

Business Plan Essential Prep: Your Checklist

Handout #1



[#HOMEBREWCON](#)



Part I

Location Considerations & Feasibility



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President & Principal Architect
Hauck Architecture
San, Diego, CA

- Practicing Architecture since 1996
- Licensed in 25 states.
(AR, AZ, CA, CO, CT, FL, HI, ID, IN, MD, MI, MO, NC, NJ, NY, OH, PA, SC, SD, TN, TX, VA, WA, WV, & WY)
- QUAFF homebrew club member since 2004.
- +250 craft brewery projects to date



Layout & Design

Things to consider

- Product Flow (raw materials in, product/waste out)
- Equipment
 - Brewhouse
 - Cellar
 - Glycol Chiller
 - CO2 Tanks
 - Boiler
 - CIP (Clean In Place)
 - Water Treatment
 - Packaging
- Grain Storage (fresh & spent)
- Cold Box
- Distribution / Shipping
- Safety
- Dry Storage
 - Hops
 - Kegs (clean/dirty)
 - Barrels / Foeders
 - Cans / bottles
- Lab & Office
- Break Room & Lockers
- Growth & Expansion
- Tasting Room
 - Customer Experience
 - View
 - Tours
 - Capacity
 - Merchandise
 - Food
 - Storage



Brewery Equipment

- Brewhouse
- Conical Fermenters
- Horizontal Lager Tanks
- Foeders
- Brite Tanks
- Cellar Controls
- Centrifuge
- Product Filtration
- CIP system
- Grain Handling
 - Silo
 - Bag Stations
- Air filtration
- Boiler
 - Chemical Tank
 - Blowdown
 - Feedwater

- Water Treatment
 - Charcoal Filter
 - Reverse Osmosis
 - UV Sterilization
- Pumps
 - Glycol
 - Brewhouse
 - Process
- Compressed Air
 - Receiver
 - Filtration
 - Dryer
- CO2
- Glycol Chiller
- Cold Box & Hop Cooler
- Packaging
 - Keg Washer
 - Canning Line

Additional Equipment

- Hop Doser
- Foeders
- Centrifuge
- Barrel Program
- Yeast Propagation
- CO2 Recapture
- Pasteurizer



Production & Cellar Capacity

**Fermenter Cycles = Work Weeks per Year x
Days per Week / Fermentation Time**

**Fermenters Needed = (BBLs per Year / (System Size
x
FV Cycles per Year)) / Brews per FV**

Cellar Capacity = Batch Size x FVs Needed

Part II

The Math of It All





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Co-Founded CLTVT to build cool & complicated projects specifically breweries, distilleries, cider, booch, brewpubs, and fun restaurant concepts.



Founded HRVST for the following services:
Financial ProForma Development, Real Estate Strategy, Equipment Procurement, Process Design, Beer Program Development, & Master Plan Development.

Owner's Representative since 2000 in Biotech. Dedicated to beer since 2007. White Labs, Ballast Point, AleSmith, Saint Archer, Bottle Logic, and 80+ more.



CAPEX

- Initial selection of equipment may [will] change based on sales, COGS, & Proforma development.
- Master Plan Considerations for Day 1
 - Food service?
 - Chiller, Steam, CO2, Compressed Air, Water Filtration Capacity
 - Brewhouse & Cellar Capacity
 - Raw materials & storage capacity
 - Packaging
 - Mobile vs. In-house canning/ bottling
 - Micro canning or crowler for Tasting Room
 - Cold Box capacity
 - Process flow and logistics
 - Building Utility Capacity
 - Satellite Tasting Rooms



Sales & COGS

- This is the DNA of your plan
- Sales consists of:
 - RETAIL
 - Tasting Room
 - Kegs and/or Serving Tanks?
 - Varieties & Special Beer
 - Packaged retail offerings
 - Food & Merch.
 - Satellite Tasting Rooms
 - BBL/yr output gauged by SQFT & Location & Brand Strength
 - DISTRO
 - On Premise Kegs
 - Off Premise Cans/ Bottles



Operating Expenses

- Cost of Doing Business
- Expenses Consist of:
 - Flat Rate Utility
 - Point of Sale
 - Music & Cable Subscriptions
 - Brewery Mgmt Software
 - Internet and Cloud Based Subscriptions
 - Repairs and maintenance
 - Quality control
 - Payroll and HR
 - Trash
 - Professional Fees
 - Insurance
 - & lots of Etc!!!



Operating Expenses

- Marketing
 - Brand Development
 - Brand Identity, Voice & Relevance
 - Brand Execution & Management
- Legal
 - Business Foundation
 - ABC/ TTB Compliance
 - Private Placement Memorandum (PPM)
 - Lease
 - Employment
 - Construction



Operating Expenses

- Real Estate
 - Letter of Intent (LOI)
 - Non-binding but it sets the terms
 - Lease length (10 years plus with 5 yr options is ideal)
 - ABC/ TTB “out” clause
 - Rent Abatement
 - Lease
 - Legal Review
 - CAM (Common Area Maint.) Charges - basis
 - Personal Guarantees (PG)
 - Site & Landlord Responsibilities
 - Change of Ownership

Personnel Burden

- Employees
- Owner Operators
 - Founding Group needs to be paid
- Management
 - Tasting Room
 - Production
- Support Staff
 - Tasting Room
 - Production
 - Accounting
 - Sales
 - Marketing
 - Events



Pre-Construction

- Foundation Team
- Business
 - Start-Up assistance to guide you along
- Legal
 - Industry familiarity & Experience
- Design
 - Architectural
 - Design
 - Brand Integration
- City
 - Economic Development & Planning Dept (impact fees)
- Contractor
 - Pre-Construction Design & Cost Assistance



Construction

- Plan Execution
 - Money
 - Permits
 - Real Estate
 - Procurement
- Construction
 - Pre-Construction Planning gets you closest to completing on time
 - Soils Testing
 - Inspection and Compliance (ADA, Seismic)
 - Utility upgrades
 - Materials Selection
 - Glycol, CO2, Air, Insulation, etc.
 - Finish Schedule



Start-Up Expenses

- Raw Materials
- One-Time Start-Up Costs
 - Kegs
 - Packaging
 - Chemicals
 - Glassware & Tasting Room Support
 - New Hires
 - 2-3 rounds of COGS
- Brand Launch Events and Merch
- Contingency



Break Even Point, Target EBITDA, and other metrics

- Understanding your “5 + 1” year plan.
 - 5 year plan with full assumptions on all points covered.
 - The “+1” is the start-up year of expenses
- Key Statements
 - Cash Flow, Balance Sheet, P&L
 - Break Even Analysis
 - ROI for investors
- Target EBITDA
 - Startup EBITDA vs. 5th year EBITDA
- Ratios
 - Sales and COGS, Personnel to Gross Revenue Ratio, etc.



THANK YOU!

...and be sure to look for Handout #2

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