



Transforming Wine
Distribution: How
Meridian Reduced
Excess Inventory by
15% with StockIQ's
Unusual Sales
Detection



About Meridian

Meridian operates within the liquor distribution sector, specializing in still wines, sparkling wines, and premium beverages. With three regional warehouses across South Africa, and their main hub in Cape Town, Meridian manages approximately 770 unique SKUs across three regions—totaling over 2,000 line items managed through StockIQ.

Since switching to StockIQ in 2021, Meridian has transformed from a manual, experience-based planning approach to a data-driven demand planning operation that serves as a core function of their business.

Industry: Wine & Beverage Distribution

Founded: 1997

ERP: Dynamics Business Central

The Challenge: Inflated Targets and Hidden Events

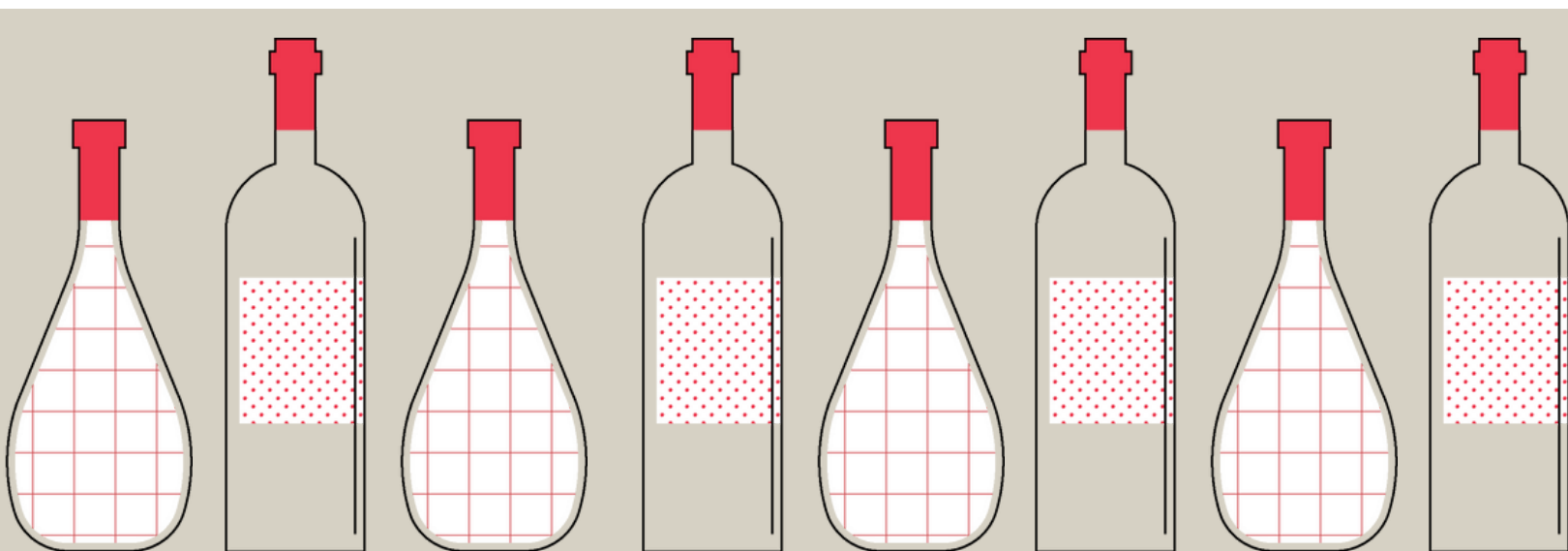
Meridian faced a critical challenge common in the beverage industry: sales teams were setting unrealistic targets based on historical peaks without accounting for one-time promotional events. This created a dangerous cycle where:

- **Targets were artificially inflated** by 10% year-over-year, including exceptional months that contained large promotional events
- **Promotional spikes were treated as baseline demand**, leading to systematic over-ordering
- **Sales teams lacked visibility** into which historical sales were driven by special events versus organic demand
- **Excess inventory accumulation** reached 10-15% above optimal levels during peak seasons

The Breaking Point

In November of the previous year, this planning disconnect reached crisis levels. Sales missed targets by over ZAR 20 million (approximately USD 1.1 million) during the crucial October-November-December peak season, leaving Meridian with excess stock overflowing their 1,800-pallet capacity warehouse in Cape Town. The company was forced to secure costly third-party storage, directly impacting profitability during their most important sales period

"We had stock standing out of the warehouse. We had to go for third-party storage, which is an additional cost," explained Bernard Geldenhuys, Demand & Inventory Planning Manager at Meridian Wine Distribution, reflecting on the severity of the situation.



The Solution: StockIQ's Unusual Sales Detection & Event Management

Why StockIQ

Meridian's decision to switch from their old provider to StockIQ in 2021 was driven by StockIQ's superior functionality, particularly around unusual sales detection and event creation capabilities.

"The main reason was just due to the lack of functionality. **StockIQ provides exactly what we needed, especially unusual sales detection and the ability to create events with better visibility and reporting,**" Bernard noted.

Implementing a Systematic Approach

StockIQ's unusual sales module became the cornerstone of Meridian's new demand planning strategy:

1. Automated Event Detection

- StockIQ automatically identifies unusual sales spikes across their 770+ SKU portfolio
- The system flags promotional events, large customer orders, and other demand anomalies
- Planners receive filtered exceptions rather than having to manually review all sales data

2. Manual Exception Management

- For cases where the system doesn't catch events (such as when unusual spikes occurred in different months across years), demand planners apply their expertise
- Events are retroactively created to clean historical data for more accurate future forecasting
- The combination of AI automation and human expertise ensures comprehensive coverage

3. Proactive Sales Target Setting

- Historical data is "flattened" by removing promotional spikes before sales teams build next year's targets
- This prevents the artificial inflation that previously led to over-ordering
- Sales teams receive more realistic baseline demand data for planning purposes



The Results: Operational Excellence and Cost Savings

Inventory Reduction: By accurately identifying and adjusting for unusual sales events, Meridian reduced excess inventory carrying costs by 10-15%

Enhanced Forecasting Accuracy: Sales targets now reflect realistic demand patterns rather than inflated promotional peaks

Streamlined Operations: Three demand planners now manage the entire portfolio efficiently through StockIQ's automated exception reporting

Operational Transformation

From Reactive to Proactive Planning

"We are now actively and retroactively making changes in the unusual sales in terms of creating events. When merchants build their targets again next year for FY 27, all of those peaks and unusual sales will have been flattened out to give them a more accurate target."

Supplier Relationship Improvements

Meridian now provides suppliers with advance notice of large promotional events, preventing the bullwhip effect that previously caused widespread stockouts. This proactive approach has strengthened supplier relationships and improved market availability.

Risk Mitigation

The firm purchase order process has been refined to account for economic volatility, with StockIQ providing the data visibility needed to adjust procurement strategies in real-time.



Key StockIQ Features Driving Success

1. Unusual Sales Detection

- Automated identification of promotional events and demand anomalies
- Flexible threshold controls for different product categories
- Integration with historical data for pattern recognition

2. Event Creation and Management

- Manual override capabilities for planners' expertise
- Retroactive event creation to clean historical data
- Forward-looking event planning for promotional activities

3. Comprehensive Forecasting

- Statistical forecasting combined with promotional planning
- Multi-level visibility (SKU, category, location, customer)
- Integration of sales team inputs with statistical baselines

4. Executive Dashboards

- Real-time inventory visibility across all locations
- Exception-based reporting for efficient time management
- Performance tracking against service level objectives

Looking Forward: Continuous Improvement

Meridian's journey with StockIQ continues to evolve. The team is currently working through a backlog of historical data cleaning while exploring additional StockIQ capabilities, such as Due to Buy Analysis.

"I'm confident that next year, once we finish the backlog, it's going to save them a massive amount of time. Even if they spend an hour a day going through unusual sales, that's still less than struggling to get stock from a supplier because you've had an unusual event which you could have planned for," Bernard explained.

The Bottom Line

For Meridian, StockIQ represents more than just software—it's a strategic transformation from reactive, experience-based planning to proactive, data-driven demand management. By combining AI-powered automation with human expertise, they've created a sustainable competitive advantage in the complex wine distribution market.

The 10-15% reduction in excess inventory translates directly to improved cash flow, reduced carrying costs, and enhanced operational efficiency. More importantly, StockIQ has positioned Meridian to navigate market volatility with confidence, turning supply chain challenges into competitive opportunities.

"StockIQ has become a quite core function of our demand planning division. It's really assisted us in terms of helping us with additional data and supporting our discussions with our various sales teams and other stakeholders internally."

— Bernard, Demand Planning Team, Meridian

Ready to transform your demand planning like Meridian?

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