

Before the Business Plan

by JoAnne Carilli-Stevenson, White Labs

All your friends love your homebrew. You often hear from them - "Hey, this is better than XYZ Brewery over on Main Street"; " You need to open a brewery"; "I would so hang out there all the time if you opened a brewery."; "This is a medal-winning beer."

Before you start writing that business plan, I encourage you to do a little soul searching and research. There's so much to consider besides "great" beer that plays a factor in your brewery's success.

During my 25 plus year career, I have seen many breweries fail. Some due to the beer quality but more due to a lack of understanding of their business and customers. While a business plan outlines your business's future objectives and strategies for achieving them, before you even start that draft, here are a few things to consider.

Define yourself and your personality

I get it; you are thinking, "I am going to be the only employee at the beginning. This shouldn't matter, "...BUT what about financial negotiations, building relationships with vendors, landlords, and outside marketing agencies. Are you impatient? Do you want everything to be your way? Are you creative? Mechanically inclined? A financial wizard? Are you judgmental?"

Admitting our strengths and weaknesses is challenging for most of us but essential to running a successful business. It not only sets the tone with your employees and vendors but allows you to recognize the type of people you need on your team.

Whether it is dealing with an employee issue or a negative customer review, understanding yourself will help you build a successful business.

Know your limitations

We all have them – emotionally, physically, and financially. Whether it is a reduced paycheck, less family time, or long days of cleaning, you need to know how far you are willing to go. I've seen breweries shutter because the sole owner has simply just hit their limit one year into the venture.

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Define your business success

Expansion in the first year? Building a contract brand that will ultimately sell? Creating a local taproom that is the heart of your community? Nationwide distribution? Every business owner has their own unique goals for their company. Understanding your vision of success will help define your business model and create benchmarks. I've seen so many companies struggle because they only measure themselves against other similar businesses. It is essential to understand the competition (see below), but if you have a clear picture of your success, you have a better chance of it happening.

My competitors are...

If you just said, "Every other craft brewery," you might as well not even move forward. You need to step back and look at your brewery concept specifically. Whether you are a local 1BBL taproom or a contracted packaging brand, focus initially on those competitors. Create a SWOT (Strength, Weakness, Opportunity, Threats) Analysis of brands/concepts that are similar. You can find many templates online to walk you through this process. Then you can finetune your business concept, define your ideal customer, which beers you'll brew, and the experience you want to provide for your customers. While it sounds easy, most small businesses really don't take the initial time to do an in-depth competitor analysis which could have driven them to different decisions or business models. "You don't know what you don't know."

Breweries are part of the Hospitality Business.

The hospitality business is tricky! Your success is reliant on customers continually walking in the front door. A high rating on Untappd might bring someone in the first time but don't expect them to come back without a positive interaction with staff. Customer experience is vital! Make sure you and your team are trained. And if you aren't, start looking for educational opportunities to set you on the right path. There are so many breweries I will never go back into, and not just because of the beer quality.



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JoAnne Carilli-Stevenson is currently the Head of Business Development for White Labs Inc. During her 30+ year career, she has held positions with breweries, industry associations and industry suppliers. Her diverse background allows her to have a unique perspective to sales and marketing in the brewing industry.