

# Process restructuring for Scotland's oldest distillery for international expansion

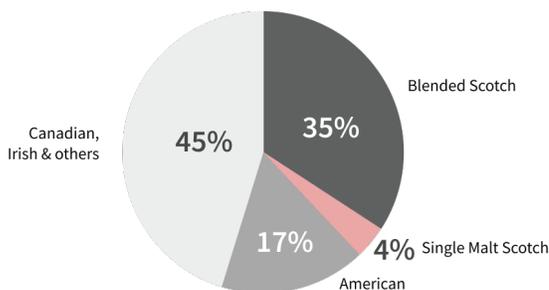
Crafting some of the best single malt whiskies in the world, for nearly a quarter of a millennium, brought a unique challenge for Glenturret's management – scaling up whilst retaining the superior taste of its whiskey.



Photo: The Glenturret Distillery

For decades, single malt scotch whisky has been the luxury spirit of choice for many across Europe and North America. With the scotch whiskey consumption rising rapidly in APAC, the segment is estimated to reach [\\$33B by 2027](#) globally with single malt whiskey touching \$3.5B. Therefore, it comes as no

surprise that Art & Terroir (Lalique Group) quickly bought the Glenturret brand from Edrington (2019) as a part of the horizontal expansion strategy of its luxury portfolio.



As a part of the rebranding exercise, Glenturret partnered with Master Distiller Bob Dalgarno and gave the product packaging a complete makeover to complement their premium spirits. The company released its maiden collection by September 2020, and within months, John Laurie (CEO, Glenturret) realized that the international demand for Glenturret whiskies would outpace

demand projections, and their supply chain needed to scale up quickly. Therefore, John and the team

successfully managed to stabilize much of the top-line to give room for a good bottom-line restructuring. Two key things needed to be addressed to drastically reduce cycle times across the value chain – a robust Time to Market (TTM) process and an agile supply chain.

HK Management Partners (HKMP) appreciated the niche required from source to shelf and the subtlety of scaling across liquids and geographies. Working in unison with the Glenturret team, the HKMP's Vikram Shankar was able to harness restructuring needs to carry out the Supply Transformation and TTM Process Mapping project. An initial analysis of the products portfolio and the suppliers narrowed the expansion focus to first build a standardized Bill of Materials format, then a monitoring framework to track goods movement, and finally a new product introduction process.

Standardizing the Bill of Materials for Glenturret proved to be a fruitful first exercise, as it helped gain clarity across all product types and their supply requirements, at both macro and micro levels. At the macro level, one could view the entire source-to-shelf journey in one dashboard with the ability to trace cycle times and observe potential



bottlenecks. At the micro-level, it became easy to understand the reordering points and quantities that dynamically changed with the change in the quarterly sales plan.

Once the Bill of Materials was standardized, it was critical to have the suppliers' buy-in; the order management and supplier production reporting frameworks did the trick here. Working within the contractual scheduling agreements, quantities could be scaled to reach the warehouse locations in parallel and enable an increased on-time production start. Finally, it was time to address the nightmare of every business – new product introductions. The Glenturret team's clarity translated to a comprehensive business process map from ideation to launch, leading to a reduced TTM by 24% with the added benefit of the end-to-end product genealogy. In 12 weeks, HKMP was able to help Glenturret gear itself for the explosive growth of their quality single malts.