



Salient DSD

Fred Nesbit Distributing Company

Fred Nesbit Distributing Identify Problems and Pinpoints New Opportunities with Margin Minder®

Overview

Fred Nesbit Distributing Company, Inc. is the largest wholesale distributor of Anheuser-Busch products within Central Iowa.

Industry

Direct-to-Store Distribution

Geography

Central Iowa

Challenges

Fred Nesbit was looking to upgrade data capabilities to evaluate the market better and make it easier for members of the sales team to get the information they needed

Solution

Margin Minder® by Salient Corporation

Background

Fred Nesbit Distributing Company, Inc. is the largest wholesale distributor of Anheuser-Busch products within Central Iowa. The company provides Budweiser, Michelob, Corona, Rolling Rock and Sam Adams beer brands to 11 counties within a 40 mile radius of Des Moines, and holds over 1350 retail accounts. Yearly revenues are approximately \$70 million.

The Problem

Nearly five years ago, the company decided it needed a better way to access sales, distribution and financial information. The company had always been ahead of its competition, but knew it needed a new approach to maintain leadership. Fred Nesbit had been using a locked system, where every employee was relying on one secretary to run reports. And the only intelligence provided to sales team leaders was a yearly report the size of a phone book that compared sales for the current year with those of the year prior.

The Solution

The company decided to leverage Salient Corporation's Margin Minder. Fred Nesbit was able to easily install the solution, and soon their senior-level sales team that had never used a PC became comfortable using their own laptops with daily accessibility to real-time sales, distribution and financial information.

What they liked best about Margin Minder was the speed which they could access info, i.e. the ability to "load and go", and the fact that they could now spot trends, track products and the effects of brand rollouts.

For example, Anheuser-Busch designated Fred Nesbit as one of five national test markets for the introduction of Bud Select. Through comparative time series trend charts Margin Minder provided, Fred Nesbit was able to show how Bud Select sales were doing by week and by month both alone and compared to other Anheuser-Busch brands such as Michelob Ultra, Bud and Bud Light. And they could provide views on Bud Select sales by supervisor, store, city, and county. Ultimately, Fred Nesbit was able to easily demonstrate that Bud Select sales went "through the roof" and helped to justify a national rollout.



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Fred Nesbit was able to measure the success of promotions through Margin Minder as well. Upon launching a Busch beer promotion, they tracked sales for the two weeks of the event and then for the four weeks after, and saw both how well Busch beer did as well as how other brands performed during the same time period to ensure that Busch was not taking sales away from other brands, thus counteracting the efforts of the promotion. Fred Nesbit was able to demonstrate the promotion resulted in an overall net increase in sales and was worth the effort.

Additionally, because Fred Nesbit was now able to see the details of how particular stores, cities, counties, products, sales supervisors and representatives were doing, they could spot problem areas. Margin Minder enabled the company to spotlight that Bud Light sales were down in certain areas, and with further investigation Fred Nesbit learned that competing wholesaler/distributors had lowered their prices to a more competitive rate.

Conclusion

According to Sales Manager Darell Schwen, Margin Minder has helped so many aspects of their business – from tracking pricing structures, new products and suppliers - that it's hard to quantify how Margin Minder has affected the bottom line, but he knows if it was taken away it would hurt the company. He compares it to going from operating the computerized airplanes of today to the manual models of the past. Schwen says that when suppliers come to Fred Nesbit to review and plan for future sales, they are always extremely impressed with Margin Minder, and that helps in strengthening those relationships. Schwen says, "It's a great tool. If there's something going wrong in your business, Margin Minder allows you to find out why and fix it, and if there's something going well you can also learn and capitalize on that too."

About Salient

Salient Corporation makes very large scale in-memory intelligence technology for ad hoc data interrogation, visualization and root cause analysis. The company provides continuous audit, performance monitoring and forensic applications for business, health care, education and government.

