policy. We quickly noticed that our previous system was holding us back. We were constantly getting stuck while doing our daily activities. The stock was not correctly maintained, and it was a huge challenge to properly monitor the margins, in part due to the lack of good insight. Because our stock position kept increasing, the warehouse employees eventually no longer knew how long something had been standing there.”

“Moreover, we want to work with an EGL permit in the future. Our current system could not accommodate this registration. That’s why in the first half of 2018, we started to orient ourselves towards a new software package. We immediately started looking for the industry leader in the Netherlands, and soon found DIN Solutions from Aptean, partly because our three largest suppliers, Hansen Dranken, Beer & Selected Beverages, and Bier&co were also DIN customers. We even inquired after references, and it turned out that the options we’d been missing in our software up until then were guaranteed at DIN. So, the choice was then made quickly.”

Packaging and sustainability

“We see that the market is undergoing rapid change. Generally, the challenge for beverage wholesalers is packaging. Although everyone switched to plastic kegs two years ago, they’re now back to steel kegs. Smaller or start-up breweries usually start off with plastic kegs because of the

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Toby Raamsveld
Head of Finance

costs. The drawback to plastic is that it costs from 10 to 15 euros per barrel, is used once, and then is thrown away. Breweries that are growing are more likely to invest in steel kegs. These are more sustainable and, because of their reuse, the purchase price is ultimately lower. Steel kegs are more expensive to produce, but on the other hand, they have a deposit value of 50 to 60 euros per keg. We completely lost that overview on the packaging and its value. Now we have regained that insight, and we know that we currently have 70,000 euros outstanding in packaging! It’s considerable value that we have to deal with properly.”

Money at a standstill - making strategic choices

“Along with insight into the packaging, there was also no insight into the number of pallets and their value. We used to exclusively use DPB pallets. These are sustainable pallet that also come with a hefty purchase price of €22.50 each. During one count, we discovered that we had more than 450 such pallets! That’s money at a stand still. That extra insight makes you think about what you want to do with this in the future. It helps you take a critical look at your company and make the right decisions.”

Implementation process

“At the start of the implementation process for DIN Beverages, we worked with a business consultant to map out exactly what we needed. Toby coordinated the entire implementation process from Melgers. The specific requirements regarding ERP were: greater control and insight into, among other things,

stock, history and margins, working more efficiently, the possibility of excise registration and a future-proof package. Toby's very positive about the guidance from DIN: "As part of our approach, we opted to have me arrange everything concerning the pre-installation and to test it together with the consultant. Once that was done, we made the transfer to the rest of the employees."

When asked whether there was a change to the processes, Toby responds: "There was certainly a change in how we worked, but in a positive sense. You change several processes anyway because the system works differently and you start to critically examine what can be improved. To give you an example: Previously, we printed packing slips in duplicate so that we could double check everything. We always looked for the easiest way, so we could keep moving forward. Now we're better structured and have started to work more digitally, but everything is step by step. Another process that has changed is creating transport orders. We used to do this in Excel, and we always had one packing slip for each order. Now we can do that in one batch."



B2B order site

In addition to DIN Beverages, from Apteian, Melger's has opted for specific modules such as Bonus Management and the B2B order site. According to Toby, "We've been working with the B2B order site since day one, and we're very satisfied with it. At

first, it took some time getting used to because we arranged it a little differently. Everything is now on the website, even when the items are not in stock. We used to remove these articles from the website, but now they're there. We've organized it so that we can deliver everything within a week. For example, we can treat every item from a customer that is not in stock as a on-delivery order. We then order it directly from the supplier, and it will be with us within just a few days. My gut says that this means we have a lot more sales and fewer declined sales. Customers who used to indicate that they would order an item that was out of stock with us from another supplier, now do so from us. Our customers receive a shortage notification about this. I put this in the same order confirmation with the information that the missing item will come later. Or, for each item, I add how long the delivery time will be. Customers are very satisfied with this, because we used to say 'not available' on the slip, but in the end, the customer did not know anything. Now we can provide order information in greater detail and communicate more transparently."

Bonus Management

"We use the bonus functionality in collaboration with Gulpener. Many customers receive hectolitre bonuses. I used to do the bonus calculations manually. First of all, that's very error-prone and, secondly, it's a lot of work if you have a large customer base. Now, I set that up for each customer, and then it's automatically calculated with the touch of a button. This is going to save us a lot of time. For several customers, we do this monthly, quarterly, or annually. We can also calculate the brewer's participation. That's two birds with one stone!"

What was the biggest win factor?

"For me, as the Finance Manager, it's the overview. With DIN Beverages, from Apteian, it's now so easy to see how much we actually earn per customer, what a customer buys, and what the ultimate profit margin is. Before, we couldn't see that at a glance. Also, the insight per supplier is much better. We get an answer to the question of whether we should have such a large assortment with so many suppliers. Now we can also see what the turnover rate is for items: what has been there for over a month and why don't we stop selling it? That insight helps us make certain strategic choices. That's the biggest plus for me."

Management reporting

“The management reporting will also help us to better guide our company. Based on a Jet Reports course, I’m now working on applying the knowledge I’ve acquired to our own reports. For example, I already run the stock lists for our representatives based on Jet. The representative can then base his or her actions on what we currently have in stock.

Dennis de Leeuw, Director

Future prospects

Director Dennis de Leeuw joins the conversation. We talk about the company’s ambitions and the developments in the market. “We still want to grow and establish ourselves even more in specialty beer land. That’s currently changing so rapidly that it offers us many opportunities on the regional level. We also want to focus on specialty beer cafés. Purely because they’re always looking for new, special things and a lot of variety. That’s our greatest growth perspective. There’s a lot of movement in the market, so many seasons, variations, IPA; our customers come to us precisely because we mix things up.”

Who do you see as the challenger in the market that you sometimes spar a bit with?

Hansen Dranken: they’re doing a great job! With our current size, there are not many of them now. Or they are many times larger or smaller. And both have their charms. We’ve noticed that we’re growing. We’re moving away from being smaller, so that means we can’t do some things like we used to. You see that, as you grow, processes become increasingly complex and you have to coordinate more just to be able to offer the same service. I think the coming years will be a bit more difficult due to the changing beer market, but I’m not afraid of the future. We see that many customers want their freedom and invest in tap installations themselves so they’re not dependent on the major suppliers.”

Experiences with DIN as a partner

Both have been very positive about the collaboration to date. As Toby says, “There was a lot of communication, and the people at DIN

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Dennis de Leeuw
Director

are very professional. For example, there was monthly contact with the project manager about our progress. That way, there was monitoring in time as well as a bit of security. The design and installation of an ERP system should certainly not be underestimated. There is certainly a difference between the providers. It’s nice when someone is watching and monitoring whether we achieve everything on time. That also shows how extensive the package is.”

“The biggest challenge was the time pressure and the sheer amount of data. With 5,600 items at the start, that was an awful lot of work. Plus some items still had snags, such as the price agreements. The importation took a long time. The system, on the other hand, actually spoke for itself. I also researched a lot myself. Then you notice that you can get a lot more out of it if you just sit down and become immersed in it. In addition, I did a lot of testing. We’ll be live starting in February and will actually be working with the solution. In the beginning, I had to guide some people, but now things are slowly easing up.”

Melger’s Dranken has not only chosen DIN Solutions because they offer the right fit. Looking ahead, Dennis notes: “The world’s changing rapidly, and DIN is keeping up with the developments, just like we do in the field of specialty beers. We already know what DIN’s roadmap looks like, so we’re assured of up-to-date software in the future. Given, above all, that we want to keep up with the market, it’s crucial that we have the most up-to-date packaging and the choice

DIN Beverages, from Aptean, guarantees this. In addition, the large user group with peers in the industry forms a large support base and a sounding board for all the developments in the field of DIN Beverages.”

As well as DIN Beverages, they opted for Office 365 with email in the Cloud. Therefore, they've based their automation entirely on the Microsoft platform.



DIN Solutions is part of the Aptean family of mission-critical, industry-specific software solutions. Aptean's purpose-built ERP and supply chain management solutions help address the unique challenges facing process and discrete manufacturers, distributors, and other focused organizations. Aptean's compliance solutions are built for companies serving specific markets such as finance, healthcare, biotech and pharmaceuticals. Over 4,500 organizations in more than 20 industries across 54 countries trust Aptean's solutions at their core to assist with running their operations. To learn more about Aptean and the markets we serve, www.aptean.com.