Vision33

Brutos™

GET YOUR BEVERAGE BUSINESS BOOMING!

6 practical strategies for cutting costs, optimizing processes, and driving sustainable growth.

Introduction

Gone are the days of "if you build it, they will come." In today's evolving market, regulated beverage companies must get serious about the nuts and bolts of business. Manufacturers must make hard decisions to stay on-brand, competitive, and aligned with the market.

Striking a balance isn't easy, but there are practical strategies that help brewers, distillers, cideries, co-packers, brands, and other beverage businesses thrive during uncertain times.

This eBook explores six strategies, ranging from simple math to resource optimization.

Let's dig in.

STRATEGY ONE

Understand the Metrics That Matter

(AND HOW TO CALCULATE THEM)

Successful companies know their numbers. The following metrics are critical for companies in this industry, including those focused on beer, spirits, functional beverages, low-alcohol/non-alcoholic drinks, ready-to-drink (RTD) cocktails, and co-packers.

Understand the Metrics That Matter

Asset Valuation

Knowing and documenting the value of your company's assets, from casks to raw materials to finished goods, is critical for obtaining financing, supporting business growth, exploring investment opportunities, preparing tax and financial reports, and strategic long-term planning.

Although critical, capturing and tracking the value of your assets is time-consuming and rigorous—especially because their values aren't static. A fine whiskey, for example, appreciates, whereas a computer depreciates.

A reliable accounting or enterprise resource planning (ERP) solution tracks fair market value or the replacement costs of your assets. With visibility of the value of your business and its assets, leaders can make confident strategic decisions.

What distillery wouldn't want to leverage its aging whiskey collection against the ability to access quick money to fix a still? Or a ready-to-drink/functional beverage manufacturer to show, in real-time, how much product they're churning out for themselves and their customers?

Valuing demand and sales growth is critical for potential investors, shareholders, and banks.

Waste

Waste, which is losing raw materials, packaging, or finished product during the production process, erodes a company's profitability by increasing cost of goods sold (COGS).

You must determine where loss is occurring and how much it costs, then adopt practices like lean manufacturing to eliminate it.

When tracked with spreadsheets and logbooks, waste calculations are time-consuming, manual, and error-prone. Waste metrics must be accurate because they affect COGS, tax, and regulatory reports.

Consider capturing waste data in real-time using ERP technology; you'd have immediate visibility into its effect on your business, know which parts of the production process are generating the most waste, and have the data you need for regulatory and tax reports at your fingertips.

Are one supplier's labels constantly going on squint? Showing up ripped? Sticking to the paper? Note these details before they become bigger issues.

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Creating TTB reports was so painful. It took hours to collect data and run calculations. But in Brutos, everything is captured and calculated automatically, so all we have to do is "print" the report."

–BRUTOS CUSTOMER

Cost of Goods Sold (COGS)

The cost of goods sold is how much money a business spends to produce or acquire a product it sells. For companies in competitive markets, it's critical to regularly calculate and analyze COGS at the product and company levels. To maximize profitability and offer customers competitive pricing, you must keep COGS low. However, avoid cost-saving shortcuts that negatively affect product quality.

You can calculate COGS by adding up the costs of raw materials, labor, and manufacturing overhead and calculate gross profits by subtracting COGS from gross revenue.

Negotiating better supplier terms, optimizing production processes, and reducing waste and labor costs are proactive ways to reduce COGS.

Profit Margins

Margin analysis is critical for long-term profitability. After establishing a baseline, look for opportunities to grow your margins by reducing raw ingredient costs or eliminating process inefficiencies. Every company's margins differ, but the higher the margin, the more money you make.

These three margin types provide good insight into a company's health.

Talk to others in the industry and benchmark your margins against theirs.

GROSS PROFIT MARGIN helps you assess your business's financial health.

OPERATING MARGIN measures how much profit you make per dollar of goods sold after COGS and operating expenses are factored in.

NET PROFIT MARGIN considers all business expenses.

Margins vary greatly depending on product sold, distribution model, and other factors.

Summary

Understanding key business metrics and how to use them to guide your business is critical, especially in a challenging economy. A robust ERP system designed for beverage manufacturers will automate and simplify analyzing this data to keep you prepared.
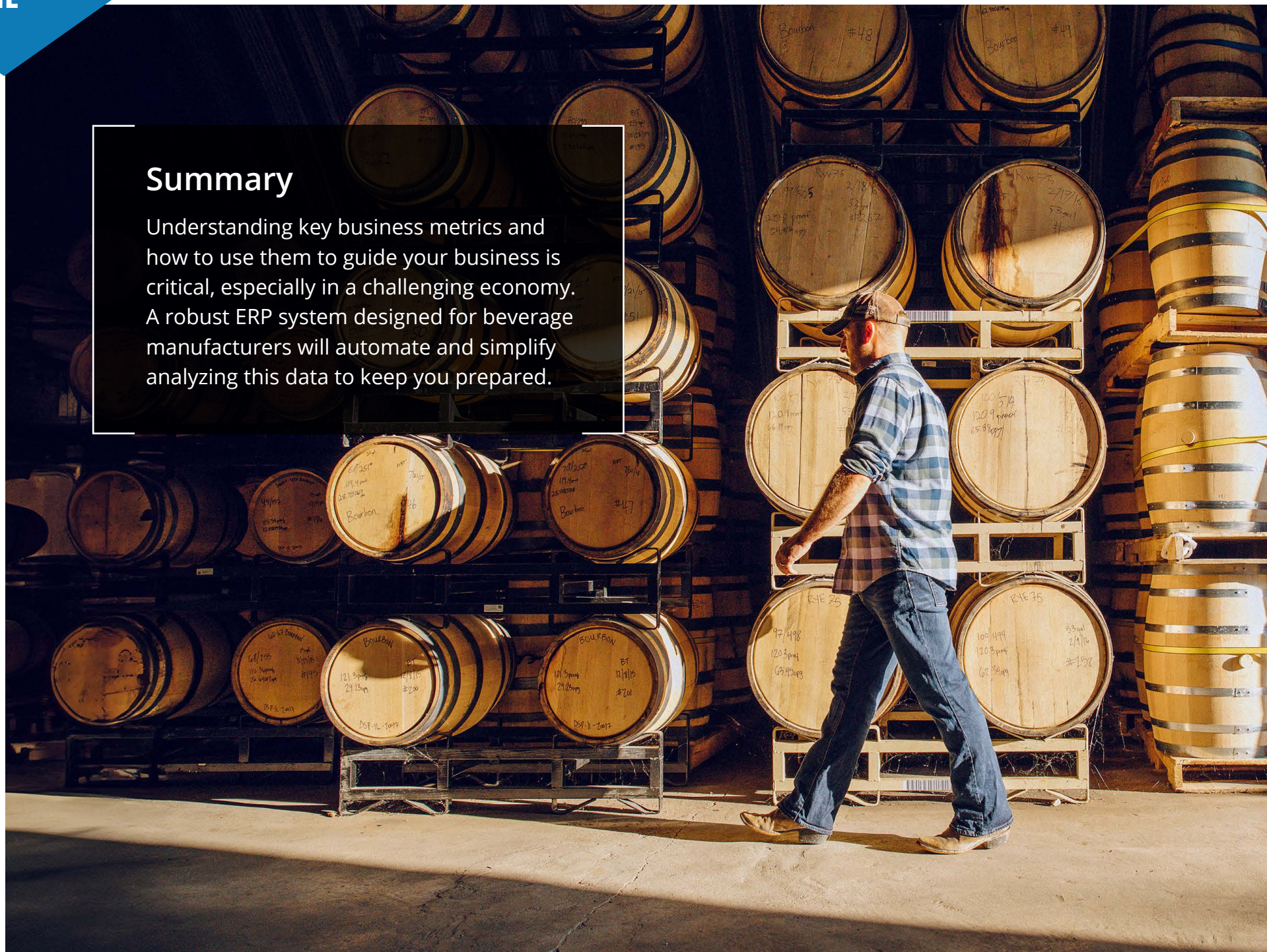
Optimize Your Strategic Resources

Every company has strategic resources. For adult and functional beverage manufacturers, they typically include production capacity, staffing, storage space, and unused indoor/outdoor space.

Making the most of these resources will help you reduce losses and maximize profits, especially during market shifts.

Strategic Resources

Production Capacity

Production resources, from staffing to bottling lines, are a significant investment. If underutilized, they can create financial strain.

By analyzing asset use, such as fermentation tanks, bottling lines, and distillation columns, you might reveal idle production capacity you can use to generate revenue.

Brewers could produce a new non-alcoholic beer line or offer contract brewing services to other brands; distillers could explore co-packing opportunities for ready-to-drink cocktails.

Industry-specific ERP solutions like Brutos use fermentation times, conditioning periods, and packaging run lengths in their algorithms to optimize production schedules.

Staffing

The adult beverage industry is labor-intensive. Efficient workforce planning is crucial to your financial health, particularly if you're juggling multiple production processes.

Employers should track employee shift preferences, skills, certifications, and wages to support scheduling and identify cross-training opportunities.

Cross-training staff across multiple production areas, from mashing and fermentation to distillation and packaging, increases operational flexibility and the employees' value to your business.

The right ERP solution helps managers identify cross-training opportunities, assign staff where they're needed, track labor costs, and monitor productivity from the canning line to the barrel-aging warehouse.

"

Managing production schedules with the Brutos app is so easy. It allows us to maximize how we use our resources, which helps to keep operating costs down."

–BRUTOS CUSTOMER

Storage Space

Whether you rent or own, space costs money, so establish a robust inventory management system (e.g., just-in-time ordering, FIFO, and FEFO) and use techniques like efficiently stacking kegs and cases and balancing on-site storage with distributor warehousing for finished products to minimize waste, maximize space utilization, and control costs.

The Brutos software for adult and functional beverage manufacturers provides real-time inventory tracking and optimization tools that help producers optimize their space.

Indoor & Outdoor Spaces

Breweries have a unique opportunity to build communal engagement. Whether you rent your space out, host concerts, have a retail shop, or partner with local businesses to offer community experiences, your indoor and outdoor spaces can bring extra revenue. (But consider special licensing and regulatory requirements before jumping in with both feet.)

A robust, industry-specific ERP solution that integrates with point-of-sale solutions will help you manage and track all critical aspects of this venture, including event scheduling, staffing, supplies, and promotion, to ensure profitability.

Summary

When caught up in daily operations, it's easy to overlook opportunities to maximize existing resources. Challenge yourself to think outside the box. Use a combination of market feedback, current trends, and real-time data to guide your decisions about resource utilization and optimization.

Adapt Through Diversification

Consumer preferences change. As the market shifts, you must adapt your business model to remain competitive. While you want to stay true to your roots, diversification will create new revenue streams and help protect you from market shifts.

Here are some trending diversification strategies within the adult beverage market.

Low- and Non-Alcoholic Products

The low- and non-alcoholic beverage market is growing significantly, fueled by health-conscious millennials seeking alternatives like premium non-alcoholic spirits, mocktails, and functional beverages. The global sales from this new trend are expected to reach CAD 30 billion by 2025.

New product lines add complexity to existing operations; you must consider everything from inventory tracking to recipe management and production scheduling.

An integrated, all-in-one solution keeps traditional offerings rolling while you simultaneously create new recipes, forecast margins, and schedule production runs for new lines.

Events

Events offer a unique opportunity to connect with customers and gather valuable market insights. Events that attract customers include beer festivals, cocktail masterclasses, non-alcoholic beverage showcases, food and beverage pairing dinners, and virtual tastings.

Real-time data collection through digital surveys, sales tracking, and social media can identify emerging flavor trends, assess the market potential for new product lines, and refine marketing strategies based on customer demographics and behavior.

Co-Packing Services

For brewers and distillers with extra production capacity, co-packing services can be a smart source of revenue.

By maximizing your equipment's use, you'll increase operational efficiency, reduce production costs, and build lasting relationships with emerging brands.

However, co-packing operations are complex. In-house and contract products require separate production schedules, and you must comply with customer and regulatory demands.

Brutos, Vision33's all-in-one beverage management software, helps co-packers succeed with complex production scheduling, quality control, and data reporting and analysis tools.

Summary

Diversification will protect your beverage business from market shifts. Combine personal insights, data, and market trends to determine the best options for your business, then run projections to ensure each option's financial viability.

A robust industry-specific beverage management solution like Brutos will provide strong reporting and analytics to facilitate informed decision-making.

By embracing these strategies, producers can stay competitive and thrive in the evolving adult beverage industry.

Integrate Your Business Applications

As brewers and distillers refine their 2025 strategies, operational efficiency can't be an afterthought. Integration, a secret competitive weapon of forward-thinking producers, is driving significant cost savings.

Integrating your technology stack includes other benefits, such as real-time data access for cross-functional collaboration, decision-making, and reporting and process automation. It also reduces labor costs, eliminates human error, and improves product quality.

Common integrations include ERP or accounting solutions syncing with point-of-sale (POS) systems like Square, eCommerce apps like Shopify and WooCommerce, filling lines like Krones, inventory or warehouse management solutions, and quality control systems.
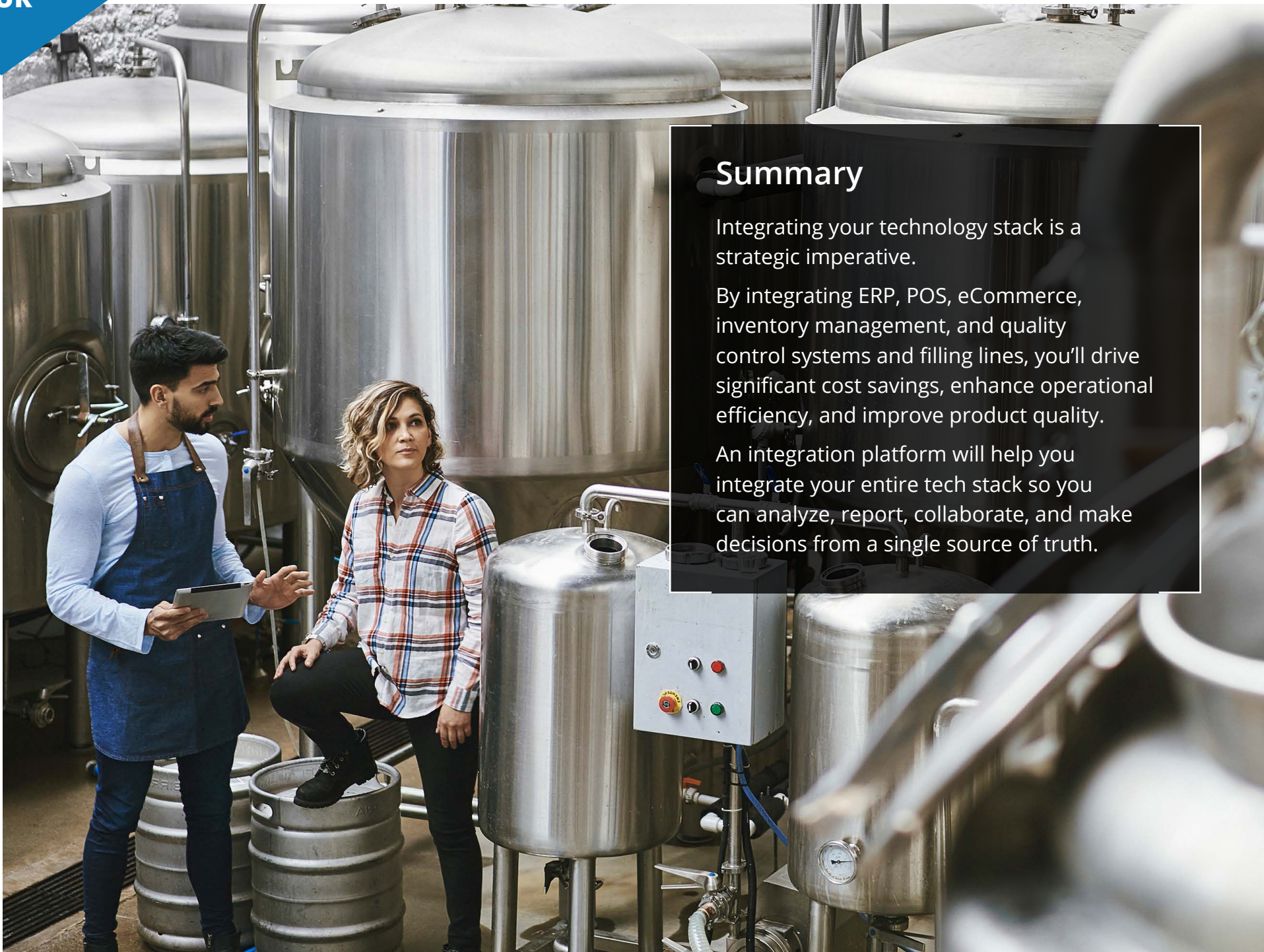
Summary

Integrating your technology stack is a strategic imperative.

By integrating ERP, POS, eCommerce, inventory management, and quality control systems and filling lines, you'll drive significant cost savings, enhance operational efficiency, and improve product quality.

An integration platform will help you integrate your entire tech stack so you can analyze, report, collaborate, and make decisions from a single source of truth.

Unify Your Data

From paper-based logbooks to purpose-built applications, business leaders rely on numerous applications and systems to operate.

When these systems aren't integrated, teams resort to manual processes like data entry and spreadsheet analysis to address operational gaps and make decisions.

But time is money, and mistakes are costly. A unified data set is critical for every business.

Here's why.

Unify Your Data

Make Data-Driven Decisions

A decentralized approach to data often suffices until companies realize that delayed decision-making, time-consuming report creation, and data entry mistakes have a negative financial impact.

An integrated ERP system provides decision-makers with access to the real-time data and reports they need to make informed, data-driven decisions, meet regulatory requirements, and easily answer important questions.

With unified back-office and operational data, you'll be equipped to make intelligent, data-driven decisions.

Close Efficiency Gaps

Business processes and data are tied together. Uniting them in a single system closes operational gaps, cuts costs, and optimizes resource utilization.

Furthermore, teams don't work in isolation. For example, sales must know about planned production to sell a product before it's made. Customer service teams need accurate inventory data to tell customers when to expect their products. Packaging teams need visibility into the production schedule so they know which batches are ready to can.

(?) Which beverage brand is most profitable?

(?) Do I have enough inventory for next quarter's production runs?

(?) What distribution channels are most profitable?

(?) What volume should I produce to break even on this product?

(?) Should I outsource production or keep it in-house?

(?) What impact will hiring a new production manager have on COGs?

> "As a brewing and co-packing partner, our customers rely on us to be efficient, consistently produce good quality products, meet production demands, and be cost-effective. We couldn't achieve these goals without Brutos."
>
> **–BRUTOS CUSTOMER**
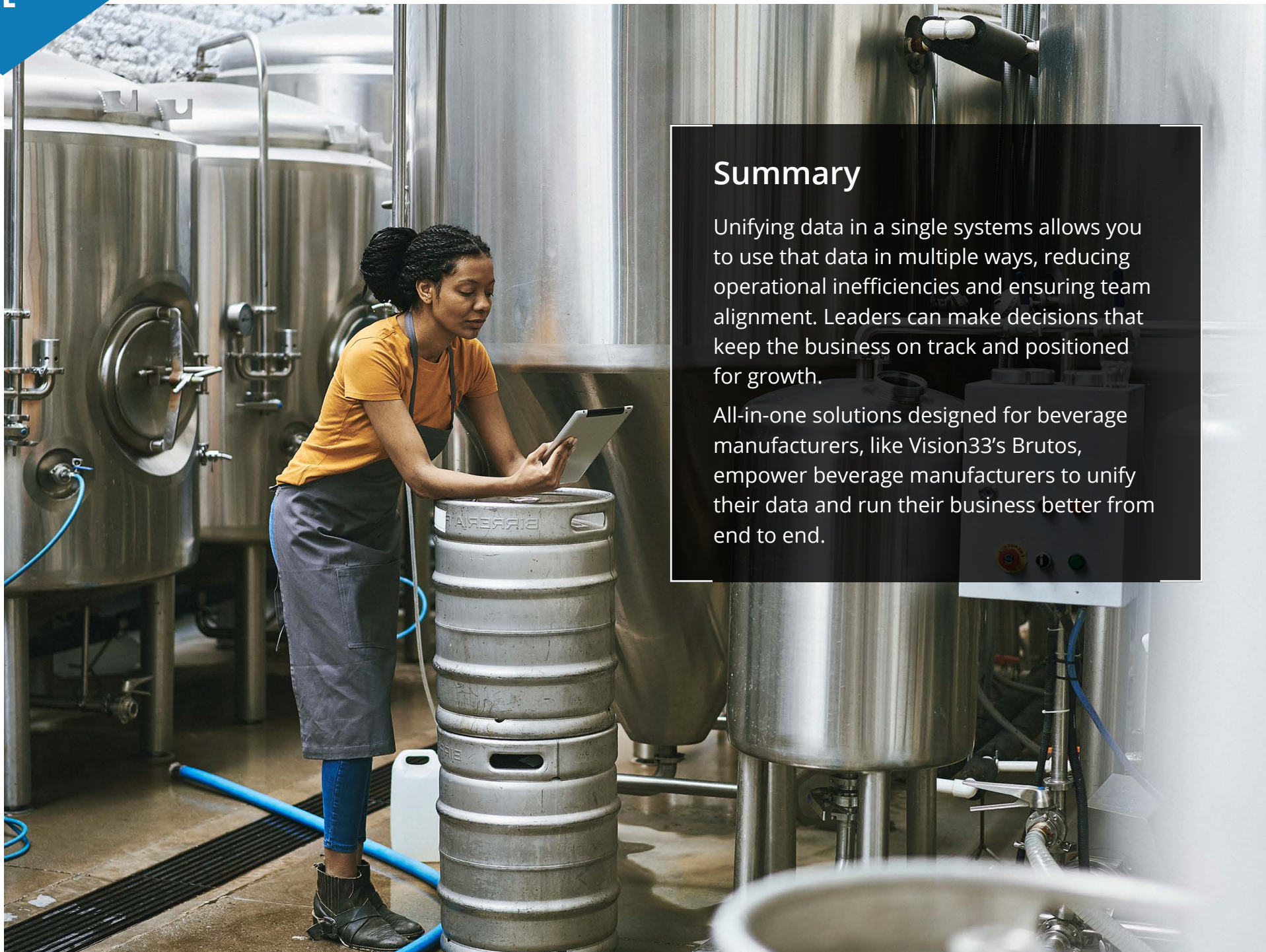
Summary

Unifying data in a single systems allows you to use that data in multiple ways, reducing operational inefficiencies and ensuring team alignment. Leaders can make decisions that keep the business on track and positioned for growth.

All-in-one solutions designed for beverage manufacturers, like Vision33's Brutos, empower beverage manufacturers to unify their data and run their business better from end to end.
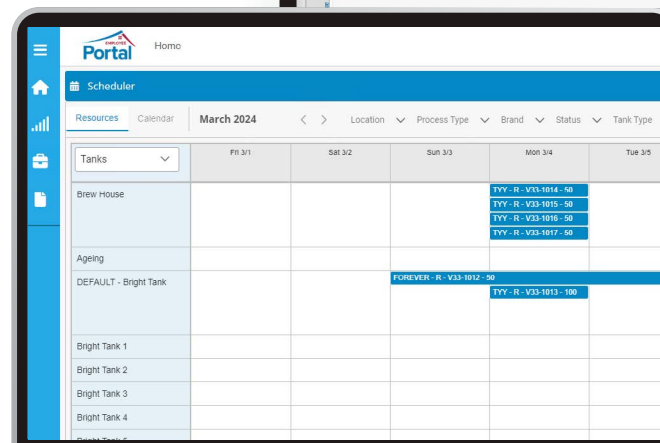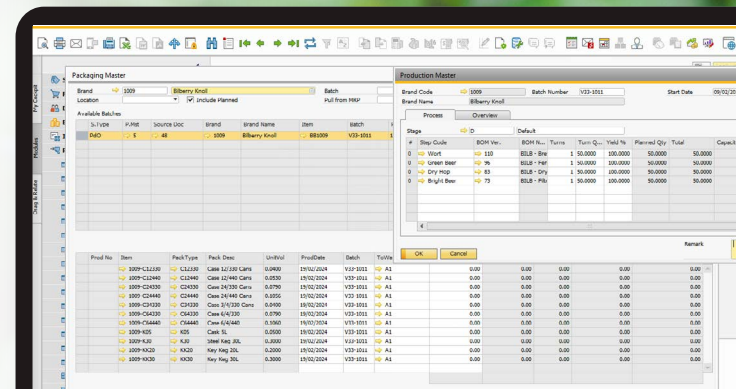
Invest in Industry-Specific ERP

Enterprise resource planning software helps companies automate and manage core business functions like finance, sales, and inventory.

But brewers, distillers, cideries, and co-packers have needs that aren't supported by traditional out-of-the-box ERP functionality.

That's why Vision33 developed Brutos.

Brutos harnesses the power of SAP Business One, combining traditional ERP functionality with the unique requirements of adult beverage manufacturers, such as brand management, traceability, production management, excise reporting, and more.

Brutos unites data from across your business in a single cloud-based solution for anytime, anywhere access so you can make data-driven decisions, close efficiency gaps, and cut costs.

Invest in Industry-Specific ERP

Evaluate the ROI

Before implementing any solution, it's critical to evaluate its ROI. A cost-benefit analysis weighs the implementation's financial and non-financial implications.

Categorize costs and benefits and assign a dollar value to each. If you get a number greater than 1.0 after dividing the total benefits by the costs, you have a solid business case for moving ahead.

Include expected long-term savings on materials or labor, operational efficiency gains, and new business opportunities you wouldn't have considered before investing in the new system.

Choose Your Business Partner Wisely

You can't just choose an ERP solution—you also need a technology partner.

The company you select could be your partner for many years, so choose one with strong product knowledge, broad technical expertise, a proven track record, a robust support offering, and one who understands your business.

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We considered alternative ERP solutions, but Brutos was significantly lower priced, with a better feature set and better performance. We couldn't be happier with our decision."

–BRUTOS CUSTOMER

Summary

ERP software is a significant investment. And because no two solutions are alike, you must do your homework. Speak with industry colleagues, read reviews, perform ROI calculations, and ask for references.

Wrap Up

Being a business owner is hard work, even when you have a blueprint for success. Use these strategies or think creatively to discover your own approaches.

With an easy-to-use, cloud-based beverage management solution like Brutos and data-driven insights by your side, you'll have everything you need to cut costs, optimize processes, and drive sustainable growth that keeps you ahead in uncertain times.

Vision33

For over 30 years, Vision33 has helped thousands of small and midsized companies adapt, grow, and scale with the promise of technology. A leading reseller of SAP ERP solutions, Vision33 has combined its vast technical knowledge with industry and business process expertise to deliver ROI-focused business outcomes that propel our customers to new levels. Our unique vantage point has resulted in a suite of integration, automation, and web portal products that help companies maximize their technology investments.

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