

# VIP Rolling Out Updated Reporting System

Andrew Adams

**Andrew Adams** is the editor of the *Wine Analytics Report* and was a writer and editor at *Wines & Vines* magazine for nearly a decade. Adams grew up in the city of Sonoma, Calif., and graduated from the University of Oregon with a degree in journalism. In addition to working at daily newspapers for more than a decade, Adams worked in the cellar and lab at the former Starmont winery in Napa Valley.

**IN A KEYNOTE SESSION** at the 2017 Wine Industry Technology Symposium in Sonoma, Calif., Vermont Information Processing's (VIP) Ray Rouleau announced wineries were set to embark on a "journey to a new source of truth."

Rouleau's mere presence at the event was noteworthy in that the employee-owned company avoids publicity and was described in a 2022 profile by VermontBiz magazine as a secretive "stealth behemoth."

What prompted Rouleau to make that rare public appearance in 2017 was that VIP had completed acquisitions of Beverage Data Network (BDN) in 2015 and TradePulse in January 2017. VIP had already earned its reputation in the beverage alcohol industry as the leading source of daily depletion data to brewers. The acquisitions by VIP would enable it to offer a similar level of reporting for wineries.

Speaking to *WineBusiness Monthly* earlier this month, Rouleau said VIP shut down the BDN servers at the start of 2023 bringing an end to a lengthy process of integrating the different systems. The TradePulse reports created by wholesalers were the first to be retired six years after the acquisition by VIP.

The journey to a new source of truth may have taken longer than the four years Rouleau initially estimated, but VIP's winery clients now have access to daily reports generated through the company's Supplier Reporting Services (SRS).

"We'd like to thank all of the customers who were on BDN and TradePulse and for their cooperation in making this transition," Rouleau said. "We tried to be as least disruptive to their business as possible while allowing them to take advantage of the existing technology."

The daily reporting is at the cornerstone of VIP's services and is intended to give wineries a much more accurate, timely and useful source of data compared to the monthly reports by BDN. The updated SRS also provides precise and daily information on depletion allowances and billbacks.

"The transparency and real-time nature of the information exchange allows the wineries to work within the market with their distributors," Rouleau said. "Looking forward, our goal is to help wineries with national account execution, better price alignment with their wholesalers and better forecasting to assist with supply chain."

Rouleau said VIP receives data from more than 2,600 distributors serving more than 600,000 accounts and works with more than 350 winery clients that range in size from small operations with limited distribution to some of the largest wine companies in the United States. He estimated the company sees about 95% of all commercial wine sales in the United States.

Founded in Burlington, Vt., in 1972 by Howard Aiken, VIP celebrated its 50th year in business in 2022 and has been employee-owned since 2001. Aiken was an early adopter of technology who convinced a handful of disparate

businesses to try his new computer-powered central billing service. Clients would gather up their invoices and put them on a public bus that took them to Burlington where Aiken would work through the night inputting sales data and generating reports, which he would then put on the first bus out of town the next morning. According to the company's history, Aiken soon realized only one of his clients paid on time and that was a beer distributor.

After finding his niche, Aiken stuck with it, and VIP now employs more than 600 and is based in Colchester, Vt., where its main office features on-site childcare (first offered in 1990), an employee health center, two gyms and outdoor courts for street hockey, basketball and pickleball. The company also has offices in Bend, Ore., Trevose, Pa., Pleasant Hill, Mo., and Chicago.

Due to its early focus and success in beer, which has a much shorter shelf life than spirits or wine, VIP had to invest in systems that could provide timely reporting. The company has also been quick to adopt new technology, debuting its first mobile application for Palm devices in 1998 and its first iOS app in 2012.

Additional acquisitions also followed the deals for BDN and TradePulse. In 2020, VIP acquired Vistaar's U.S. beverage alcohol business and then Data Consultants and the route planning firm BizStride in 2022.

Ed LeMay has worked in the wine industry for more than three decades and currently is a route-to-market specialist and principal of the consultancy business Azur Associates. He said he recalls how revolutionary it seemed when Robert Mondavi first brought in BDN's reports to what was then his eponymous winery more than 20 years ago.

"That seemed groundbreaking," LeMaysaid, "no longer having to get depletion reports from each individual distributor and then rolling everything up into one report."

LeMay described what VIP is now offering wineries via its SRS system as "astonishing" in terms of both the daily reporting down and account-level detail. "These days growth is not easy for a lot of wine companies, so speed and accuracy are paramount," he said.

When working with older, monthly reporting systems, LeMay said a winery's sales team put together a promotion for a specific brand, market or sales channel and had to take on good faith that all those changes would be implemented through their sales network down to the account level. "You would have to wait for a post-mortem to see if any of the changes I affected in the market worked," he said.

Having yesterday's sales data in front of him today, LeMay said it gives one the ability to be proactive and work directly with distributors and sales reps to make any needed adjustments.

The account level detail helps suppliers stake out prospective new placements and quickly determine where they are succeeding or failing to meet objectives. LeMay said the system also ensures wholesalers and suppliers are looking at the same data and not squabbling over who has the more accurate report.

"It gives me the ability to be proactive and I can work with my distributor to drive initiatives rather than being an upset supplier weeks after the event," he said. **WBM**