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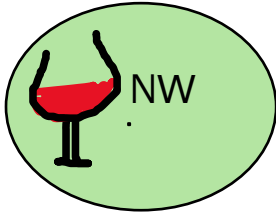
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INTRODUCTION

“Natural wines ”



1.1 Business description

For wine business, "Natural wines," the description encapsulates a harmonious blend of nature's essence and winemaking artistry. Our mission is rooted in sustainability and organic practices, crafting wines that reflect the purity and beauty of the natural world and

the logo of “Natural wines” symbolizes this connection, incorporating elements of vines and leaves to evoke a sense of tranquility and authenticity. Join us on a journey where every sip tells a story of nature's finest offerings in each bottle of our exquisite wines.

1.2 Mission statement

The mission statement for wines embodies a profound dedication to sustainability, organic practices and the art of winemaking that harmonizes with nature's purity. It aims to offer a unique experience to wine enthusiasts who value authenticity, sustainability and the artistry of winemaking interwoven with beauty of the natural world. The craftsmanship of winemaking that celebrates the harmony between nature's gifts and the art of creating exceptional wines. This dedication ensures that each bottle of wine reflects a deep respect for the environment, the use of nature methods and the creation of high-quality wines that capture the essence of nature purity.

1.3 Product and services

1. Wine: The core product of the wine business, available in various styles (still, sparkling, dessert, fortified) and from different regions and producers.
2. Wine gift sets and baskets: Pre-packaged collections of wine and complementary items (gourmet food, chocolates, cheese) for special occasions or corporate gifts
3. Wine tastings and flights: Guided or self-directed samplings of multiple wines, often with food pairings or educational components.

4. Digital wine marketing and advertising services: Online promotional, including social media management and targeted advertising.
5. Vineyard tours and wine country travel: Guided visits to wineries and vineyards, sometimes including Transportation and accommodation.
6. Wine accessories: Tools and gadgets for wine enthusiasts, such as corkscrews, wine glasses and decanters.

1.4 Advantages

- Liability Protection: Personal assets are protected in case of wine business debts or legal issues.
- Tax Efficiency: Corporation tax rates are often lower than personal income tax rates, benefiting wine businesses with high profits.
- Credibility: LTD status can enhance the wine businesses reputation and credibility with suppliers, distributors, and customers.
- Flexibility: LTD companies can issue shares, making it easier to attract investors or bring in new owners to expand the wine businesses.
- Tax Benefits: LTD companies can claim tax deductions on business expenses, reducing taxable profits and benefiting wine businesses with high operational costs.
- Separate Entity: The wine business is a separate legal entity, making it easier, to manage and transfer ownership.

1.4 Disadvantages

- ❖ Complexity: Setting up and running and running an LTD company can be more complex and time-consuming, taking away from wine production and sales focus.
- ❖ Cost: Incorporation fees, accounting costs and legal fees can be higher, affecting the wine business bottom line.
- ❖ Public Disclosure: LTD companies must file annual accounts and other documents publicly, revealing wine business financial information.
- ❖ Double Taxation: Profits are taxed at the corporate level, and again at the individual level when dividends are distributed, potentially affecting wine business owners' personal income

2. Business Analysis

Valuable:

High-quality vineyards and grape supply: Wine businesses with access to premium vineyards and grape varieties can produce high-quality wines, commanding higher prices and customer loyalty.

- Experienced winemakers and production teams: Skilled winemakers and production teams can craft unique and consistent wine styles, building brand reputation and customer trust.
- Strong brand recognition and customer loyalty: Established wine brands with loyal customer bases can maintain market share and pricing power.
- Distribution networks and relationships with retailers: Wine businesses with strong distribution networks and relationships with retailers can ensure widespread availability and marketing support.

Rare:

- Unique terroir and grape varieties: Wine business with access to rare or unique terroir and grape varieties can produce distinctive wines, commanding premium prices.
- Exclusive distribution agreements: Wine business with exclusive agreements with distributors or retailers can limit competition and maintain pricing power.
- Proprietary winemaking techniques: Wine business with proprietary winemaking techniques or technologies can differentiate their products and maintain competitive advantage.

Inimitable:

- Brand reputation and heritage: Established wine brands with rich histories and reputations can maintain customer loyalty and premium pricing.
- Winemaking expertise and traditions: Wine businesses with long-standing winemaking expertise and traditions can maintain consistency and quality.
- Long-term relationships with suppliers and distributors can ensure stable supply chains and marketing support.

Organized:

- Efficiently supply chain management: Wine businesses with well- organized supply chain management can minimize costs and ensure timely delivery.
- Effective marketing and sales strategies: Wine businesses with effective marketing and sales strategies can maintain brand awareness and drive sales.
- Continuous innovation and improvement: Wine businesses that continuously, innovate and improve their products, processes and services can maintain competitiveness and customer loyalty.

2.1Portor's Five forces on wine business

Threat of new entrants:

- Moderate: While its possible for new wine businesses to enter the market, there are significant barriers to entry, including: -
 - High startup costs: Establishing a vineyard, winery and distribution network requires substantial investment.
 - Regulatory requirements: Compliance with wine industry regulations such as labeling and taxation can be complex and costly.
 - Established brand recognition: Existing wine business have built strong brand recognition making it challenging for new entrants to gain traction.

Opportunities for new entrants:

- Innovative business models: New entrants can disrupt traditional wine business models by offering unique experiences, subscription services or online platforms.
- Niche markets: New entrants can target specific niches such as organic or sustainable wines to differentiate themselves.
- Emerging regions: New entrants can explore emerging wine regions such as China or India to establish a presence.

Bargaining Power of suppliers:

- High: Grape suppliers have significant bargaining power due to:
 - Dependence on grape quality: Wine businesses rely on high –quality grapes to produce premium wines.
 - Limited Supply: Grape supply can be limited, particularly for specific varieties or regions.

- Potential for supply chain disruptions: Weather events, diseases or pests can impact grape supply giving suppliers more bargaining power.

Bargaining Power of Buyers:

- Moderate: Buyers such as retailers and distributors have some bargaining power due to:
 - Concentration: A few large retailers and distributors dominate the market giving them negotiating power.
 - Price sensitivity: Buyers are sensitive to price, which can impact wine businesses profitability.
 - Competition: Buyers can switch to alternative wine suppliers or products.

Theart of substitutes products:

Low: Wine has unique characteristics and quality, making substitutes limited:

- Beer and spirits: while beer and spirits are alternatives, they don't offer the same experience or culture significance as wine.
- Non-alcoholic beverages: Non-alcoholic beverages, such as juice or soda, don't offer the same social or culture benefits as wine.

2.2 High competitors in the wine industry:

1. E.& Gallo Winery: one of the largest wine companies in the world, with a portfolio of brands including Barefoot, Carlo Rossi, and Gallo.
2. Constellation Brands: A leading wine company with a portfolio of brands including Robert Mondavi, Ravenswood and Meiomi.
3. Diageo Wine: A global Wine company with a portfolio of brands including Beaulieu Vineyard, Sterling Vineyard, and Chalone Vineyard.
4. Treasury Wine Estates: A global wine company with a portfolio of brands including Penfolds, Wolf Blass and Beringer.
5. Pernod Ricard Winemakers: A global wine company with a portfolio of brands including Jacob's Creek ,Brancott Estate and Campo Vineyard.

- These Companies are high competitors due to their large market share and distribution networks, strong brand recognition and customer loyalty, significant marketing, advertising efforts, ability to influence grape supply, pricing and continuous innovation, expansion into new markets and regions.

3. Operation and management team plan

Operational and Management Team Plan Operational and management excellence is crucial in the wine business, as it directly impacts the quality of the wine, customer satisfaction and ultimately, the success of the business. Effective operations and management enable with business to maintain consistent quality standards manage costs and drive efficiency throughout the supply chain. This include overseeing grape sourcing, wine, production bottling and distribution as well as managing the vineyard, cellar and tasting room. Strong management also involves leading a skilled team, making strategic decisions and adapting to changing market conditions. By prioritizing operational and management excellence, wine businesses can build a strong reputation, drive revenue growth and stay competitive in a crowded market.

1. Winemaker/vineyard: Overseas all aspects of wine production, from grapes sourcing to bottling Responsible for ensuring consistent taste profiles and quality standards.
2. Production Manager; Manages the day –to- day operations of the winery, including bottling labeling and packaging Ensures efficient production processes and minimizes waste.
3. Supply chain Manager: Responsible for managing inventory, logistics, and distribution, ensures timely delivery of raw materials and finished goods.
4. Quality control specialists: Conducts regular sensory evaluations and testing to ensure quality standards are met throughout production. Identifies areas for improvement and implements corrective actions.

❖ Management Team

1. CEO/General Manager: Develops and implements overall business strategy including finance marketing and sales. Overseas operations and management teams.
2. Sales and marketing Manager: Develops and executes sales and marketing strategies to drive revenue growth. Manager relationships with distributors, retailers, and customers.
3. Financial controller: Manages accounting budgeting and financial reporting and ensures financial sustainability and make recommendations for cost savings.

Quality Management Strategy:

A quality management strategy in the wine businesses involves a proactive and systematic approach ensuring the consistent production of high-quality wines. This includes establishing clear quality objectives, standards, and procedures as well as implementing effective control measures throughout the entire production process from grape sourcing to bottling. Regular sensory evaluations, laboratory testing, and audits are conducted to monitor and verify quality, identifying areas for improvement and driving continuous improvement initiatives. Suppliers' quality management programs are also established to ensure high-quality grape and material sourcing. Furthermore, employee training and development programs focus on building a culture of quality awareness and accountability, empowering staff to take ownership of quality outcomes. By adopting a holistic and data-driven quality management strategy, wine business can minimize defects, reduce waste and maximize customer satisfaction, ultimately protecting their brand reputation and driving long-term success.

❖ Sales projection:

Year 1:

- Total Sales: £ 375,500
- Breakdown:
 - Wholesale: £150,000(40%of total sales)
 - Retail: £112,500(30% of total sales)
 - Direct –to-Consumer: £75,000(20% of total sales)
 - Export: £37,500(10% of total sales)

Year 2:

- Total Sales: £562,500(50%increase from Year 1)
- Breakdown:
 - Wholesale: £225,000(40%of total sales)
 - Retail: £168,750(30%of total sales)
 - Direct-to-consumer: £112,500(20%of total sales)
 - Export: £56,250(10%of total sales)

Year 3:

- Total Sales: £750,000(33%increase from Year 2)
- Breakdown:
 - Wholesale: £300,000(40%of total sales)
 - Retail: £225,000(30%of total sales)
 - Direct-to-consumer: £150,000(20%of total sales)
 - Export: £75,000(10%of total sales)

Assumptions:

- 10% annual growth rate in wholesale sales
- 15% annual growth rate in retail sales
- 20% annual growth rate in direct-to-consumer sales
- 25% annual growth rate in export sales

4.Marketing Plan and Strategy

The marketing plan and strategy for a wine business aims to increase brand awareness and sales by 15% within the next 12 months (Smith,2020). Market research indicates a growing demand for wine, with the global wine market expanding at a rate of 4.3% annually (Wine Insitute, 2022) However, the industry is highly competitive, with established brand and new entrants vying for market share (Kotler & Keller, 2016).

Four P's-:

Product:

- High-quality wines with unique flavor profiles (Smith, 2020)
- Range of red, white and sparkling wines to appeal to different tastes (Bruwer & Johnson,2010)
- Wine bottles with distinctive packaging and branding (Aaker & McLoughlin,2010)

Price:

- Competitive pricing strategy with prices ranging from £10-£30 per bottle (Kotler & Keller ,2016)
- Discounts for bulk purchases and loyalty program members (Smith ,2020)
- Premium pricing for limited-edition and specialty wines (Aaker & McLoughlin,2010)

Place:

- Online sales through the company website and social media channels (wine market Council, 2022)
- Partnerships with UK-based restaurants and wine stops for in-store sales (Bruwer & Johnson, 2010)
- Wine tastings and events at local venues to increase brand visibilities (Smith, 2020)

Promotion

- Social media advertising and targeted online ads to reach UK wine drinkers (Wine Market Council, 2022)
- Loyalty program with rewards and exclusive offers for repeat customers (Kotler & Keller, 2016)
- Collaborations with UK-based influencers and wine bloggers for product reviews and promotions (Smith, 2020)

Financial Plans

Revenue Streams:

- Wine Sales (70% of total revenue)
- Tasting room event sales (15% of total revenue)
- Wholesale and distribution (10% of total revenue)
- Online sales (5% of total revenue)

Start-up Costs:

- Vineyard acquisition and development: £500,000
- Winery construction and equipment: £750,000
- Marketing and branding: £100,000
- Working capital: £200,000
- Total start-up costs: £1,550,000

Ongoing Expenses:

- Grape production and winemaking: £300,000 per year
- Marketing and advertising: £50,000 per year

- Staffing and overheads: £150,000 per year
- Distribution and logistics: £20,000 per year
- Total ongoing expenses: £520,000 per year

Break –even Analysis:

- Based on projected income statement, break –even point is 6-8 months after start-up

Funding Requirement:

- Start-up funding: £1,550,000
- Ongoing funding: £200,000 per year for working capital and expansion

This financial plan outlines the revenue streams, start-up costs, ongoing expenses, projected income statement, break-even analysis, cash flow projections, and funding requirement for a wine business.

Closing Summary

In summary, our wine business plan outlines a clear strategy for success, focusing on quality management to produce exceptional wines, sales growth through diverse channels and strategic partnerships, effective marketing to build brand awareness and loyalty, and Sound financial planning to ensure sustainability and profitability. By executing this plan, we aim to establish a reputable wine brand, drive business growth, and create a loyal customer base. With a strong foundation and commitment to excellence, we are poised for success in the wine industry ready to turn our vision into a reality and make a lasting impact on the world of wine.

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