



# Business Planning “Putting the Pieces Together”



The Business of Making Wine

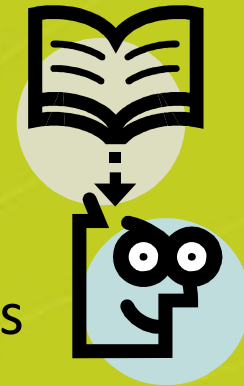
July 18, 2009

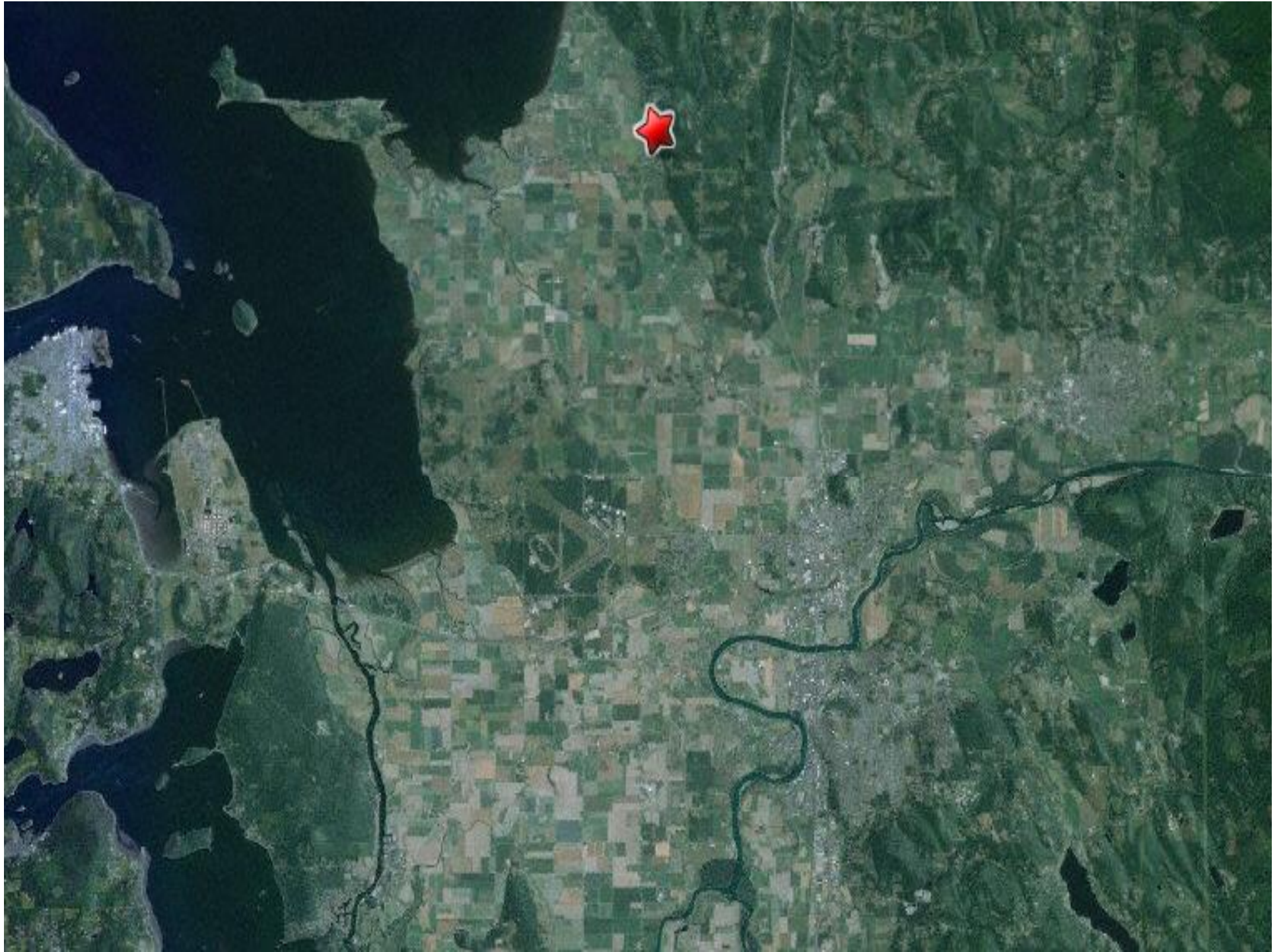


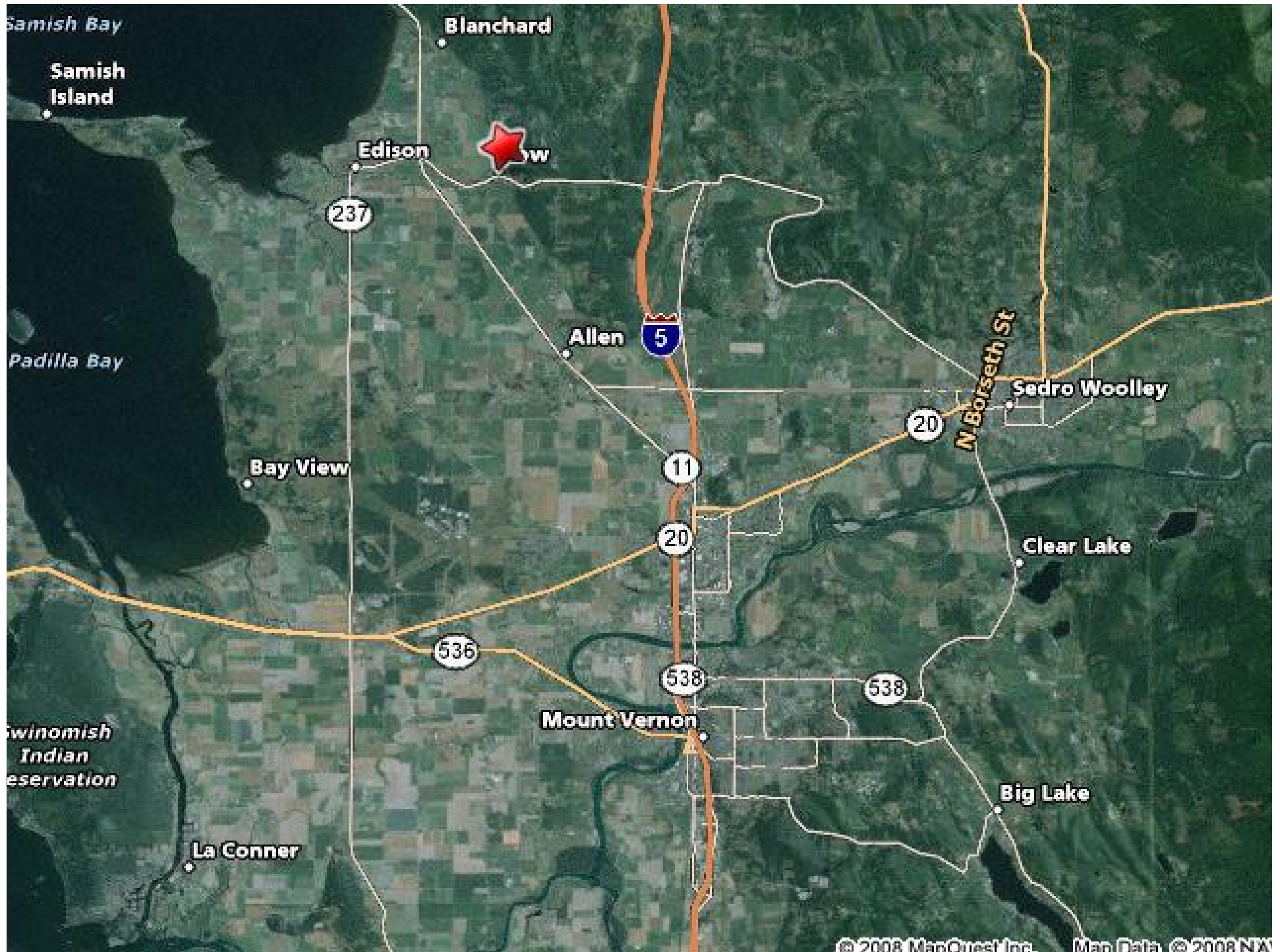
Bringing the Farm to Market

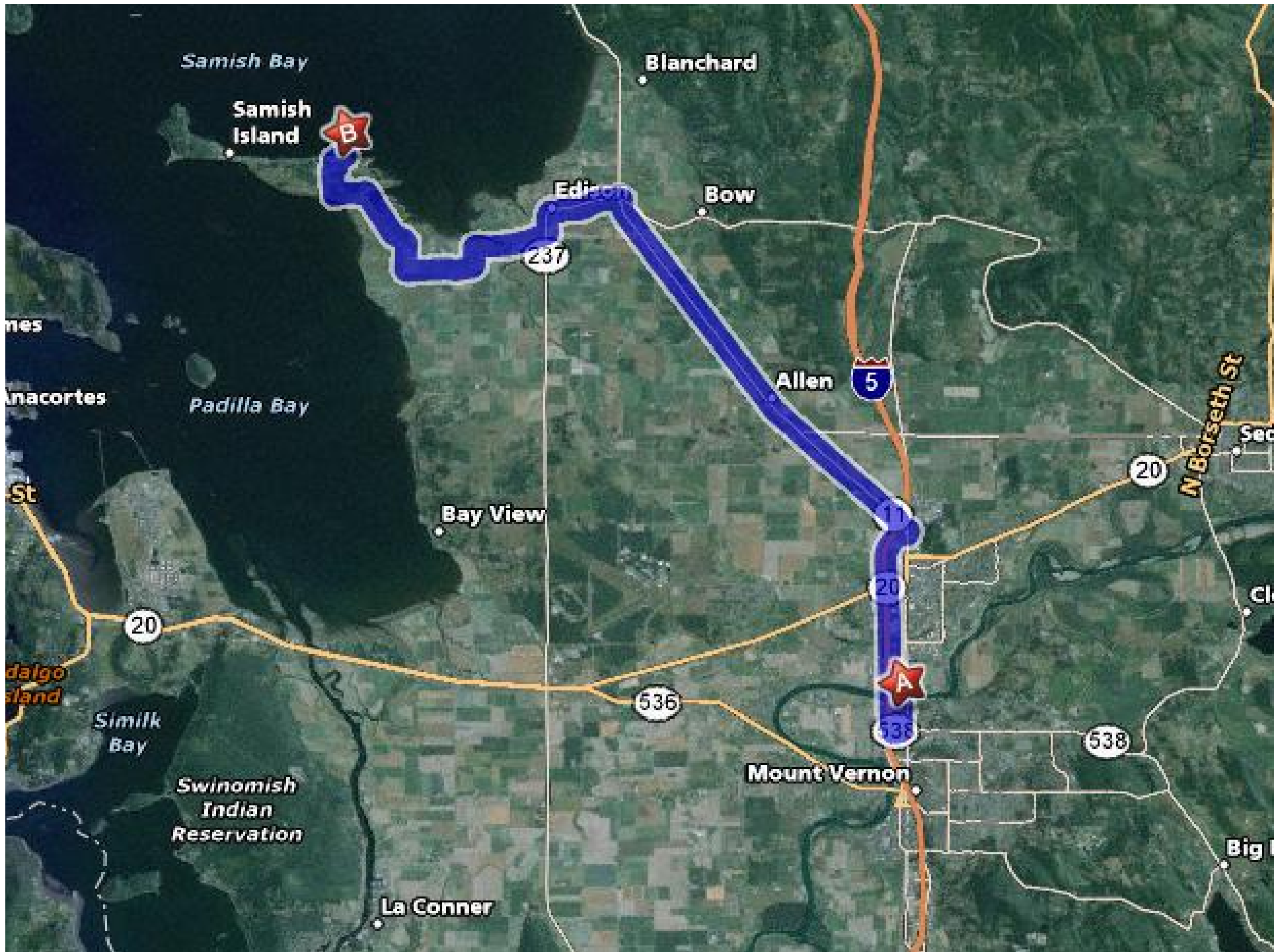
# The Importance of a Business Plan

- Why write it down? It's all in my head.
- Chance to articulate and illustrate the vision you have for your winery
  - Outlines who you are and what your purpose is
  - A resume for your business
- How do you use the business plan?
  - Road map for your future
  - Lender
  - Investors
  - Feasibility Analysis









**A** **2300 Market St** Mount Vernon, WA 98273-5449














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▼ Directions from A to B:

-  1: Start out going SOUTH on MARKET ST toward PACIFIC PL.
-  2: Turn RIGHT onto E COLLEGE WAY/WA-538.
-  3: Merge onto I-5 N.
-  4: Take the CHUCKANUT DR/WA-11 N exit, EXIT 231, toward BOW-EDISON.
-  5: Turn RIGHT onto WA-11/CHUCKANUT DR. Continue to follow WA-11.
-  6: Turn LEFT onto W BOW HILL RD/WA-237. Continue to follow WA-237.
-  7: Turn RIGHT onto BAYVIEW-EDISON RD.
-  8: Turn LEFT to stay on BAYVIEW-EDISON RD.
-  9: Stay STRAIGHT to go onto SAMISH ISLAND RD.
-  10: Turn RIGHT onto RONEY RD.
-  11: Turn RIGHT onto BLUE HERON RD.
-  12: Turn RIGHT to stay on BLUE HERON RD.
-  13: End at 11321 Blue Heron Rd Bow, WA 98232-9326

Estimated Time: 29 minutes Estimated Distance: 17.71 miles

**B** **11321 Blue Heron Rd** Bow, WA 98232-9326

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Online Offers: [Motels in Bow](#) | [Bow Restaurants](#) | [Washington Auto Insurance](#)

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## Business Plan Content

Business plans are decision-making tools. There is no fixed content. The content and format of the business plan is determined by the goals and audience. The plan should contain whatever information is needed to decide whether or not to pursue a goal.



# The Ideal Business Plan

- Should answer these main questions
  1. Where is the winery now? What are your goals?
  2. What is the product(s) or service(s)?
  3. What is the market?
  4. How will you reach the market?
  5. Who will you be competing against?
  6. How will you produce your product?
  7. Who are the key people?
  8. What are your financial projections?



## The Ideal Business Plan Cont...

- Other potential questions
  1. How much money do you need to borrow?
  2. What are the risks?



# Overview

- Plan usually consists of 6 sections
  1. Executive Summary
  2. Mission, Goals, & Objectives
  3. Background Information
  4. The Marketing Plan
  5. The Management Plan
  6. The Financial Plan



## Section I: Executive Summary

- Includes information such as
  - Company history
  - Summary of product(s) or service(s)
  - Production processes
  - Company management
  - Financial breakdown



## Section II: Mission, Goals, & Objectives

- Mission statement
  - Vision statement
- General description of your winery
  - Business structure (i.e. sole proprietorship, partnership, or corporation)
  - Production capacity
- Goals and objectives
  - Objectives for 1 year
  - 5 & 10 year goals



## Section III: Background Information

- Background industry information
  - Current and future trends
  - Business fit in the industry
- Product(s) or service(s)
  - Complete description
  - Proprietary features
- Competition
  - List major competition
    - Products, prices, quality level
- Opportunities



## Section IV: Marketing Plan

- Market analysis
  - Determining the what and why
    - Review of industry
    - Competitive assessment
    - Analyzing the data
- Marketing Strategy
  - Develop a marketing plan
    - Marketing mix (4 - P's)
  - Selling strategy





## Section V: Management Plan

- Key employees
  - Resumes or bios
  - List of advisors (i.e. attorney, insurance agent, accountant, consultants)
- Operations
  - Inventory & quality control
  - Labor & training requirements
- Regulations and Policy
  - Permits and/or licenses required for a winery
  - List key contacts for federal, state, and county departments
- Risk Management
  - Insurance & “surety” tax bonds



## Section VI: Financial Plan

- Assumptions and Balance Sheet
  - Assets, liabilities, and equity
- Sales Projections
  - 3-5 yr. sales forecast/product
- Staffing
- Summary of Financial Needs
- Conclusions





## Financial Statements





## Financial Statements

Condensed, summarized reports of the financial information for the enterprise:

- Balance Sheet
- Income Statement
- Cash Flow Statement



## Balance Sheet

Shows the financial condition of the company at the time of the report.

Assets =  
Liabilities + Owner's Equity

# Agit Fresh Natural Beverage Company

## Balance Sheet

		11/30/2008
<b>Current Assets</b>		
Cash		\$851
Accounts Receivable		\$7,021
Ingredient Inventory		\$0
Finished Goods Inventory		\$43,674
Packaging Materials Inventory		\$10,671
<b>Current Assets</b>		<b>\$62,217</b>
<b>Fixed Assets</b>		
Brand Asset		\$142,000
Accumulated Depreciation/Amortization		\$0
<b>Net Other Assets</b>		<b>\$142,000</b>
<b>Total Assets</b>		<b>\$204,217</b>
<b>Liabilities</b>		
Accounts Payable		\$3,133
Line of Credit		\$49,580
<b>Current Liabilities</b>		<b>\$52,713</b>
David Skinner Note		\$6,000
<b>Long-Term Debt</b>		<b>\$6,000</b>
<b>Total Liabilities</b>		<b>\$58,713</b>
<b>Owner's Equity</b>		
Owner's Equity		\$136,851
Current year income (loss)		\$8,653
<b>Total Equity</b>		<b>\$145,504</b>
<b>Total Liabilities &amp; Equity</b>		<b>\$204,217</b>



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# Balance Sheet



# Income Statement

A statement that measures a  
company's financial  
performance over a specific  
accounting period



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# Income Statement

<b>Gross Profit</b>		\$ (13,395.42)	
<b>Overhead Expenses</b>			
Insurance	\$	899.00	
Travel	\$	3,241.25	
Marketing	\$	4,903.57	
Product Development	\$	3,133.69	
		\$ 12,177.51	\$ 12,177.51
<b>Net Operating Profit</b>		\$ (25,572.93)	
Miscellaneous Revenue	\$	35,424.00	
Financing Expenses	\$	(1,198.95)	
Depreciation/Amortization	\$	-	
<b>Net Income (Loss) before taxes</b>		\$ 8,652.12	



# Cash Flow Statement

A statement that shows a company's sources and use of cash over a specific accounting period



# Cash Flow Statement

7/21/2009

## Skagit Fresh Natural Beverage Company Cash Flow Statement

11/30/2008

<b>BEGINNING CASH BALANCE</b>	<b>\$ 851.00</b>
<b>CASH FLOWS FROM OPERATIONS</b>	
Net Sales	\$ 29,045.20
WSDA Project Reimbursement	\$ 35,424.00
Cost of Goods Sold	\$ (42,440.62)
Overhead expenses	\$ (12,177.51)
Interest expense	\$ (1,198.95)
<i>(Increase) Decrease: Accounts Receivable</i>	\$ (7,020.60)
<i>(Increase) Decrease: Finished Goods Inventory</i>	\$ (43,673.78)
<i>(Increase) Decrease: Packaging Materials Inventory</i>	\$ (10,670.95)
<i>Increase (Decrease): Accounts Payable</i>	\$ 3,133.21
Sub-Total	\$ (49,580.00)
<b>CASH FLOWS FROM INVESTMENTS OR LOAN ACTIVITY</b>	
Owners Equity	
Line of Credit	\$ 49,580.00
Note Payable	
Sub-Total	\$ 49,580.00
<b>TOTAL SOURCES OF CASH</b>	<b>\$ -</b>
<b>OTHER USES OF CASH</b>	
Brand Asset	
Sub-Total	\$ -
<b>TOTAL USES OF CASH</b>	<b>\$ -</b>
<b>CASH SURPLUS/(SHORTAGE)</b>	<b>\$ -</b>
<b>ENDING CASH BALANCE</b>	<b>\$ 851.00</b>



**THANK  
YOU!**

- Questions?
  - Class Evaluations
- Optional Wine Tasting
- Libation Station
  - 110B N. 1<sup>st</sup> Street
  - Mount Vernon, WA