Developing a business plan for your winery
Sit, Sip & Learn: Capital City Area Regional Meeting
Columbus, Ohio * 14 December 2009

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http://directmarketing.osu.edu/content/ohiowines.htm

EMPOWERMENT THROUGH EDUCATION
Business Planning

• **What**
  Story
  Situation...Management, Marketing, Money...

• **Why**
  Convince Self -- Figure Things Out
  Convince Others (bank..., partner/s, suppliers)

• **How**
  ‘Start’ with ‘situation’
  Learn from others
  Use template or develop your own outline
  Develop Plan ... write it – speak/translate
  Use it for YOUR needs & ongoing decisions
Challenges

**Buyers**
Retail & Wholesale

**Environment**
PEST

**You**

**Other ...**
Unknown / Uncontrollable
Your Plan

Business Plans (Story)

– Section 1: Summary (Situation+)
– Section 2: Management
– Section 3: Marketing
– Section 4: Money
– Section 5: Measures of Success
– Section 6: Attachments
‘Start’ with the ‘Situation’

<table>
<thead>
<tr>
<th>(SWOT)</th>
<th>Strengths (Internal)</th>
<th>Weaknesses (Internal)</th>
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<tbody>
<tr>
<td>Opportunities (External)</td>
<td>*</td>
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<tr>
<td>Threats (External)</td>
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* Develop objectives, strategies, goals, plan
Learn From Others

- **National Wine and Grape Initiative**
  [http://ngwi.org](http://ngwi.org)
- **Wine America**
  [http://www.wineamerica.org](http://www.wineamerica.org)
- **Wine Institute**
  [http://www.wineinstitute.org](http://www.wineinstitute.org)
- **Wine Industry Profile**
  [http://www.agmrc.org/commodities_products/fruits/wine/wine_industry_profile.cfm](http://www.agmrc.org/commodities_products/fruits/wine/wine_industry_profile.cfm)
- **The Beverage Information Group**
  [http://www.bevinfogroup.com](http://www.bevinfogroup.com)
- **Trends** - [http://trendwatching.com/briefing](http://trendwatching.com/briefing)
Your Plan - Section I
Title Page & Summary

- **Title Page**
  Business Name, Name of Primary Owner/s
  Contact Information, Image

- **Summary** (1-2 pages)
  - Comes first - write this section last
  - Summarizes the situation … the opportunity
  - Summarizes key points of the management, marketing, and money sections
  - What are the compelling reasons that this business will be a success?
  - If there is an ask $ … significance
Your Plan – Section II
Management

- **Business Description**
  Business name, location, legal structure, purpose, size & scope, hours of operation, history, assets, what you do, distinctive characteristics, goals, vision…

- **Key Partners** (suppliers, affiliation…)

- **Taking Care of Business**
  Licenses, regulations, certifications, zoning, human resources/operations, record keeping, intellectual property, technology, insurance, risk management, … (exit strategy – succession plan)
Learn from Others

- **So you want to open a winery** (Ohio Wine Producers Assn)
  http://www.ohiowines.org/winery_starter_kit.shtml
- **Ohio Grape Web**
  http://www.oardc.ohio-state.edu/grapeweb/
- **Ohio Grape Industries Committee**
  http://www.tasteohiowines.com
- **Ohio Dept, of Commerce – Division of Liquor Control**
- **Alcohol and Tobacco Tax and Trade Bureau**
  www.ttb.gov/wine/forms.shtml
- **Wines and Vines Magazine**
  http://www.winesandvines.com
- **Vineyard and Winery Management Magazine**
  http://www.vwm-online.com
- **Winery Profitability**
  http://wineryprofitability.com/tag/winery-business-plan
- **Small Business Planner (SBA)**
  http://www.sba.gov/smallbusinessplanner/index.html
Your Plan - Section III
Marketing (competitive advantage)

• **People**
  – Who are your customers & what do you know about them? (who, where, purchasing behavior)

• **Products**
  – What are your products, how are they processed, packaged, labeled, and priced? (types of wine, wine grapes, table grapes, juice, other - tours, food, books, gifts…)

• **Places**
  – How and where are your products distributed?

• **Promotions**
  – How and when do you communicate with customers, media, other stakeholders?
Marketing “Combination”

Marketing is not only much broader than selling, it is the whole business seen from the customer’s point of view.

- Peter Drucker

CONTEXT
Learn from Others

- Wine Market Council

- Marketing Connections, Ohio Direct Marketing Team
  [http://directmarketing.osu.edu/content/startingbusiness.htm](http://directmarketing.osu.edu/content/startingbusiness.htm)

- Ohio MarketMaker
  [http://www.ohiomarkettaker.com](http://www.ohiomarkettaker.com)

- American Marketing Association
  [http://www.marketingpower.com](http://www.marketingpower.com)

- Direct Marketing Association, [http://www.the-dma.org](http://www.the-dma.org)

- Promotion Marketing Association, [http://www.pmalink.org](http://www.pmalink.org)
Your Plan – Section IV
Money

- Revenue – Income Projections
  - Financial Assumptions
- Expense
  - Financial Assumptions
- Cash Flow
  - Financial Assumptions
- Balance Sheet
  - Financial Assumptions
Learn from Others

- **Small Winery Investment & Operating Costs, Winery Business Plan Guide from Washington State University**, 

- **Economics of a Small Premium Winery, Univ. of Georgia**, 
Your Plan - Section V

Measures of Success (long/short)

- **Sales** (Units, Timing, $ – gross/net)
  - By the hour, day, week, week in a month, month, season, year – How much did you sell… didn’t you sell?

- **People**
  - Customer mix, Frequency of visits/purchase

- **Products** (production, pricing, packaging)
  - New Product, Cross-sell (or bundle products)
  - Extended Season, …
  - Product profitability

- **Places**

- **Promotions**
  - Awareness, Trial, Specific Social Media Goals
  - Source/cost per lead, Convert lead to sale %

- **Other KEY DRIVERS** (impact profitability, goals)
Learn from Others

- **Starting a Winery (MD)**

- **Virginia – Description & Example**

- **Tennessee**
  [www.utextension.utk.edu/publications/pbfiles/pb1688.pdf](http://www.utextension.utk.edu/publications/pbfiles/pb1688.pdf)

- **Illinois**
  [http://www.commerce.state.il.us/NR/rdonlyres/E24BD84D-6D4F-4C95-B48C-E7AFB869F526/1760/Winery.pdf](http://www.commerce.state.il.us/NR/rdonlyres/E24BD84D-6D4F-4C95-B48C-E7AFB869F526/1760/Winery.pdf)
  Vineyard Business Plan Workbook

- **Example -** [www.jjhill.org/fasttrac/q/Winery_BP_0206.pdf](http://www.jjhill.org/fasttrac/q/Winery_BP_0206.pdf)


- **BPlans -** [http://www.bplans.com](http://www.bplans.com)
Your Plan…
Where to Start?

Your Plan (learn/plan/adjust…)

– Situation (Opportunity/Solution … Story)
– Management, Marketing, Money
– Appendix (supporting information)

– Who you are – what you do – for who
Why you are successful

– How you USE your business plan
– Scenario Planning
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