



# Beverages



With nearly every industry sector being disrupted, why wouldn't you expect the same in yours?



PEPSICO

DIAGEO



BACARDI

BRITVIC  
soft drinks

## The Challenges

In the beverage sector, many functions are asking what disruption means for them and how do they prepare for it. Some of the way drinks manufacturers such as **Bavaria**, **PepsiCo**, and **Britvic** are responding to disruption is by looking to improve the cost control, efficiency and risk management processes.

The global alcoholic beverages market was valued at \$1,439 billion in 2017 and is expected to reach \$1,684 billion by 2025\*. This rise in consumption is partly due to a rise in disposable income and changing consumer preference. However, despite this increased taxation and higher excise duties on has put pressure on the market. They influence product innovation as well as create pressure for improved cost control.

Although, many products such as beer are based on four basic ingredients - malted cereal grains, hops, water, and yeast, there is a growing trend for the addition of flavouring ingredients, such as herbs and fruits.

Product innovation is fuelling the demand for these new ingredients. And companies are finding they have a growing need for a wider range of independent market prices that can help manage supplier costs. As well as for other associated costs such as product packaging.

These activities are increasing the time spent on already stretched processes. Leaders are increasingly looking to improve efficiency and reduce the time and resources required across areas. To assist with this many are looking to have access to commodity pricing data in order negotiate more effectively with suppliers, understand market conditions and operate more efficiently.

When purchasing materials in high volumes, it's imperative to accurately track market prices. This ensures purchasing spend remains consistent with real market prices and to avoid market volatility year on year. But they are searching for new ways to make it quicker and easier to manage the various product categories, as well as gain leverage over current suppliers. And with increasingly competitive markets they are always looking to demonstrate value and to evidence their price changes to customers.

## Mintec's Solution

Mintec implemented their raw materials and commodity price tracking services through Mintec Analytics, its proprietary commodity price dashboard and supply analytics platform.

This has delivered a combination of data, market insight and analytical tools to large manufacturers like **Bacardi**, **Diageo** and **Pernod Ricard**. This has enabled them to access any of the +14,000 commodity prices, to accurately manage and respond to current challenges.

**Mintec Analytics gives them access to:**

- Integrated raw material and commodity analysis
- Personalised price dashboards for supplier contract management
- Market insight and extensive price data
- Benchmarking supplier pricing across a range of commodities

## The Benefits

Mintec data has become an integral part of our customers procurement and product strategies. The breadth of data and access to insight it provides supports their commercial teams. It helps to free-up valuable time and resources, so they can focus on their core roles – sales, supplier negotiations and supply strategy.

Access to reliable market prices on relevant materials all in one, easy to access location has reduced the time spent collating data, performing analysis and preparing for planning and supplier negotiations. It also underpins their ability to accurately track price movements and enable procurement to respond to any price volatility.

By being able to use the resources in Mintec Analytics, they are better able to track prices in these markets and benchmark their suppliers. This ensures they are better able to control their costs and remain more competitive.

Mintec Analytics was able to consolidate their workload of manual market tracking and allow them to create customised dashboards and cost models for a wide range of products, all of which can be updated regularly and in bulk, using data integration tools including APIs.

## The ROI

Conservatively, a 1% saving on £2.5 billion could result in savings of circa £25 million. An investment that clearly demonstrates a healthy return on investment.

# Mintec Tools & Analysis

Whether food commodity prices are rising or falling, Mintec price information enables you to negotiate the best prices and defend unsupported price increases with your suppliers.



Price Clarity



Manage Risk



Reports & Analysis



Win Back Time



Unlock Insights



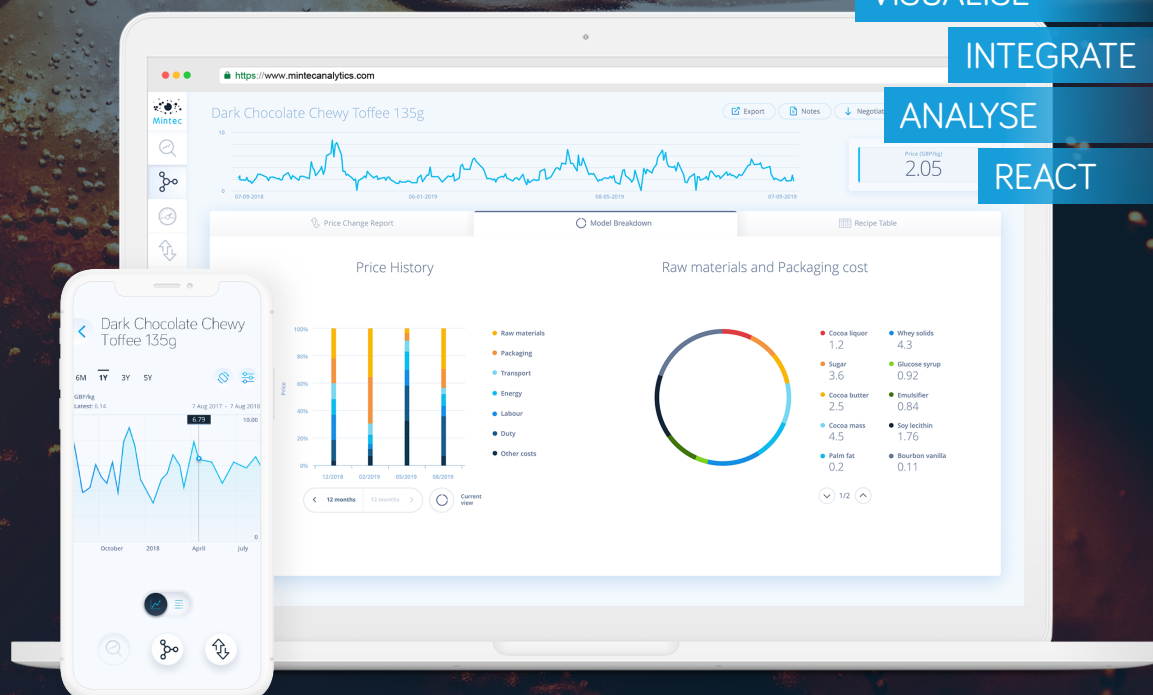
Trend Movements

VISUALISE

INTEGRATE

ANALYSE

REACT



## Cost Modelling

Easily generate cost breakdowns including labour and packaging for current or planned future products.

## Dashboards

Create tailored dashboards to track the categories, commodities and indicators most relevant to you.

## Price Alerts

Set up bespoke alerts and receive notifications based on price changes or movements.

## Import Data

Automate the bulk integration of 3rd party data and cost models, to get a complete picture of your product costs.

## Negotiation Packs

Reports combining overview of price movements and key drivers for 14,000+ raw material series.

## Commodities

View current and historical pricing data, plus indirect costs for 650+ commodity types globally.

## Weather Impact Analysis

Assess the impact of key weather trends on the growing season and crop yields to identify alternative sources.

## Market Outlook Reports

Understand the short-term price outlook with detailed market reports covering 60 commodity types.

## Price Change Reports

Track top level price movements for selected commodities, raw materials or finished goods.