

Business Plan Essential Prep: Your Checklist



#HOMEBREWCON



Homebrew Con

Recording Archive



<https://www.homebrewersassociation.org/seminars/>



Today's Moderator



Laura Lodge

Co-Founder/ Strategic Advisor

Start A Brewery / Customized Craft Beer Programs



To raise the bar for dreamers, startups, and growing breweries through education...



...while lowering the barriers to the industry for those underrepresented (and/or) without access or resources.

Goals for our Session:

- ❑ Understand the importance of a successful business plan
- ❑ Learn about the building blocks that ground all compelling business plans and why they are important
- ❑ Listen to real life examples of businesses that didn't make it or struggled mightily due to issues with one or more of these essential building blocks
- ❑ Walk away with your checklist of foundational elements, knowledge of where to start with creating, locating, or getting the answers you need for these critical components, and confidence that the ultimate business plan is within reach!





Candace L. Moon

Founder/Attorney

The Craft Beer Attorney



Dustin Hauck

President & Principal Architect

Hauck Architecture

Homebrew Club: QUAFF



Brook Bristow

Attorney at Lager

Bristow Beverage Law

Homebrew Club: Upstate Brewtopians



William Camacho

Principal

CLTVT & HRVST

Why do you believe that a compelling business plan is so critical to success?



Foundational Element #1

Business Structure



Business Entity

- **Selecting a Business Entity**
 - LLC/S-Corp/Other
 - Differences
 - Pros/Cons
- **How Demands Impact Business Entity Selection**
 - Valuation
 - Classes of Stock/Interest
 - Sweat Equity



Business Entity

- **Operating Agreements & Bylaws**
 - Purposes
 - Uses
 - Planning Ahead



Entity Impact

- **Owners/Partners/Investors**
 - Less is more(?)
 - Active in the business (or) Silent
- **Separating Personal/Business Liability and Financial Components**
 - Type of company is paramount
 - Company documents can provide more insight to expectations



Foundational Element #2

The Legality of Your Vision



Federal/State Compliance

Is your concept legal?

- Three Tier System
- TTB Licensing
- State Licensing
- Other compliance/registration



Federal/State Compliance

What's your spin?

- Contract Brewing
- Alternating Proprietorship
- Taproom/ Brewpub/ Packaging Brewery



Foundational Element #3

Location Considerations & Feasibility



01

Zoning

What to look for when choosing a location for your brewery.

02

Utilities

What does my building need for a brewery?

03

Space Planning

Optimized layout for efficiency with plans for expansion.

04

Production Volume

How much beer should / can I make?

Zoning

Permits

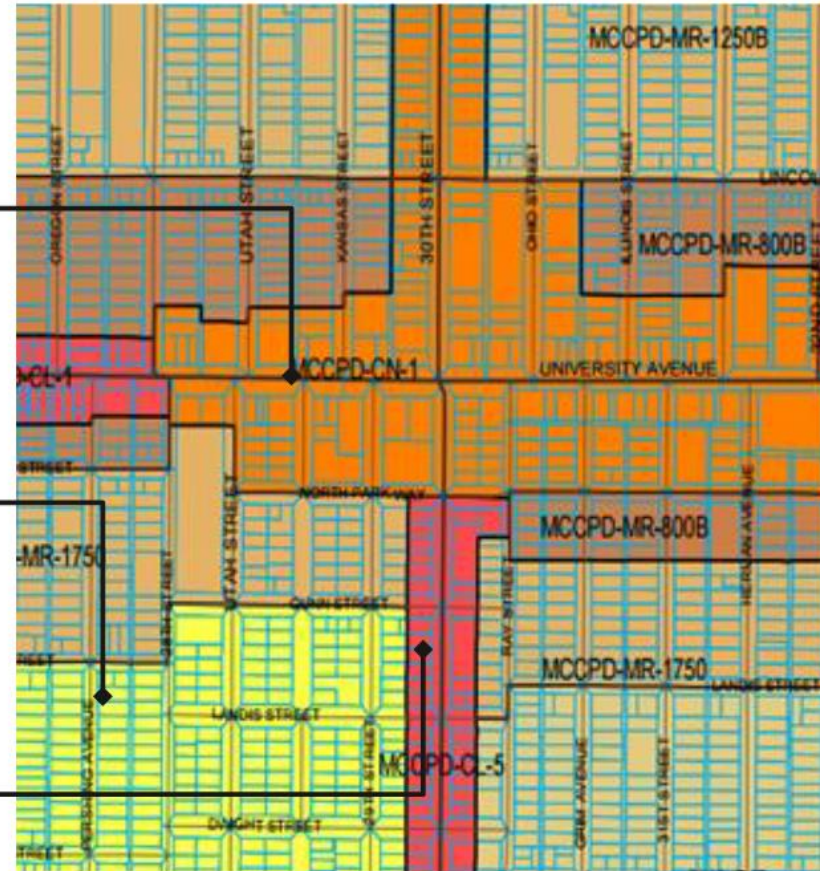
What permits are required for a brewery and taproom use?

Parking

What are the parking requirements in this zone?

Special Districts

Are there any special districts that make it easier, faster, or incentivized for a brewery?



Utilities



Mechanical

Heating, Cooling
& Ventilation



Plumbing

Water: 20 GPM
Natural Gas: 1.5"
Sewer: 4" (depth & location)



Electrical

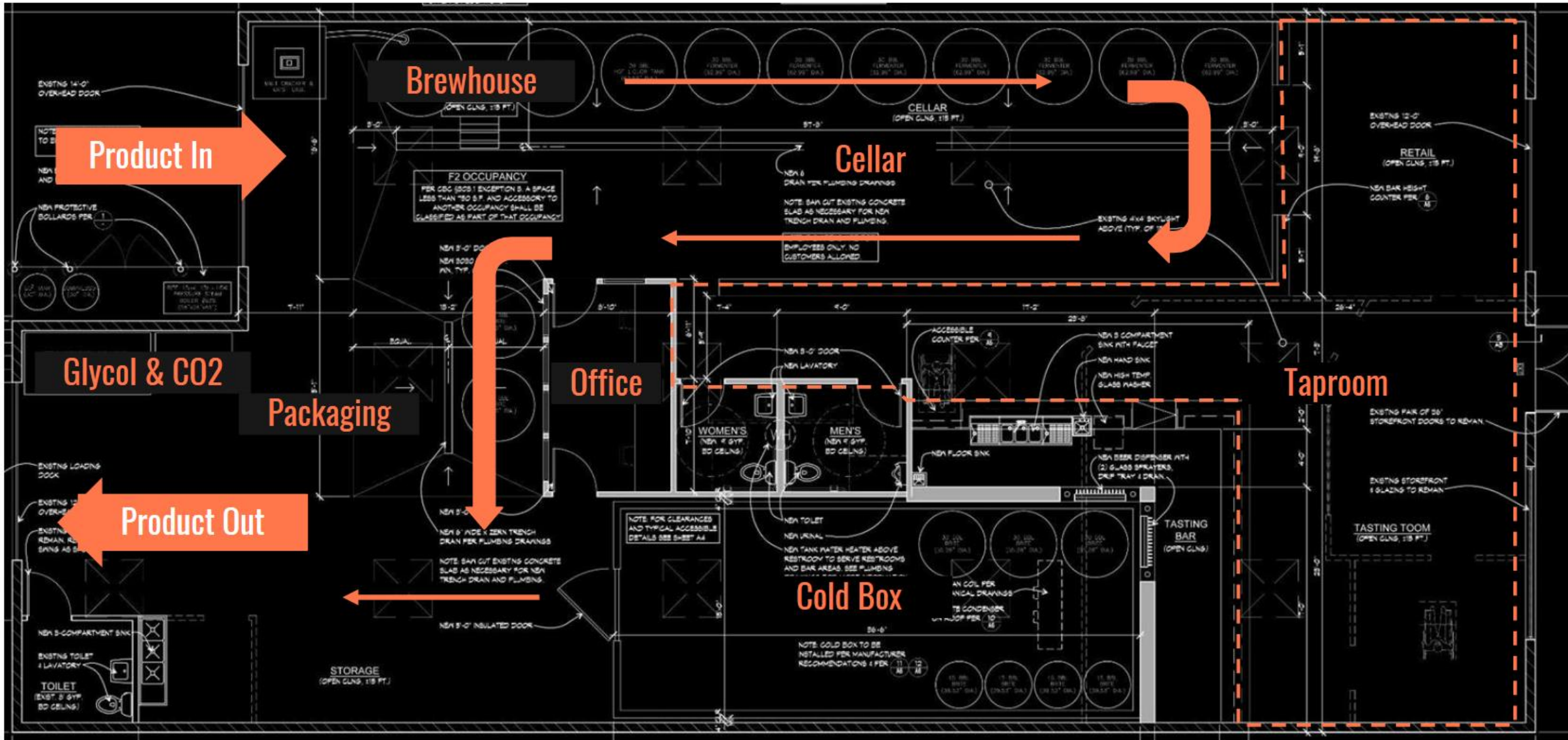
Voltage: 220/480
Amperage: 400A min
Phase: 3p



Fire Sprinklers

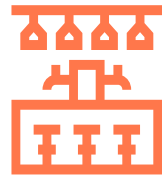
Required if taproom is over 49
persons / 735 S.F. and open air
to the brewery.
Or if over 99 persons / 4,999
S.F. total

Layout Optimized for Efficiency



Production Volume = Brewhouse size x Brews per week x Weeks per year

Assume 1-2 S.F. per BBL of max. annual production



Facility Breakdown



20% Dry Storage



45% Brewery Operations



15% Taproom



20% Cold Storage

Note: Larger spaces will trigger a larger facility beyond the 1 S.F. per BBL of production

Foundational Element #4

The Math of It All



Evaluation Techniques

And when to use each....

- Proforma
- Profit & Loss
- Balance Sheet
- Cash Flow
- Break Even Analysis
- ROI for Investors



Development Cost

Prepare separately

- Pre-construction Expenses
- Construction Expenses
- Start-Up Expenses



Understand

The following....

- Your 5 + 1 Year Plan
- Target EBITDA
- Startup EBITDA vs. 5th year EBITDA

*EBITDA = Earnings Before Interest, Taxes, Depreciation, & Amortization



Proforma Structure

- CAPEX* (Equipment)
- Sales & COGS**
- Operating Expenses
 - Marketing Expenses
 - Legal Expenses
 - Real Estate
- Personnel Burden
- Pre-Construction Expenses
- Construction Expenses
- Start-Up Expenses
- Break Even Point, Target EBITDA, & other metrics

*CAPEX = Capital Expenditure

** COGS = Cost of Good Sold



Resources

For more information.....



Resources

- Our Panelists
- American Homebrewers Association = <https://www.homebrewersassociation.org>
- Brewers Association = <https://www.brewersassociation.org>
- Start A Brewery = <https://www.startabrewery.com/>
- Formal academic programs and Immersive Workshops = <https://www.startabrewery.com/educational-resources>
- Free Business Coaching
 - BA Mentorship Program = <https://www.brewersassociation.org/programs/brewers-association-mentorship-program>
 - Brewing the American Dream = <https://www.brewingtheamericandream.com/>
 - Accion Opportunity Fund = <https://aofund.org>
 - SCORE Program = <https://www.score.org/>
 - Small Business Development Center = <https://www.sba.gov/local-assistance/resource-partners/small-business-development-centers-sbdc>

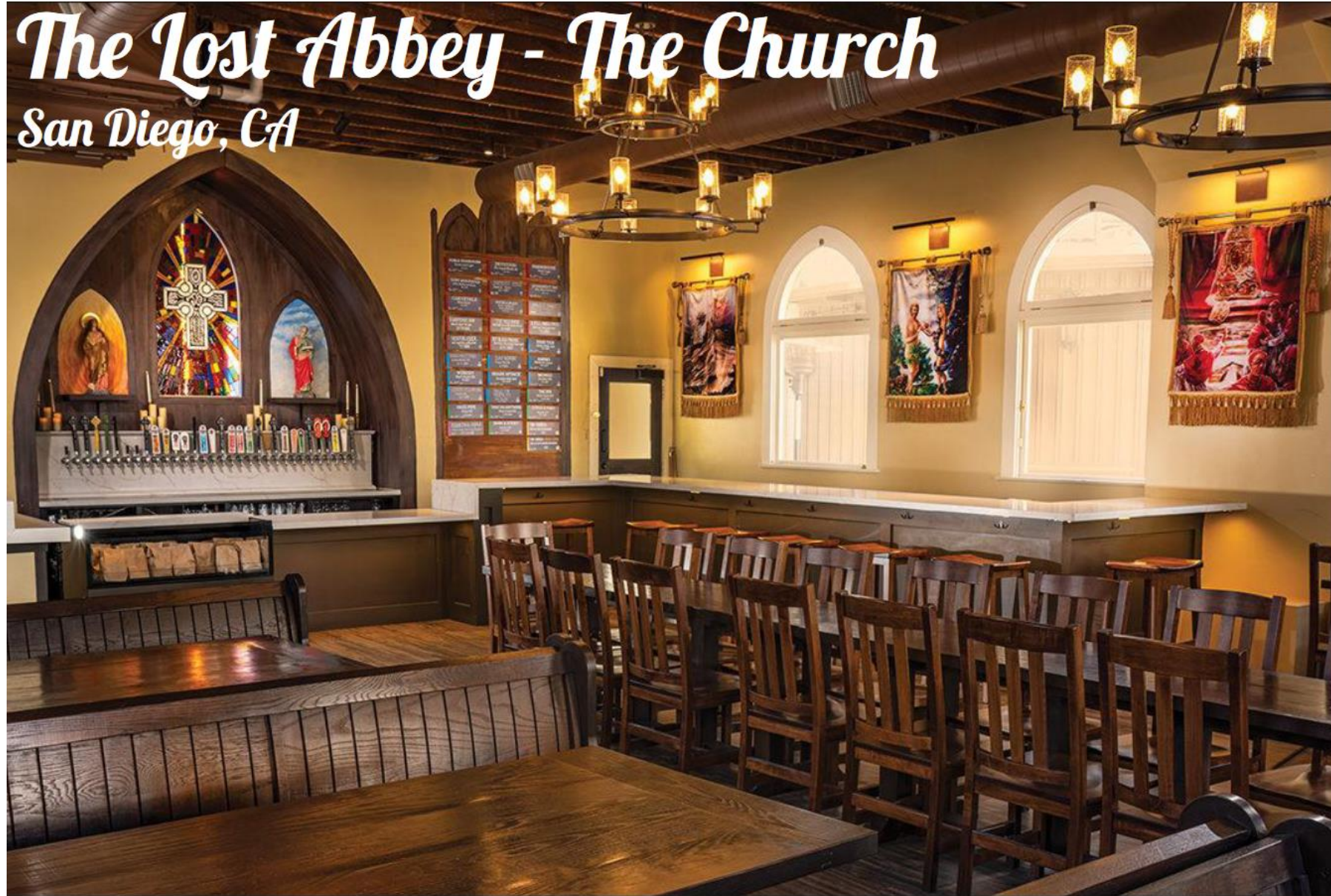


**One final piece of
advice...**



The Lost Abbey - The Church

San Diego, CA



Q
&
A

THANK YOU!

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Related Resources

Find articles, recipes, recordings, and resources—including *Zymurgy* magazine—on [HomebrewersAssociation.org](https://homebrewersassociation.org).

- [20+ Homebrew Con Seminars on Going Pro](#)
- [The Brewers Association's Guide to Starting Your Own Brewery](#) (2nd Edition, *Brewers Publications*)

