

Breakthru Beverage Group

Reaches New Horizon on Journey to Become a Fully Integrated, Data-Driven Business

A Strategic Data Platform Built on SAP HANA Accelerates Ability to Connect with Customers, Share Meaningful Insights, and Meet Individual Needs

by **Lauren Bonneau**, Senior Editor, SAPinsider

As the on-demand economy shifts the consumer and retail landscape, food and beverage companies are pressed to deliver more agile service models to meet the unique demands of each supplier and customer. With a modern, digital marketplace changing the e-commerce environment — and with grocery and beverage pickup and delivery services such as [Drizly](#) and [GrubHub](#) available at the push of a button — organizations need to look at innovative ways to connect with partners and customers to help them forge deeper relationships with consumers.

One organization that has embraced innovation to achieve this goal is [Breakthru Beverage Group](#), which offers its restaurant and retail customers a portfolio of established and emerging beer, wine, and spirits curated from a wide range of iconic, craft, and artisanal supplier partner brands. With 7,000 associates across North America — distributed among 36 facilities (including more than 15 distribution centers) located throughout Canada and in 14 US states — Breakthru has a strong focus on building lasting relationships and delivering insights that help customers and partners grow and improve their business performance and relevance.

“We passionately guide our suppliers and customers to efficiently access and market the right products, and we partner with them in converting data into game-changing business intelligence to meet the unique needs of today’s consumer,” says [Chad Stone](#), Vice President of Insights and Innovation at Breakthru. “It’s now more critical than ever to get information to our executional business leaders and position our brands where

our consumers ultimately are in the rapidly changing e-commerce environment to maintain their services to consumers.”

Driving these unique insights is an enormous undertaking, according to Breakthru’s Senior Director of IT [Oliver Waite](#), due to the vast amounts of data the organization generates through its sales and logistics technology. “Each region that we operate in has hundreds of routes with trucks delivering everything from individual bottles to full cases to essentially everywhere these products are sold,” he says. “We have a robust logistics operation generating significant information that we have to deal with and analyze.”

Following a vision to become a fully integrated, data-driven business, Breakthru is currently focusing on technology investments and developing granular telemetry for its business teams to better understand demand, drive sales goals, optimize the supply chain, manage finances, and create operational efficiency in distribution services, according to [Peter Coliukos](#), Vice President of Enterprise Systems at Breakthru. “Our collective success means capitalizing on data-driven moments and fostering the best business outcomes as sales teams meet with customers, as customers interact with our digital platforms, and when associates need advanced warning to dynamically predict changing business conditions.”

To develop an enterprise data warehouse strategy and platform that would fulfill that data need and quickly deliver meaningful and individualized insights to customers, Breakthru leaned on SAP HANA technology as the critical accelerator, according to [Peyton Chandler](#), Director of Business Intelligence at Breakthru. “The foundation that we built with our data governance program, our enterprise SAP strategy, and our data warehouse has really helped us respond to this current climate of crisis as well as create efficiencies in other parts of the business,” he says.

Creating a Single, Simplified Source of Centralized, Governed Truth

Since the formation of Breakthru [in early 2016](#) — when Charmer Sunbelt and Wirtz Beverage, two large alcohol beverage distributors, came together — the business has been working toward bringing all its business units onto a centralized SAP ERP platform. Multiple ERP systems means multiple sources of truth,

which can create inefficiency both internally and with external supplier partners. So, to avoid this, Breakthru decided to invest in an SAP initiative to create a single source of truth aligned to its corporate financials. This single source would feed all internal data systems and generate data sharing with supplier partners and third-party aggregators.

In addition to decommissioning legacy systems, migrating the data, and consolidating onto SAP ERP, as its sales and distribution capabilities and sales teams continued to expand through brand acquisition, Breakthru saw a need to more rapidly onboard acquired companies onto its technology platform. At that time, an integration team was tasked with looking at the existing capabilities of the post-merger company and with helping to achieve the end-state SAP platform, which must be able to integrate technologies that will come with future mergers and acquisitions as part of Breakthru’s long-term growth strategy.

“As we accumulated companies, we needed to simplify and scale both the technology and the number of tasks for our teams,” says Coliukos. “Complexity can significantly slow down a company’s ability to pivot or create new business capabilities. Creating a sleeker foundation, retiring legacy applications, and refocusing our teams would help Breakthru make room for the advanced capabilities planned for our roadmap over the coming years.”

Currently, the business has completed the migration of its legacy systems and newly acquired applications, and it is just one market short of completing its full enterprise migration (with the final business unit planned to go live in 2021). The successful execution of this massive undertaking — migrating the combination of legacy and homegrown ERP systems and data warehouses — required executive alignment, an enhanced user experience, and a strong focus on change management. (For details on the change management side of Breakthru’s SAP initiative, refer to this previously published [SAPinsider article](#).) It also required a strong data governance initiative to cleanse and conform the material, vendor, and customer data.

Each time a system integration to SAP ERP was completed, the process became more efficient and effective, according to Chandler. “That speaks volumes to our data governance strategy and how we normalized our ERP data and all the semantic data

generated from transactional systems to that single source for truth,” he says. “That’s a reflection of the data governance investment and effort that’s allowed us to quickly initiate and launch businesses on the SAP platform, both for the local markets as well as aggregating business data more granularly across all entities.”

The data governance program began back in October 2015, led by [Mark Chakar](#), Director of Data Governance at Breakthru, in preparation for the merger that launched Breakthru. To achieve its goal of clean, consistent data, the 15 members of the data governance group leveraged technology — with the support of SAP partner [Protiviti](#), which Breakthru engaged to provide professional services for the project — to help build conformity around data definitions at their root. One technology the team employed in 2016 was SAP Information Steward, which provides a scorecard on data cleanliness, to enhance the quality of the company’s data and to build rules for how to set up master data moving forward. The solution also created the downstream benefit of revenue generation by enabling the business to more quickly activate products and more accurately report on them.

“SAP Information Steward allows us to ensure there are rules in place around the way we tag our customers and vendors, which we can now maintain centrally — something we couldn’t do before — and it helps us understand how all of this data rolls up a chain or ownership group,” Chakar says. “Protiviti took on the solution delivery for some of our most complex data sets and assisted us with performance tuning and specialized skillsets we needed to build.”

The New Horizon Program: From Sunset to Sunrise

In tandem with the enterprise migration and data governance efforts, Breakthru decided to fully move to SAP HANA-based business intelligence (BI) for its reporting and analytics (R&A), which offers a native connection between the transactional system and the BI environment, according to Chandler. “This not only creates enhanced consistency in the data for R&A, but also access to real-time transactional information, which is critical at the close of selling periods,” he says. “Leveraging SAP HANA as the source for external data sharing creates consistency between Breakthru’s internal BI systems and our partners’ BI systems.”

COMPANY SNAPSHOT

Breakthru Beverage Group

Headquarters: New York, New York

Cicero, Illinois

Industry: Wholesale beverage

Employees: 7,000+

Revenue: \$5 billion+ annual sales

Company details:

- Family-owned and operated company since 1922
- Newly formed in 2016 upon merger of Charmer Sunbelt and Wirtz Beverage
- Operates 36 facilities (including more than 15 distribution centers) throughout all of Canada and 14 US states
- Delivers world-renowned brands to the doorsteps of North America's retail, bar, and restaurant businesses

SAP solutions: SAP ERP, SAP HANA, SAP BusinessObjects Web Intelligence, SAP Information Steward, SAP Concur, SAP Hybris, and Vistex solutions

To support this move, Breakthru established a program it referred to as “New Horizon” — led by [Tracey Traille](#), Program Manager of Business Intelligence at Breakthru — that focused on providing the right level of education, support, and enhancements as users adopted the new way of working, consuming data, and aligning the data to business processes, according to Chandler. “The point of BI and analytics is to be truly focused on the decisions we make as a business to grow our portfolio, brands, and profitability and then align our data rendering and how we make that available to decision makers,” he says. “We’re trying to respond quickly to that demand so that we can continue to innovate the way we deliver the data in a real insight-driven format, rather than a raw format.”

SAP HANA and SAP BusinessObjects solutions had been in use since 2012 — within the Charmer Sunbelt organization prior to the merger — which made the New Horizon program easily pervasive throughout the enterprise. The program involved retiring and deduplicating the various analytics platforms that were in place and getting everyone onto a single source of truth with SAP HANA-based BI via three components:

- **Sunset:** A cataloging and retiring of the prior technology, which began in June 2019 and was led by Waite
- **Sunrise:** A group of workstreams and change management activities to get everyone acclimated to the new capabilities, which was performed in parallel to the sunset stage and was led by Chandler
- **Shooting star:** A focus on building efficient and actionable insights leveraging external data from core National Accounts partners, which are currently being developed under the leadership of [Debby Wang](#) (Breakthru’s Director of Analytics and Insights)

According to Coliukos, collaborating with C-level sponsors early in the design phase of the New Horizons program was key to its success. During this process, the program was broken down into four major concerns that needed to be addressed: distinct risks, demand management, the communication plan, and change management. “What emanated from those pillars of priorities was our whole approach and action plan for the three programs — sunset, sunrise, and shooting star,” he says. “The fact that we were very thoughtful



and up front to understand how people would be the success or failure of the program made all the difference. We had already proved out all the technology components and reporting as we onboarded our new companies as a part of the merger, but the people were going to make the most impact, and that’s why the sunrise program in particular was so important.”

Focusing on the people required involving the business community as part of the process at each local level and trying to find consistencies where efficiencies could be created. The sunrise team paid careful attention to this part of the process, and that’s why the timeline for this piece of the program spanned seven months. Coliukos considers this to be another key factor in the success of the New Horizon program. “A challenge for such a large organization spread across many markets is negotiating all those channels to understand and appreciate the differences, while at the same time putting a standard in place to work from,” he says. “The sunrise team did an amazing job of engaging BI champions in the markets responsible for helping drive the adoption of the new platform and tools. They were active participants in not only rolling out the technology, but also contributing in a leadership position in developing the capabilities on the ground and ensuring all the input was incorporated in a way that truly preserved one central core of standards rather than having many derivatives. Then, as we continue to evolve, we want to empower the teams out in the markets, so having those champions is a big asset.”

Chandler agrees that the partnership with BI champions was crucial and attributes a level of achievement to the SAP technology itself. “Representing the



nanced needs of the business users and challenging their preferences has been paramount to the success we've had," he says. "In addition, the analytics platform of SAP HANA and SAP's BI applications was critical in getting a fast view into the consolidated data after a recent merger, and overall, it's been instrumental in presenting a complete picture of the business very quickly."

Breakthru took an incremental approach to the New Horizon program, ensuring all commercial activities leveraged a new real-time, SAP HANA-based finance data set — with no difference between commercial execution and financial profit-and-loss data, explains Waite. "We then moved on to ensure our external data reported to our suppliers and customers also leveraged this core data set," he says. "It's not easy in this industry to achieve an accurate and transparent data stream for ourselves and our partners, but SAP HANA as the foundation for our strategy is helping us achieve this B2B integrated view."

Benefits of Improved and Integrative Reporting Capabilities

Having an analytics system based on SAP HANA has proven very powerful in helping analysts and data stewards audit the quality and completeness of the internal master data. One of the most measurable achievements the business has realized is the creation of a suite of standard, but very dynamic, reports that are used across the commercial business, according to Chandler. "The benefits of this suite of reports include

consistent and reliable data, alignment across communities for how we measure the business, significant administrative efficiency, and the ability to report across multiple segments of the business with a few governed reports," he says. "These benefits extend to our supplier partners as well, as we have established over a hundred key performance indicator (KPI) reports that are generated and distributed automatically to our external partners."

Chandler says that Breakthru's dynamic real-time data repository integrates with an extensive set of cloud-based applications, which expedite insights, suggest alternatives, and shape key decisions that improve sales forecasting, streamline the supply chain, and achieve financial performance goals. "This enables better, faster decisions through curated reports that align to the functional business process, and it also helps to limit data reconciliations between users and systems that have historically challenged business efficiency," he says. "Data consistency, both in the SAP source as well as in the data warehouse, serves as the foundation for advanced capabilities."

Because of the company's broad and diverse user base, Breakthru offers multiple tools to business users to provide those actionable insights. "On the BI front end, we currently offer an efficient and scalable reporting platform, which is highly governed by the corporate BI team and local subject matter experts, and a spreadsheet-based ad hoc solution. We are also developing more visually based dashboarding to be accessible via desktop and mobile devices," says Chandler. "However, we have put a lot of effort toward limiting the distractions of individual preference and the inefficiencies of different platforms generating varying results for the same question."

With all data now built on the same standard, the business allows some flexibility for segments of power users who have the skills and ability to incorporate other elements for data mining and exploration. "But people can't just bring their own solutions," says Waite. "We work with them to ensure the tools are fit for purpose and don't break any data governance rules."

While all its BI technologies and strategies ultimately merge together to deliver the right data to the right person at the right time with the right device, according to Chandler, SAP BusinessObjects Web

Intelligence serves as Breakthru's preferred tool and the main engine of its strategy for operational reporting and prescriptive scenarios, where KPIs and metrics must be perfect every time. "The native connection between SAP HANA and SAP BusinessObjects Web Intelligence has made providing clean, real-time data to our users very easy," he says. "It's great for when we need to look in the rear-view mirror and measure the outcome of our business execution, and it also helps us with a lot more robust business processes in a very standard way."

In the supply chain area, Breakthru is capitalizing on the integration capabilities of SAP HANA, using a non-SAP tool for BI on top of SAP HANA for R&A around forecast and inventory accuracy. "This integration offers a whole new direct connection into what products are selling through what channels and what the day's inventory looks like, which is a huge point to scrutinize, especially since the current pandemic has created a big shift in terms of channels and products," he says. "We need systems in place that allow us to order the right product and ensure we're not carrying too much inventory that isn't selling."

To help identify the right systems and processes to implement, Breakthru sought out the expertise of a partner. Since the relationship on the data governance front was such a success, the business again opted to team up with Protiviti for its strong track record of delivering results in the SAP HANA and SAP BusinessObjects space, according to Chandler. "They provide ongoing managed services in our SAP BusinessObjects environment, bring resources with technical knowledge, and have a clear sense of where SAP is going," he says.

Waite says that Protiviti effectively saved Breakthru hundreds of thousands of dollars that the company had set aside for additional hardware it thought was needed for SAP HANA to perform correctly. "Protiviti was able to drive significant savings in performance tuning and through other knowledge they had around how SAP HANA works," he says. "From a performance perspective, we leverage them as an application service provider for our BI environment, and they also are completing many performance projects in development around SAP HANA and SAP tools."

Currently, Breakthru is evaluating new ways to build on the SAP HANA foundation with both SAP and

non-SAP technologies — for example, for specific use cases and unique scenarios where power users require high amounts of interaction with very fast results.

Shooting Stars Are Ahead

After successful integration of multiple companies onto a consolidated SAP ERP system and achieving one source of the truth for reporting based on SAP HANA, Breakthru is well-positioned for the future. "Change management has been challenging, as expected, but with Protiviti's support and a sound technology base, we have arrived at a place that we feel positions us to succeed in our goal for a data-driven culture," Chandler says.

Now that Breakthru has built a foundation — through architecting and delivering the infrastructure and data strategy — to become a truly insight-driven business, the first part of its journey is ending. Now, it is moving toward leveraging the power of that established footprint. The New Horizon program has set up the business to launch new capabilities that will further differentiate the business from its competitors, according to Coliukos. "This strategic data platform will help us leapfrog ahead," he says. "Now we can begin to build the new vision for our advanced analytics and some of the capabilities we want to do in the future with our artificial intelligence and machine learning technology."

These next-gen applications, which are currently under development, will provide guidance and insights for associates at the crucial point of decision making — beyond simply presenting a dashboard or a report from which users need to interpret and derive insights, according to Coliukos. For example, an associate taking an order from a customer can receive immediate insight at the point of sale — with a very simple keystroke triggering a built-in algorithm — to help identify more opportunities "Our intention is to provide augmented intelligence behind every one of our applications to make the insights faster, richer, and deeper than ever before," he says. "By applying intelligence akin to digital assistants and leveraging the capabilities within our technology, we can truly guide people to answers faster. We have some proofs of concept under way to understand how to do that most powerfully, which will likely yield real strategic value, but that is the next stage of the New Horizon program." ■