



# Tamarron's 2017 Craft Brewer Performance Survey

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DISTRIBUTOR RESULTS PACKAGE

PRESENTED BY TAMARRON CONSULTING



# Thank you for your Continued Support!

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Tamarron Consulting would like to take this opportunity to thank you for responding to our 2017 Craft Brewer Performance Survey.

Craft Brewers continue to use the Survey as a forum to learn about how their distributor networks perceive their performance, and we greatly appreciate your candid input.

The Craft Brewers take the Survey results very seriously and because of your feedback, the brewers on the survey have addressed opportunities identified from the results. Below are a few of those opportunities:

- Off Premise National Accounts / Better chain presence
- Package
- Distributor relationship management and the need to address our
- Ordering process
- Establish common language with sales team/distributor

Thanks again for your participation and be assured that both Tamarron and your Craft Brewers value your input!

We look forward to hearing from you again in 2018!



# Survey Results Outline

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- Survey Overview
  - Purpose, structure, process
  - Respondent profile
- Industry Mega Trends
- Industry Performance Overview
  - Top-line results
  - Industry-wide opportunities / strengths
- Appendix
  - Top 3 Functions by Craft Brewer
  - Survey Questions
  - Most Important Question

# SURVEY OVERVIEW

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PURPOSE, STRUCTURE, PROCESS

RESPONDENT PROFILE

# Survey Overview



- **Purpose:**
  - To understand how your distributor partners scorecard your performance against craft brewer roles & responsibilities; Identify opportunities to improve your performance and relationships with distributors; Benchmark your performance against other craft brewers; Seek and share best practices with other craft brewers based on survey results; Identify opportunities to “raise the bar” of performance for the craft brewer segment of the industry
- **Structure:**
  - Questions have been developed based on Tamarron’s annual Malt Beverage Supplier Performance Survey and Malt Beverage Supply Chain Survey and were paired down and modified to better align with the Craft Beer segment of the industry.

Questions were modified in 2017 to reflect the changing nature of the Craft Beer industry:

- 13 new questions:
  - **Business Partnership** - *Craft Brewery Senior Management is an active participant in Distributor Meetings/Market Events/etc and provides added value to your business*
  - **Distributor Performance Measurement / Scorecarding** – *Establishes clear expectations for distributor performance, provides regular performance measurements and holds distributor accountable for performance*
  - **Distributor Inventory Review** – *Collaborates with distributor on reviewing inventory levels, assessing code date inventory, and forecasting inventory needs to minimize out-of-stocks and out-of-code product; works with distributor on handling out of code product*
  - **Grocery** – *Effectiveness of [Craft Brewer] national/regional account team efforts in Grocery chains (e.g., securing brand/SKU placements, programming, pricing, etc.)*
  - **Club** – *Effectiveness of [Craft Brewer] national/regional account team efforts in Club chains (e.g., securing brand/SKU placements, programming, pricing, etc.)*
  - **Mass** – *Effectiveness of [Craft Brewer] national/regional account team efforts in Mass chains (e.g., securing brand/SKU placements, programming, pricing, etc.)*
  - **Drug** – *Effectiveness of [Craft Brewer] account team efforts in Drug chains (e.g., securing brand/SKU placements, programming, pricing, etc.)*
  - **National Accounts Team (Off Premise)** – *Size and effectiveness of the craft brewer's national accounts team. [Craft brewer] is adequately invested in Off premise national accounts team to provide enough support for our market's chain accounts*
  - **Account Placements** – *Ability to secure account placements at a competitive frequency with customers that [Craft Brewer] has established call responsibility - On Premise*
  - **Features and Promotions** – *Ability to secure features and promotions at a competitive frequency with customers that [Craft Brewer] has established call responsibility - On Premise*
  - **National Accounts Team (On Premise)** – *Size and effectiveness of the craft brewer's national accounts team. [Craft brewer] is adequately invested in On premise national accounts team to provide enough support for our market's chain accounts.*
  - **Product Ordering** – *Provides a simple product ordering system / ordering tool for everyday & seasonal packages*
  - **Effective Operations Relationships** - *Brewery personnel operate well with distributor key operations personnel*

# Survey Overview (cont'd)



## ■ Structure (cont'd):

- 55 Total Questions are grouped into 12 functions:

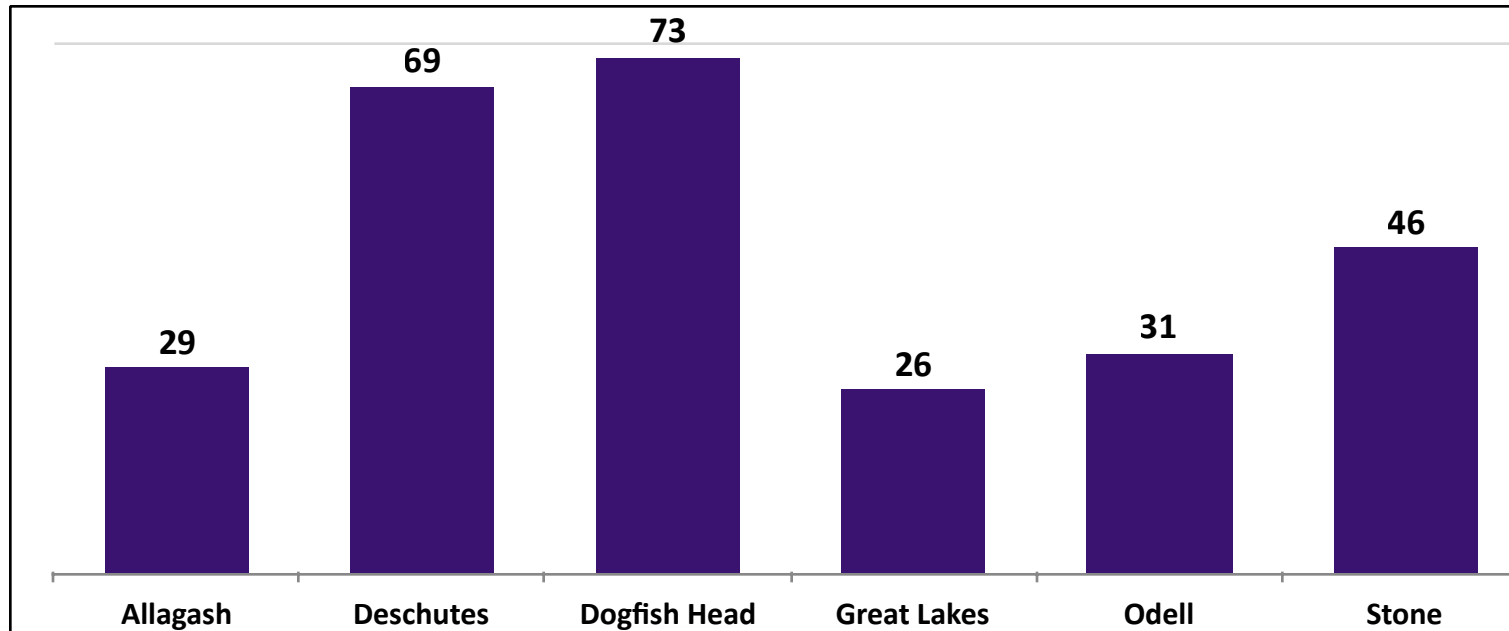
- Leadership
- Field Sales – Annual Planning
- National Accounts – Off Premise
- Forecasting/Ordering
- Distributor Relationship Management
- Field Sales – Qtrly/Mthly Programming & Measurement
- National Accounts – On Premise
- Packaging
- Finance / Revenue Management
- Field Sales – Execution
- Marketing/Brand Management
- Customer Service

- The rating scale is: 1=Poor; 2=Fair; 3=Good; 4=Very Good; 5=Excellent

## ■ Process:

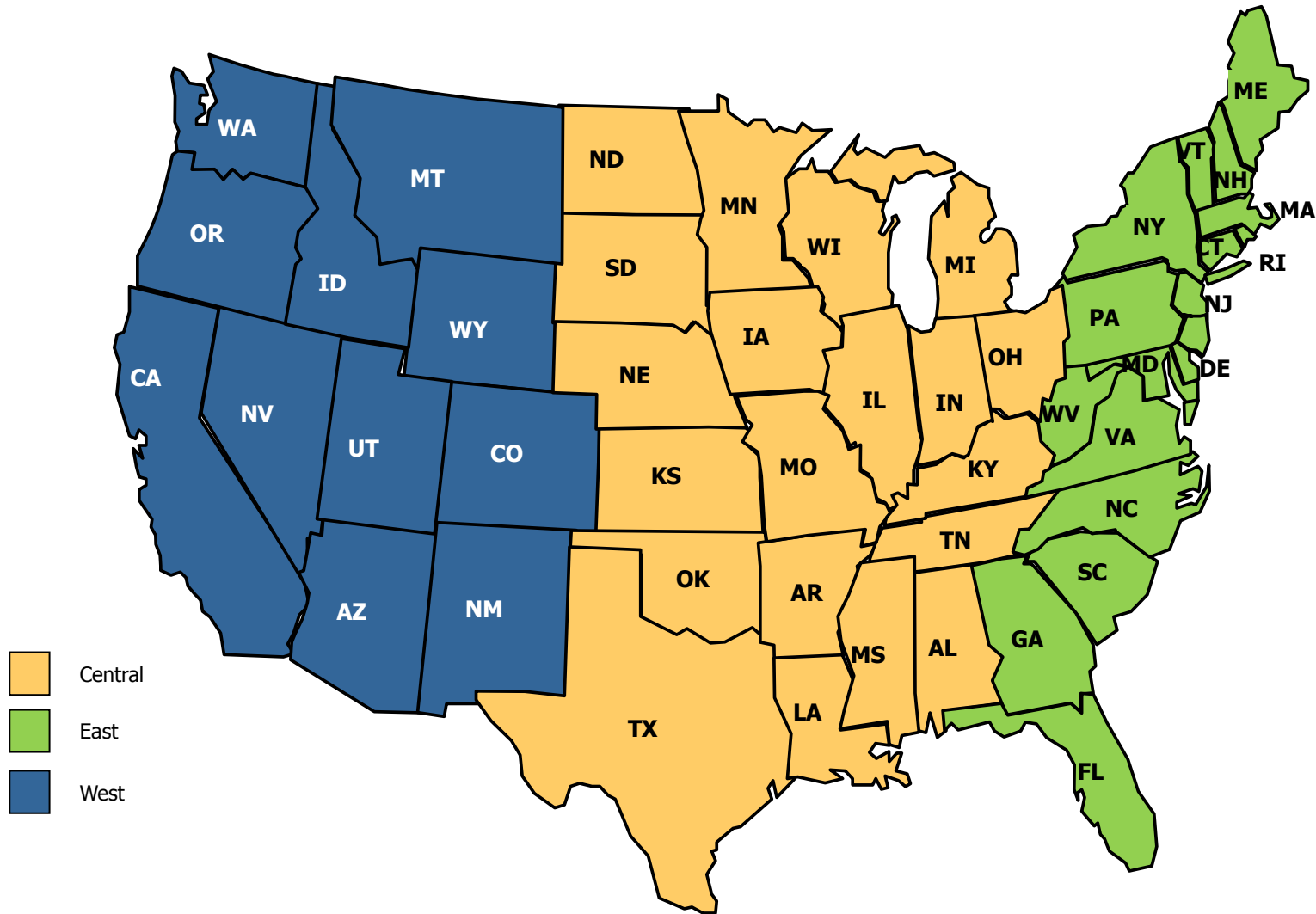
- Each participating Craft Brewer provided contact lists for their targeted distributors; Distributors received customized surveys based on which Craft Brewers targeted them to respond (i.e., distributors only responded for the craft brewers they carry in-house).
- The 2017 participating craft brewers are: **Allagash Brewing Co., Deschutes Brewery, Dogfish Head Brewery, Great Lakes Brewing Co, Odell Brewing Co and Stone Brewing Co.**
- No distributor is weighted, every distributor has an equal voice. Craft Brewers have the option to add customized breakouts (e.g., regions) to dig deeper into their results.

# # of Responses by Brewer

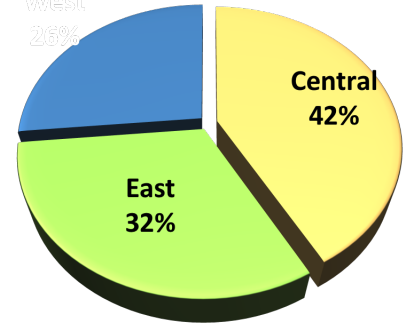


- A total of 236 different point of contacts at distributors across the nation responded to the survey for all of the craft brewers represented on the survey.

# Regional Breakout



Distribution of Respondents by Region – All Craft Brewers



\*Regions are “generic” and were developed by Tamarron for illustrative purposes.



# INDUSTRY MEGA TRENDS

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INDUSTRY TRENDS



- The focus of this results view is to combine Craft Brewer Performance data (from the Craft Brewer Performance Survey) with Tamarron’s view of emerging industry trends to shift focus from how Craft Brewers have performed in the past to how they should be looking to improve in the future.
- The beer industry and its consumers are quickly evolving; Craft Brewers must be more adaptable than ever to this changing business environment.
- Tamarron is providing a 4 year view of Industry (combined average of participating craft brewers) survey results related to key trends to better analyze and identify where Craft Brewers have opportunities to improve their future performance.
- We have narrowed the long list of trends into 3 “mega” consumer-based trends:
  - 1) Expanding Brand Allegiance
  - 2) Buying Local
  - 3) Brand Engagement
- The following pages provide a view of how the Industry performed against those trends based on subjects contained on the survey; we realize that the survey questions are not all encompassing to the impacting factors that Craft Brewers address, but we believe the trended scores identify opportunities based on distributors’ perspectives.



**Expanding Brand Allegiance** – Experimenting Consumers – Consumers are losing loyalty to a brand. They are comfortably expanding their consumption set to include a much wider range of products and packages. Craft Brewers need to manage their portfolios to address consumers’ expanding needs and occasions.

**Buying Local** – Shifting Value Proposition – Consumers are placing more and more emphasis on buying products that were produced in the area where they live or travel. Loyalty to these (local) products is growing in an environment of Expanding Brand Allegiances. Craft Brewers need to work with distributors to localize their products and/or approach as much as possible to respond to this need.

**Brand Engagement** – Story/Message Driven – Consumers are looking for and supporting products that have a story (designed or organic). That story often includes things that differentiate the product or brewer from the rest of the industry. Craft Brewers must enlist the distributor to understand and spread the selling stories and unique propositions of their brands.

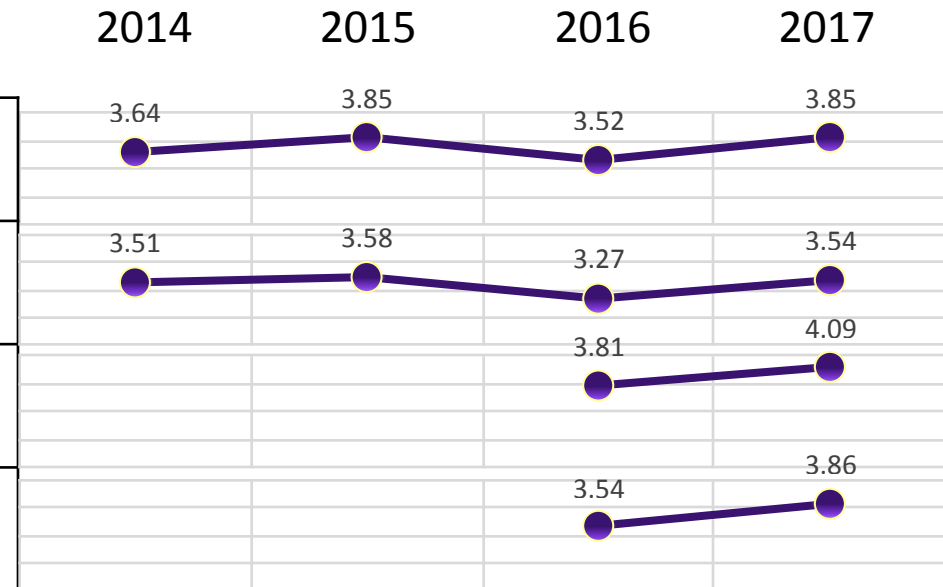
# Tamarron Perspectives

## Expanding Brand Allegiance



**Expanding Brand Allegiance** – Experimenting Consumers – Consumers are losing loyalty to a brand. They are comfortably expanding their consumption set to include a much wider range of products and packages. Suppliers need to manage their portfolios to address consumers’ expanding needs and occasions. *The following chart depicts the Industry’s performance corresponding to this trend:*

<b>38) Positioning Strategy</b> – Articulates a distinctive, competitive and sustainable positioning strategy
<b>39) Level of Investment</b> – Allocates and invests adequate resources to build brands commensurate with [Craft Brewer's] communicated brand strategies
<b>44) Assortment</b> – Offers a complete range of styles, brands and packages on par with [Craft Brewer's] competitors
<b>45) SKUs</b> – Maintains an effective number of SKUs that is reasonable for distributors to execute against while maintaining quality on the shelf



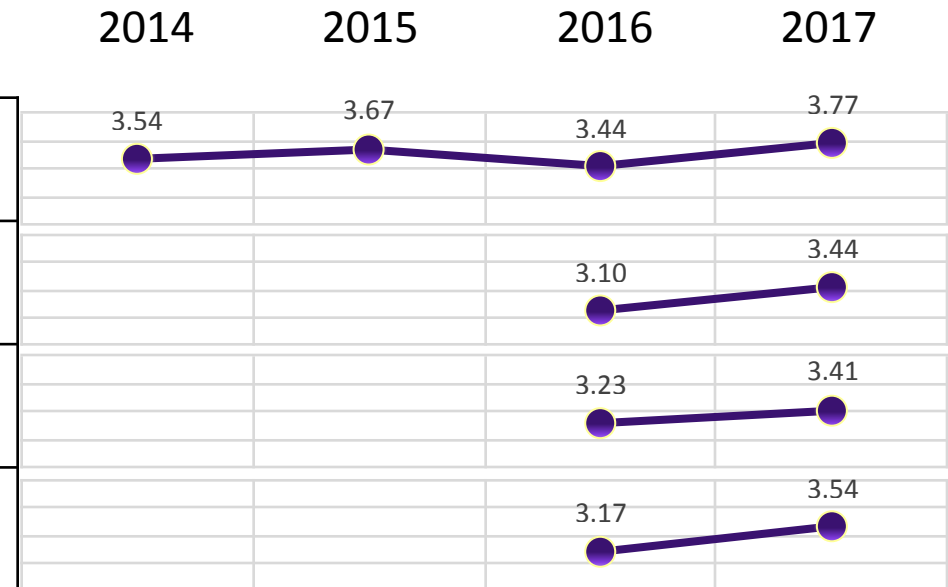
# Tamarron Perspectives

## Buying Local



**Buying Local** – Shifting Value Proposition – Consumers are placing more and more emphasis on buying products that were produced in the area where they live or travel. Loyalty to these (local) products is growing in an environment of Expanding Brand Allegiances. Suppliers need to work with distributors to localize their products and/or approach as much as possible to respond to this need. *The following chart depicts the Industry’s performance corresponding to this trend:*

<b>40) POS</b> – Collaborates on POS needs and provides impactful and adequate supply of permanent and paper POS to support [Craft Brewer] plans & programs
<b>41) Local Marketing Plan</b> – Has developed an effective marketing plan that is applicable to your local market and has localized a relevant brand/message selling story that resonates with consumers
<b>42) Local Market Activation</b> – Activates brands locally to drive brand awareness and interaction (e.g., attends local fests, invests in sponsorships, develops relationships w/ key accounts and actively promotes selling brands, etc.)
<b>43) Social Media</b> – Executes an effective social media strategy to help drive brand awareness in your market



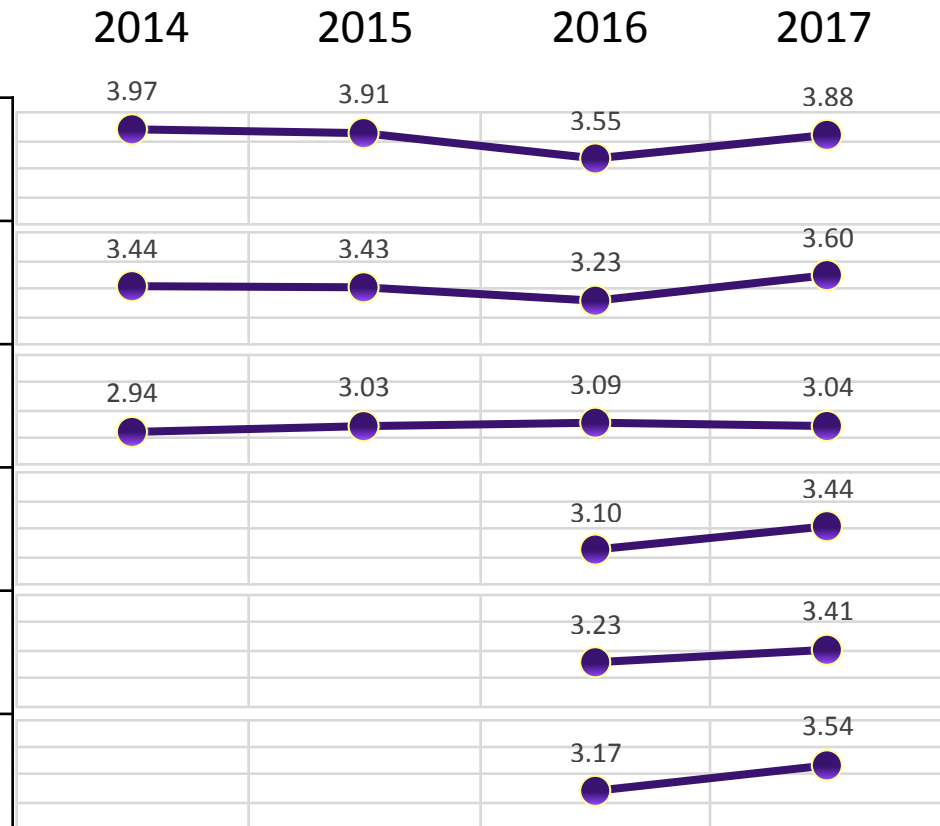
# Tamarron Perspectives

## Brand Engagement



**Brand Engagement** – Story/Message Driven – Consumers are looking for and supporting products that have a story (designed or organic). That story often includes things that differentiate the product or brewer from the rest of the industry. Suppliers must enlist the distributor to understand and spread the selling stories and unique propositions of their brands. *The following chart depicts the Industry’s performance corresponding to this trend:*

<b>23) Key Brand Information</b> – Provides selling information, consumer insights and relevant data/facts on brands to educate and enable distributor and [Craft Brewer] sales personnel to effectively present, sell and market brands
<b>24) Collaborative Execution &amp; Activation</b> – Works collaboratively with distributors to plan and execute account-level programs to successfully meet execution goals (i.e., account targeting, assigning responsibilities, "feet on the street", etc.)
<b>36) Account Staff Training</b> – Knowledge of and ability to educate on-premise personnel on general beer knowledge (e.g., categories, styles, consumer experience, brand-specific target consumers, profit, etc.) as well as brand specifics
<b>41) Local Marketing Plan</b> – Has developed an effective marketing plan that is applicable to your local market and has localized a relevant brand/message selling story that resonates with consumers
<b>42) Local Market Activation</b> – Activates brands locally to drive brand awareness and interaction (e.g., attends local fests, invests in sponsorships, develops relationships w/ key accounts and actively promotes selling brands, etc.)
<b>43) Social Media</b> – Executes an effective social media strategy to help drive brand awareness in your market



# INDUSTRY PERFORMANCE OVERVIEW

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CHALLENGES FACING BEER INDUSTRY

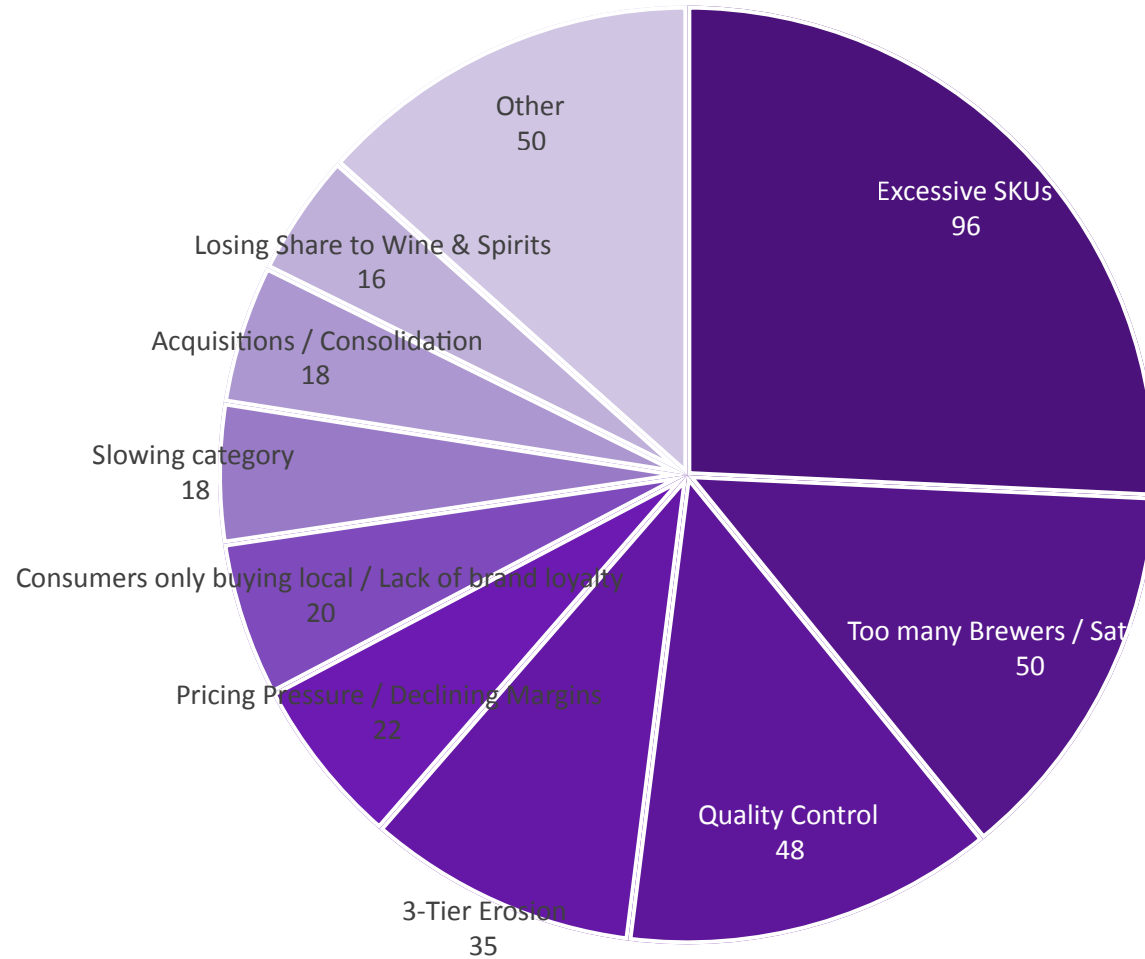
TOP-LINE RESULTS

INDUSTRY-WIDE OPPORTUNITIES / STRENGTHS

# Common Themes: Biggest Challenges Facing Beer Industry



# of Responses



Respondents were asked in an open-ended comment to share the biggest challenges facing the beer industry and what actions Craft Brewers should take.

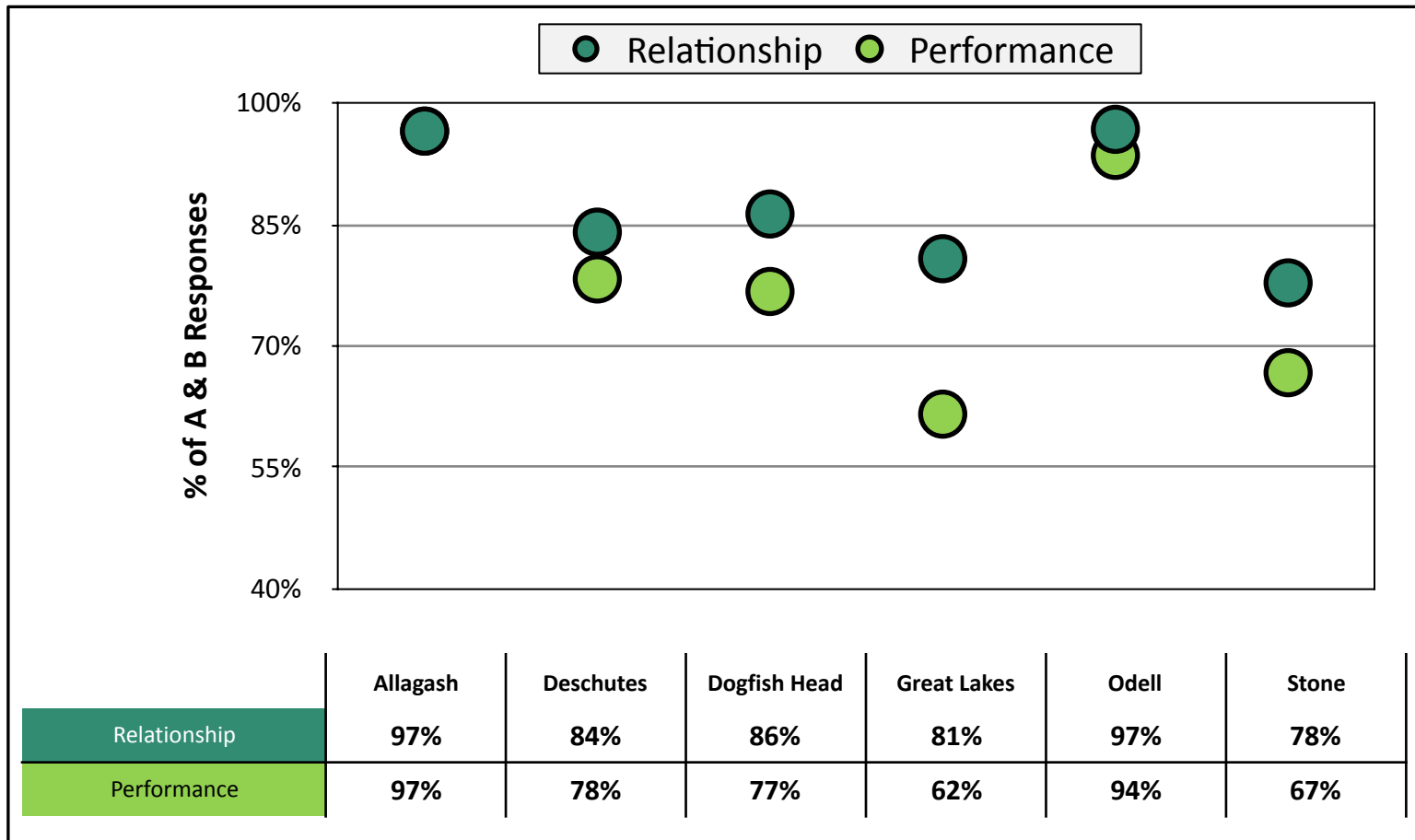
- Excessive SKUs, Too many Brewers, and Quality Control were the Top 3 biggest challenges indicated by Distributors.
- Suggested Actions to take (from distributors):
  - Focus on core brands/SKUs – limit the one-offs/offerings
  - Targeted approach when introducing seasonals
  - Better alignment/understanding between the distributor and craft brew tiers
  - Determine what SKUs work best for the local market
  - Initiate better training programs for local reps
  - More feet on the street
  - Innovation - be mindful of what resonates with consumer
  - Higher quality standards
  - Engage with potential outside threats (Amazon, Drizly, small craft brewers)
  - Engage millennials
  - Limit number of releases in a year
  - Industry programs to attract/develop talent
  - Communicate/educate distributors the value of the 3-tier system





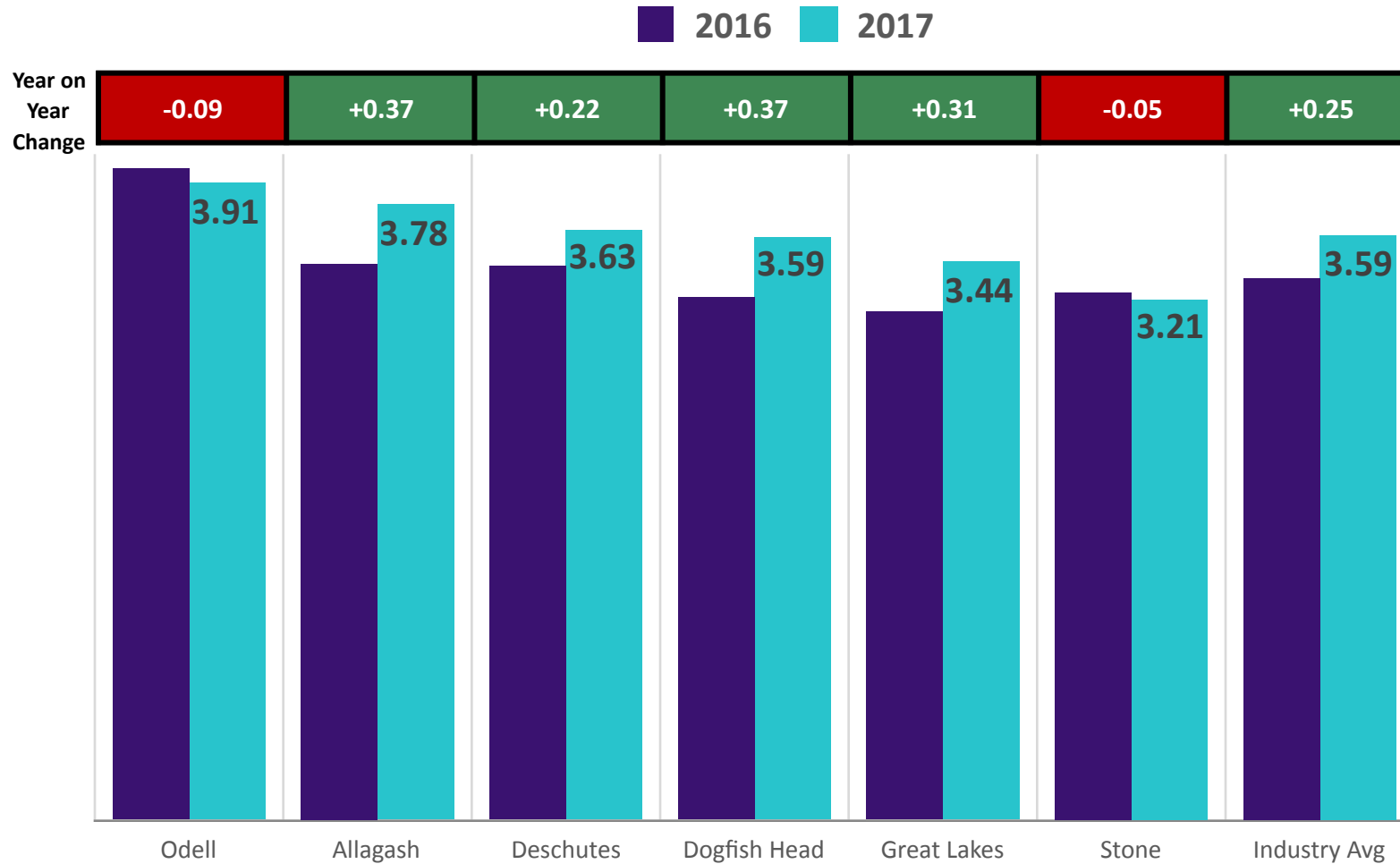
# Relationship/Performance Grades

Tamarron's perspective is that a supplier/brewer should **not** be satisfied with anything lower than an 'A' or 'B'. Below is a chart depicting each brewers' % of As and Bs.



- Respondents are asked at the beginning of the survey to give the Craft Brewer a grade for relationship and performance; the grades are a good indication of distributors' perception of the Craft Brewers.
- Similar to Tamarron's Supplier Performance Survey, the majority of craft brewers received higher grades for Overall Relationship than Overall Performance. Allagash received the same number of As and Bs (97%) for Relationship and Performance.
- Great Lakes had the biggest gap between Performance and Relationship grades (a difference of 19%).
- Allagash and Odell lead the craft brewers in Performance and Relationship grades.

# Overall Performance Score by Brewer



The results for all 55 performance-based questions were averaged to obtain an “Overall Average Performance Score” for each of the craft brewers. *It is important to note that although the overall average performance scores by craft brewer are often viewed as noteworthy, Tamarron strongly believes that scores are much more insightful, comparable, and actionable at the function and question level.*

#### **Overall Score:**

- Odell Brewing Co. maintained the highest score from distributors at 3.91; followed by Allagash at 3.78.
- Combined, the Craft Brewers scored much higher in comparison to the major domestic, import and national craft suppliers on the Supplier Performance Survey that Tamarron also conducts (*2.92 Industry Average Score on the 2017 Supplier Survey compared to a 3.59 average of the Craft Brewers represented on the 2017 Survey*).

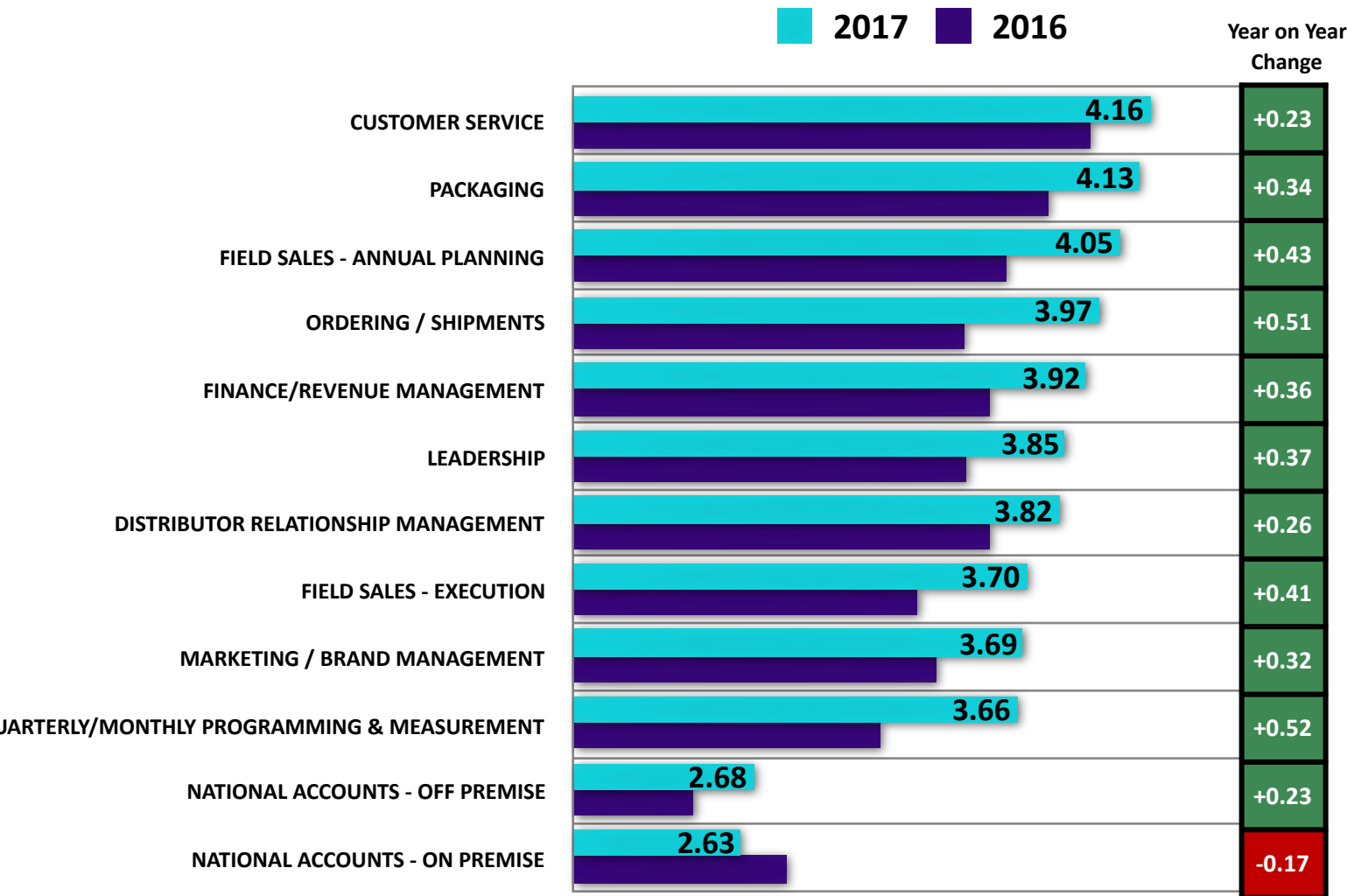
#### **Year on Year Change:**

- Odell and Stone were the only brewers to report lower scores than 2016. Allagash and Dogfish Head posted the largest gains; both up +0.37 from last year.

Scale: 1=Poor; 2=Fair; 3=Good; 4=Very Good; 5=Excellent

# Function-Level Performance Score

## Industry Average



### Overall Industry Functional Scores:

- Same as the past few years, the National Accounts functions in the On and Off Premise reported the lowest Industry Average scores (way below the 3.00 mark of “Good”), indicating distributors perceive these areas as industry-wide opportunities for Craft Brewers.
- The Customer Service, Packaging, and Field Sales – Annual Planning functions reported the 3 highest industry averages among the 12 functions, all above a 4.00 “Very Good”.

### Year on Year Change:

- 11 of the 12 functional areas received higher Industry Average scores compared to last year, with only the On Premise National Accounts function declining, attributable to the 3 new questions.
- The Quarterly/Monthly Programming & Measurement function had the most measurable improvement in score (+0.52).

Scale: 1=Poor; 2=Fair; 3=Good; 4=Very Good; 5=Excellent



### Top 10 Question Scores

Function	Question	Score
PACKAGING	51) <b>Package Integrity</b> – Strength and resilience of overall product packaging (in warehouse and on truck)	4.37
PACKAGING	50) <b>Code Date Legibility</b> – Code dates on all packages are easy to read and understand	4.35
FIELD SALES -ANNUAL PLANNING	13) <b>Annual Plan Timeline</b> – Delivers an annual business plan for the following year on a timely basis (i.e., sufficient lead time to enable distributor to use as an input for its annual plan)	4.28
CUSTOMER SERVICE	54) <b>Effective Operations Relationships</b> - Brewery personnel operate well with distributor key operations personnel	4.17
CUSTOMER SERVICE	53) <b>Accounts Payable</b> – [Craft Brewer] remains current on its supply chain/ operations related payments to distributors (not including discounts or other sales & marketing expenses)	4.17
FINANCE / REVENUE MANAGEMENT	11) <b>Distributor Margins</b> – Offers distributors margins on [Craft Brewer's] products that are commensurate with other like brands	4.17
CUSTOMER SERVICE	55) <b>Customer Service</b> – Craft Brewer customer service representatives are accessible, knowledgeable, and responsive	4.16
MARKETING / BRAND MANAGEMENT	44) <b>Assortment</b> – Offers a complete range of styles, brands and packages on par with [Craft Brewer's] competitors	4.09
ORDERING / SHIPMENTS	47) <b>Product Ordering</b> – Provides a simple product ordering system / ordering tool for everyday & seasonal packages	4.08
DISTRIBUTOR RELATIONSHIP MANAGEMENT	8) <b>Follows Through on Commitments</b> – Consistently follows through on commitments made to distributors	4.05

- In 2017, the Industry Average for 11 of the 55 questions scored above a 4.00 (in 2016, only 2 questions were scored above the 4.00 mark).
- All 6 craft brewers scored above a 4.00 for the 2 highest scoring questions both in the Packaging function – *Package Integrity* and *Code Date Legibility*.
- As in years past, the craft brewers represented on the survey scored very well in the Operations/Supply Chain-related questions with 6 questions represented on the Industry's Top 10 Question list.

# Largest Improvements

## Industry Average



### Top 10 Question Scores

Function	Question	Score
QUARTERLY/ MONTHLY PROG & MEASUREMENT	19) <b>Data Mining &amp; Insights</b> – Consistently presents relevant, fact-based and actionable data and insights based on internal/distributor (e.g., VIP) information, syndicated sources	+0.62
QUARTERLY/ MONTHLY PROG & MEASUREMENT	16) <b>Monthly/Quarterly/Trimester Objective Setting</b> – Develops attainable monthly/quarterly/trimester objectives that align with planned programming	+0.57
QUARTERLY/ MONTHLY PROG & MEASUREMENT	17) <b>Plan Measurement &amp; Accountability</b> – Holds distributor accountable for performance against plan by conducting regular (at least quarterly/trimester) business/performance reviews with distributor	+0.57
FIELD SALES - EXECUTION	22) <b>Sales Meeting Participation</b> – Consistently participates in sales meetings (when allowed) prior to each key selling period & program	+0.54
PACKAGING	52) <b>Repack Materials</b> – Ensures repack materials are consistently available (including back-order issues) at a reasonable cost	+0.52
QUARTERLY/ MONTHLY PROG & MEASUREMENT	20) <b>Innovative Course Correcting</b> – Collaborates with distributor on identifying opportunities to improve performance & programming (e.g., course correcting) and challenges status quo with fresh ideas and methods	+0.47
FIELD SALES -ANNUAL PLANNING	15) <b>Plan Rationale and Brand Building Objectives</b> – Provides rationale justifying how volume expectations can be achieved (e.g., [Craft Brewer] programs/ investments, brand building objectives, including distribution, display/ feature activity)	+0.46
FIELD SALES -ANNUAL PLANNING	13) <b>Annual Plan Timeline</b> – Delivers an annual business plan for the following year on a timely basis (i.e., sufficient lead time to enable distributor to use as an input for its annual plan)	+0.44
PACKAGING	50) <b>Code Date Legibility</b> – Code dates on all packages are easy to read and understand	+0.43
LEADERSHIP	2) <b>One Voice</b> – Ensures that all levels of the [Craft Brewer] organization communicate the overall message at the local level (i.e., [Craft Brewer] has “one voice/one message” to distributors and retailers)	+0.42

- Of the 42 questions that remained the same, the Industry Average scores declined on only 1 question from 2016 – *Account Staff Training* (-0.05), which interestingly was the only question to improve for the Industry as a whole last year.
- Identified as an opportunity for the industry in 2016 with the sixth lowest score, *Data Mining & Insights* posted the largest improvement compared to last year (2.96 in 2016 to 3.58 in 2017). In fact, the 3 largest posted gains from the Industry were in the Quarterly/Monthly Programming & Measurement function.
- *Innovative Course Correcting*, also identified as a 2016 Industry Opportunity, posted a measurable improvement from 3.08 LY to 3.55 TY.

# Opportunities

## Industry Average



### Bottom 10 Question Scores

Function	Question	Score
NATIONAL ACCOUNTS - ON PREMISE	37) <b>National Accounts Team (On Premise)</b> – Size and effectiveness of the craft brewer’s national accounts team. [Craft brewer] is adequately invested in On premise national accounts team to provide enough support for our market’s chain accounts.	2.35
NATIONAL ACCOUNTS - OFF PREMISE	32) <b>Drug</b> – Effectiveness of [Craft Brewer] account team efforts in Drug chains (e.g., securing brand/SKU placements, programming, pricing, etc.)	2.39
NATIONAL ACCOUNTS - OFF PREMISE	30) <b>C-Store</b> – Effectiveness of [Craft Brewer] national/regional account team efforts in C-Store chains (e.g., securing brand/SKU placements, programming, pricing, etc.)	2.40
NATIONAL ACCOUNTS - ON PREMISE	35) <b>Features and Promotions</b> – Ability to secure features and promotions at a competitive frequency with customers that [Craft Brewer] has established call responsibility - On Premise	2.49
NATIONAL ACCOUNTS - OFF PREMISE	29) <b>Club</b> – Effectiveness of [Craft Brewer] national/regional account team efforts in Club chains (e.g., securing brand/SKU placements, programming, pricing, etc.)	2.57
NATIONAL ACCOUNTS - ON PREMISE	34) <b>Account Placements</b> – Ability to secure account placements at a competitive frequency with customers that [Craft Brewer] has established call responsibility - On Premise	2.64
NATIONAL ACCOUNTS - OFF PREMISE	33) <b>National Accounts Team (Off Premise)</b> – Size and effectiveness of the craft brewer’s national accounts team. [Craft brewer] is adequately invested in Off premise national accounts team to provide enough support for our market’s chain accounts.	2.66
NATIONAL ACCOUNTS - OFF PREMISE	31) <b>Mass</b> – Effectiveness of [Craft Brewer] national/regional account team efforts in Mass chains (e.g., securing brand/SKU placements, programming, pricing, etc.)	2.73
NATIONAL ACCOUNTS - OFF PREMISE	26) <b>Ad Features</b> – Ability to secure effective ad features at a competitive frequency with customers that [Craft Brewer] has established call responsibility - Off Premise	2.78
NATIONAL ACCOUNTS - OFF PREMISE	28) <b>Grocery</b> – Effectiveness of [Craft Brewer] national/regional account team efforts in Grocery chains (e.g., securing brand/SKU placements,	2.88

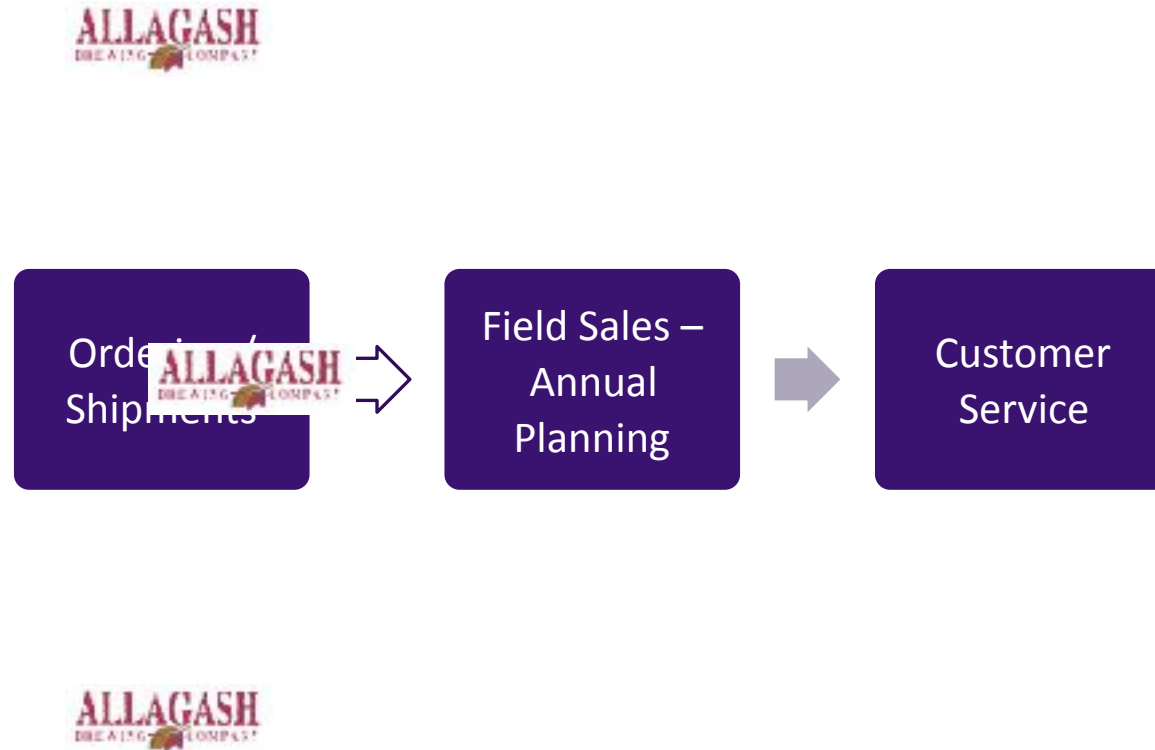
- The Industry scored below the 3.00 (“Good”) mark on 10 of the 55 questions.
- National Account related questions comprised all 10 of the industry’s lowest scoring questions (7 within the Off Premise and 3 in the On Premise). Please note, all of these questions except *C-Store* and *Ad Features* were additions to the 2017 Survey. The Off Premise questions were added to gauge the effectiveness in the different channels, in years past it was a combined question.
- All 6 craft brewers scored below a 3.00 for the 5 lowest Industry scoring questions.

# APPENDIX I

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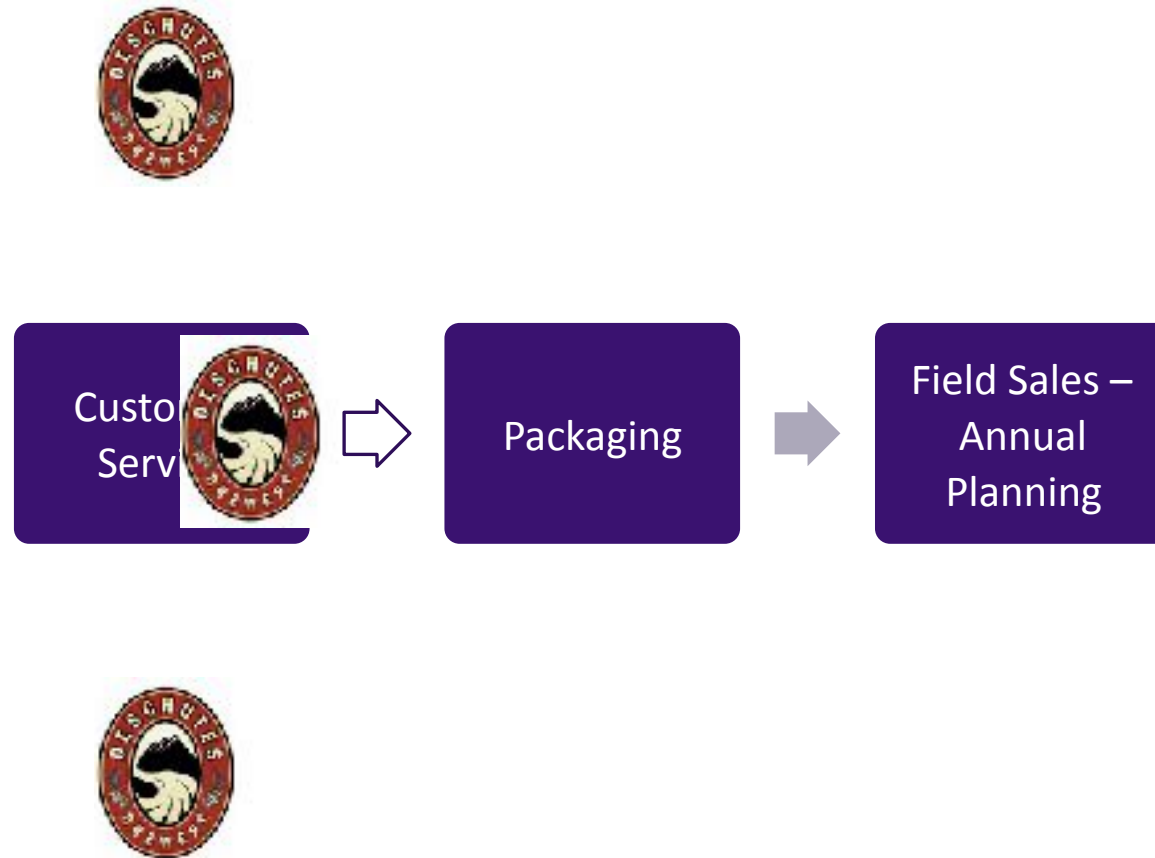
## TOP 3 FUNCTIONS BY CRAFT BREWER

# Top 3 Functional Scores – Allagash Brewing Company

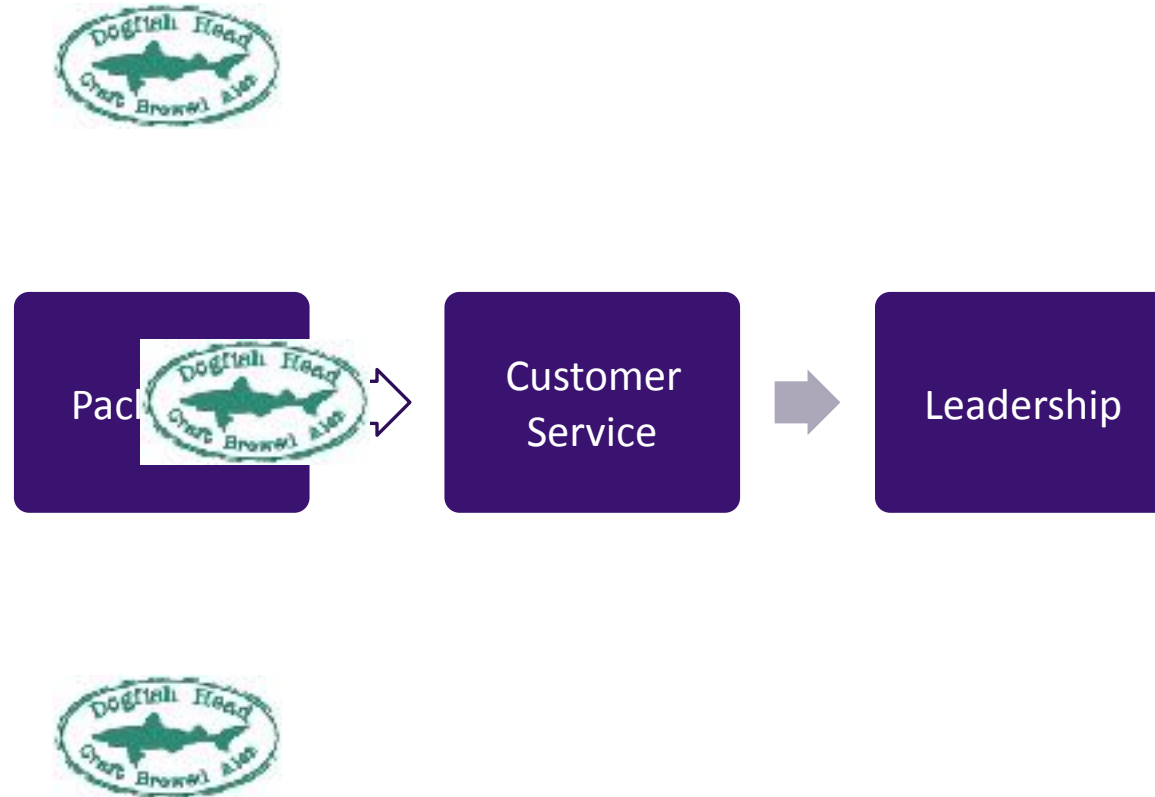




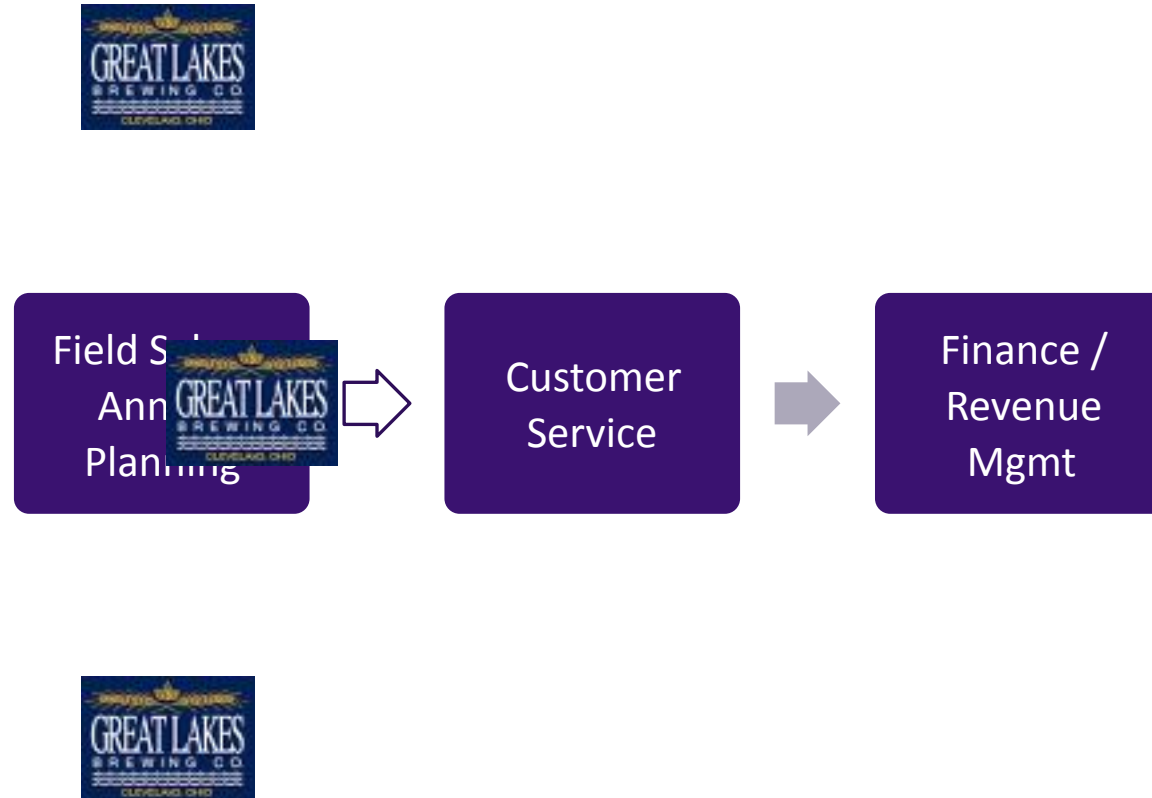
# Top 3 Functional Scores – Deschutes Brewery



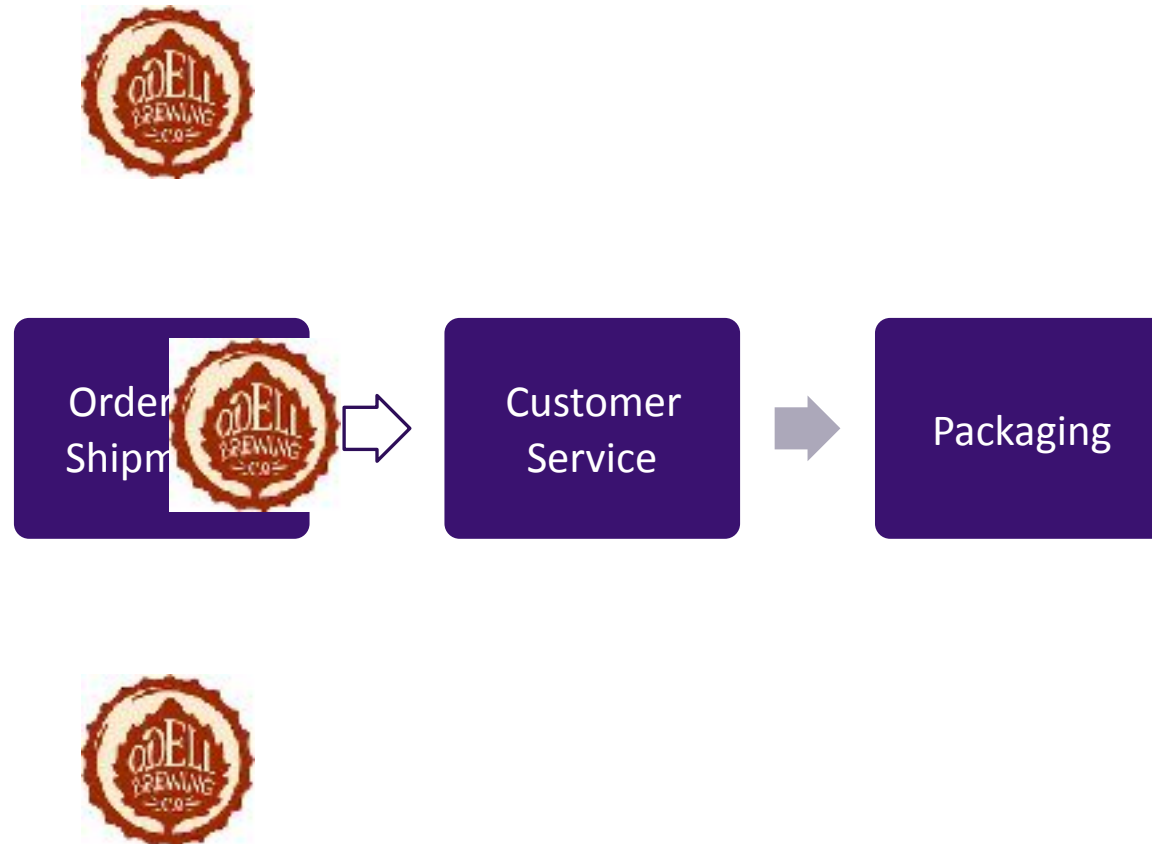
# Top 3 Functional Scores – Dogfish Head Brewery



# Top 3 Functional Scores – Great Lakes Brewing Co.



# Top 3 Functional Scores – Odell Brewing Co.



# Top 3 Functional Scores – Stone Brewing Co.



# APPENDIX II

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## SURVEY QUESTIONS

# 2017 Survey Questions

<b>LEADERSHIP</b>	1) <b>Strategic Vision</b> – Communicates and adheres to a strategic vision and long-term business plan to strengthen [Craft Brewer's] industry position in the long run
	2) <b>One Voice</b> – Ensures that all levels of the [Craft Brewer] organization communicate the overall message at the local level (i.e., [Craft Brewer] has “one voice/one message” to distributors and retailers)
	3) <b>Expansion/Network Strategy</b> – Has executed a thoughtful expansion strategy that has benefited distributors in new as well as existing markets
<b>DISTRIBUTOR RELATIONSHIP MANAGEMENT</b>	4) <b>Share of Focus</b> – Seeks to understand how [Craft Brewer's] portfolio fits within distributor's total portfolio and expects an appropriate level of focus and support
	5) <b>Financial Impact on Distributors</b> – Recognizes and understands how [Craft Brewer's] brands, expectations & local decisions/requests financially impact (directly and indirectly) the distributor (e.g., margin/mix, marketing and tactical spend, etc.)
	6) <b>Adapts Ways of Working with Distributors</b> – Strives to understand how individual distributors make decisions/operate their businesses and adapts to distributor's culture and ways of working to add value
	7) <b>Clarity of Roles &amp; Responsibilities</b> – Periodically clarifies evolving roles & responsibilities between [Craft Brewer] and distributor at the local level (target = annually)
	8) <b>Follows Through on Commitments</b> – Consistently follows through on commitments made to distributors
<b>FINANCE / REVENUE MANAGEMENT</b>	10) <b>Pricing Strategy</b> – Effectively aligns local pricing strategies (front-line and price promotions) with communicated brand strategies and desired/target competitive positioning
	11) <b>Distributor Margins</b> – Offers distributors margins on [Craft Brewer's] products that are commensurate with other like brands
	12) <b>Pricing Opportunity Analysis</b> – Generates recommendations to increase gross margin in collaboration with distributor based on rigorous review/analysis of current pricing environment
<b>FIELD SALES - ANNUAL PLANNING</b>	13) <b>Annual Plan Timeline</b> – Delivers an annual business plan for the following year on a timely basis (i.e., sufficient lead time to enable distributor to use as an input for its annual plan)
	14) <b>Annual Plan Process</b> – Uses an effective annual planning process, achieving a simplified, collaborative plan that includes reasonable goals and buy-in from both [Craft Brewer] and distributor
	15) <b>Plan Rationale and Brand Building Objectives</b> – Provides rationale justifying how volume expectations can be achieved (e.g., [Craft Brewer] programs/investments, brand building objectives, including distribution, display/feature activity)
<b>FIELD SALES - QUARTERLY/MONTHLY PROGRAMMING &amp; MEASUREMENT</b>	16) <b>Monthly/Quarterly/Trimester Objective Setting</b> – Develops attainable monthly/quarterly/trimester objectives that align with planned programming
	17) <b>Plan Measurement &amp; Accountability</b> – Holds distributor accountable for performance against plan by conducting regular (at least quarterly/trimester) business/performance reviews with distributor
	18) <b>Distributor Performance Measurement / Scorecarding</b> – Establishes clear expectations for distributor performance, provides regular performance measurements and holds distributor accountable for performance
	19) <b>Data Mining &amp; Insights</b> – Consistently presents relevant, fact-based and actionable data and insights based on internal/distributor (e.g., VIP) information, syndicated sources
	20) <b>Innovative Course Correcting</b> – Collaborates with distributor on identifying opportunities to improve performance & programming (e.g., course correcting) and challenges status quo with fresh ideas and methods
	21) <b>Distributor Inventory Review</b> – Collaborates with distributor on reviewing inventory levels, assessing code date inventory, and forecasting inventory needs to minimize out-of-stocks and out-of-code product; works with distributor on handling out of code product

# 2017 Survey Questions (cont'd)

<b>FIELD SALES - EXECUTION</b>	22) <b>Sales Meeting Participation</b> – Consistently participates in sales meetings (when allowed) prior to each key selling period & program
	23) <b>Key Brand Information</b> – Provides selling information, consumer insights and relevant data/facts on brands to educate and enable distributor and [Craft Brewer] sales personnel to effectively present, sell and market brands
	24) <b>Collaborative Execution and Activation</b> – Works collaboratively with distributors to plan and execute account-level programs to successfully meet execution goals (i.e., account targeting, assigning responsibilities, "feet on the street", etc.)
	25) <b>Field Sales Interaction</b> – Quality of engagement from [Craft Brewer] field sales team (e.g., Zone/Region/Business Unit Manager or Director, Market Manager, Distributor Manager, etc.) with distributor sales team
<b>NATIONAL ACCOUNTS - OFF PREMISE</b>	26) <b>Ad Features</b> – Ability to secure effective ad features at a competitive frequency with customers that [Craft Brewer] has established call responsibility - Off Premise
	27) <b>Category Management</b> – Effectiveness of [Craft Brewer] category management strategy and execution (selling in priority aligned brands to retail assortment plan) – Off Premise
	28) <b>Grocery</b> – Effectiveness of [Craft Brewer] national/regional account team efforts in Grocery chains (e.g., securing brand/SKU placements, programming, pricing, etc.)
	29) <b>Club</b> – Effectiveness of [Craft Brewer] national/regional account team efforts in Club chains (e.g., securing brand/SKU placements, programming, pricing, etc.)
	30) <b>C-Store</b> – Effectiveness of [Craft Brewer] national/regional account team efforts in C-Store chains (e.g., securing brand/SKU placements, programming, pricing, etc.)
	31) <b>Mass</b> – Effectiveness of [Craft Brewer] national/regional account team efforts in Mass chains (e.g., securing brand/SKU placements, programming, pricing, etc.)
	32) <b>Drug</b> – Effectiveness of [Craft Brewer] account team efforts in Drug chains (e.g., securing brand/SKU placements, programming, pricing, etc.)
33) <b>National Accounts Team (Off Premise)</b> – Size and effectiveness of the craft brewer's national accounts team. [Craft brewer] is adequately invested in Off premise national accounts team to provide enough support for our market's chain accounts.	
<b>NATIONAL ACCOUNTS - ON PREMISE</b>	34) <b>Account Placements</b> – Ability to secure account placements at a competitive frequency with customers that [Craft Brewer] has established call responsibility - On Premise
	35) <b>Features and Promotions</b> – Ability to secure features and promotions at a competitive frequency with customers that [Craft Brewer] has established call responsibility - On Premise
	36) <b>Account Staff Training</b> – Knowledge of and ability to educate on-premise personnel on general beer knowledge (e.g., categories, styles, consumer experience, brand-specific target consumers, profit, etc.) as well as brand specifics
	37) <b>National Accounts Team (On Premise)</b> – Size and effectiveness of the craft brewer's national accounts team. [Craft brewer] is adequately invested in On premise national accounts team to provide enough support for our market's chain accounts.



# 2017 Survey Questions (cont'd)

<b>MARKETING / BRAND MANAGEMENT</b>	38) <b>Positioning Strategy</b> – Articulates a distinctive, competitive and sustainable positioning strategy
	39) <b>Level of Investment</b> – Allocates and invests adequate resources to build brands commensurate with [Craft Brewer's] communicated brand strategies
	40) <b>POS</b> – Collaborates on POS needs and provides impactful and adequate supply of permanent and paper POS to support [Craft Brewer] plans & programs
	41) <b>Local Marketing Plan</b> – Has developed an effective marketing plan that is applicable to your local market and has localized a relevant brand/message selling story that resonates with consumers
	42) <b>Local Market Activation</b> – Activates brands locally to drive brand awareness and interaction (e.g., attends local fests, invests in sponsorships, develops relationships w/ key accounts and actively promotes selling brands, etc.)
	43) <b>Social Media</b> – Executes an effective social media strategy to help drive brand awareness in your market
	44) <b>Assortment</b> – Offers a complete range of styles, brands and packages on par with [Craft Brewer's] competitors
	45) <b>SKUs</b> – Maintains an effective number of SKUs that is reasonable for distributors to execute against while maintaining quality on the shelf
<b>ORDERING / SHIPMENTS</b>	46) <b>Production Frequency</b> – All products and packages are produced frequently enough to meet sales needs
	47) <b>Product Ordering</b> – Provides a simple product ordering system / ordering tool for everyday & seasonal packages
	48) <b>Product Shipments</b> – Timeliness, predictability, and accuracy of product shipments
<b>PACKAGING</b>	49) <b>Code Dates on Arriving Product</b> – Products arrive with sufficient lead time to sell prior to code date expiration
	50) <b>Code Date Legibility</b> – Code dates on all packages are easy to read and understand
	51) <b>Package Integrity</b> – Strength and resilience of overall product packaging (in warehouse and on truck)
	52) <b>Repack Materials</b> – Ensures repack materials are consistently available (including back-order issues) at a reasonable cost
<b>CUSTOMER SERVICE</b>	53) <b>Accounts Payable</b> – [Craft Brewer] remains current on its supply chain/operations related payments to distributors (not including discounts or other sales & marketing expenses)
	54) <b>Effective Operations Relationships</b> - Brewery personnel operate well with distributor key operations personnel
	55) <b>Customer Service</b> – Craft Brewer customer service representatives are accessible, knowledgeable, and responsive

# APPENDIX III

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% OF MOST IMPORTANT QUESTION AS INDICATED BY INDUSTRY

# % of Most Important Question



LEADERSHIP	% of Top Question
1. Strategic Vision	72.6%
2. One Voice	16.1%
3. Expansion/Network Strategy	11.3%

DISTRIBUTOR RELATIONSHIP MANAGEMENT	% of Top Question
9. Business Partnership	30.7%
6. Adapts Ways of Working with Distributors	29.9%
5. Financial Impact on Distributors	16.1%
8. Follows Through on Commitments	11.7%
4. Share of Focus	10.2%
7. Clarity of Roles & Responsibilities	1.5%

FINANCE / REVENUE MANAGEMENT	% of Top Question
10. Pricing Strategy	48.5%
11. Distributor Margins	35.8%
12. Pricing Opportunity Analysis	15.7%

FIELD SALES - ANNUAL PLANNING	% of Top Question
15. Plan Rationale and Brand Building Objectives	61.3%
14. Annual Plan Process	31.4%
13. Annual Plan Timeline	7.3%

FIELD SALES - QUARTERLY/ MONTHLY PROGRAMMING & MEASUREMENT	% of Top Question
16. Monthly/Quarterly/Trimester Objective Setting	33.2%
20. Innovative Course Correcting	19.7%
21. Distributor Inventory Review	14.6%
17. Plan Measurement & Accountability	14.6%
18. Distributor Measurement / Scorecarding	9.1%
19. Data Mining & Insights	8.8%

FIELD SALES - EXECUTION	% of Top Question
24. Collaborative Execution and Activation	53.6%
25. Field Sales Interaction	36.9%
23. Key Brand Information	5.8%
22. Sales Meeting Participation	3.6%

NATIONAL ACCOUNTS - OFF PREMISE	% of Top Question
28. Grocery	33.6%
33. National Accounts Team (Off Premise)	31.5%
27. Category Management	18.1%
26. Ad Features	12.9%
30. C-Store	2.2%
31. Mass	0.9%
29. Club	0.9%
32. Drug	0.0%

NATIONAL ACCOUNTS - ON PREMISE	% of Top Question
34. Account Placements	39.8%
37. National Accounts Team (On Premise)	38.2%
35. Features and Promotions	17.5%
36. Account Staff Training	4.4%

# % of Most Important Question



<b>MARKETING / BRAND MANAGEMENT</b>	<b>% of Top Question</b>
42. Local Market Activation	32.1%
41. Local Marketing Plan	21.5%
45. SKUs	20.8%
38. Positioning Strategy	8.8%
39. Level of Investment	8.0%
44. Assortment	6.9%
43. Social Media	1.1%
40. POS	0.7%

<b>ORDERING / SHIPMENTS</b>	<b>% of Top Question</b>
48. Product Shipments	45.6%
46. Production Frequency	30.1%
47. Product Ordering	24.3%

<b>PACKAGING</b>	<b>% of Top Question</b>
49. Code Dates on Arriving Product	78.0%
51. Package Integrity	15.8%
50. Code Date Legibility	4.0%
52. Repack Materials	2.2%

<b>CUSTOMER SERVICE</b>	<b>% of Top Question</b>
54. Effective Operations Relationships	43.4%
55. Customer Service	35.7%
53. Accounts Payable	21.0%