

Keys to a Better Business Plan for Startup Wineries

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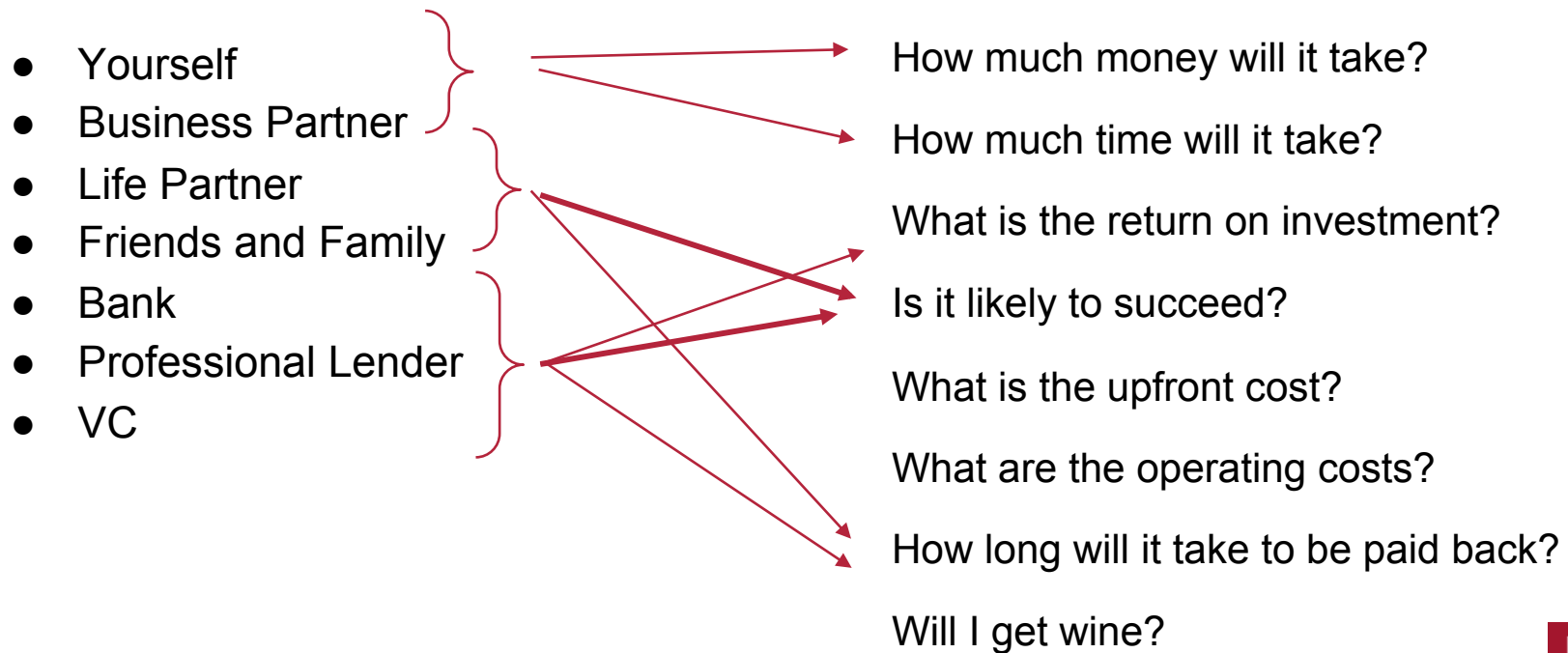
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Better Business Plan Agenda

1. Who are you writing this for and what do they want?
2. It's all about Revenue!
3. Hidden winery capital costs.

Who is this for? What do they want?



What format suits your audience?

Business Plan

- Written
- Long and In Depth
- Spreadsheets and data

Best for:

- Banks
- Professional Lenders
- Data oriented people
- People with plenty of time
- People who write very well

Pitch Deck

- Visual
- Short and Concise
- Graphs and Bullet points

Best for:

- VC's on request
- Friends and family
- Very busy people
- People who are very creative and graphically savvy

What goes into each?

Business Plan

- Executive Summary - The Ask
- Company Description
- Wine Descriptions (Detail)
- How You Will Market and Sell Your Wines
- Basic Winemaking Plan
- Management Team
- Startup Expenses and Capital Costs
- Financial Plan
- Appendices

Pitch Deck (First Nine and 5 more max)

- Intro to Company/ Team and Elevator Pitch
- Why Your Winery
- Opportunity - Why It's a Good Idea Right Now
- Solution - Wine Descriptions (basic) and What is Unique
- How Your Wine Business Will Work
- How You Will Market and Sell Your Wines
- Competition - Local and Stores
- Management Team
- Fundraising/Ask
- Wine Details and Winemaking Plan
- Market validation
- Go to Market Plan
- Current status/sales
- Milestones
- Financial Use of Funds

*“Making wine is a hobby,
selling wine is a business.”*

How will you reach your customers?

How much wine can you sell in each channel?

Direct to Consumer is the main channel for small wineries!

- Retail space - Tasting Room
- Website
- Online Store
- In Person Events
- Online Events and Tastings
- Classes/Education - Online or In Person
- Wine Club
- Social Media
- Blogs

Price Realistically

- Who is your competition and what do they sell for?
 - Local small wineries
 - Wines in local stores
 - Apples to Apples
- Set a Retail Price that is good for 3 years
- Each channel sells at a % of retail, so include that discount.
- Will you ship?



Shipping is a hidden cost

Will you ship?

- Producers can ship to 48 states, and must hold a license and pay sales taxes to each state.
- Retailers can only ship to 13 states, and must hold a license and pay sales taxes to each state.
- Consumers don't like to pay the actual shipping costs.
 - Within the shipping region \$25/ 6 standard bottles \$60/case standard bottles
 - Add an extra \$1/bottle for outside your region
 - Add an extra \$1/bottle for heavy bottles or shipping to a residence
- Wineries that primarily ship their wines include shipping in the retail price or accept the loss.

Where will you ship to?

Hidden Winery Capital Costs You Need to Know

- Do you need a building?
- What about water?
- Will you have a retail space?



About the Building

- Do you have a building?
 - Does it meet local code requirements for food manufacturing?
 - Does it meet State codes for wine making and/or wine retail?
 - Does it meet TTB requirements?
 - Does it meet ADA requirements (if it is open for retail)?
- Do you need a new building?
 - All of the pervious apply
 - Who needs to sign the documents for your new building?
 - Architect
 - Electrical Engineer
 - Plumbing
 - Civil Engineer
 - Structural Engineer

Water Will Cost You Coming and Going

- Process Water

- Well Water
 - Make sure you have the rights to use the water that you will need.
 - Check your water for microbes, bacteria and hardness
 - Filter and/or soften if necessary
- Municipal Water
 - Check for hardness and high levels of chlorine and bromine
 - Filter and/or soften if necessary

- Wastewater

- Rural
 - Compost or solid waste removal
 - Wastewater system - above or below ground
 - Designed by an engineer
- Municipal
 - Make sure they will take it
 - Remove as much solids as possible
 - May need to pretreat waste for pH and Temperature

What About your Retail Space?



- Must meet ADA requirements
- Will you have any food?
 - Get the right license
 - Know your health code needs
 - Sink stations
 - Refrigerators
 - Dishwashers

Last thought

Include a 10%-15% contingency cost in your expenses and capital costs!

The farther off your start date, the larger the contingency.



Wrap Up

1. Know your audience so that you know what to concentrate on what format to use.
2. The Marketing and Sales section of your plan is the most important section to get right. Make sure it is realistic, well developed and thought out.
3. Research local, state and federal regulations for wine manufacturing and wine sales in your area. Water will be an issue, so do your research.

Questions?

More Questions? Contact Me.

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Bonus Slide!

About the Equipment

- What size equipment will you need now and the future?
- Is this your livelihood?
 - If yes, you need a service package!
- What type of electrical service will you need?
 - Standard single phase or 3 Phase - 208V, or 408V



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