

# Production planning tool gives wineries ability to dynamically plan for future releases

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Earlier this year, we debuted our **Depletion Optimization Tool**, which has since been successfully adopted by wineries around the country to help leaders make intelligent pricing and inventory management decisions. The tool gives wineries the ability to quickly assess the depletion characteristics of their entire collection of wines for current and past vintages. The end result has been more revenue and more efficient management across the entire product portfolio.

## HOW MUCH OF OUR WINE SHOULD BE SOLD THROUGH OUR DIRECT-TO-CONSUMER CHANNELS?

During our conversations with our winery partners, many have voiced the desire to be able to use our tool to help plan for future vintage releases as well in order to help inform the answers to many common questions, including those below:

- 🗒 *Are we better off making more of a certain vintage at the current price, or should we sell more of our grapes on the market?*
- 🗒 *We expect the yield on our pinot noir to increase by 25% for the upcoming release. How quickly can we expect sellout under the new inventory at current prices?*
- 🗒 *We have been selling 10% of our cabernet sauvignon grapes in the bulk market. What would happen if we bottled those extra grapes for DTC sales instead?*
- 🗒 *How quickly would we sell out next year's release of our viognier if we increased the price by \$5 per bottle and produced the same amount?*



These are challenging questions to solve, but they can be answered with the right **analytical toolkit**. As such, we have spent the last several months researching and developing the production planning module as a value-rich addition to the existing Depletion Optimization Tool.

The production planning module is built to forecast the depletion implications of adjustments to inventory or pricing for a future vintage release.



mather:

“ Mather’s tool drives actionable insights and is very simple to use.  
Depletion Optimization Tool current user

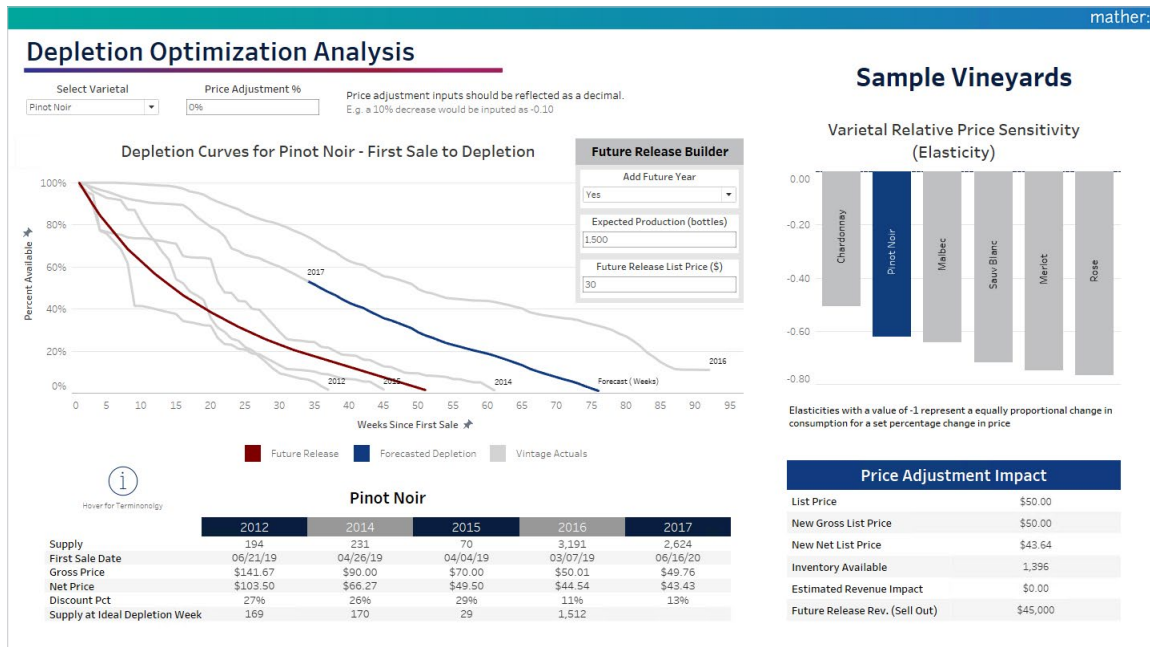


FIGURE 1  
Production Planning Module

The process for driving insights for the user is very simple and intuitive.

### EASY STEPS TO PRODUCTION PLANNING

The user navigates to the production planning module and selects the expected starting inventory for the future release.

Then, the algorithm behind the scenes forecasts the depletion path for the SKU by calculating the observed demand of a given SKU in previous releases compared to the expected inventory. The default forecast is based on keeping the price of the SKU the same as the current release, but **what if wineries want to use price as a lever to impact the depletion of a future release?**

The production planning module has the functionality to handle this type of scenario planning as well. Simply input the desired price change in the module and the depletion forecast will update based on the econometrically-driven estimates of price elasticity for the given SKU.

### ARE WE BETTER OFF MAKING MORE OF A CERTAIN VINTAGE AT THE CURRENT PRICE, OR SHOULD WE SELL MORE OF OUR GRAPES ON THE MARKET?

These capabilities give the user the ability to independently plan for adjustments to inventory, current release pricing, and future release pricing.

The result is a dynamic depletion path forecast based on the inputs of the user for a future release, which allows the winery leadership to make crucial decisions to optimize their business.

### INCREASE YOUR PRODUCTIVITY IN ONE DASHBOARD

Contact the experienced team at Mather Economics and let us guide you on the next steps in your DtC journey.