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MGX BEVERAGE GROUP

TRUSTED GUIDE THROUGH
THE LABYRINTH OF THE U.S.
BEVERAGE-ALCOHOL MARKET



Melissa Gordon,
President

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MGX

BEVERAGE GROUP

EXPERTS IN ALCOHOL LOGISTICS & RETAIL

Companies in the U.S. beverage-alcohol industry face many logistical challenges, primarily due to the dizzying array of federal, state, and local regulations that date back to the early post-Prohibition period, governing how such products are shipped, procured, and distributed in the U.S. The upshot is that alcohol products must go through three tiers before reaching the consumer: the manufacturer sells to a distributor, who sells to retailers, who then sell to the public. Thanks to logistics provider MGX Beverage Group, companies in the industry, which was

valued at \$1.6 trillion in 2023 and is expected to grow 4 percent annually through 2028, do not need to face this daunting marketplace alone.

For suppliers and retail chains, these regulations require engaging with multiple service providers to cover shipping, importing, warehousing, and distribution. The process can be complex and cumbersome, expensive and time-consuming. And as with any competitive market, these extra touch points can erode profit margins. MGX's clients depend on the company's vast experience and capabilities to provide tailored logistics solutions that streamline their supply chains.

“Our company provides customized solutions that simplify the three-tier system for our clients and help them navigate it more expediently,” says Melissa Gordon, president of MGX Beverage Group. “We offer a full suite of services to guide them seamlessly from production to retail, with personalized, hands-on customer service baked in. The maze that stands between the manufacturer and the consumer is no mystery to us. But every client’s needs are different, so we focus on that variable.”

A VENERABLE HISTORY

MGX’s unrivaled expertise stems from over 80 years in the industry. Incorporated by Morris Gordon in 1940, seven years after Prohibition’s repeal, the company—then known as Whitehall Co, Ltd.—was a traditional alcohol distributor. By 2002, it was among the top three in the state. This foundational experience in the middle of the U.S. market’s three-tier system uniquely situates MGX to deliver operational effectiveness to its customers, leveraging crucial capabilities in demand forecasting, inventory management, and customer service. Today, under Melissa Gordon’s leadership, MGX has grown from a small family business into a company with global reach, whose 150-plus employees oversee the management of over 10 million cases annually. From the beginning, the company’s focus was on building long-term relationships with its customers, and this core tenet remains just as critical in 2024.



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SIMPLIFYING THE ROUTE TO MARKET WITH A FOCUS ON BESPOKE SOLUTIONS

This client-centric philosophy has led many producers and retail outlets to turn to this highly specialized and resourceful supply chain expert to deftly maneuver through what can be a logistical and regulatory nightmare. With MGX, prospective customers are matched with a dedicated Customer Success Manager (CSM), who undertakes a meticulous review to ascertain the customer’s key challenges. Next, the CSM collaborates with the client to develop a tailored solution.

“Our stock-in-trade is identifying effective solutions for our clients, which enable a streamlined, simple way to manage their beverage-alcohol supply chain,” explains Gordon. “At the same time, we focus on customized programs that line up with the client’s long-term goals. I think they’d tell you that we understand their business nearly as well as they do. That insight allows us to resolve the logistical and regulatory headaches that would otherwise sap energy, resources, and attention from their primary business if they tried to tackle it themselves.”

“Clients often come to us with a very specific request,” says Gordon. “They’ll ask if we can warehouse their product, and of course are happy to provide that service. But once we understand the nuances of their operation, we can leverage our expertise and capabilities to go further and optimize their supply chain. It’s our ability to go above and beyond being a service provider that distinguishes us from competitors.”

LONGSTANDING PARTNERSHIPS THAT DEFINE SUCCESS

MGX’s approach is illustrated by its enduring partnership with a prominent U.S. grocery chain. It began with a single request back in 1996 when the retailer and pioneer of store brands approached MGX for help importing their new store-brand wine. MGX developed a bespoke supply chain management solution, orchestrated by a single CSM backed up by a highly experienced logistics team to coordinate all aspects of the program. The full scope of services MGX provides the retailer for this program includes importing the wine from overseas, customs clearance and all regulatory compliance, storing goods at MGX warehouses, demand forecasting, inventory control, nationwide distribution, and final-mile delivery to 175 individual stores nationwide. MGX also manages program-specific requirements and promotional initiatives, coordinating communication across the retail chain. As a result, the grocer achieved and now maintains an impressive 95 percent in-stock rate with distributors.

“We are so proud of the fact that, three decades later, this partnership has grown to be a national program of over 2.5 million cases annually,” says Gordon. “And, what’s more, we’re thrilled to be able to maintain in-stock rates well above those of our competitors, whose numbers are generally in the mid-60s.”

Harnessing the collective expertise of its team, MGX is passionate about guiding customers along the most efficient route from point A to point B while complying with all applicable regulations—be they local, state, or federal. With its core competencies and global reach, MGX is able to help its clients manage the foreseen and the unforeseen, wherever the issue may arise.

Another illustration of MGX’s focus on solutions is the work it did on behalf of importer USA West Wine (USAWW) during the height of COVID. USAWW faced significant



disruptions to their supply chain when a key distributor put a hold on inbound containers from abroad, effectively stranding nearly 100 containers at sea without a point of delivery. While these containers weren’t usually handled by MGX, USAWW reached out to the company for help. MGX immediately sprang into action, leveraging its long-term relationships to coordinate port pickup and avoid demurrage fees. Additionally, the team at MGX secured warehouse space to store the product until it could be shipped, then processed orders for retail customers—all without incurring further delays.

MGX remains committed to enhancing its offerings and devising new means of delivering added value for clients. In today’s environment, customers demand cost-effective strategies to minimize immediate cash outlays. To help address this issue, MGX recently repurposed a portion of its 350,000+ square foot warehouse space in Edison, NJ, and received

authorization from U.S. Customs to operate a public bonded warehouse. Now MGX customers can store goods tax and duty free, boosting cash flow while cutting delivery times and providing supply- and-demand flexibility. The facility’s central location offers quick and easy access to the Ports of New York and New Jersey, as well as major highways and rail lines.

A TECHNOLOGY-CENTRIC APPROACH

MGX also excels at leveraging technology to better serve its customers, who expect real-time tracking and analytics. MGX provides transaction visibility through API and EDI integrations, which directly connects to a client’s ERP system. Paired with a real-time client portal, this integration adds value to suppliers grappling with the need for effective inventory management.

“Technology is a very important part of our industry, and we are constantly looking to find new ways to apply automation to drive operational

efficiency for our customers,” says Gordon. “It’s a powerful tool that can cut labor costs, improve forecast accuracy, and serve as a differentiator for winning new business.” These practices enhance MGX’s ability to deliver impactful solutions, leveraging the latest technology for clients in an ever-evolving business landscape. That said, MGX recognizes that automation isn’t a universal remedy for all challenges and that human intervention remains an indispensable option.

In the daunting landscape of the U.S. beverage-alcohol market, MGX Beverage is an essential strategic partner. Utilizing expertise gained from over eighty years in the industry, MGX goes far beyond moving product from point A to point B, guiding its clients along the most efficient route to market, ensuring compliance with all applicable regulations along the way, and—ultimately—optimizing supply chains to ensure their customers’ ongoing success. **LT**