



Alta Via Consulting, LLC

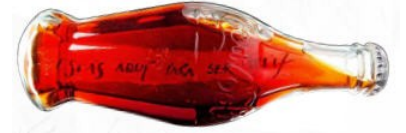
SUCCESS STORY

Success in Beverage Bottling & Distribution

A South American world class bottler needed a better understanding of their bottling and distribution processes. The goal was to identify the true cost-to-serve from bottling to product delivered to the retailer's doorstep.

Through an accurate understanding of costs in the total process stream, the client was able to glean new insights into accurate product and service costing, profitability analytics, and ultimately process streamlining leading to process optimization.

In the bottling and distribution industry, determining accurate product and logistical supply chain costs are a key factor in developing a product mix that will not only optimize profits, but also meet the retailer's needs. To fulfill the client's goals, the solution had to address cost complexity for the bottling and distribution processes, product diversity, packaging, logistics and local multifaceted tax structures.



Embottelladora Andina



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"Understanding the cost-to-serve in the bottling industry includes understanding all aspects of bottling, supply chain, and the retailers' needs."

— Anton van der Merwe, Partner, Alta Via Consulting

With Alta Via Consulting on the team, the organization was evaluated to establish its core processes so that the 'process stream' could be modeled. This effort included:

- Establishing a clear understanding of the 'as-is' landscape with the creation of business process maps
- Working with the client to build a 'to-be' process map and working it into an integrated system using the client's existing software and technology platform; in this case SAP with BI/BW tools
- Prioritizing the changes and change management that was needed to move the business to the 'to-be' process
- Creating reports and scorecards to evaluate profit margins and success at the retail level, route level, and distribution channel level to deliver accurate results in a shorter, more actionable period of time
- Using the results to enhance processes, process chains and the overall logistics model
- Finally, transitioning the knowledge and analytical tools to the client team

This bottler operated the local retail and wholesale distribution channels to supply the South American region. With a wide range of products in various sized containers, it amounted to a large number of SKU's to monitor and control.

The current cost system and analytical tools could not reflect the detail needed for sales, R&D or forecasting to make confident and timely business decisions.

The implemented solution, completed in the client's SAP platform, brought together operations, logistics, and financial data by providing both accurate actual information and a powerful forecasting toolset.

Thus, the client was able to achieve much greater cost transparency, with drill down capability, into their operations.

The real costs of production, transportation, and handling charges became visible to the organization and gave them the insight into their excess/idle capacity so they could disperse and redistribute resources accordingly.

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Alta Via Consulting, LLC

"A Better Use of Information"

Key Benefits:

Within the scope of this beverage bottler and distribution center project, this solution helped with:

- **Decision-focused reporting** was achieved for their logistics reporting system.
- Addressing their **retailer's and customer's demands** more accurately and in a shorter time frame.
- **Key knowledge transfer** along with an **enhanced process chain** for the bottler's SAP team.
- **Identifying excess/idle capacity** creating a more efficient system with less waste.



Alta Via Consulting is passionate about what we do and proud of our record.

"I consider Alta Via's thought leadership in the area of management accounting without peer."

— Peter von Zimmermann, Development Mgr - Financial Analytics, SAP AG (2001)

Publications:

GPk: Cracks In The Silver Bullet? — by Dawn Sedgley & Peter von Zimmermann published in *Cost Management* (Jul/Aug 2010) examines two management accounting approaches, GPk & RCA in an effort to determine how they fit—and to what degree—in the current business and management environments.



The Management Accounting Philosophy I, II, & III Series — by Anton van der Merwe published in *Cost Management* (May/Jun; Sep/Oct; Nov/Dec 2007) discusses how the explosive growth in tools, theories, and approaches during the 1980s fueled defensive infighting within the profession. This series discusses acceptable solutions based on proven philosophical principles and the laws of logic in management accounting.

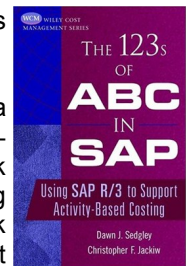
The Lowdown on Lean Accounting — by Anton van der Merwe, Alta Via partner, and Jeffrey Thomson, Institute of Management Accountant (IMA's Past President & CEO), published in *Strategic Finance* (February 2007) and featured as the cover story focusing on



answering the question "What is lean accounting all about?".

The Case For RCA (Resource Consumption Accounting) — by David E. Keys & Anton van der Merwe introduces a three-part series of articles in *Cost Management* (Jul/Aug; Sep/Oct; Nov/Dec 2001) that outlines RCA as a solution that provides a resource view and a direct expression of the interrelationships between resource elements detailing the benefits gained.

The 123's of ABC in SAP — Alta Via partners, Dawn Sedgley and Christopher Jackiw wrote this seminal work on advanced cost management using the SAP suite of products. This work has been characterized as a book that "do[es] not suffer fools".



Awards:

In 2006, Anton van der Merwe was presented with the prestigious **Bonsack Award** for his distinguished contribution in the advancement of cost management from the Consortium of Advanced Management - International (CAM-I).