

**XYZ  
LOGO**

**Business Plan**  
Year

**REMOVED  
LOGO**



# TABLE OF CONTENTS

<b>1. EXECUTIVE SUMMARY .....</b>	<b>3</b>	<b>6. OPERATIONAL PLAN .....</b>	<b>17</b>
<b>2. COMPANY OVERVIEW .....</b>	<b>4</b>	6.1. OPERATIONAL OVERVIEW .....	17
2.1. MISSION STATEMENT .....	4	6.2. BEVERAGE PRODUCTION.....	17
2.2. COMPANY DESCRIPTION .....	4	6.3. PACKAGING & LABELS.....	17
2.3. CAPITAL REQUIREMENTS.....	5	6.4. INVENTORY MANAGEMENT .....	17
2.4. GROWTH STRATEGY.....	6	6.5. COMPUTER HARDWARE & SOFTWARE .....	17
<b>3. THE PRODUCTS .....</b>	<b>7</b>	6.6. LEGAL & INSURANCE .....	17
3.1. PRODUCT DESCRIPTION.....	7	6.7. ACCOUNTING.....	17
3.2. PACKAGING.....	7	6.8. LICENSES & PERMITS.....	17
3.3. PRICING .....	8	<b>7. MANAGEMENT .....</b>	<b>18</b>
<b>4. THE MARKET .....</b>	<b>9</b>	7.1. JOHN DOE, CEO.....	18
4.1. TARGET CONSUMER.....	9	7.2. JOHN DOE, PARTNER .....	18
4.2. TARGET MARKET ANALYSIS.....	9	7.3. JANE DOE, CMO.....	18
4.3. U.S. WINE & SPIRITS MARKET ANALYSIS....	10	7.4. JOHN DOE, SALES MANAGER.....	18
4.4. GLOBAL DISTILLED SPIRITS MARKET ANALYSIS .....	10	7.5. JANE DOE - COMMUNITY MANAGER.....	18
4.5. PROFILE OF DIRECT COMPETITORS.....	11	7.6. JANE DOE - P/R MANAGER .....	18
4.5.1 MAST-JAGERMEISTERSE (JAGERMEISTER).....	11	<b>8. FINANCING &amp; GROWTH STRATEGY .....</b>	<b>19</b>
4.5.2 THE SAZERBACK CO. (CINNAMON FIREBALL WHISKEY).....	11	8.1. CAPITAL REQUIREMENTS .....	19
4.5.3. PERNOT RICARD (SCREWBALL PEANUT BUTTER WHISKEY) .....	12	8.2. RISK ANALYSIS .....	19
4.5.4. ILLVA SARONINO S.P.A. (DI ISARONNO).....	12	8.3. EXIT STRATEGY.....	19
4.5.5. SCHWARZE & SCHLICTE (BARENJAGER..).....	12	<b>9. FINANCIALS .....</b>	<b>20</b>
4.5.6. INTERCONTINENTAL BRANDS LTD. (MESSER SCHMITT).....	12	9.1. SALES .....	20
4.5.7. BROWN-FORMAN CORPORATION (JACK DANIELS HONEY WHISKEY).....	12	9.1.1. SALES ASSUMPTIONS.....	20
4.6. COMPETITIVE ANALYSIS .....	13	9.1.2. REVENUE PROJECTIONS .....	20
<b>5. MARKETING PLAN.....</b>	<b>14</b>	9.2. EXPENSES .....	21
5.1. OVERVIEW.....	14	9.2.1. G&A EXPENSES.....	21
5.2. BRANDING.....	14	9.2.2. MARKETING EXPENSES .....	21
5.3. PUBLIC RELATIONS .....	14	9.2.3. STAFF HEADCOUNT & SALARIES.....	21
5.4. ONLINE SALES.....	14	9.3. PRO-FORMA FINANCIAL STATEMENT 6ANNUAL SUMMARIES .....	21
5.5. DIGITAL MARKETING .....	14	9.3.1. INCOME STATEMENT .....	22
5.6. PARTNERSHIPS.....	15	9.3.2. CASH FLOW STATEMENT .....	22
5.7. PROMOTIONAL SAMPLING .....	15	9.3.3. BALANCE SHEET.....	23
5.8. E-MAIL MARKETING .....	16		
5.9. PRINT ADVERTISING .....	16		
5.10. INDUSTRY TRADE SHOWS.....	16		

# 1. EXECUTIVE SUMMARY

## THE PROBLEM

- Small selection of stand-alone shots
- No prominent liqueurs are flavored with XYZ
- No prominent liqueurs are flavored with XYZ
- No prominent liqueurs are branded as XYZ

## THE PROPOSED SOLUTION

A new, delicious liqueur flavored with XYZ, XYZ, and XYZ that can be enjoyed as a stand-alone shot or in a cocktail.



## THE OPPORTUNITY

- The potential to capitalize on the \$107.7 billion U.S. wine & spirits wholesaling market and an unsaturated stand-alone shot liquor market

## THE VALUE

- Delicious
- Uniquely flavored with XYZ
- Uniquely flavored with XYZ
- Can be enjoyed as a stand-alone shot
- Uniquely branded as an XYZ liqueur

## THE PRODUCTS

- 100% natural
- 24% alcohol
- Sizes of 375ml, 750ml, 1.75L, and 50ml (Y3)
- Flavored with XYZ, XYZ, and XYZ
- Straight liquor or cocktails

## FINANCING

- **Prior:** \$1 million
- **Series A:** \$2.5 million
- **Series B:** \$6 million
- **Type:** Equity

## 2. COMPANY OVERVIEW

### 2.1. MISSION STATEMENT

XYZ, LLC's mission is to establish a leading ABC liqueur brand that inspires consumers around the world to enjoy life "like a XYZ".

### 2.2. COMPANY DESCRIPTION

XYZ, LLC (herein also referred to as "the Company") was established as a limited liability company in Delaware in May 2015. The Company is headquartered in ABC, ABC and is owned and led by John Doe and John Doe.

John and John grew up in ABC-American homes where traditional xyz liqueur was ubiquitous to every occasion. They took an ancient family recipe and created XYZ™ with the mission to bring this extraordinary liqueur into homes, bars, and celebrations across the world!

In 2013, they launched XYZ™ as 50/50 partners, at the legendary ABC Distillery in ABC, ABC Distillery has been producing the world's best liqueurs for more than 150 years.

After being distilled, XYZ™ is infused with XYZ from the XYZ trees in the XYZ.

Today, XYZ™ is headquartered in ABC, ABC and distributed in ABC through XYZ Distributing Company with a contract for national distribution and ABC distribution.

The Company has taken an ancient family recipe and innovated XYZ™: a delicious, specialty liqueur distilled from xyzs, blended with natural xyz from the mountain of ABC, and fermented with xyz, xyz, and other secret herbs.

The Company will utilize state-of-the-art, innovative marketing methods including celebrity endorsement, event sponsorship (parties, clubs, ABC Goddess girls), promotions, street marketing, and various forms of traditional marketing.

XYZ has gained significant momentum over the past two years and has proven that it has a product that consumers want and need.

XYZ has aggressively marketed XYZ™ on social media platforms, engaged over 40 well-known Instagram models to endorse the brand, received favorable response from the public, sponsored parties, and events, and obtained xx,xxx Instagram followers.







**The Company has accomplished the following:**

- Distribution in the state of ABC via XYZ Distribution Company and commitment for national distribution
- Imported xxx cases 750 ml 6-pack
- Distribution throughout the country of ABC
- Currently in xx+ different retail accounts in the U.S.

**2.3. CAPITAL REQUIREMENTS**

XYZ, LLC seeks \$2.5 million of equity financing, which includes an estimated \$125,000 for capital expenditures and \$2,375,000 for working capital to support marketing, operations, and inventory.

In month 19, the Company will secure a 2<sup>nd</sup> round of equity financing of \$7 million to supplement increased production, marketing, and operations, including an estimated \$48,750 for capital expenditures and \$6.95 million for working capital.

## 2.4. GROWTH STRATEGY

### Phase 1 (Months 1-12):

- **Target Market:** U.S., Canada, and ABC
- **Products:** 375ml, 750ml, 1.75L
- **Marketing:**
  - Launch marketing throughout the U.S., Canada, and ABC
  - Promotional marketing in ABC
- **Operations:**
  - Hire and train management and staff
  - Become valued community members

### Phase 2 (Months 13-24):

- **Target Market:** U.S., Canada, and Europe
- **Products:** 375ml, 750ml, 1.75L
- **Marketing:**
  - Launch marketing throughout Europe
  - Add distribution partners
- **Operations:**
  - Improve operational efficiency

### Phase 3 (Months 25-60):

- **Target Market:** U.S., Canada, Europe, and Asia
- **Products:** 50ml, 375ml, 750ml, 1.75L
- **Marketing:**
  - Launch marketing in Asia
  - Add distribution partners
- **Operations:**
  - Improve operational efficiency
  - Hire and train additional staff





### 3. THE PRODUCTS

---



#### 3.1. PRODUCT DESCRIPTION

Product of ABC - Real Ingredients - 100% Natural - 24% Alcohol

XYZ™ is a XYZ spirit that is perfect for savoring as straight liquor or creating delicious cocktails. It is imported from ABC, where it is produced by the legendary XYZ Distillery, which has been in business for 150 years.

XYZ™ is distilled from grapes, blended with natural honey from xyz trees in the ABC Mountains in ABC, and then fermented with xyz, nutmeg, and other secret herbs and spices, which are, all, natural aromatics.

#### 3.2. PACKAGING

XYZ will use XYZ Distillery to produce, bottle, and label the products.

The Company will initially sell the product in 3 sizes:

- 375ml (12.68 oz.)
- 750ml (Fifth) (25.4 oz.)
- 1.75L (59.2 oz.)

In year 3, the Company will launch a 4<sup>th</sup> size:

- 50ml (1.69 oz.)

### 3.3. PRICING

The following is the projected wholesale pricing of the products:

Size	Price
XV7 375ml 12-Pack	₺70 00
XV7 750ml 6-Pack	₺140 00
XV7 1 75l 6-Pack	₺140 00

The following is the projected e-tailer pricing of the products:

Size	Price
XV7 375ml	₺8 13
XV7 750ml	₺33 72
XV7 1 75l	₺33 72





## 4. THE MARKET

### 4.1. TARGET CONSUMER

- Adults between the ages of 21 and 45,
- 55% of women
- 45% of men
- Young at heart
- Seek transformative experiences
- Embodies work hard/play hard attitude
- Enjoys capturing memorable moments while jet-setting across the globe.
- Enjoys all-natural products
- Relishes that XYZ contains only 24% alcohol by volume
- Active on social media

### 4.2. TARGET MARKET ANALYSIS

#### 4.2.1. LIQUOR STORES<sup>1</sup>

- 40,478 U.S. beer, wine, and liquor stores

#### 4.2.2. DRUG STORES<sup>2</sup>

- The top 25 pharmacy chains represented about 28,000 pharmacy locations in the U.S. and employ about 46,000 on-staff pharmacists.

#### 4.2.3. MASS MARKET RETAILERS

- Approximately 8500 U.S. mass merchandise and club stores.
- 4815 Walmart stores in the U.S., including 3558 Walmart Supercenters, 355 Walmart Discount Stores, and 599 Sam's Clubs<sup>3</sup>

- 542 Costco stores in the U.S.<sup>4</sup>
- 2757 Kroger stores in the U.S.<sup>5</sup>
- 1868 Target stores in the U.S.<sup>6</sup>
- 286 Sears stores in the U.S.<sup>7</sup>
- 1159 Kohl's stores in the U.S.<sup>8</sup>
- 217 BJ's Wholesale Clubs in 16 states from Maine to California.<sup>9</sup>

#### 4.2.4. SUPERMARKETS & GROCERY STORES<sup>10</sup>

- 63,634 U.S. supermarkets and grocery stores

#### 4.2.5. FOOD SERVICE ESTABLISHMENTS<sup>11</sup>

- 652,800 U.S. restaurants and food service establishments

#### 4.2.6. BARS & NIGHTCLUBS<sup>12</sup>

- 63,615 U.S. bars and nightclubs

#### 4.2.7. E-TAILERS<sup>13</sup>

In 2019, the U.S. sales of alcohol online amounted to \$983.4 million.

The Company's products will be sold on e-tailers that sell liquor, including:

- Drizly - The largest e-commerce on-demand liquor delivery platform in North America
- Reserve Bar - E-commerce delivery platform for premium gifting opportunities

<sup>1</sup> "Beer, Wine, & Liquor Stores in the U.S."; IBISWorld; February 2020

<sup>2</sup> "Pharmacies in the United States"; Wikipedia; June 2020

<sup>3</sup> "Total Number of Walmart Stores in the U.S."; Statista; 2020

<sup>4</sup> "Costco"; Wikipedia; 2020

<sup>5</sup> "Kroger"; Wikipedia; 2020

<sup>6</sup> "Target Corporation"; Wikipedia; 2020

<sup>7</sup> "Sears"; Wikipedia; 2020

<sup>8</sup> "Kohl's"; Wikipedia; 2020

<sup>9</sup> "Comp. Background - BJ's Wholesale Club"; 2020

<sup>10</sup> "Grocery Stores & Supermarkets in the U.S."; IBISWorld; February 2020

<sup>11</sup> "Restaurants & Other Eating Places"; BLS; 2020

<sup>12</sup> "Bars & Nightclubs in the U.S."; IBISWorld; March 2020

- LibDib - Sells direct as a wholesaler to retailers, restaurants and bars. 3-tier-compliant and RNDC distributor partner.
- Wine.com
- Passionspirits
- Amazon Fresh
- Spiritedgifts.com
- Cocktailcourier.com
- Saucey.com

#### 4.3. U.S. WINE & SPIRITS WHOLESALING MARKET ANALYSIS<sup>14</sup>



Over the five years to 2020, industry revenue is anticipated to increase an annualized 2.1% to \$107.7 billion, including growth of 0.2% in 2020.

In 2020, high consumer demand at the retail level is expected to just offset a decline in demand from on-premises establishments that closed due to the COVID-19 pandemic.

Over the five years to 2025, industry revenue is forecast to increase an annualized 2.3% to \$120.5 billion.

Currently, there are no direct threats or deregulation proposals that have become a major concern.

Industry operators will continue to staunchly oppose any proposed policies that might threaten the industry's growth projection.

Additionally, "premiumization," referring to the current consumer trend toward premium spirits and wine, is anticipated to continue to support revenue growth for industry operators.

#### 4.4. GLOBAL DISTILLED SPIRIT MARKET ANALYSIS<sup>15</sup>

The global distilled spirits market is projected to reach \$38.08 billion by 2026, exhibiting a CAGR of 4.40% during the forecast period.

Increasing demand for alcoholic beverages among steadily growing adult and young demographic worldwide is a major factor propelling growth of the market due to increasing popularity for alcoholic beverages such as whiskey, rum, brandy etc. among millennial population (above the legal drinking age).

<sup>13</sup> "U.S. Alcohol Sales Online 2019; Statista; January 30, 2020

<sup>14</sup> "Wine & Spirits Wholesaling in the US"; IBISWorld; September 2020

<sup>15</sup> "Global Distilled Spirits Market"; MarketWatch; January 2020

## 4.4. PROFILE OF DIRECT COMPETITORS

### 4.4.1. MAST-JAGERMEISTER SE (JAGERMEISTER)



**Headquarters:** Wolfenbuttel, Germany

**Founded:** 1935

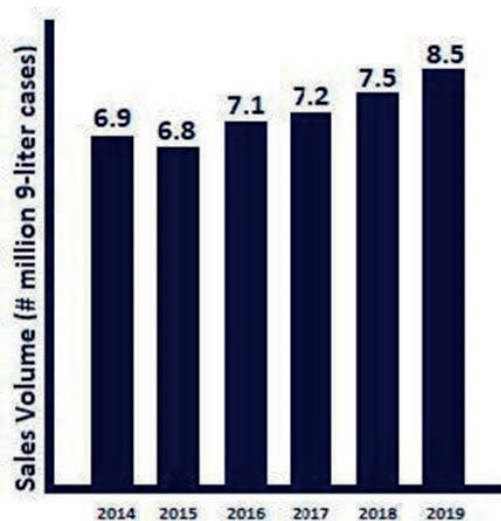
**Product:** Digestif liqueur

**Alcohol by Volume (ABV):** 35%

**Sales:** 8.5 million 9-liter cases (2019)

#### Highlights:

- World's best-selling German herbal liqueur brand; sold in over 80 countries
- The 70-proof liqueur is made up of 56 natural ingredients
- International sales account for approximately 80% of all revenues, with markets in Eastern Europe, Asia, Latin America and Middle East/Africa as major contributors.
- The brand has long been known as a high energy party shot.



### 4.4.2. THE SAZERBACK CO. (FIREBALL CINNAMON WHISKEY)



**Headquarters:** Louisville, Kentucky

**Founded:** 1838

**Origin:** Canada (1984)

**Product:** Cinnamon whisky

**ABV:** 33%

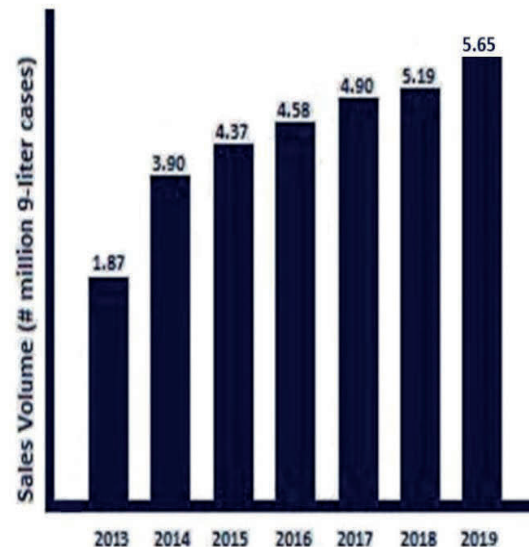
**Price:** \$17.99 for 750mL

**Revenues:** ≈ \$1 billion (2019)

**FCW Sales:** 5.65M 9-liter cases (2019)

#### Highlights:

- Garnered mass appeal as shooter and cocktail component
- Originally branded and sold as "Doctor McGillicuddy's Fireball Whisky," only in Canada
- Sold to the Sazerac Company in 1989.
- In 2007, re-named "Fireball Cinnamon Whisky,"





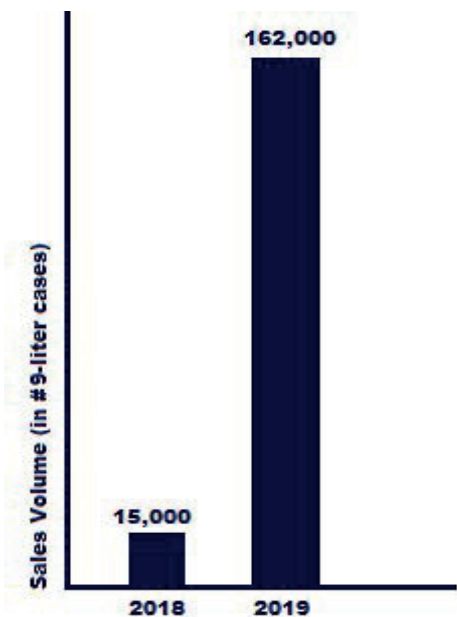
#### 4.4.3. PERNOT RICARD (SCREWBALL PEANUT BUTTER WHISKEY)



**Headquarters:** Paris, France  
**Founded:** 1975  
**Origin:** U.S. (2018)  
**Product:** Peanut butter whiskey  
**ABV:** 35%  
**Price:** \$27 for 750mL  
**Revenues:** \$10.45B (2019)  
**SPBW Sales:** 162,000 12-bottle 750ml cases sold (2019)

#### Highlights:

- All age groups are buying Skrewball Peanut Butter Whiskey
- Only certified women-owned and disability- owned U.S. alcohol brand
- Won the Best Flavored Whiskey award at the New York World Wine and Spirits Competition.
- The category is on fire in the U.S. market. In 2019, 17 top brands combined for a 12% increase in volume to just over 13 million cases. Five years ago, volume for those same flavored whiskies in the U.S. stood at 7.5 million cases.



#### 4.4.4. ILLVA SARONNO S.P.A (DISARONNO)



**Headquarters:** Varese, Italy  
**Founded:** 1525  
**Product:** Amaretto (almond liqueur)  
**ABV:** 28%  
**Revenues:** \$67.2 million (2019)

#### 4.4.5. SCHWARZE & SCHLICTE (BARENJAGER)



**Headquarters:** Steinhagen, Germany  
**Founded:** 1972  
**Product:** Honey bourbon  
**ABV:** 35%

#### 4.4.6. INTERCONTINENTAL BRANDS LTD. (MESSER SCHMITT)



**Headquarters:** Middlesbrough, England  
**Founded:** 1990  
**Product:** Herbal schnapps  
**Messer Schmitt ABV:** 22%  
**Brands:** Messer Schmitt (since 2013), Yorkshire Cream Liqueurs, Soiree Amaretto, Jeeves, Carthy's Country Cream, Cactus Jack Schnappys, Cococariba, Xambuxo, and Soiree Brand  
**Revenues:** \$43 million (2019)

#### 4.4.7. BROWN-FORMAN CORPORATION (JACK DANIELS HONEY WHISKEY)



**Headquarters:** Louisville, Kentucky  
**Founded:** 1870  
**Product:** Honey Whiskey  
**J.D. Honey Whiskey ABV:** 35%  
**Brands:** Jack Daniel's (J.D. Honey Whiskey since 2011), Collingwood, Canadian Mist, The Benriach, The Glendronach, Glenglassaugh, Herradura, El Jimador, Finlandia, Chambord, Korbel, Fords Gin  
**Revenues:** \$3.13 billion (2019)

#### 4.5. COMPETITIVE ANALYSIS

Jagermeister, Cinnamon Fireball Whiskey, Screwball Peanut Butter Whiskey, Messer Schmitt, Disaronno, Barenjager, and Jack Daniels Honey Whiskey are competing brands in the stand-alone shot liquor market.

Of these brands, the leading players are Jagermeister, Fireball Whiskey, and Screwball Peanut Butter Whiskey.

Jagermeister is a digestif herbal liqueur with an ABV of 35% that is over 75 years old. Jagermeister is heavily involved in sports, whereas XYZ is more focused on leisure, partying, and fun.

Fireball is a cinnamon flavored whiskey that originated in Canada in 1984. Until the past decade, Fireball was barely known outside of Canada and has just recently entered the U.S. market. Although Fireball is available in other countries now, it is not very relevant in Europe, Asia, or South America at the moment.

Screwball Peanut Butter Whiskey is a relatively new company as it was founded in 2018 and a relatively small player in the liqueur industry with approximately \$25 million in sales in 2019. It is a direct competitor as it is specifically trying to garner market share within the stand-alone shot market.

Messer Schmitt is a popular herbal schnapps that has been around since 2013. It is one brand within a line of several brands owned by a medium-sized company.

Disaronno is an almond liqueur that has been around since 1525. Almond is significantly different than the Company's flavoring of xyz, xyz, and xyz.

Barenjager is a honey bourbon and Jack Daniels Honey Whiskey is a honey whiskey and is one brand within a line of many brands owned by a very large international liquor company. Neither of these players are considered significant players in the stand-alone shot market.



## 5. MARKETING PLAN

### 5.1. OVERVIEW

The marketing campaign will combine a strong digital, social, and influencer programming strategy. At its core, the strategy will be to connect with the tastemakers and influencers in each of the Company's core market segments to integrate the XYZ™ brand into the social fabric of each community.

The Company will utilize distribution partnerships to facilitate sales to the Company's B2B market segments.

### 5.2. BRANDING

XYZ's branding will continue to focus on introducing XYZ to the consumer through moments, big and small. Giving consumers the "nectar of the XYZs hat transports them to an uninhibited life, inspiring them to enjoy life to the fullest".

### 5.3. PUBLIC RELATIONS

PR & publicity is a critical element to XYZ's marketing and the Company will garner press in newspapers, magazines, TV, radio, and online articles.



### 5.4. ONLINE SALES

XYZ™ will sell its products via e-tailers including *Amazon, Wine.com, Country Wine & Spirits, Passion Spirits, Nestor Liquor, and Top Shelf Wine & Spirits.*

### 5.5. DIGITAL MARKETING

- **Social Media Integration:** *Facebook, Instagram, Tik Tok, and Pinterest* will be XYZ's primary social platforms using targeted Influencer outreach, video content that is both user-driven and XYZ produced. The XYZ Instagram profile has over 40,000 followers. XYZ will continue to build relationships with profiles that have a substantial following in order to further promote XYZ.
- **DTC Influencer promotion:** XYZ's paid influencer strategy will drive sales to *drinkxyz.com* using their platforms to communicate the ABC Life attributes of the brand in the influencer's natural setting.
- **Instagram Live Series:** The executive team's extensive network of celebrities, chefs and artists will produce an Instagram Live series "XYZ" or "XYZ." This series will feature "behind the scenes" with XYZ's influencer models, chef pairings of ABC influenced food, artist visual presentation and exclusive music content.
- **Digital Objects/ AR technology:** XYZ will enable consumers to engage in social AR experiences by animating the products and participating in virtual scavenger hunts after scanning the products and bringing them to life.





- **SEO:** XYZ's web page will be optimized for keywords to drive search traffic on the product and where to buy it.
- **Virtual Sampling:** XYZ will partner with various off premise accounts and offer their shoppers a unique virtual sampling experience (e.g.: LiquorLab). This is done through a live mixology demonstration, brand education, and socialization with other patrons.
- **Virtual Cocktail Parties:** XYZ will partner with cafes, hotels, bars, and restaurants across the globe to promote the product, acquire new consumers, spread brand awareness, and increase brand perceived quality.
- **Corporations:** XYZ will partner with appropriate corporate partners to extend the life and brand attributes of the ABC Life. Potential partners could include Sailing Nations and Google.
- **Artists:** Fans of XYZ are potential partners to produce a limited- edition bottle that would convey the #XYZ lifestyle and the artist's interpretation.
- **E-Commerce Partnerships:** The Company will form online partnerships with co-branded players such as *Passionfruit*, *Drizly*, *Flaviar*, and *Libdib* to offer promotional giveaways such as a sweepstakes.

## 5.6. PARTNERSHIPS

- **Influencers** XYZ will partner with Influencers that provide tools to recreate their rendition of the ABC Life to provide a unique interpretation of the brand.

## 5.7. PROMOTIONAL SAMPLING

The Company will offer promotional sampling at bars, nightclubs, events, and parties, which will be a promotional means to spread brand awareness.

## 5.8. E-MAIL MARKETING

XYZ will produce a newsletter informing consumers of news, events, promotions, and product updates to enhance brand awareness and loyalty among consumers.

## 5.9. PRINT ADVERTISING

The Company will advertise in select liquor industry publications, such as:

- *The Spirits Business*
- *Wine & Spirits Magazine*
- *Beverage Industry Magazine*
- *The Drinks Business*
- *Chilled Magazine*
- *Imbibe Magazine*
- *PUNCH*
- *Distiller Magazine*
- *The Drinks Business*

## 5.10. INDUSTRY TRADE SHOWS

The Company will participate in and host booths at liquor trade shows, such as:

### **Annual Wine & Spirits Daily Summit**

Palm Beach, FL/ January 2021

### **American Distilling Institute 2024 Conference & Expo**

Louisville, KY/ August 2021

### **USA Trade Tasting and Business Conference (USATT)**

New York, NY/ August 2021

### **Craft Beverage Expo**

Louisville, KY/ October 2021

### **International Bulk Wine & Spirits Show (IBWSS)**

San Francisco, CA/ November 2021

### **ACSA's Annual Distillers' Convention & Vendor Trade Show**

Louisville, KY/ December 2021



## 6. OPERATIONAL PLAN

---

### 6.1. OPERATIONAL OVERVIEW

XYZ, LLC is registered and headquartered in the state of ABC with business operations in the city of ABC.

### 6.2. BEVERAGE PRODUCTION

The XYZ™ liqueur is produced in ABC, ABC, by the legendary XYZ Distillery.

### 6.3. PACKAGING & LABELS

XYZ uses ABC Distillery to produce the packaging and labels for the products. The labels portray the history of the liquor and have an ancient ABC theme.'

### 6.4. INVENTORY MANAGEMENT

XYZ's staff and management will manage inventory to maintain a sufficient and reasonable stock of supplies to conduct day-to-day business. XYZ's electronic logistic system will keep and track inventory.

### 6.5. COMPUTER HARDWARE & SOFTWARE

XYZ™ will obtain the necessary computer hardware and software systems to support inventory management, payroll administration, sales management, accounting, and financial analysis & reporting.

### 6.6. LEGAL & INSURANCE

XYZ has retained John Doe of XYZ law firm to handle all legal matters related to regulatory compliance, contract administration, employment, and corporate business issues.

### 6.7. ACCOUNTING

XYZ will outsource all accounting responsibilities to John Doe, CPA, who produces monthly reports for A/P, A/R, payroll, and operational expenditures.

### 6.8. LICENSES & PERMITS

XYZ has a business license from the city of ABC and a Seller's permit from the ABC Board of Equalization.





## 7. MANAGEMENT

---

### 7.1. JOHN DOE, CEO

Removed info



### 7.4. JOHN DOE, SALES MANAGER

Removed info



### 7.2. JOHN DOE, PARTNER

Removed info



### 7.5. JANE DOE - COMMUNITY MANAGER

Removed info



### 7.3. JANE DOE, CHIEF MARKETING OFFICER

Removed info



### 7.6. JANE DOE - PUBLIC RELATIONS MANAGER

Removed info



## 8. FINANCING & EXIT STRATEGY

### 8.1. CAPITAL REQUIREMENTS

XYZ, LLC seeks \$2,500,000 in equity financing, which will include an estimated \$125,000 for capital expenditures and \$2,375,000 for working capital to support marketing, operations, and inventory.

XYZ, LLC Capital Requirements - Round 1	
Capital Expenditures:	Cost:
Marketing Materials Design	\$50,000
Website Design	\$10,000
Computer Hardware & Software	\$25,000
Office Furniture	\$40,000
<b>Total capital expenditures</b>	<b>\$125,000</b>
Working capital:	
Marketing expenses	\$1,300,000
G&A expenses	\$750,000
Inventory	\$325,000
<b>Total working capital</b>	<b>\$2,375,000</b>
<b>Total capital requirements</b>	<b>\$2,500,000</b>

In month 19, the Company will secure a 2<sup>nd</sup> round of equity financing of \$7 million to supplement increased production, marketing, and operations, which will include an estimated \$48,750 for capital expenditures and \$6,951,250 for working capital for marketing, operations, and inventory.

XYZ, LLC Capital Requirements - Round 2	
Capital Expenditures:	Cost:
Computer Hardware & Software	\$18,750
Office Furniture	\$30,000
<b>Total capital expenditures</b>	<b>\$48,750</b>
Working capital:	
Marketing expenses	\$4,201,250
G&A expenses	\$1,500,000
Inventory	\$1,250,000
<b>Total working capital</b>	<b>\$6,951,250</b>
<b>Total capital requirements</b>	<b>\$7,000,000</b>

### 8.2. RISK ANALYSIS

The Company will venture into a market and an industry that has risks given the economic cycle and the volatility of early-stage investments. The Company is targeting a specific demographic for its liqueur and will brand the liqueur as a premium liqueur brand. This risk, overall, falls within the medium risk segment of the investment spectrum. There are no guarantees that the Company will be able to build and effectively market and sell the units as proposed in the time expected.

Management is confident that it will successfully execute the goals of this venture given the current trends in the real estate marketplace and demand in this industry from the target demographic segments.

### 8.3. EXIT STRATEGY

The Company's management expects to grow the Company continuously over the next 5 years to garner increased market penetration. Management's purpose shall seek to provide the best options to protect the interest of investors, while maintaining the Company's liquidity and profitability. The Company will consider selling the Company to an interested buyer or acquisition by a larger liquor company.

## 9. FINANCIALS

### 9.1. SALES

#### 9.1.1. SALES ASSUMPTIONS

E-Tailer Sales:	Year 1	Year 2	Year 3	Year 4	Year 5	
# of e-tailers orders:	10%	6%	4%	3%	2%	growth/mo.
# XYZ 375mL	1.5	2	2	2	2	per order
# XYZ 750mL	0.75	1	1	1	1	per order
# XYZ 1.75L	0.75	1	1	1	1	per order
Drug Store Sales:						
# of drug stores:	12%	10%	6%	4%	3%	growth/mo.
# XYZ 375mL 12-Packs Sold	4	5	6	7	8	turns/store/mo.
# XYZ 750mL 12-Packs Sold	6	7	8	9	10	turns/store/mo.
# XYZ 1.75L 6-Packs Sold	6	7	8	9	10	turns/store/mo.
Grocery Store Sales:						
# of grocery stores:	12.0%	10.0%	6.0%	4.0%	3.0%	growth/mo.
# XYZ 375mL 12-Packs Sold	7	8	9	10	10	turns/store/mo.
# XYZ 750mL 12-Packs Sold	7	8	9	10	11	turns/store/mo.
# XYZ 1.75L 6-Packs Sold	7	8	9	10	11	turns/store/mo.
Mass Market Retail Store Sales:						
# of Mass market retail stores:	12%	10%	6%	4%	3%	growth/mo.
# XYZ 375mL 12-Packs Sold	6	7	8	9	10	turns/store/mo.
# XYZ 750mL 12-Packs Sold	9	10	11	12	13	turns/store/mo.
# XYZ 1.75L 6-Packs Sold	9	10	11	12	13	turns/store/mo.
Liquor Store Sales:						
# of Liquor stores:	12%	10%	6%	4%	3%	growth/mo.
# XYZ 375mL 12-Packs Sold	3	4	5	5.5	6	turns/store/mo.
# XYZ 750mL 12-Packs Sold	4	5	5.5	6	6	turns/store/mo.
# XYZ 1.75L 6-Packs Sold	4	5	5.5	6	6	turns/store/mo.
# XYZ 50mL 150-Packs Sold			1	2	3	turns/store/mo.
Food Service Sales:						
# of Food Service Stores	12%	10%	6%	4%	3%	monthly growth rate
# XYZ 1.75L 6-Packs Sold	3	4	5	5.5	6	turns/store/mo.
Bars/Nightclub Sales:						
# of Bars/Nightclubs	12%	10%	6%	4%	3%	monthly growth rate
# Greek Lightning 1.75L 6-Packs Sold	6	8	10	11	12	turns/store/mo.
ABC/Int'l Sales:						
# Stores	10%	8%	6%	4%	3%	monthly growth rate
# XYZ 375mL 12-Packs Sold	2	2	2	2	2	turns/store/mo.
# XYZ 750mL 12-Packs Sold	3	3	3	3	3	turns/store/mo.
# XYZ 1.75L 6-Packs Sold	3	3	3	3	3	turns/store/mo.
# XYZ 50mL 150-Packs Sold			1	2	3	turns/store/mo.

E-Tailer Revenues:						
XYZ 375mL	\$8.43	\$8.64	\$8.86	\$9.08	\$9.30	per pack
XYZ 750mL	\$33.72	\$34.56	\$35.42	\$36.31	\$37.22	per pack
XYZ 1.75L	\$33.72	\$34.56	\$35.42	\$36.31	\$37.22	per pack
Total e-tailer revenues						
Drug Store Revenues:						
XYZ 375mL 12-Pack	\$70.00	\$71.75	\$73.54	\$75.38	\$77.27	per pack
XYZ 750mL 6-Pack	\$140.00	\$143.50	\$147.09	\$150.76	\$154.53	per pack
XYZ 1.75L 6-Pack	\$140.00	\$143.50	\$147.09	\$150.76	\$154.53	per pack
Total drug store revenues						
Grocery Store Revenues:						
XYZ 375mL 12-Pack	\$70.00	\$71.75	\$73.54	\$75.38	\$77.27	per pack
XYZ 750mL 6-Pack	\$140.00	\$143.50	\$147.09	\$150.76	\$154.53	per pack
XYZ 1.75L 6-Pack	\$140.00	\$143.50	\$147.09	\$150.76	\$154.53	per pack
Total grocery store revenues						
Mass Market Retailer Revenues						
XYZ 375mL 12-Pack	\$70.00	\$71.75	\$73.54	\$75.38	\$77.27	per pack
XYZ 750mL 6-Pack	\$140.00	\$143.50	\$147.09	\$150.76	\$154.53	per pack
XYZ 1.75L 6-Pack	\$140.00	\$143.50	\$147.09	\$150.76	\$154.53	per pack
Total Mass Market Retailer Revenues						
Liquor Store Revenues:						
XYZ 375mL 12-Pack	\$70.00	\$71.75	\$73.54	\$75.38	\$77.27	per pack
XYZ 750mL 6-Pack	\$140.00	\$143.50	\$147.09	\$150.76	\$154.53	per pack
XYZ 1.75L 6-Pack	\$140.00	\$143.50	\$147.09	\$150.76	\$154.53	per pack
XYZ 50mL 150-Pack			\$183.86	\$188.46	\$193.17	per pack
Total Liquor Store Revenues						
Food Service Revenues						
XYZ 1.75L 6-Pack	\$140.00	\$143.50	\$147.09	\$150.76	\$154.53	per pack
Total Food Service Revenues						
Bar/Nightclub Revenues:						
XYZ 1.75L 6-Pack	\$140.00	\$143.50	\$147.09	\$150.76	\$154.53	per pack
Total Bar/Nightclub Revenues						
ABC/Int'l Revenues						
XYZ 375mL 12-Pack	\$75.00	\$76.88	\$78.80	\$80.77	\$82.79	per pack
XYZ 750mL 6-Pack	\$150.00	\$153.75	\$157.59	\$161.53	\$165.57	per pack
XYZ 1.75L 6-Pack	\$150.00	\$153.75	\$157.59	\$161.53	\$165.57	per pack
XYZ 50mL 150-Pack			\$183.86	\$188.46	\$193.17	per pack
Total ABC/Int'l Revenues						
Total Revenues						
Cost of goods sold	47.5%	45.0%	45.0%	45%	45%	of sales
Cost of distribution	12.5%	12.5%	12.5%	12.5%	12.5%	of sales

#### 9.1.2. REVENUE PROJECTIONS

Table 2 XYZ, LLC Revenue Forecast					
	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Revenues:</b>					
E-Tailer revenues	\$462,931	\$2,145,115	\$5,245,885	\$9,455,068	\$14,514,405
Drug store revenues	\$517,897	\$2,024,635	\$5,500,934	\$10,905,500	\$18,261,824
Grocery store revenues	\$889,427	\$3,428,209	\$9,208,218	\$18,082,797	\$30,040,077
Liquor store revenues	\$326,376	\$1,328,510	\$3,631,601	\$7,068,982	\$11,399,737
Mass market retailer revenues	\$281,682	\$1,068,846	\$2,893,220	\$5,904,496	\$9,867,514
Food service revenues	\$114,150	\$436,378	\$1,164,180	\$2,273,150	\$3,757,918
Bar/nightclub revenues	\$51,886	\$180,322	\$440,977	\$794,808	\$1,220,103
ABC revenues	\$216,226	\$712,056	\$2,005,072	\$4,255,445	\$7,391,292
<b>Total revenues</b>	<b>\$2,860,575</b>	<b>\$11,324,071</b>	<b>\$30,090,087</b>	<b>\$58,740,246</b>	<b>\$96,452,869</b>
<b>Cost of sales:</b>					
Cost of goods sold	\$1,358,773	\$5,095,832	\$13,540,539	\$26,433,111	\$43,403,791
Cost of distribution	\$357,572	\$1,415,509	\$3,761,261	\$7,342,531	\$12,056,609
<b>Total cost of sales</b>	<b>\$1,716,345</b>	<b>\$6,511,341</b>	<b>\$17,301,800</b>	<b>\$33,775,641</b>	<b>\$55,460,400</b>
<b>Gross margin</b>	<b>\$1,144,230</b>	<b>\$4,812,730</b>	<b>\$12,788,287</b>	<b>\$24,964,604</b>	<b>\$40,992,469</b>



## 9.2. EXPENSES

### 9.2.1. G & A EXPENSES

Table 3 XYZ, LLC General & Administrative Expenses					
	Year 1	Year 2	Year 3	Year 4	Year 5
Wages & salaries	\$249,000	\$286,725	\$450,323	\$510,119	\$522,872
Payroll expense	\$72,240	\$84,725	\$125,554	\$135,488	\$138,875
Benefits	\$51,600	\$60,518	\$89,681	\$96,777	\$99,197
Liability insurance	\$42,909	\$169,861	\$451,351	\$881,104	\$1,446,793
Legal & consulting	\$120,000	\$158,400	\$207,360	\$259,200	\$298,080
Supplies	\$12,000	\$15,840	\$20,736	\$25,920	\$29,808
Telephone & communications	\$18,000	\$23,760	\$31,104	\$38,880	\$44,712
Utilities/Internet	\$6,000	\$7,920	\$10,368	\$12,960	\$14,904
Travel	\$60,000	\$79,200	\$103,680	\$129,600	\$149,040
Meals & entertainment	\$60,000	\$79,200	\$103,680	\$129,600	\$149,040
Auto mileage expenses	\$30,000	\$39,600	\$51,840	\$64,800	\$74,520
Total general & administrative expenses	\$721,749	\$1,005,748	\$1,645,677	\$2,284,448	\$2,967,841

### 9.2.2. MARKETING EXPENSE

Table 4 XYZ, LLC Selling & Marketing Expenses					
	Year 1	Year 2	Year 3	Year 4	Year 5
Sales & marketing staff	\$267,000	\$318,450	\$446,490	\$360,575	\$369,589
Marketing materials	\$12,500	\$13,800	\$15,180	\$15,939	\$16,337
Internet marketing	\$840,000	\$1,260,000	\$2,016,000	\$2,318,400	\$2,550,240
Print advertising	\$360,000	\$540,000	\$864,000	\$993,600	\$1,092,960
Outdoor advertising		\$60,000	\$144,000	\$165,600	\$182,160
Industry events	\$64,000	\$64,000	\$64,000	\$64,000	\$64,000
Promotional marketing	\$240,000	\$360,000	\$576,000	\$3,000,000	\$3,300,000
Total selling & marketing expenses	\$1,783,500	\$2,616,250	\$4,125,670	\$6,918,114	\$7,205,697

### 9.2.3. STAFF HEADCOUNT & SALARIES

Table 5 XYZ, LLC Staff Headcount (Year-End Totals)					
	Year 1	Year 2	Year 3	Year 4	Year 5
Chief Executive Officer	1	1	1	1	1
Partner	1	1	1	1	1
Chief Marketing Officer	1	1	1	1	1
Chief Financial Officer			1	1	1
Community Manager	1	1	1	1	1
Administrative Assistant	1	1	1	2	2
Sales Manager	1	1	2	2	2
Marketing Manager - ABC	1	1	1	1	1
Public Relations Manager	0.5	1	1	1	1
Influencer Manager - ABC	1	1	1	1	1
Accountant	0.5	1	1	1	1
Total Headcount	9	10	12	13	13

Table 6 XYZ, LLC Staff Annual (Full-Time) Salaries					
	Year 1	Year 2	Year 3	Year 4	Year 5
Chief Executive Officer	\$0	\$0	\$0	\$0	\$0
Partner	\$0	\$0	\$0	\$0	\$0
Chief Marketing Officer	\$120,000	\$132,000	\$138,600	\$142,065	\$145,617
Chief Financial Officer			\$138,600	\$142,065	\$145,617
Community Manager	\$60,000	\$66,000	\$67,650	\$69,341	\$71,075
Administrative Assistant	\$42,000	\$46,200	\$47,355	\$48,539	\$49,752
Sales Manager	\$84,000	\$92,400	\$94,710	\$97,078	\$99,505
Marketing Manager - ABC	\$78,000	\$85,800	\$87,945	\$90,144	\$92,397
Public Relations Manager	\$90,000	\$99,000	\$101,475	\$104,012	\$106,612
Influencer Manager - ABC	\$60,000	\$66,000	\$67,650	\$69,341	\$71,075
Accountant	\$54,000	\$56,700	\$58,118	\$59,570	\$61,060

## 9.3. ANNUAL PRO-FORMA FINANCIAL STATEMENT SUMMARIES

### 9.3.1. INCOME STATEMENT

Schedule 1 XYZ, LLC Projected Income Statement					
	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Revenues:</b>					
Drug Store Revenues	\$517,897	\$2,024,635	\$5,500,934	\$10,905,500	\$18,261,824
Grocery Store Revenues	\$889,427	\$3,428,209	\$9,208,218	\$18,082,797	\$30,040,077
Liquor Store Revenues	\$326,376	\$1,328,510	\$3,631,601	\$7,068,982	\$11,399,737
Mass Market Retailer Revenues	\$281,682	\$1,068,846	\$2,893,220	\$5,904,496	\$9,867,514
Food Service Revenues	\$114,150	\$436,378	\$1,164,180	\$2,273,150	\$3,757,918
Bar/Nightclub Revenues	\$51,886	\$180,322	\$440,977	\$794,808	\$1,220,103
Greece/Int'l Revenues	\$216,226	\$712,056	\$2,005,072	\$4,255,445	\$7,391,292
<b>Total Sales</b>	<b>\$2,397,644</b>	<b>\$9,178,956</b>	<b>\$24,844,202</b>	<b>\$49,285,177</b>	<b>\$81,938,464</b>
<b>Total cost of sales</b>	<b>\$1,716,345</b>	<b>\$6,511,341</b>	<b>\$17,301,800</b>	<b>\$33,775,641</b>	<b>\$55,460,400</b>
<b>Expenses:</b>					
Selling & marketing	\$1,783,500	\$2,616,250	\$4,125,670	\$7,015,191	\$7,674,791
General & administrative	\$691,749	\$966,148	\$1,593,837	\$2,219,648	\$2,893,321
<b>Expenses - Total</b>	<b>\$2,475,249</b>	<b>\$3,582,398</b>	<b>\$5,719,507</b>	<b>\$9,234,840</b>	<b>\$10,568,112</b>
<b>Income before taxes</b>	<b>(\$1,811,331)</b>	<b>(\$937,432)</b>	<b>\$1,794,979</b>	<b>\$6,248,447</b>	<b>\$15,883,494</b>
Income taxes	0	0	0	0	0
<b>Net income</b>	<b>(\$1,811,331)</b>	<b>(\$937,432)</b>	<b>\$1,794,979</b>	<b>\$6,248,447</b>	<b>\$15,883,494</b>

### 9.3.2. CASH FLOW STATEMENT

Schedule 2 XYZ, LLC Projected Statements of Cash Flows					
	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Cash flows from operations</b>					
Net Income:	(\$1,811,331)	(\$937,432)	\$1,794,979	\$6,248,447	\$15,883,494
Depreciation	\$17,381	\$22,649	\$27,917	\$26,250	\$26,458
Increase (decrease) in accrued liabilities	\$15,535	\$3,444	\$8,753	\$3,201	\$773
Increase (decrease) in accrued taxes	\$0	\$0	\$0	\$0	\$0
Increase (decrease) in accounts payable	\$121,601	\$8,426	\$160,216	\$192,036	\$74,427
(Increase) decrease in accounts receivable	(\$41,010)	(\$95,806)	(\$182,609)	(\$259,246)	(\$334,691)
(Increase) decrease in inventory	(\$310,496)	(\$412,364)	(\$718,307)	(\$1,660,013)	(\$9,002,145)
<b>Net cash flows from operations</b>	<b>-\$2,008,319</b>	<b>-\$1,411,084</b>	<b>\$1,090,949</b>	<b>\$4,550,674</b>	<b>\$6,648,317</b>
<b>Cash flows from investing</b>					
Capital expenditures	\$75,000	\$97,500	\$0	\$20,000	\$20,000
Prepaid expenses	\$0	\$0	\$0	\$0	\$0
<b>Net cash flows from investing</b>	<b>\$75,000</b>	<b>\$97,500</b>	<b>\$0</b>	<b>\$20,000</b>	<b>\$20,000</b>
<b>Cash flows from financing</b>					
Proceeds from issuance of debt	\$0	\$0	\$0	\$0	\$0
Proceeds from sale of stock	\$2,500,000	\$7,000,000	\$0	\$0	\$0
Debt service payments	\$0	\$0	\$0	\$0	\$0
<b>Net cash flows from financing</b>	<b>\$2,500,000</b>	<b>\$7,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net increase (decrease) in cash</b>	<b>\$416,681</b>	<b>\$5,491,416</b>	<b>\$1,090,949</b>	<b>\$4,530,674</b>	<b>\$6,628,317</b>
<b>Beginning cash balance</b>	<b>\$0</b>	<b>\$416,681</b>	<b>\$5,908,097</b>	<b>\$6,999,046</b>	<b>\$11,529,720</b>
<b>Ending cash balance</b>	<b>\$416,681</b>	<b>\$5,908,097</b>	<b>\$6,999,046</b>	<b>\$11,529,720</b>	<b>\$18,158,037</b>

### 9.3.3. BALANCE SHEET

Schedule 3 XYZ, LLC Projected Balance Sheet					
	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Assets:</b>					
<b>Current assets</b>					
Cash & marketable items	\$416,681	\$5,908,097	\$6,999,046	\$11,529,720	\$18,158,037
Prepaid expenses	\$0	\$0	\$0	\$0	\$0
Accounts receivable	\$41,010	\$136,816	\$319,425	\$578,671	\$913,362
<b>Total current assets</b>	<b>\$457,691</b>	<b>\$6,044,913</b>	<b>\$7,318,471</b>	<b>\$12,108,391</b>	<b>\$19,071,399</b>
<b>Net non-current assets:</b>	<b>\$57,619</b>	<b>\$132,470</b>	<b>\$104,554</b>	<b>\$98,304</b>	<b>\$91,845</b>
<b>Total assets</b>	<b>\$515,310</b>	<b>\$6,177,383</b>	<b>\$7,423,024</b>	<b>\$12,206,694</b>	<b>\$19,163,244</b>
<b>Liabilities:</b>					
<b>Current liabilities</b>					
Accounts payable	\$121,601	\$130,027	\$290,243	\$482,279	\$556,706
Accrued liabilities	\$15,535	\$18,979	\$27,732	\$30,933	\$31,706
Accrued taxes	\$0	\$0	\$0	\$0	\$0
<b>Total current liabilities</b>	<b>\$137,136</b>	<b>\$149,005</b>	<b>\$317,975</b>	<b>\$513,212</b>	<b>\$588,412</b>
<b>Long-term liabilities</b>					
Long-term debt	\$0	\$0	\$0	\$0	\$0
<b>Total long-term liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Liabilities</b>	<b>\$137,136</b>	<b>\$149,005</b>	<b>\$317,975</b>	<b>\$513,212</b>	<b>\$588,412</b>
<b>Shareholders' equity</b>					
Common stock	\$2,500,000	\$9,500,000	\$9,500,000	\$9,500,000	\$9,500,000
Retained earnings	(\$1,811,331)	(\$2,748,762)	(\$953,784)	\$5,294,663	\$21,178,157
<b>Total shareholders' equity</b>	<b>\$688,669</b>	<b>\$6,751,238</b>	<b>\$8,546,216</b>	<b>\$14,794,663</b>	<b>\$30,678,157</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$825,805</b>	<b>\$6,900,243</b>	<b>\$8,864,191</b>	<b>\$15,307,875</b>	<b>\$31,266,569</b>