



Heaven Hill, America's Largest Independent Family-Owned Spirits Producer, Automates Planning and Refines Customer Service

Name:
Heaven Hill Distilleries Inc.

Internet:
www.heaven-hill.com

Products/Services:
Distilled Spirits

Location:
Bardstown/Nelson County

Leadership:
Max L. Shapira, President

Employees: 435

Founded: 1934

Reach: International

Innovative Insight:
"By combining an experienced, skilled workforce and state-of-the-art technology, Heaven Hill has yielded greater productivity and remarkable increases in customer service."

Way Internet Has Made You More Competitive:
"It allows us two way interactive communications. It also provides a tool for planning and improved customer responsiveness."

Advice to Growing Companies: *"Balance high-tech and high touch, to integrate new information management tools and continually focus on personal service."*

Ways to Attract the Best Workers: *"Provide empowerment to employees through training, knowledge and technology."*

Bardstown, Ky. — According to a 1964 act of Congress, bourbon is America's native spirit. Nelson County, Kentucky is at the heart of the bourbon industry, a conspicuously comfortable place and home to Heaven Hill Distilleries Inc., America's largest independent family-owned distilled spirits producer and marketer (whose bourbon brands include Evan Williams and Elijah Craig).

By law, bourbon can be distilled anywhere in the U.S., but the vast majority of it is produced in Kentucky, where it must be distilled and warehoused for at least two years in order to carry the "Kentucky Bourbon" designation on the label. Heaven Hill, the second largest holder of Kentucky bourbon in the world, has more than 650,000 barrels aging at any given time.

Heaven Hill has diversified their product portfolio significantly in the last 15 years, adding top spirits brands like Christian Brothers Brandy and Hpnotiq Liqueur to their already impressive Bourbon brands. With an already robust business in the United States, Heaven Hill is aggressively focused on an international expansion plan, forming partnerships with like-minded companies throughout the world. Heaven Hill has established its brands in over 40 countries throughout Europe, Asia, the Pacific Rim, Central and South America.

According to a recent report in Business Week, the growing global demand in bourbon is fueled by countries such as Britain, Japan and Germany, and the liquor's exploding popularity in new markets such as the Czech Republic, Poland and Thailand.

"In May 2003, we totally redesigned our enterprise resource planning system (ERP) to manage our supply chain and meet customer demand. From material suppliers to production schedules, we reduced the order lead time that we require from distributors by 30 percent as a result of the improved planning and operational capabilities that the new system has provided," noted Allan Latts, director of corporate planning at Heaven Hill. "We are now providing an unprecedented level of customer service using state-of-the-art technology, enabling us to share real-time information not only within the company but also with our distributors and customers throughout the world."

The new IFS system helps Heaven Hill optimize what it needs to run and in what sequence. The company juggles different bottle shapes, all types of spirits, and hundreds of different labels, bottling in the most advantageous sequence so that changeovers are minimized.

"As we grow our business, we anticipate realizing even greater benefits from this state-of-the-art ERP system," said Latts. "With better real-time business intelligence, Heaven Hill will be able to support its strategic decisions and plan for future growth."

Why is bourbon so different and distinctive from other grain spirits? Kentucky geography plays a key role with its massive reserves of pristine limestone-filtered spring water. This naturally pure water is low in iron and high in other dissolved minerals, which contributes to the flavor of bourbon.

In the last decade pricier super- and ultra-premium bourbons ranging from \$15 to hundreds of dollars a bottle have been all the rage among hip urban consumers. In years past, bourbon was the drink of presidents like Andrew Jackson and Ulysses S. Grant as well as writers Walt Whitman, Rudyard Kipling and Mark Twain.

About KY 120:

In the fast-paced world of technology-driven business, it should be recognized that best practices can be studied and emulated. As a part of the [connectkentucky](http://connectkentucky.org) initiative, CiTE (Center for Technology Enterprise) is profiling business initiatives in each of Kentucky's 120 counties. For more information visit our Web site at www.connectkentucky.org or call 270.781.4320.