

Breaking Down Tasting Room Numbers: Sales and Business Operations

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About Geni



www.bdcocpa.com – CPA firm focused on Wineries



www.SolveServices.com – Bookkeeping focused on Wineries



www.evenanerd.com – Speaking business focused on Nerdy Topics



www.TheImpactfulAdvisor.com – Teaching accountants to become advisors



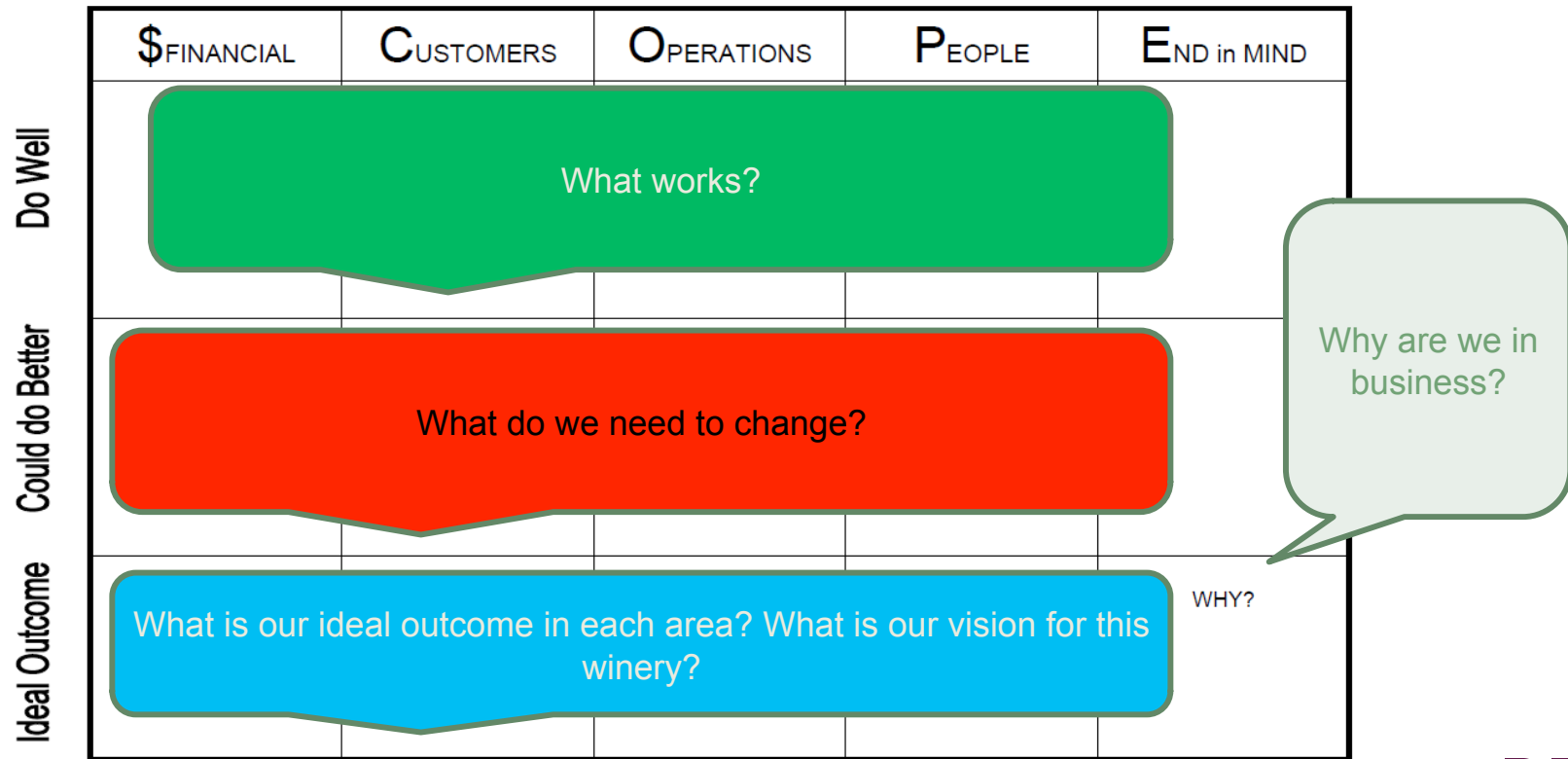
Okay, let's
increase sales
by 10% this
month.



Where are we headed?



Our Winery



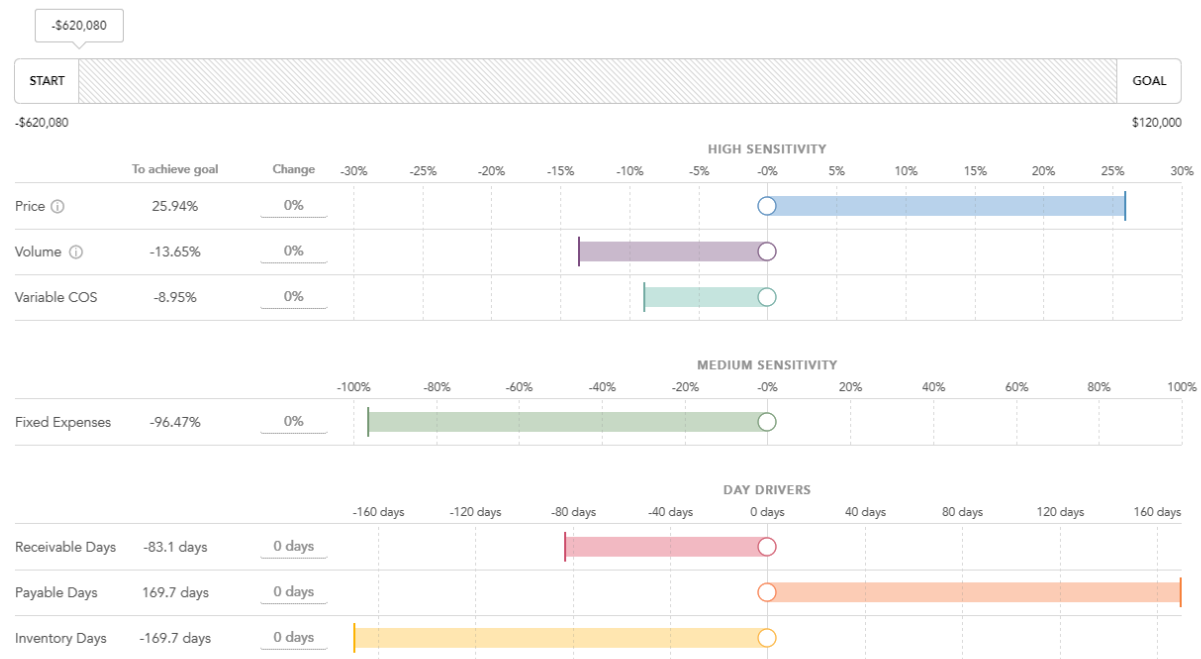


Goalseek

Press **F11** to exit full screen

For the Year of 2018

Changes required to increase **Operating Cash Flow** from **-\$620,080** to **\$120,000**



What is a business?



Concepts via Level 5 Methodology from mentorplus via www.TheImpactfulAdvisor.com

Business – When do we measure?



Concepts via Level 5 Methodology from: www.mentorplus.com

Types of measures – Leading versus lagging



Concepts via Level 5 Methodology from: www.mentorplus.com

Types of measures – Leading versus lagging

Plan a trip –
starting point



Types of measures – Leading versus lagging

Plan a trip –
starting point



Most of our measures are lagging

- ◉ Financial Statements
- ◉ Average Order Value



Types of measures – Leading versus lagging

Plan a trip –
destination



Types of measures – Leading versus lagging

We want to arrive by 4pm without running out of gas



Types of measures – Leading versus lagging

What can we monitor on our journey from start to finish to make sure we arrive on time?

What actions determine our ability to arrive on time?



Types of measures – Leading versus lagging

Leading indicators



Number of miles to cover

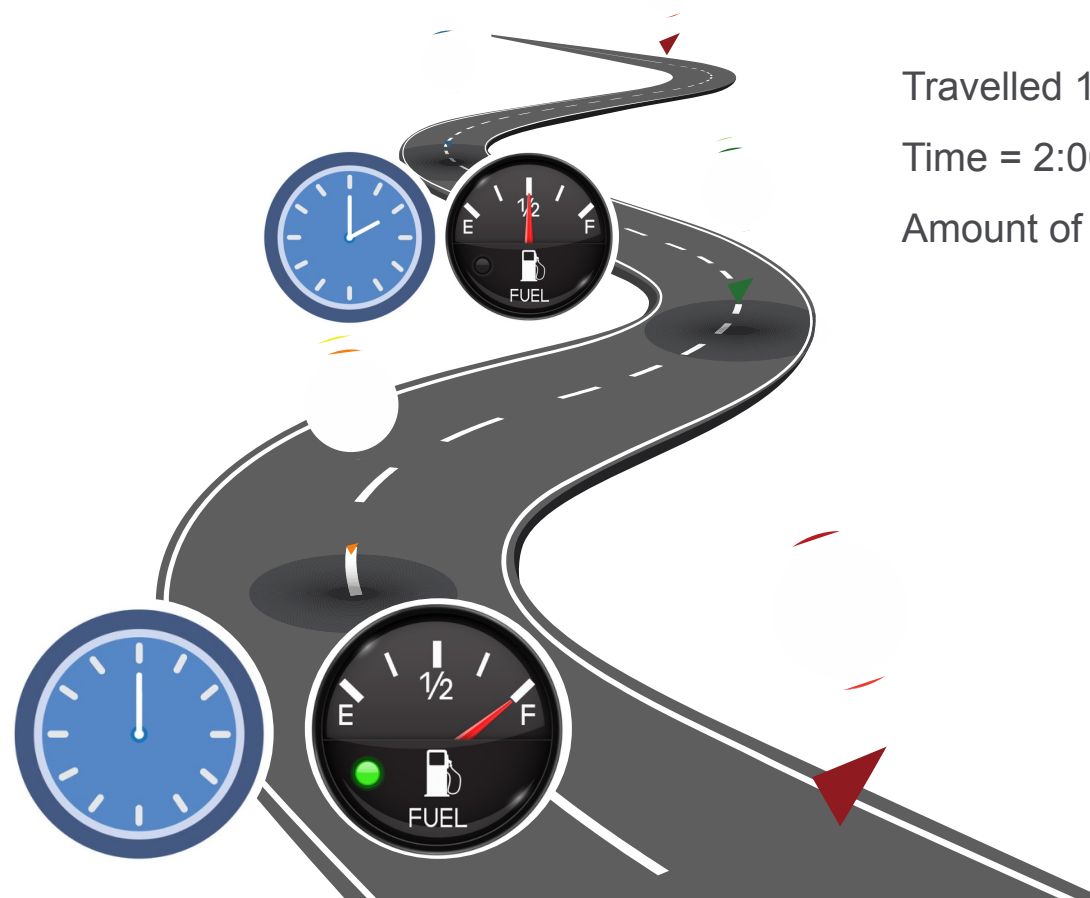
Rate of Speed = Miles per Hour

Efficiency = Miles per Gallon

Number of fueling stops

Number of refreshment breaks
needed

Types of measures – Leading versus lagging



Travelled 120 Miles

Time = 2:00

Amount of Fuel = $\frac{1}{2}$ tank

Outcome Measures

- ◉ Sales and Profit by Channel
 - **Retail**
 - Web
 - Phone
 - Tasting room
 - **Trade**
- ◉ Margin by Channel
- ◉ Margin by Product

More Outcome Measures

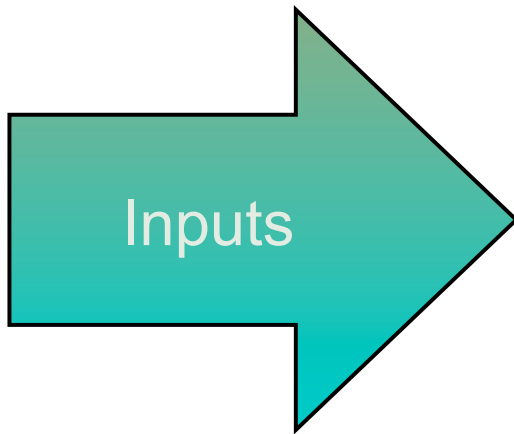
- ◉ Revenue Growth %
 - ◉ Inventory Growth %
 - ◉ AR Growth %
-
- ◉ Compare - Revenue Growth with Inventory and AR growth

Financial focused

Truth #1

**Your company's profitability
depends on how well your
people consistently
perform specific activities.**

Future focus



If you want to **impact** outcomes
the focus needs to be on:
People X Process = Profit

Leading Indicators

Input Measures

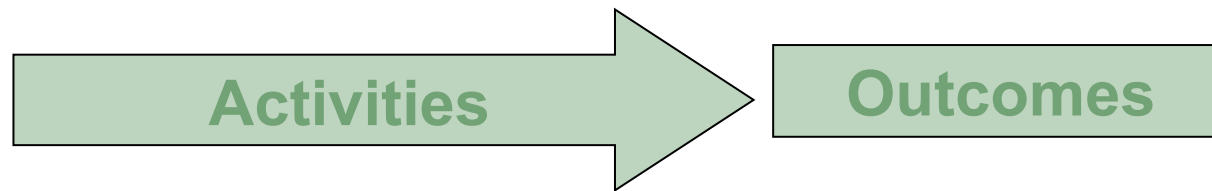
- ◉ Number of winemaker dinners
- ◉ Emails captured per day
- ◉ # of Visitors per day
- ◉ Outbound calls per day
- ◉ Wine club signups
- ◉ #Virtual wine tastings
- ◉ Average time to greet a visitor in your tasting room

Non-financial measures

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Activities Drive Outcomes



Understanding the relationship between
these two perspectives is what we call
The Profit Equationsm

Truth #2

People perform best when they understand the “rules of play” and the scoring method is clear.

What information do you share with teams?

When do you share it?

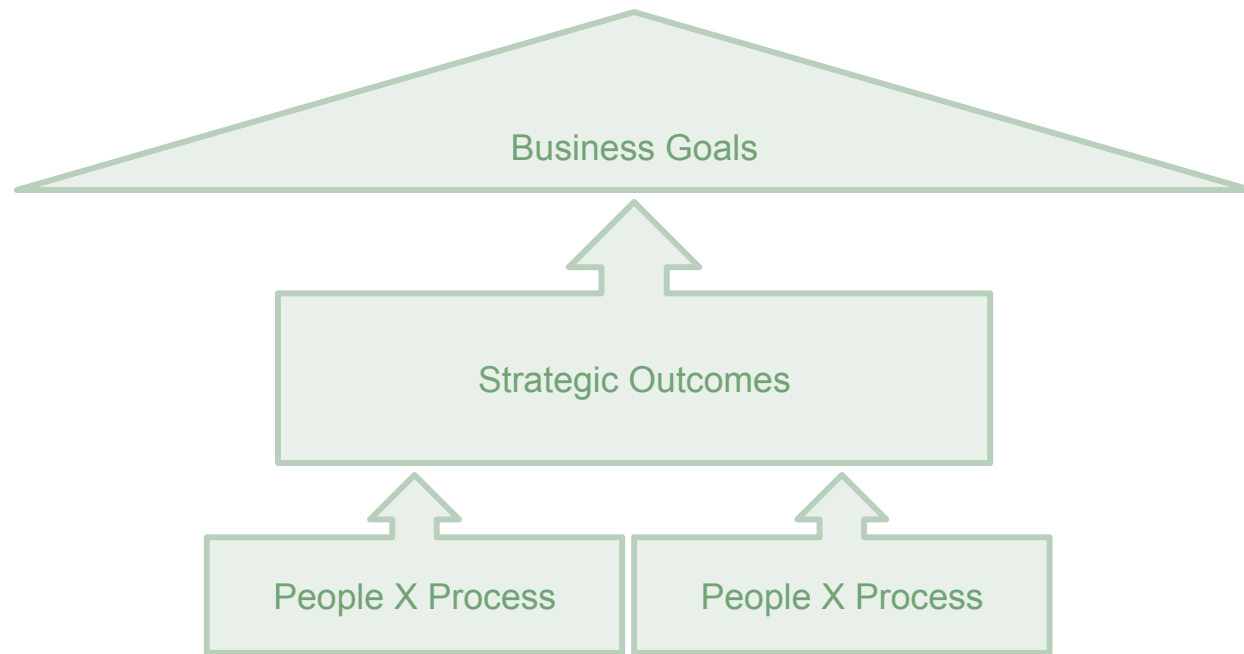
Our goal is to create a link between:

Traditional Financial Indicators
Revenue - Expenses = Profit

and

Key Performance Indicators
People x Process = Profit

The Lead Domino Theory



Goal



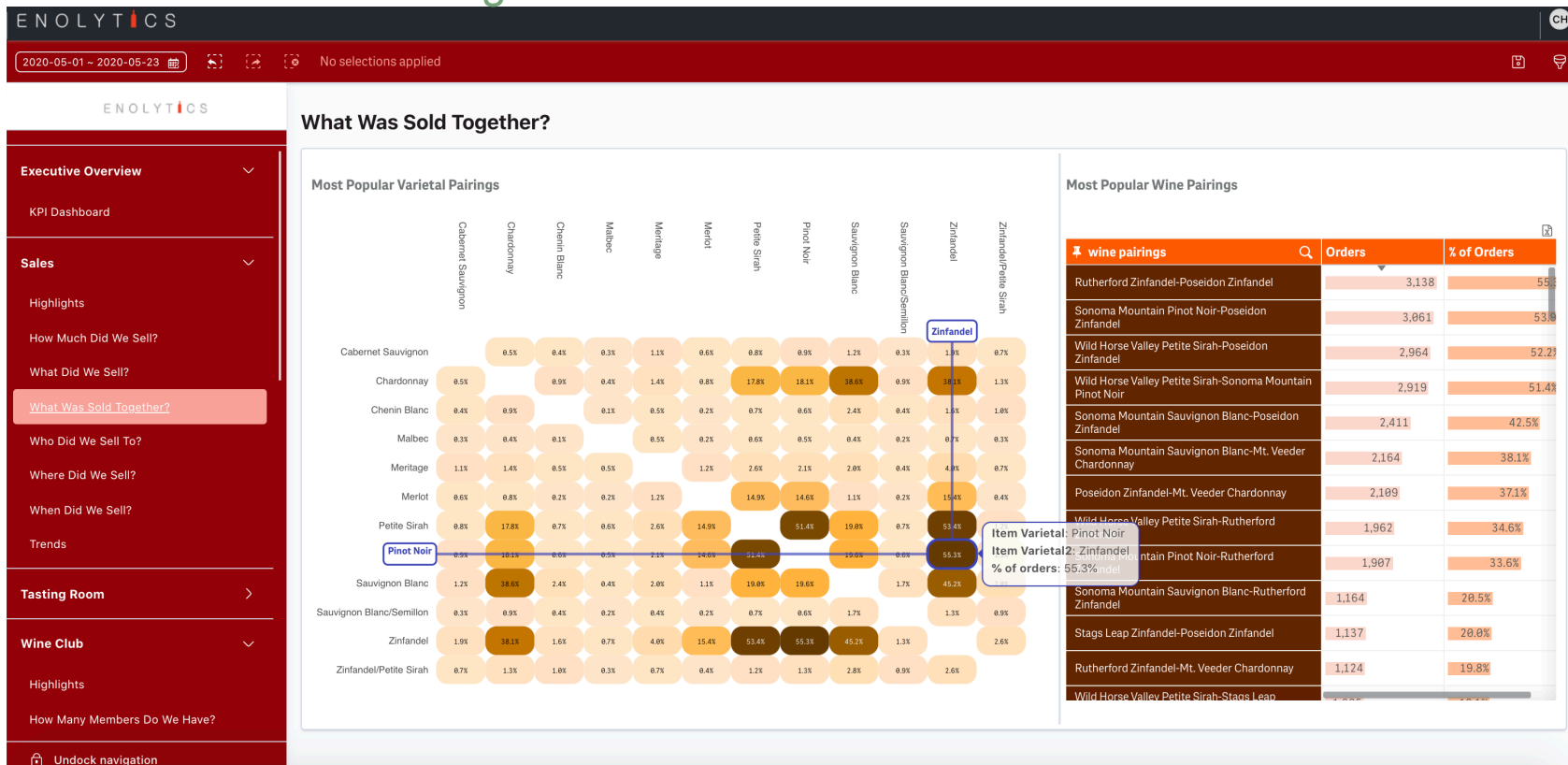
Increase Revenue

What are we really saying?

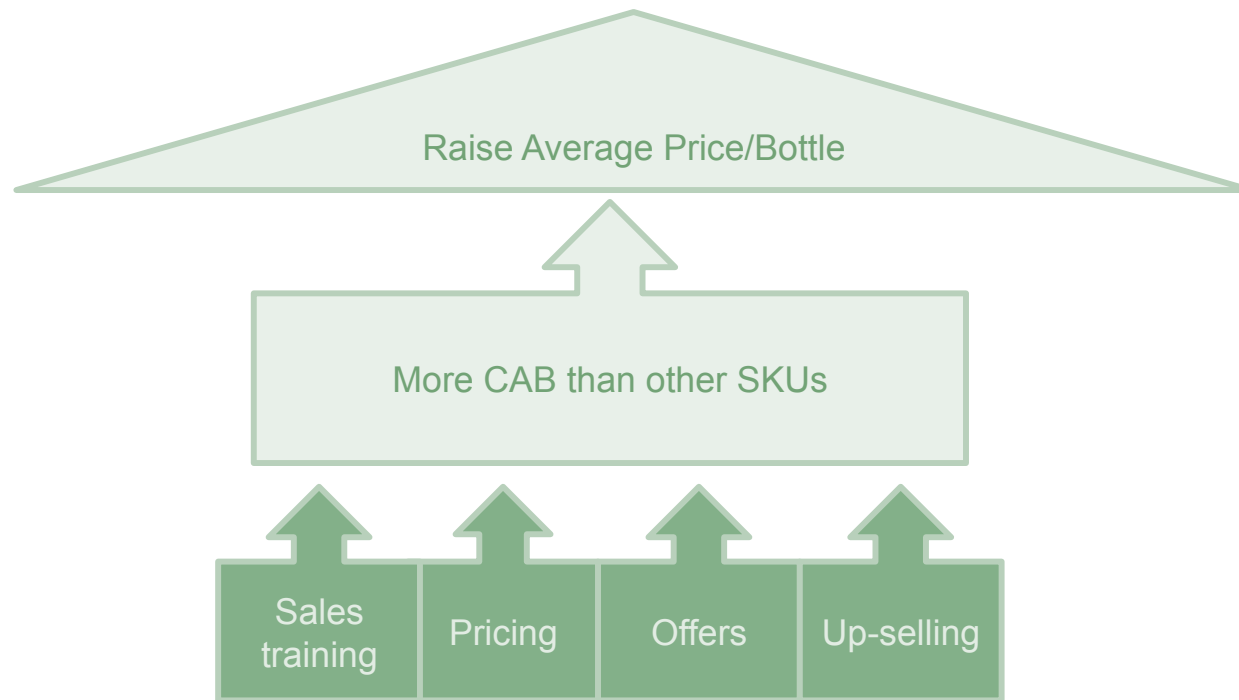


Which one is easier to work on?

Insights are Needed



We focus on the lead dominoes



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What can we measure?



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Recap



- ◉ Inputs versus Outputs
- ◉ Leading versus Lagging
- ◉ Who should be involved in creating?

What stood out for you?

Type in the chat.

Thank you!

Email me for a copy of the spreadsheet
and \$COPE grid.

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