

Cutover Plan

Alabama ABC

Goals

- Close DDS September 8, 2026
- Begin Shipping DDS from new warehouse on September 14th, 2026
- Close Current warehouse on September 25, 2026
- Begin shipment of all loads September 28, 2026
- Have three weeks of inventory at both the current and new warehouse on September 11, 2026
 - New Warehouse inventory will have additional cases to account for DDS
 - Shipping into new warehouse should begin on July 20, 2026
- All dates are subject to change

Inventory Goals

- Currently carrying roughly 5 weeks worth of inventory
 - 420,000 cases
- Goal is to get to 3 Weeks of inventory in the current warehouse by September 11, 2026
 - 252,000 cases
 - Achieve this by a combination of reduced shipments and moving current inventory
 - The Inventory Reports you see will only reflect inventory from this warehouse
- Goal is to have 3 Weeks worth of inventory and additional product for DDS at new warehouse by September 11, 2026
 - 275,000 cases

First Step – SKU Classification

- All SKUs classified by volume into four groups – A, B, C, D
- A = Top 40% Volume (93 SKUs)
- B = Next 40% Volume (517 SKUs)
- C = Next 10% Volume (422 SKUs)
- D = Last 10% Volume (1504 SKUs)
 - Includes Allocated products and VAPs

Next Step – Identify 3 weeks worth of inventory

- Dusty is using September - October from 2025 plus trend to determine 2026 inventory objectives
 - Any SKUs that are new from that point forward will be projected
- This number will be put on a supplier specific document and should be used to as the target inventory on **September 11, 2026**
- This number is also the starting point for inventory at the new warehouse
 - We will add the volume needed to supply DDS sales as well
 - About 20,000 cases
- If you have over **18 weeks** of inventory on hand right now **DO NOT SHIP ANYTHING ELSE TO US**
- If you have over **18 Weeks** of inventory on hand as of today, you will need to make arrangement to **HAVE PRODUCT PICKED UP**

A and B Classifications (610 SKUs)

- These Items should be shipped to the current warehouse Until **September 11, 2026**
 - At this point, the inventory level should be at the 3-week number supplied by Dusty
 - Full Pallet shipments only.
- These items can be shipped to the new warehouse beginning **July 20, 2026**
 - Dusty will provide the target number (will include DDS)

C Classification SKUs (422 SKUs)

- C Classification will be allowed to carry up to 5 weeks of inventory
 - ABC will take brand down to 3 weeks inventory by shipping excess to new warehouse On or before September 11, 2026
 - C Classification SKUs can begin shipping to new warehouse on July 20, 2026, and the total available inventory should equal 5 weeks worth of inventory
 - Dusty will provide the target number (will include DDS)
- Last receiving day is August 28, 2026

D Classification SKUs (1504 SKUs)

- These SKUs Will be put on hold **August 28, 2026**
 - These SKUs will be packed up and moved to new warehouse by ABC
 - They will stay on hold until go live
- **Last receiving day is August 28, 2026**
- No new shipments until **September 28, 2026**

Key Dates and Information

- **Key Information**

- New warehouse is located at 1905 Congressman W.L. Dickinson Drive, Montgomery AL., 36110
- All Product that is shipped to New Warehouse will be put on hold and will not be visible
 - The only product you see will be in the current warehouse and that is the number you will need to use for shipping to that warehouse

- **Key Dates**

- First Day to Ship in new warehouse: July 20, 2026
- Last Day to Ship to current Warehouse for A and B class: September 11, 2026
- Last Day to Ship to current Warehouse for C and D class: August 28, 2026
- DDS Begins to Ship from New Warehouse: September 14, 2026
- All Groups begin to Ship from New Warehouse: September 28, 2026

How It Will Work

- On **May 1**, The ABC will increase factors at stores by .01 each week for 6 weeks
 - Currently at 3.8 weeks in stores
 - Will end at 4.4 weeks in stores
- On **July 20**, The new warehouse will begin receiving inventory from BOTH the current warehouse (ABC) and Supplier.
 - Schedule through Michael Williams as usual
 - 7 – 10 loads a day, 5 days a week
- On **August 28th**, C and D Shipments are cut off

How It Will Work

- On **August 31**, ABC will begin shipping D Classification Products to new warehouse
- On **September 8**, DDS will close for one week
 - Inventory will be shipped to new warehouse
 - Independents will need to get products from local wholesale
- On **September 14**, DDS will begin shipping out of New Warehouse
 - First Delivery will be Tuesday, September 15, 2026

How It Will Work - Continued

- On **September 11**, the final shipment into current warehouse will be accepted
 - All A, B and C SKUs should have 3 weeks worth of inventory in the current warehouse
- **September 11 – September 25** all routes will continue shipping from current warehouse
 - Two weeks worth of shipping
 - Should leave 1 week worth of product at current warehouse (84,000)
- On **September 25**, shipments will stop at current warehouse
- On **September 28**, all groups will begin to ship from new warehouse
- On **September 28**, remaining Current Warehouse inventory will begin being delivered to New Warehouse