

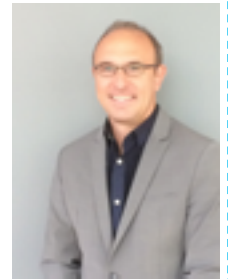
INTERVIEW OF THE MONTH

YANICK RIVARD – DIRECTOR OF LOGISTICS, PROCUREMENT AND INTERNATIONAL TRANSPORT, SOCIÉTÉ DES ALCOOLS DU QUÉBEC (SAQ)

Yanick Rivard has worked in operations management in the retail industry for more than 20 years, joining the Société des alcools du Québec team in 2000.

He currently holds the position of Director of Logistics, procurement and International Transport. He was Director of Delivery Services for 7 years and Director of the Montréal Distribution Centre for 11 years.

He has a Master's of Business Administration (MBA) from the Université du Québec à Montréal.



M. Rivard, what are the key issues facing the Société des alcools du Québec?

Like many businesses, we are operating by a marked shortage of human resources in the handling sector. We have implemented various initiatives to hire and keep qualified employees, among others by encouraging their commitment. We also have to juggle with an increase in transport costs, requiring us to be especially rigorous in optimizing our operations.

We have also adopted a continuous improvement approach throughout the SAQ, a healthy organization expected to keep growing. Customer satisfaction, lower net expenses, an increase in the profit remitted to the government and sales development are good indicators of this.

«We need to maintain an effective logistics chain to support this growth over the long term.»

We have begun an in depth analysis of our capacity and started taking action. Last year, we implemented new warehouse management software, increased palletization and storage directly on reception and improved stock rotation.

We are very pleased with the results and have a number of other projects under way.

You recently reworked your website, highlighting the SAQ's commitments with regard to social responsibility.

What prompted you to move in this direction?

«At the SAQ, we firmly believe that contributing to social well-being is an integral part of operational excellence.»

Sustainable development, supporting the community and ethics are top concerns for us and our customers. It is essential that we talk about it, share our ideas and, perhaps, inspire other organizations.

This revitalized section of our website is a terrific showcase for presenting initiatives that are productive year in and year out thanks to the support of our teams.

In our 2018-2020 plan, we reiterate our commitment to doing better and more in terms of greenhouse gas reduction, responsible procurement, waste management and glass conversion. We would also like to give, even further, to our corporate cause—food aid—to which the SAQ has contributed more than \$5 million to date.

One of the SAQ's commitments is to reduce GHGs, in particular, by adopting more energy efficient means of transport.

Can you tell us more about this?

«At the SAQ, 78% of the products sold in our stores are transported by ship, an ecologically responsible choice, as your campaign Brought to you by ship shows so well.»

Since 2012, we have increased our loading capacity for maritime transport by progressively reducing our use of 20' containers in favour of 40' containers. This has allowed us to decrease the number of containers required for our operations by more than 2200.

Where land transport is concerned, we have carried out numerous projects aimed at improving our trucks' energy efficiency, including equipping them with accessories to make them more aerodynamic and replacing the road tractors' transmissions by more fuel-efficient automatic transmissions.

We work to reduce at source and optimize wherever possible. Every initiative—big or small—has an impact. Look at our efforts to make glass containers lighter. Since 2010, the average weight of a 750 ml wine bottle has dropped nearly 40 g. We estimate this to be equivalent to a 20-kilotonne reduction in greenhouse gas emissions over the bottle's life

cycle, from manufacture to end of life. We are also working to standardize the palettes used by our suppliers the world over, which will, no doubt, have a positive effect.

Could you describe the typical supply chain for wine coming from Europe?

After the market team selects a product based on various pre-defined criteria, the buyer issues a purchase order, which is electronically transmitted to the supplier. After the supplier accepts the order, instructions are sent to the carrier, which transports the order to the Port of Montréal, where it clears customs in keeping with international trade rules.

The containers are then delivered to our distribution centres where they are unloaded based on our priorities and where our quality management department ensures product compliance. The products are then distributed to our stores according to customer needs and the plans established. The procurement team analyzes sales for each product and decides on new quantities to order, if need be.