

Executive Summary



Introduction

Wapsi 67 Brewing Company will be a 10-barrel distribution brewery with a tasting room located on the eastern border of Iowa in the city of Bettendorf, IA. Initial revenue for the brewery will come solely from sales of beer and food on-premise, however, a substantial proportion of the revenue will come from off-premise distribution once the brewery has established itself as a popular destination with a quality product. The brewery will be a popular destination for adventurous millennials and affluent adults in their 30's through 50's.

The Company

Funding for the business will come from equity investments from private investors found by Peter Courtney. Peter will also put forth \$100,000 of his own money toward the business and maintain the position of manager and CEO of the business. The business is seeking \$450,000 cover the remainder of the costs of starting up, as well as considerable cash for contingency reserves (known-unknowns) and management reserves (unknown-unknowns). Peter has worked in construction management for 5 years and will be finished with his Masters in Business Administration from Pace University in the summer of 2013. His focus in schooling was Entrepreneurship. His management experience, both professionally and in school, will drive the business toward profitability.

The Market

Over the last several years, the craft beer industry has experienced explosive growth at the expense of standard lagers. From 2006 to 2011, dark ales grew by 67% and premium lagers grew by 27%. Wheat beers (part of dark ales) experienced an especially large growth of over 150%. According to Euromonitor International, projected beer volume sales will decline by 1% over the next four years as the economy stabilizes and strengthens again. However, craft beers are projected to grow by 3%.

Currently, craft beer accounts for less than 10% of total beer consumption in the United States. However, as education of quality beer is exposed to the general population, craft beer will take a greater percentage of total beer sales. Quality is important to new consumers, particularly Millennials and wealthier adults. Therefore, Wapsi 67 Brewing Company will be located in an area that complements the demographics of the craft beer drinker.

Objectives

There are 2 major objectives to this business:

1. Quality and product differentiation is vital. Getting the customers to visit the brewery for the first time is difficult, but getting them to return is more difficult and necessary to grow the business. Customers will return to the brewery and buy the beer more than once off-premise if there is quality and differentiation to the product. This means changing the beer lineup at the brewery, adding more beers, and doing seasonal and variety beers.
2. Creating a positive brand image is vital. A brewery is easily imitable. Therefore, there must be something that differentiates it from other breweries. Aside from quality and packaging, creating a positive image for the brewery by conserving energy and purchasing supplies locally will make customers supportive. Furthermore, building support from the local community is imperative for growth.