

# Executive Summary

Liquor Store Luxe is a premium beverage retailer in the fast-paced liquor store industry. We cater to medium to high income adults aged 21-45, offering a diverse array of high-end liquors, wines, and craft beers. Our mission is to meet market needs by offering quality beverages coupled with expert advice and top-notch service. We not only sell beverages but also offer personalized alcohol recommendations and convenient home delivery options.

We are competing in a vibrant market, with significant competitors such as Bottle Royale, Elite Spirits, and Luxury Liquors. Nevertheless, we believe our unique selling proposition lies in our pairing of premium beverages with an unrivaled package of services and experiences.

Liquor Store Luxe operates within a hierarchical structure, led by our General Manager, John Doherty. John has an MBA and 20 years of liquor industry experience. He leads a team of department heads who manage our Wine, Spirits, Craft Beers, and Luxe Accessories departments. Each department head oversees 10-15 employees; our team is dedicated, experienced, and driven to succeed. Our CFO, Sasha Bell, provides top-tier financial expertise, while our Marketing Director, Vanessa Scott, and our Operations Manager, Tom Richards, each bring a wealth of industry-specific experience to their roles. Simultaneously, our Supply Chain Manager, Lisa Harper, ensures that our global sourcing strategies run smoothly and sustainably.

Our marketing and sales strategy revolves around digital marketing platforms, including social media and email campaigns, together with in-store promotions and events. Our 24/7 online store offers local delivery and pick-up, ensuring optimal accessibility for our customer base.

Operationally, we maintain a product inventory of approximately 2000 items sourced globally, each carefully selected to align with our premium product focus. We open our doors to customers from 10 AM to 11 PM, with a dedicated staff ensuring service quality across all shifting schedules.

In terms of financials, we project a 5-8% annual sales increase over the next five years, going from an initial \$1.5 million to approximately \$2 million by year five. Additionally, we expect to see our net profit margin rise from 18% to 22% due to continuous improvement in our operational practices.

As with any business venture, Liquor Store Luxe acknowledges potential risks and uncertainties in our industry, such as underage alcohol sales, alcohol addiction, supply chain disruptions, theft, changes in regulations and taxes, slow-moving stock, stiff competition, pandemic-related closures, lowered consumer spending, and potential reputational damages. We have manifested mitigation strategies to reduce these risks, focusing on rigorous ID checks, responsible sales procedures, multi-vendor partnerships, security measures, legal compliance, inventory checks, exceptional customer service, robust online platforms, competitive pricing, proactive customer relations, etc.

In summary, Liquor Store Luxe is a merchant of fine beverages and a purveyor of standout service. We believe in our unique business model and are confident about the strategic plans we have put in place, granting us a competitive edge to thrive in

the premium beverage retail industry. Our experienced and dynamic management team, underpinned by our vision to bring quality and convenience to our customers, stands ready to lead the business into a prosperous future.

## **Business Description**

Liquor Store Luxe, situated in the heart of New York City, is a premium liquor retailer specializing in the sale of high-end spirits, fine wines, and boutique beers. Established in 2015 by a team of spirited enthusiasts, the purpose of Luxe was to meet the demand for a specialized liquor store catering to discerning consumers seeking extraordinary libations often not readily accessible in regular stores.

Our Mission Statement is "To offer an exceptional selection of fine beverages from around the world, presented with knowledge, passion and excellence in customer service." Luxe is legally set as a corporation, with shares held by the founding members.

Luxe endeavors to evolve a culture of enjoying high-quality liquor responsibly. Its aim is to define the essence, elegance and enjoyment in the world of liquor retails and capitalize on the growing desire among consumers for unique and high-quality beverages.

The business sells a wide array of products designed to suit every occasion, taste, and need, including a diverse selection of wines, beers, and spirits. We also offer rare, limited-edition releases for the discerning collector. Aside from our physical store location, we operate an efficient ecommerce platform that provides home delivery options and a digital concierge for personalized beverage recommendations.

Luxe operates under a corporate business structure. The principal members include CEO and co-founder John O'Riley, CFO Marianne Swift, and COO Robert Hamilton, who altogether bring in a wealth of experience from the beverage, finance, and operations sectors. The corporation structure allows Luxe to raise investment for growth and mitigate personal risk.

Luxe's strategy projects a steady expansion for the next five years, following its successful initial years of operation. Given the rising trend of premium brand consumption coupled with the expanded brand consciousness, there is tremendous growth potential for Luxe in the long term. The goal is to firmly establish Luxe as not only a leader in fine beverages in New York but also nationwide.

We envision locations in crucial markets across the country and anticipate online sales to make up a growing proportion of revenues as our brand gains recognition. By adhering to our mission of offering exceptional customer service and an unrivaled product range, we forecast our annual sales growth at approximately 6% over the next five years.

In adherence to all legal regulations at both the state and federal levels, Luxe ensures that its products are marketed and sold responsibly. The management recognizes the risks associated with the industry, including regulation changes, market volatility, and potential supply shortages. We continuously evaluate potential threats and devise action plans to mitigate them effectively to ensure the business's longevity and financial stability.

# Market Research and Analysis

Liquor Store Luxe operates in the bustling liquor industry, which has experienced steady growth over the past few years. The industry is currently estimated at \$58 billion per year in the U.S. with a 3% annual growth rate. The market promises incredible potential, further underscoring our drive to offer liquor connoisseurs niche, high-quality products.

Our target market comprises adults aged 21-45, characterized by medium to high income levels, a refined palate, and a preference for premium alcoholic beverages. Given the extensive population of our target demographic, we estimate an impressive growth potential.

The market demand for high-end alcoholic beverages remains constant but with increasing leanings towards "craft" and "artisanal" products. Therefore, our offering of a wide range of fine liquors, wines, and craft beers will meet and surpass this market need with assurance. We also note an increasing demand for a tailored shopping experience, and as such, we provide personalized alcohol recommendations, meeting a crucial market need.

More consumers trend towards online shopping, and this is reflected in our market segment. So, implementing a comprehensive eCommerce strategy will be integral to reaching more of our market demographic and meeting their shopping preferences.

Our core competitors are Bottle Royale, Elite Spirits, and Luxury Liquors. Bottle Royale has a strong market presence due to its extensive years in the business, but lacks a personalized approach to selling. Our tailored offerings provide a competitive edge against them. Elite Spirits excels in providing rare and exclusive spirits, and Luxury Liquors offers a wide variety of local and international alcohol brands. Their weaknesses lie in the lack of adequate delivery options, which Liquor Store Luxe includes as part of its offering.

Possible barriers to entry include strict regulations and licensing, intense competition, and the large capital investment required to stock an array of high-end products. However, we have accounted for these factors in our start-up plan, ensuring that Liquor Store Luxe has the necessary licenses and complies with all relevant local and federal regulations, to secure a successful entry into the market.

In sum, our comprehensive market research and analysis highlight a sizable and growing target market characterized by a preference for premium and varied alcoholic beverages. With our strategic business plan, we will successfully tap into this market, outmatch competitors, and overcome potential barriers. We remain devoted to offering exceptional client service, superior products, and an overall unmatched shopping experience.

## SWOT Analysis

### Strengths

### Weaknesses

## **Strengths**

Liquor Store Luxe's strengths reside in its commitment to offering a curated selection of premium beverages to a discerning customer base. This focus on luxury items targets a niche market segment that is often willing to pay more for higher-end products, leading to potentially higher profit margins. The expertise of General Manager, John Doherty, backed by his MBA and extensive experience, along with the specialized staff under the department heads, provides an authoritative industry presence that can help maintain quality service and advice. A strong hierarchical organizational structure ensures efficient decision-making and operational processes. The incorporation of personalized recommendations and home delivery services signifies a robust value proposition that addresses customer convenience and satisfaction. Additionally, the company's proactive digital marketing strategy, including a 24/7 online store presence, meets the modern consumer's preference for digital engagement and e-commerce.

## **Opportunities**

## **Weaknesses**

Liquor Store Luxe may face limitations due to its reliance on medium to high-income consumers, potentially missing opportunities with price-conscious consumers during economic downturns. Maintaining an inventory of approximately 2000 premium items can lead to higher carrying costs and the possibility of slow-moving stock if not managed diligently. While a hierarchical structure can streamline operations, it also risks slower response times to market changes and can inhibit creative problem-solving at lower organizational levels. As a premium retailer, the price point of products may deter budget-minded consumers and those affected by economic recessions. Furthermore, the reliance on digital platforms might alienate less tech-savvy customers or those who prefer traditional purchasing methods.

## **Threats**

## **Strengths**

The growing consumer trend towards premium and craft alcohol options presents significant opportunities for expansion. Liquor Store Luxe's specialized focus allows it to leverage this shift in consumer tastes. The market for experiential retail and personalized services is expanding, and Liquor Store Luxe can capitalize on this by offering tasting events, custom gift baskets, and bespoke subscription services. By establishing loyalty programs and exclusive memberships, it can build a dedicated customer base and improve customer retention. Collaborations with local and global distilleries and breweries can also introduce unique products and serve as promotional events. Expansion into e-commerce and home delivery services creates additional revenue streams and aligns with post-pandemic consumer preferences for convenience. Regulatory changes that favor alcohol delivery services can further improve the business's market reach.

## **Weaknesses**

Liquor Store Luxe operates in an industry with stiff competition from other high-end retailers such as Bottle Royale, Elite Spirits, and Luxury Liquors. The company must continuously innovate to stay ahead. Strict regulations on alcohol sales pose a compliance risk; non-compliance with ID checks could lead to legal issues and reputational damage. Supply chain disruptions, which could arise from global events, could threaten inventory availability and consistency. Import tariffs and taxes can also fluctuate, affecting cost structures. Economic recessions or downturns can significantly impact consumer spending on luxury goods, including premium liquor, and pose a threat to the company's financial health. Moreover, societal concerns about alcohol addiction could lead to stricter regulations or a shift in consumer behavior away from alcohol consumption. Lastly, technological changes require constant updates to digital marketing and e-commerce platforms to remain competitive.

## **Organizational Structure and Management**

The organizational structure of Liquor Store Luxe is hierarchical with a board of directors overseeing the entire operation. The board includes a chairperson and five directors, each with extensive industry experience and knowledge to guide the company's strategic decisions. On the executive level, there is a chief executive officer, chief financial officer, marketing director, and operations manager.

The CEO, Mr. John Doherty, has an MBA and over 20 years of experience in the liquor industry. Having worked his way up from a store associate position, he possesses profound, hands-on insight into the business. His primary responsibilities include strategic decision-making, business development, securing partnerships, and overseeing all other executives' work.

The CFO, Mrs. Sasha Bell, is a Certified Public Accountant with over 15 years of experience in commercial retail financial management. She oversees all the company's financial operations, including budgeting, financial forecasting, and securing capital for expansion.

Our marketing director, Mrs. Vanessa Scott, brings over a decade of experience in market research, brand promotion, and product management in the liquor industry, while our operations manager, Mr. Tom Richards, has a notable 12 years of experience managing various liquor stores.

As the business scales, we anticipate the need to hire departmental managers, sales associates, cashier, supply chain coordinator, and HR manager.

Our HR practices will center around building a team with a passion for customer service excellence, a solid understanding of luxury alcoholic beverages, and an adherence to ethical standards and laws. It includes a competitive remuneration package, continuous training programs, and performance appraisals, fostering an inclusive work environment that celebrates diversity.

We have retained the services of MillerReed Consultancy, one of the leading consultancy firms in the retail industry, to guide our strategic planning. They will work closely with the executive team offering expert opinions regarding market trends, strategic positioning, potential partnerships, and expansion strategies.

In conclusion, Liquor Store Luxe is poised to cater to the affluent adult population seeking fine liquors and an outstanding shopping experience, propelled by an experienced and passionate team. Our business model, which combines a physical storefront with an online platform, strengthens our position to cater to our target market's varying preferences.

## **Products or Services**

The primary offerings of Liquor Store Luxe are high-end liquors, wines, and craft beers, catering to consumers' cravings for premium quality beverages. We also offer personalized alcohol recommendations, a service that sets us apart by aligning customers' preferences and tastes with our vast product line-up. Additionally, our home delivery option ensures convenience, meeting the growing consumer demand for easy, timely access to products.

Our unique selling points are our remarkable focus on curated, high-quality products and exceptional customer service. Amassing a range of finely crafted and sought-after beverages worldwide, our store stands out in richness and variety. With experienced staff available to offer knowledge-based recommendations, our commitment to personalized service sets the tone for an unparalleled shopping experience.

Currently, Liquor Store Luxe is in the growth phase. Our product offering, both in-store and online, has been well received by the market. We have established a solid customer base and robust supplier relationships, allowing for strong financial performance in our operating years. Our future plans involve expanding our product range to include even more artisan spirits and specialty drinks, improving our online platform to create a seamless shopping experience, and opening new locations in high-end neighborhoods.

We have filed for trademarks for both the name of the store and logo. This investment in intellectual property protection is part of our strategic plan to solidify the brand's position and identity in the market.

Our production process basically involves procurement of finely made liquor, wines, and beers from reputed manufacturers and suppliers worldwide. Strict quality checks are performed to ensure only the best products reach our shelves. We operate as a retailer, which means our involvement in the actual production of the

beverages we sell is minimal.

However, we've established solid relationships with several suppliers worldwide. While we keep the specifics of our supplier information classified, we can share that we partner with vineyards in France and Italy, spirit distillers in Scotland and the USA, and craft breweries from Belgium, Germany, and local microbreweries. We select our partners based on the quality of their products, reliability of supply, ethical business practices, and competitive pricing. It is through these strategic relationships that we can stock such a diverse, high-quality product range.

In summary, Liquor Store Luxe is a business committed to delivering not just products, but a sophisticated shopping experience. Our business plan, focused on quality, variety, and customer service, allows us to compete effectively while achieving financial growth and consumer recognition.

## **Marketing and Sales Strategy**

Our marketing strategy is based on understanding the needs of our customers and delivering value in a way that aligns with their expectations. We have developed a comprehensive marketing approach that utilizes various methods to engage our target audience.

Firstly, we will maximize our online presence through a user-friendly website and active social media profiles, including Facebook, Instagram, Twitter, and LinkedIn. Regular updates on our latest products, promotions, and events will keep our customers informed and excited about what we have to offer.

We will utilize email marketing campaigns to connect with our customers personally. Our emails will detail special offers, new arrivals, and personalized recommendations based on their buying history.

In-store events, such as wine tastings, craft beer launches, and meet-the-maker sessions, will invite our customers to experience our products first-hand, further deepening their connection with our store and the products we offer.

Our sales strategy relies on building a team of knowledgeable and passionate staff to drive sales both in-store and online. The sales team will receive regular training and development to ensure they are up-to-date with the latest product information and equipped with top-notch selling skills. They will be responsible for driving customer engagement, offering personalized recommendations, up-selling, cross-selling, and ensuring an overall pleasant shopping experience for all customers.

We will utilize dynamic pricing based on the quality, scarcity, and uniqueness of our products, ensuring value for money without compromising profitability. Periodic reviews will ensure our prices remain competitive within the industry.

Liquor Store Luxe will leverage both offline and online distribution channels, maintaining a well-stocked physical store and an ecommerce platform for local delivery and pick-up. This dual channel approach caters to the varied shopping preferences of our target market, while at the same time expanding our reach.

Promotions and advertising will play a crucial part in increasing our visibility and driving sales. Regular ads on local newspapers and radio stations, coupled with

sponsored online ads, will expose our offerings to a larger audience. In addition, we will offer special promotions during holiday seasons, exclusive discounts to loyal customers, and referral incentives to encourage our customers to spread the word about us.

In terms of customer service, we are committed to providing exceptional service before, during, and after the sale. This includes responsive customer support, easy return and refund policies, and resolving any customer issues swiftly and effectively. We firmly believe that a satisfied customer is a repeat customer, and therefore, investing in excellent customer service is vital to our success.

## **Operations Plan**

Our daily operations fall under the purview of the Operations Manager assisted by a Store Supervisor for each shift. They formulate staff rosters to ensure there's a sufficient workforce during peak and non-peak hours. The daily tasks include opening and closing the premises, utility checks, inventory checks and restock, cleanliness maintenance, and daily account reconciliation.

Moving onto production, we function as a retail business and don't produce our offerings but rather source them from a range of premium providers. The procurement process involves an intense vetting of each product for quality before it's added to our stock.

Our quality control measures entail closely monitoring the product sourcing and delivery stages. Our team conducts routine checks to ensure all available products are within their sell-by dates and in good condition. We ensure this by clearly labelling delivered items with their respective receiving dates and by placing the oldest stock at the front.

Our inventory management is strongly tied to our supply chain management. We aim to maintain optimal stock levels, and to achieve this, we conduct weekly inventory checks and use a Just-in-Time approach of replenishing stock as it's sold. We use inventory management software that alerts us in real-time when stocks are low.

Regarding our supply chain, we have established robust relationships with top liquor distilleries and producers globally to maintain a seamless supply chain. Furthermore, our supply chain manager continually evaluates our connection with our suppliers, modifying and optimizing relationships as necessary while seeking out potential new partnerships that could enhance our offering.

Concerning facilities and equipment, we operate from a 2000 sq. ft. leased property well-situated in the heart of New York. The premises include the customer area, storage area for surplus stock, staff area, and administrative offices. The store has been designed to exude a luxury feel with dark wood-panelled walls and glass display counters. The crucial equipment includes cash registers, a security system, display shelving, signage, and barcode scanners.

For our online operations, we have robust server infrastructure and security measures to maintain the integrity of our digital platform and protect customer data. We own a delivery van for the home delivery service, and we plan to add another when the delivery demands increase.



In conclusion, we believe our operations plan, designed with great attention to detail, plays a vital role in the successful running of the Liquor Store Luxe.

## **Financial Projections**

The financial projections for Liquor Store Luxe have been formulated based on our extensive market research, existing financial data, and strategic business plan. The forecasts have been tailored to encompass all aspects of our operations, including sales forecast, cash flow projection, profit and loss projection, balance sheet projection, and break-even analysis.

Our sales forecast for the next five years has been calculated with a conservative annual growth rate of 10%. In the first operational year, we have projected sales estimated at \$1.6 million. We anticipate a steady increase, predicting sales upwards of \$2.6 million by the fifth year of operation.

Profit and loss projections take into account our revenue, as well as operational costs like overheads, inventory, salaries, and marketing costs. The first year does not predict a massive profit due to the initial investment and set-up costs. However, from the second year onwards, we expect a profit margin of 15% to 20% as sales increase and operational systems become more efficient.

The cash flow projection demonstrates the liquidity position of our business. Over the first year, we project a slightly negative cash flow due to set-up expenses, product procurements, and marketing costs. But, the future cash flow is anticipated to improve steadily with increasing sales and well-managed expenditure.

Our balance sheet projection gives an overview of our company's financial health, indicating assets, liabilities, and shareholder's equity. Initial assets will consist of inventory, cash at bank and the physical store. Liabilities will primarily include a business loan, which will be gradually paid off over the predicted period.

The break-even analysis reveals when our business will be able to cover all its expenses and start making a profit. It is projected that Liquor Store Luxe will reach its break-even point at the end of the first year of operations.

All these financial figures are based on certain assumptions such as fixed interest rates, stable commodity prices, market trends, and economic forecasts. They also consider prospective challenges and opportunities in the industry.

In conclusion, with reliable control over operational costs, steady customer growth, and continued relevance of our product range, our business shows strong potential for profitability and positive economic performance. We are assured of the financial robustness and sustainability of Liquor Store Luxe.

## **Risk Analysis**

In running a business such as Liquor Store Luxe, several potential risks might be encountered. These could range from market uncertainties, operational glitches, financial set-backs, legal obstacles, or unforeseen natural disasters. We understand that these hitches could impact our growth, stability, and profit margins if not

appropriately predicted and dealt with.

**Market Risks:** The first risk that businesses such as ours typically face is market volatility. Economic downturns, changes in consumer preferences, increased competition, and regulatory changes are all factors that could impact our operations. Furthermore, the specific nature of our product niche brings with it the risk of decrease in demand for luxury liquors.

**Operating Risks:** These could range from supply chain disruptions to employee attrition, theft of goods, store damage, or logistic issues with our home delivery services.

**Financial Risks:** Liquor Store Luxe could be confronted with financial set-backs, due to cash flow issues, increased operational costs, delayed payments from customers, unexpected increase in commodity prices, or reduction in consumer spending due to economic upheavals.

To mitigate these risks, our business has formulated strategic plans. Under market risks, we commit to frequent market research to adapt to changes and trends, diversification in product offering to cater to a larger clientele, competitive pricing, and maintaining a strong online presence.

To combat operational risks, we plan to foster good employee relations and competitive benefits for staff retention, tie-up with multiple suppliers to cushion supply chain disruptions, stringent security measures in store, and ensuring operational efficiency in home delivery services.

Financial risks can be managed by keeping a careful eye on cash flow, ensuring timely and accurate bookkeeping, maintaining a strong relationship with our financiers and having the capacity to secure additional finance if required.

Despite the best planning, sometimes unforeseen situations arise. In such cases, it's important to have a contingency plan in place. In case of severe market downturns, we plan to diversify our offerings further, and potentially pivot towards more affordable products temporarily. Faced with large-scale operational disruptions, our contingency plan is to ramp up our online presence and services if physical operations are affected.

We have a business interruption insurance cover that insures our business against losses sustained due to periods of suspended operation. The coverage limit is enough to cover our staff's wages for a month and our fixed costs. The company also has a general liability insurance cover, that can protect the business from lawsuits and other financial liabilities resulting from accidents or other mishaps.

In the midst of potential legal issues that could arise with government regulations on liquor retailers, our close working relationship with experienced attorneys ensures the prompt navigation of such issues.

In conclusion, while Liquor Store Luxe acknowledges the potential risks, we consider ourselves well-prepared to handle unforeseen circumstances. We commit to maintaining a hands-on approach to managing these risks and ensuring our business operations continue to flourish. It will be an ongoing challenge but one that we are certainly prepared for.