Leveraging tech to survive and thrive

VineSpring

Christina Kyriazi - VP of Marketing, Ekos
Chris Towt – CEO, VineSpring

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Agenda

- Trends overview
- Business management
  - Inventory
  - Production
  - Accounting
  - Sales
- DtC
  - Knowing your customer
  - Connecting with customers
  - Connecting programs

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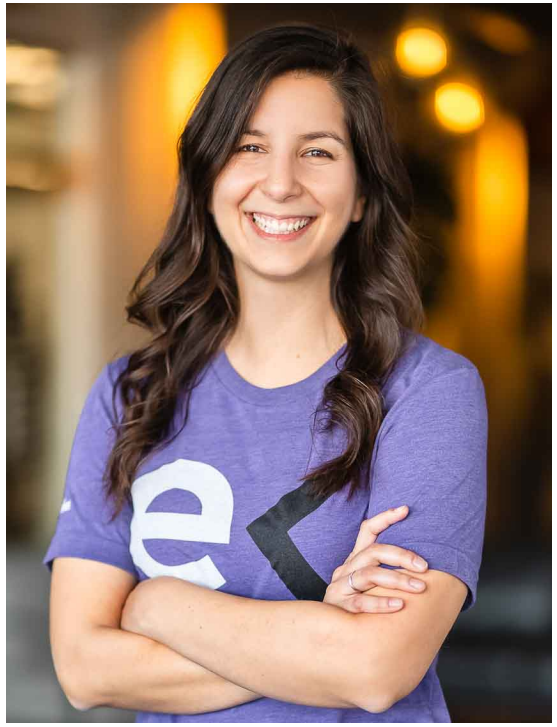
Introduction

- Christina Kyriazi
- VP of marketing at Ekos since 2019
- 12+ years marketing experience
- Positioning, strategy, demand generation, growth & analytics specialty
- Ekos:
  - Business management software
  - Sharing best practices & market insights



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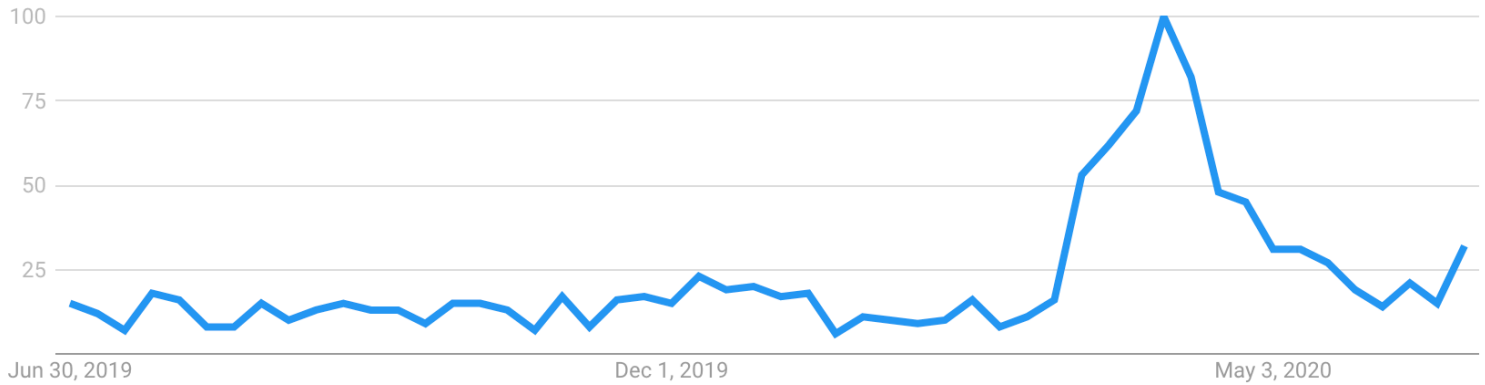
“It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is *the most adaptable to change.*”

- Charles Darwin

“Buy wine online” search term

Google Trends

Interest over time



Related queries Top

1	where to buy wine online	100
2	buy wine online pa	88
3	wine and spirits online	88
4	total wine	80
5	wine and spirits	80

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Consumers are eager

Google Trends

Interest over time

"Wineries open" keywords

Related queries — Top

1	are wineries open	100
2	napa wineries open	73
3	wineries open near me	67
4	wineries near me	67
5	wineries open in napa	36

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Channel mix disrupted

MAR 20, 2020		8 WKS TO MAY 8th
3%	phone & ecommerce	26% 10% phone, 16% ecommerce
23%	wine club	35%

Source: SVB data shared during State of Wine Industry Special Edition webinar on May 21st, 2020

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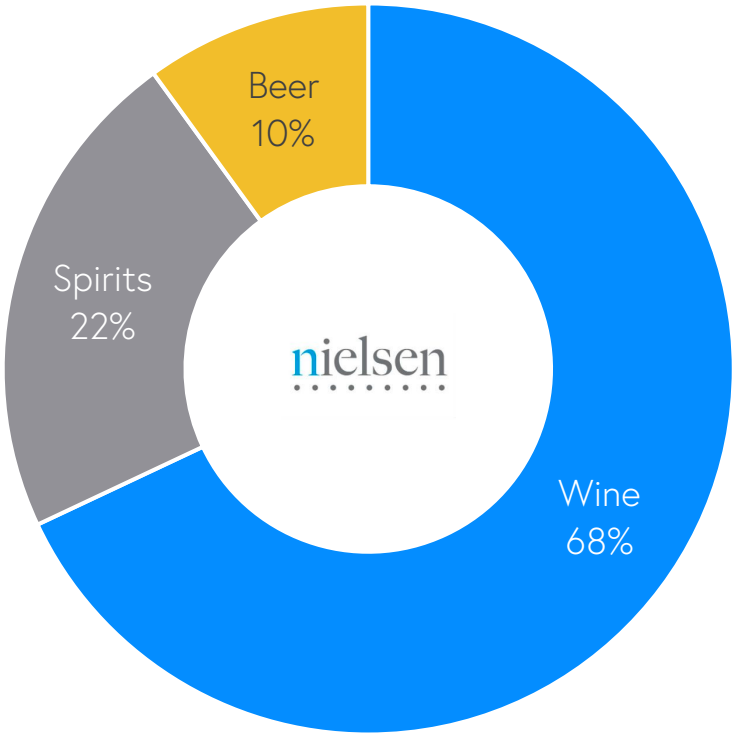
Wine dominates online sales

E-commerce sales
10 wk ending 5/23/2020



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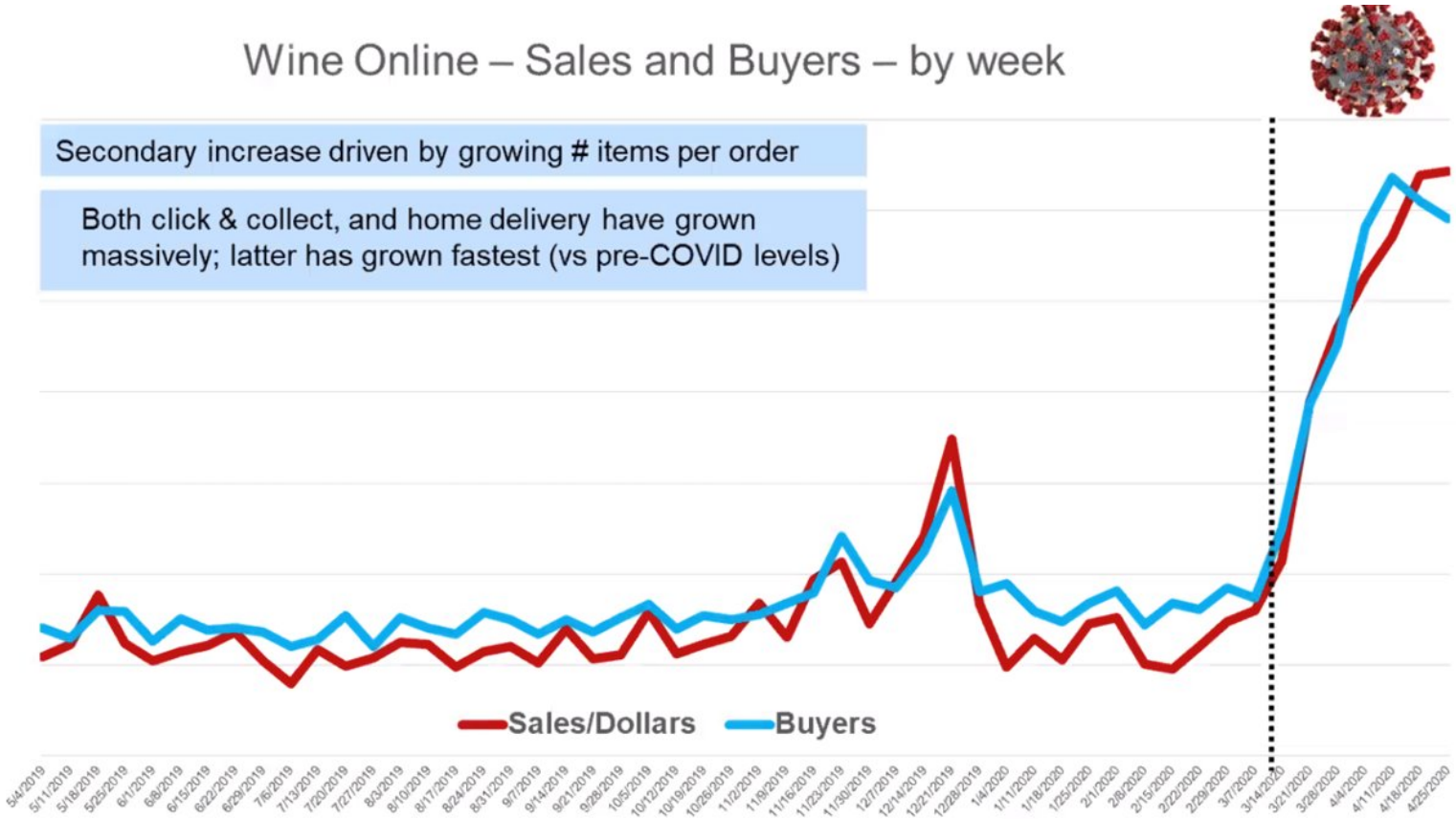
New buyers drove ecommerce



Source: Nielsen data shared during SVB State of Wine Industry Special Edition webinar on May 21st, 2020

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How it all feels...

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What does this mean?

01. New buying behaviors (and buyers) mix with old habits

02. Technology more important than ever

03. Access to data means good business decisions

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Business management

Getting your back of the house in order

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Good business management:

When times are hard, prepare for when times are easy. When times are easy, prepare for when times are hard.

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Ability to monitor business

- What does my cashflow look like?
- What should I be projecting / forecasting for sales?
- Do I have enough inventory & packaging on hand to meet demand?
- What are my COGS?
- Am I paying too much for certain supplies?
- How do I price my product correctly?
- Which products are performing well and which aren't?
- How do I stay compliant with taxes & legislature? (excise taxes, payroll taxes, TTB reporting, Report on Wine Premises Operations etc.)

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Business visibility

Business decisions

This is illustrative and not considered accounting advice. Please consult with your accounting professional(s).

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Business visibility

Financial reports

- Balance sheets
- Income statements
- Cash flow statements

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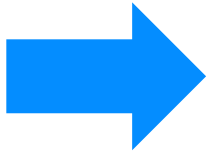
Business visibility

Chart of accounts

- Revenues
- Expenses
- Assets
- Liabilities



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Business visibility

General ledger

Detailed data entries of cash, A/R, inventory, investments, equipment, A/P etc.

Chart of accounts

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Business visibility

Operations & business practices

- Inventory management
- Batch management
- Sales management
- Recipe management
- Equipment maintenance management
- Packaging management

General ledger

Detailed data entries of cash, A/R, inventory, investments, equipment, A/P etc.

Chart of accounts

- Revenues
- Expenses
- Assets
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Financial reports

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Business decisions

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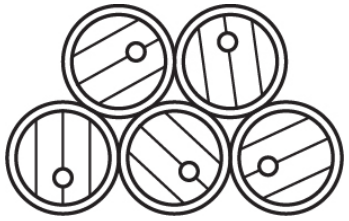
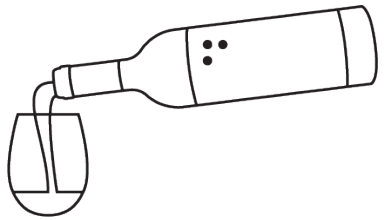
Inventory Management:
Out of spreadsheets & whiteboards

- Track & view your facility & inventory in real time
- Transfers from tank to tank or to storage & packaging
- Monitor finished goods inventory to confidently fulfill orders
- Track what's in your barrels & tanks
- Set reorder points so you don't run out (e.g. packaging)





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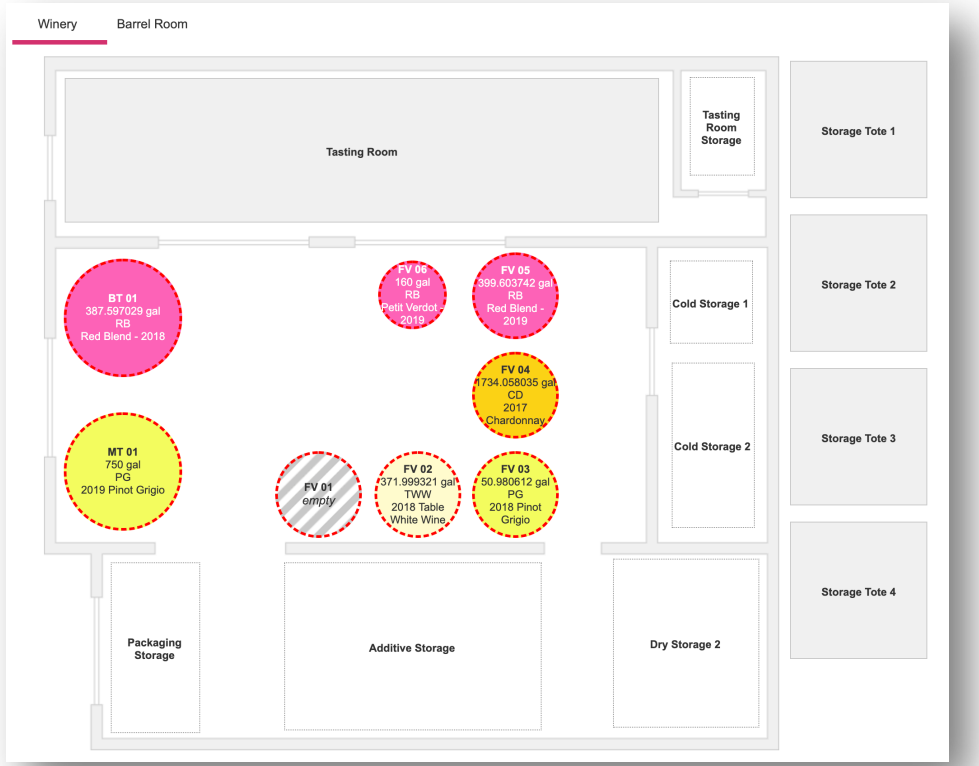
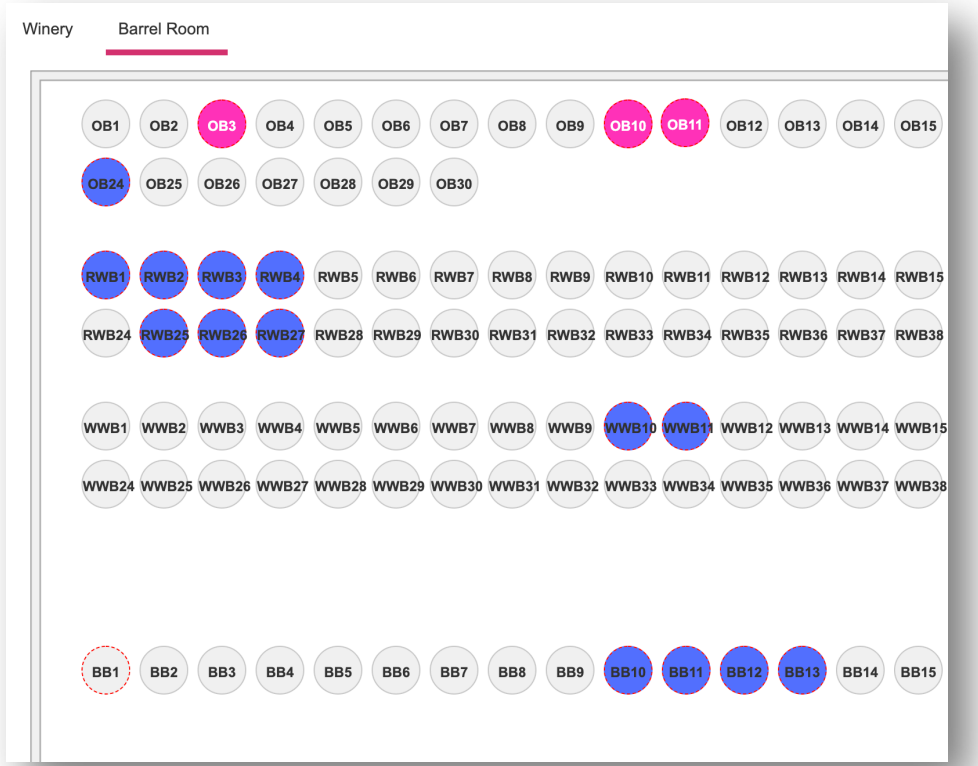
Real time inventory tracking





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Production:
Work smarter, not harder

- Plan your processes in advance or execute on the go
- Communicate better with digital work orders & tracking
- Keep track of historical processes to maintain high quality product
- Scale your business (esp with more employees)

> “As soon as you bring in other people and delegate, you need a trackable system for record keeping. Verbal or paper records can lead to discrepancies, inaccuracies and a lack of communication.
>
> Keith Bishop, Owner, Bishop's Orchards Winery

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Tracing your lots

- In case of a recall, easily find the affected batches and where/when they were distributed
- Leverage tracking to maintain certifications
- Ensure compliance with traceability laws
- Use lot codes to determine which finished goods should be shipped to customers first
- Easily associate lot codes with packaged goods based on the packaging run to help determine "best by" dates

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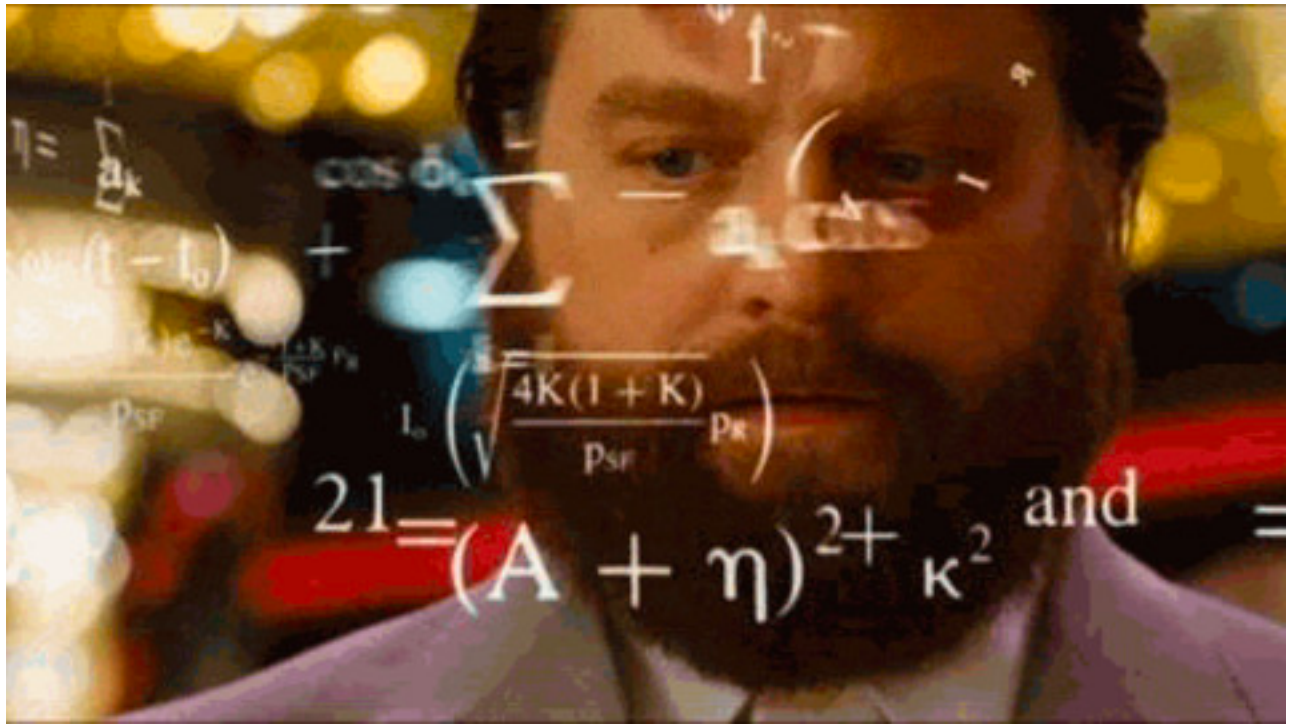
Accounting:
Calculating your costs



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COGS visibility

Landed costs

- Price of goods
- Packaging costs
- Shipment costs
- Insurance fees
- Custom duties
- Other costs

Why:

- Identify patterns & spot points of inefficiencies
- Understand your business' & products' profitability
- Make pricing & sales strategy decisions
- Tax & compliance implications

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Leveraging integrations

Inventory & business management system	Accounting system
Invoice --> inventory depleted automatically	Journal entry recording costs on right account & invoice
Transfer inventory to tax paid location (e.g. tasting room)	Journal entry recording wholesale vs. retail account
Loss/spoilage/product destruction recorded	Journal entry marking losses

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Accounting integration

01. Saves 15-20 hours per month

02. Reduces double-entry & helps you scale

03. Streamlines communication between departments

04. Able to track true cost of products in real time

05. Collects compliance data for tax reporting

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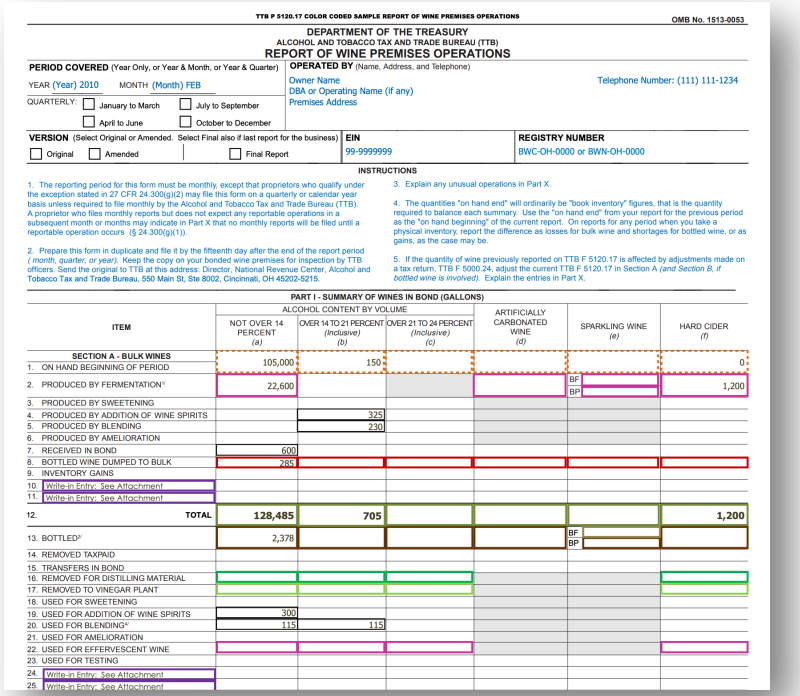
Report of Wine Premises Operations



TTB P 5120.17 COLOR CODED SAMPLE REPORT OF WINE PREMISES OPERATIONS — OMB No. 1513-0053

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)
REPORT OF WINE PREMISES OPERATIONS

PERIOD COVERED (Year Only, or Year & Month, or Year & Quarter)
YEAR (Year) 2010 MONTH (Month) FEB
QUARTERLY: ☐ January to March ☐ July to September ☐ April to June ☐ October to December

OPERATED BY (Name, Address, and Telephone)
Owner Name
DBA or Operating Name (if any)
Premises Address
Telephone Number: (111) 111-1234

VERSION (Select Original or Amended. Select Final also if last report for the business)
☐ Original ☐ Amended ☐ Final Report

EIN 99-9999999

REGISTRY NUMBER BWC-OH-0000 or BWN-OH-0000

INSTRUCTIONS

1. The reporting period for this form must be monthly, except that proprietors who qualify under the exception stated in 27 CFR 24.300(g)(2) may file this form on a quarterly or calendar year basis unless required to file monthly by the Alcohol and Tobacco Tax and Trade Bureau (TTB). A proprietor who files monthly reports but does not expect any reportable operations in a subsequent month or months may indicate in Part X that no monthly reports will be filed until a reportable operation occurs (§ 24.300(g)(1)).

2. Prepare this form in duplicate and file it by the fifteenth day after the end of the report period *(month, quarter, or year)*. Keep the copy on your bonded wine premises for inspection by TTB officers. Send the original to TTB at this address: Director, National Revenue Center, Alcohol and Tobacco Tax and Trade Bureau, 550 Main St, Ste 8002, Cincinnati, OH 45202-5215.

3. Explain any unusual operations in Part X.

4. The quantities "on hand end" will ordinarily be "book inventory" figures, that is the quantity required to balance each summary. Use the "on hand end" from your report for the previous period as the "on hand beginning" of the current report. On reports for any period when you take a physical inventory, report the difference as losses for bulk wine and shortages for bottled wine, or as gains, as the case may be.

5. If the quantity of wine previously reported on TTB F 5120.17 is affected by adjustments made on a tax return, TTB F 5000.24, adjust the current TTB F 5120.17 in Section A *(and Section B, if bottled wine is involved)*. Explain the entries in Part X.

PART I - SUMMARY OF WINES IN BOND (GALLONS)

ITEM	ALCOHOL CONTENT BY VOLUME: NOT OVER 14 PERCENT (a)	OVER 14 TO 21 PERCENT (Inclusive) (b)	OVER 21 TO 24 PERCENT (Inclusive) (c)	ARTIFICIALLY CARBONATED WINE (d)	SPARKLING WINE (e)	HARD CIDER (f)
SECTION A - BULK WINES						
1. ON HAND BEGINNING OF PERIOD	105,000	150				0
2. PRODUCED BY FERMENTATION[c]	22,600				BF / BP	1,200
3. PRODUCED BY SWEETENING						
4. PRODUCED BY ADDITION OF WINE SPIRITS		325				
5. PRODUCED BY BLENDING		230				
6. PRODUCED BY AMELIORATION						
7. RECEIVED IN BOND	600					
8. BOTTLED WINE DUMPED TO BULK	285					
9. INVENTORY GAINS						
10. Write-in Entry: See Attachment						
11. Write-in Entry: See Attachment						
12. **TOTAL**	**128,485**	**705**				**1,200**
13. BOTTLED[b]	2,378				BF / BP	
14. REMOVED TAXPAID						
15. TRANSFERS IN BOND						
16. REMOVED FOR DISTILLING MATERIAL						
17. REMOVED TO VINEGAR PLANT						
18. USED FOR SWEETENING						
19. USED FOR ADDITION OF WINE SPIRITS	300					
20. USED FOR BLENDING[c]	115	115				
21. USED FOR AMELIORATION						
22. USED FOR EFFERVESCENT WINE						
23. USED FOR TESTING						
24. Write-in Entry: See Attachment						
25. Write-in Entry: See Attachment						

- Create reports faster
- Save hours every quarter
- Ensure accuracy & stay compliant
- Audit trail in case of excise tax audit

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Sales management:
Improve communication

- Identify patterns, velocity of sales by product, profitability of each product & forecast future sales orders
- Scaling your team – track & assign team activities
- Create sales orders & invoice on the go
- Create better routing for your distribution team & manage deliveries
- Reserve items for allocations to ensure orders are fulfilled

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The tech advantage

Spreadsheets/whiteboards/ notebooks

- Prone to human error
- Broken links & data
- Easily lost/erased
- Hard to connect the dots

Software technology

- Reduces human error
- Open communication
- Real time
- Proactive decision making
- Automation = efficiencies
- Traceability

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What to look for in a vendor

Technology fit to meet your objectives

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What to look for in a vendor

Technology fit to meet your objectives

Access for all your users included

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What to look for in a vendor

Technology fit to meet your objectives

Access for all your users included

Hands-on customer service, onboarding & training

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What to look for in a vendor

- Technology fit to meet your objectives
- Access for all your users included
- Hands-on customer service, onboarding & training
- Cloud-based & accessible from anywhere & any device

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What to look for in a vendor

- Technology fit to meet your objectives
- Access for all your users included
- Hands-on customer service, onboarding & training
- Cloud-based & accessible from anywhere & any device
- Analytics, reporting & business intelligence capabilities

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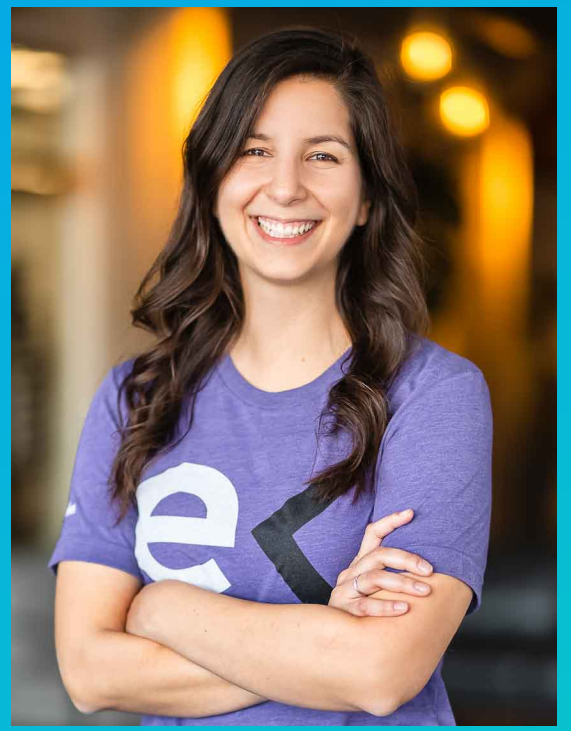
Thank you!

Christina Kyriazi

VP of Marketing

marketing@goekos.com



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VineSpring

Improve Lifetime Sales

Chris Towt, President

Know Your Customer

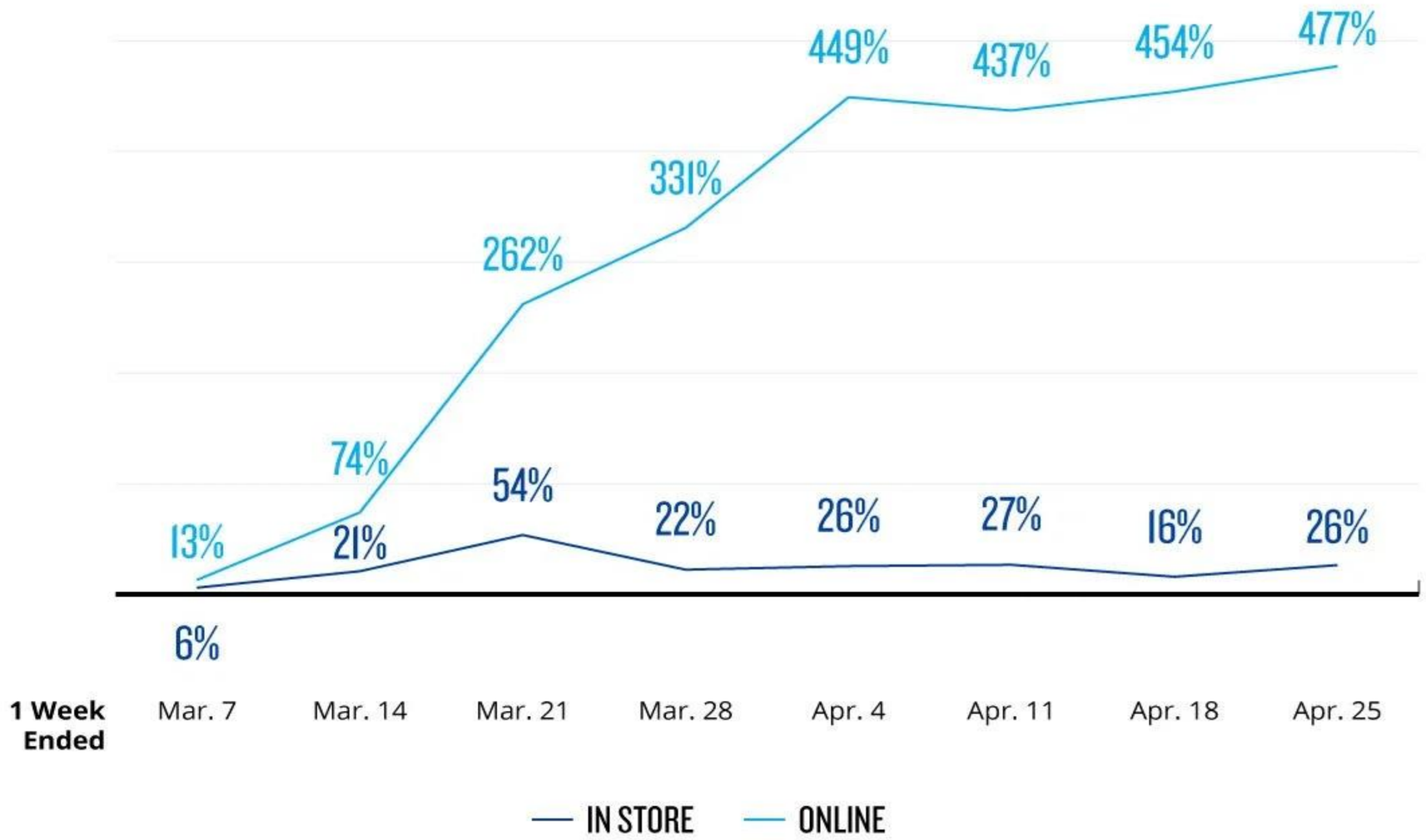
Introduction

Chris Towt
Co-founder / President, VineSpring

Founded in 2011 with a mission to simplify selling beverage alcohol DTC and **improve the lifetime sales** of customers.

ALCOHOLIC BEVERAGES BOOM ONLINE DURING COVID-19

Alcohol Weekly Sales Growth vs. Year Ago



Improve Lifetime Sales

Know Your Customer

1. Define your audience

Improve Lifetime Sales

Know Your Customer

1. Define your audience

2. Build Better Relationships - Automatically

Improve Lifetime Sales

Know Your Customer

1. Define your audience
2. Build Better Relationships - Automatically
3. Make Yourself Available

Improve Lifetime Sales

Know Your Customer

1. Define your audience
2. Build Better Relationships - Automatically
3. Make Yourself Available
4. Get Connected

Know Your Customer

Define Your Audience

Know Your Customer

Audience

Who would you like to reach?

New people
Find people who are similar to your existing contacts

Contacts
Reach people who've already shown interest in your brand

Custom audience ✓
Use demographic and interest keywords to define your audience

Upgrade
Website visitors
Reconnect with people after they visit your website.

State, City, or Zip/Postal Code

New York, United States × California, United States ×

Gender

All | Women | Men

Age range

30 – 65+

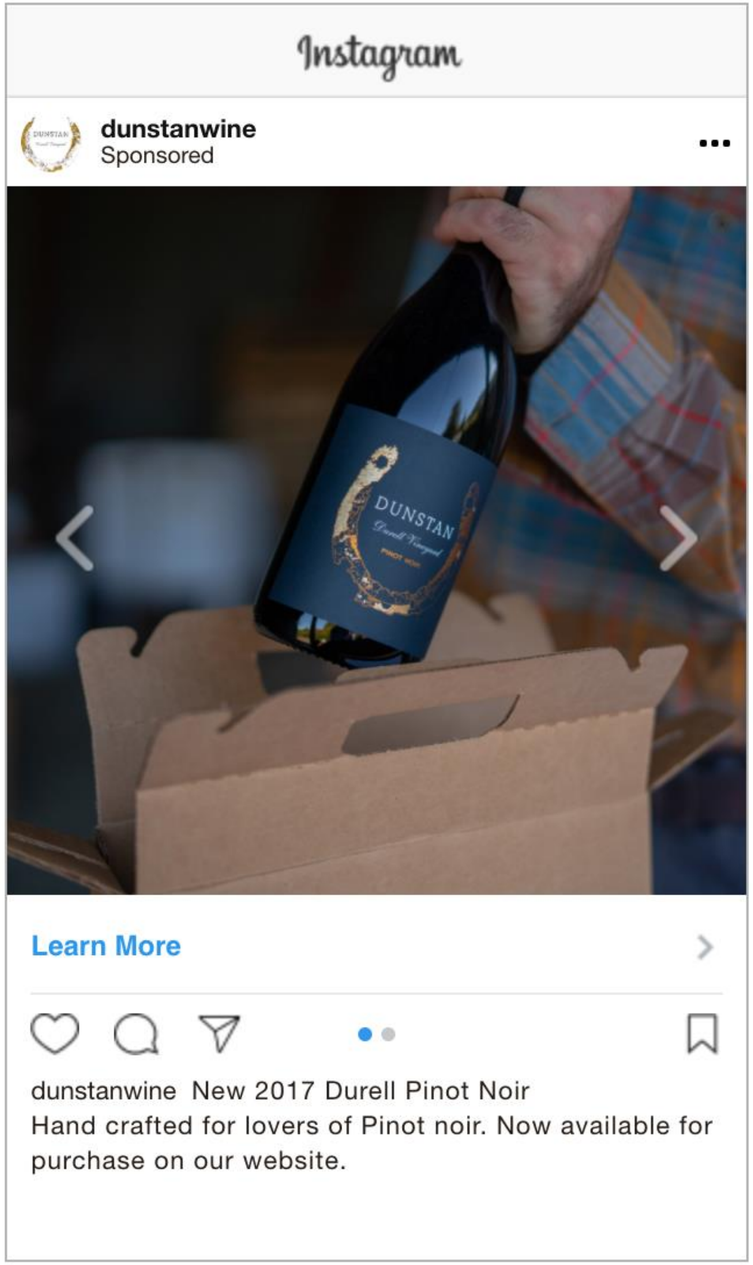
Interests Optional

Wine ×

Add keywords to refine your audience by likes, shares, and other activity.

Save Cancel

Know Your Customer



Ad channel

Your ad will run on Instagram.

Instagram
Placed in the Instagram feed

Audience

Gender	Age Range
All	40 – 65

Locations

Region

California, United States

Budget

The total budget for your ad is **$50.00**.

Your ad will run up to 1 day starting on ad's approval date

Engage Your Customer

Build Better Relationships

01

Connect all your contact data

Bring all your audience data into Mailchimp to start using ready-made segments.

Source: MailChimp

Engage Your Customer

Build Better Relationships

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Connect all your contact data

Bring all your audience data into Mailchimp to start using ready-made segments.

02

Organize what you know

Create your own segments and tags to filter audience data however you need to.

Source: MailChimp

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03

Understand patterns in your data

Get to know your audience at a glance with your audience dashboard.

Source: MailChimp

Engage Your Customer

Build Better Relationships

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Organize what you know

Create your own segments and tags to filter audience data however you need to.

03

Understand patterns in your data

Get to know your audience at a glance with your audience dashboard.

04

Turn audience insights into action

Set up automated messages to trigger based on specific segments or tags.

Source: MailChimp

Tools for Marketing Automation

Engage Your Customer

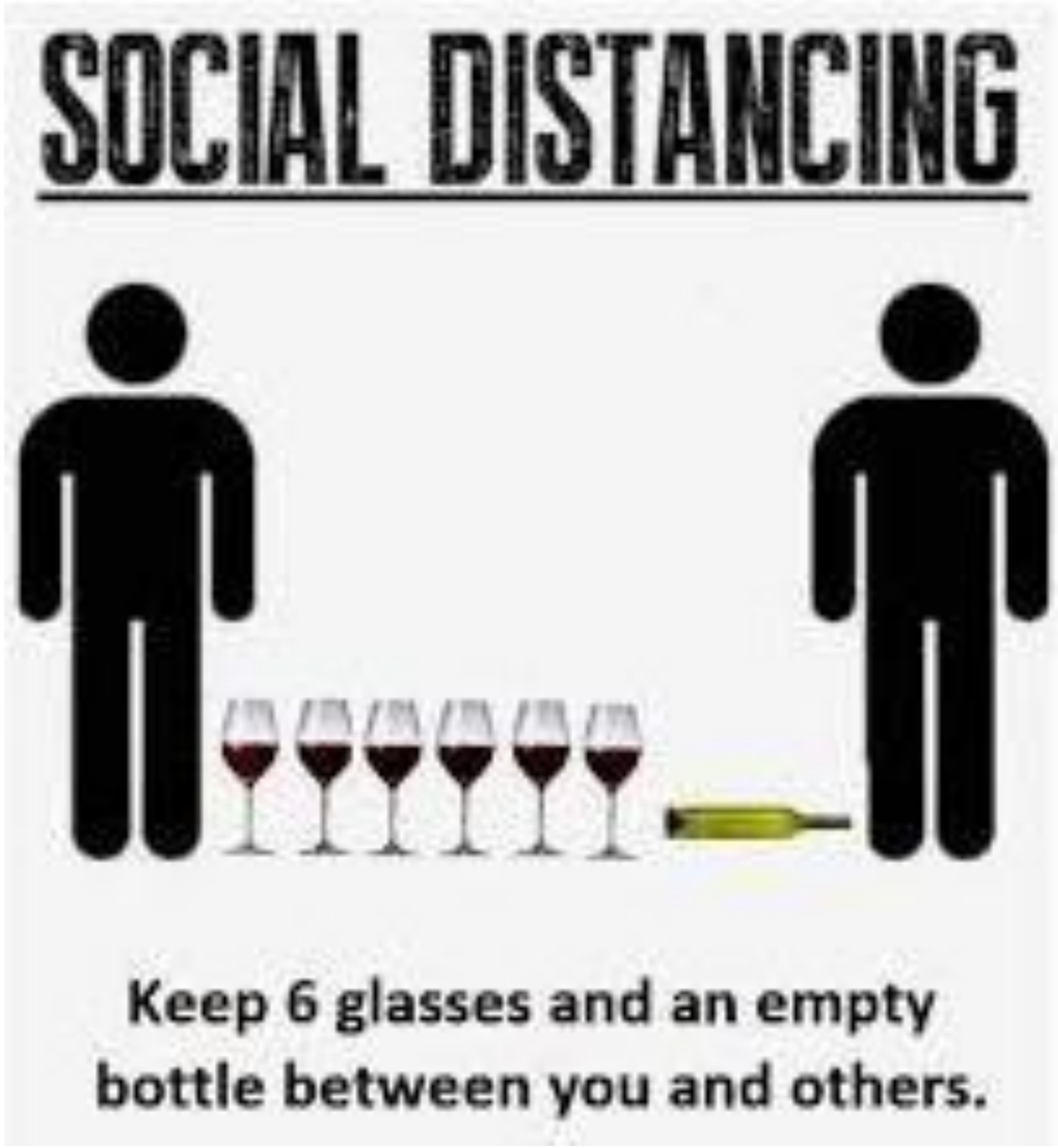
Simple: **MailChimp**

- ➢ Abandoned Carts
- ➢ Thank first time buyers
- ➢ Re-engage customers who haven't bought in a while
- ➢ Reward loyal customers with a special offer

Advanced: **Infusionsoft**

- ➢ Multi-step workflows
- ➢ Sales Pipeline

The Power of Human Connection



Share Your Brand

Share Your Brand

NOT A LOCAL? NO PROBLEM.

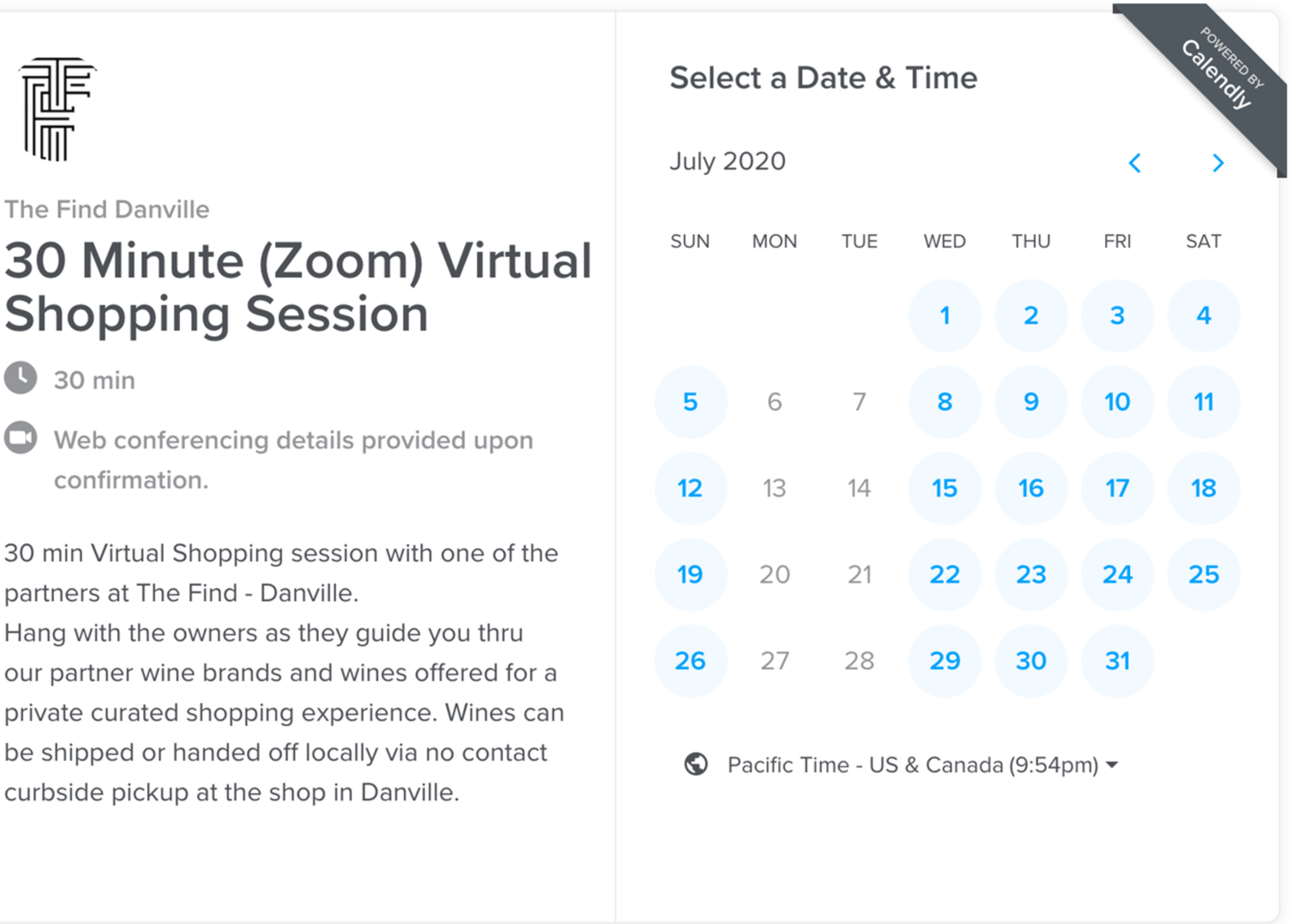
The Find Danville

30 Minute (Zoom) Virtual Shopping Session

30 min

Web conferencing details provided upon confirmation.

30 min Virtual Shopping session with one of the partners at The Find - Danville.
Hang with the owners as they guide you thru our partner wine brands and wines offered for a private curated shopping experience. Wines can be shipped or handed off locally via no contact curbside pickup at the shop in Danville.



Connecting – Virtually & In-Person

Share Your Brand

Simple: **Calendly**

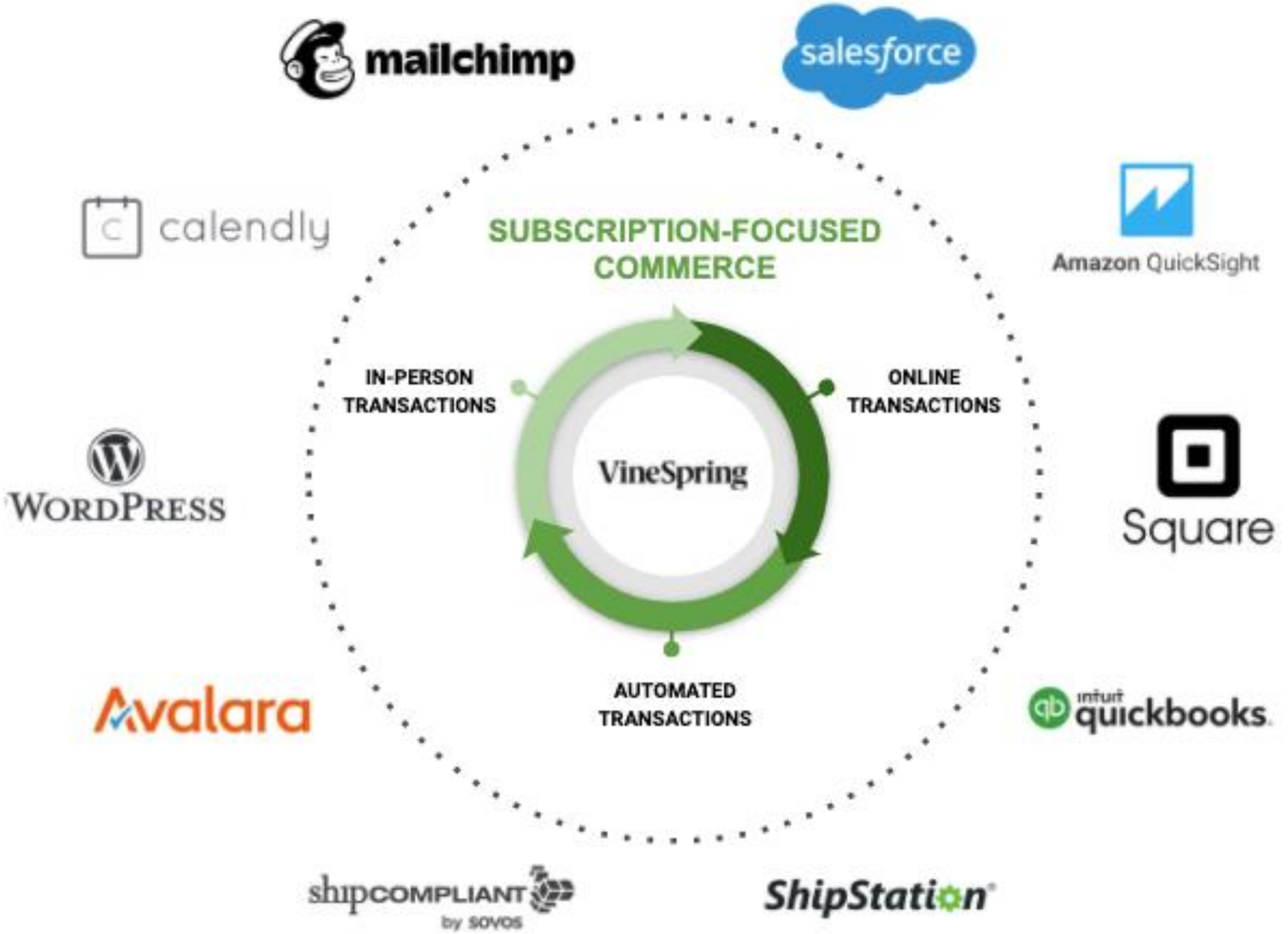
- ➢ Move from phone & paper calendars to shared calendars
- ➢ Great for virtual tastings (connects to web conferencing) and in-person experiences

Advanced: **OpenTable**

- ➢ Table management
- ➢ Flexible pre-payment options for customers

Connecting Programs

Directly Integrated



Webhooks & API

Webhooks and **API**s offer another avenue for transferring data between programs.

Connecting Programs

Webhooks & API

Webhooks and **API**s offer another avenue for transferring data between programs.

API = Polling
Webhooks = Event Driven

Connecting Programs

Connecting Programs

Webhooks & API

Webhooks and **APIs** offer another avenue for transferring data between programs.

API = Polling
Webhooks = Event Driven

- Polling is like knocking on your friend’s door and asking if they have any sugar.

Connecting Programs

Webhooks & API

Webhooks and **APIs** offer another avenue for transferring data between programs.

API = Polling
Webhooks = Event Driven

- Polling is like knocking on your friend's door and asking if they have any sugar.
- Webhooks are like someone tossing a bag of sugar at your house whenever they buy some.

Connecting Programs

Webhooks & API

Webhooks and **APIs** offer another avenue for transferring data between programs.

API = Polling
Webhooks = Event Driven

- Polling is like knocking on your friend's door and asking if they have any sugar.
- Webhooks are like someone tossing a bag of sugar at your house whenever they buy some.

zapier

Goal: Improve Lifetime Sales

1. Define your audience
2. Build Better Relationships - Automatically
3. Make Yourself Available
4. Get Connected

Thank You!

Chris Towt
chris@vinespring.com