

CRAFTING STRATEGY

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MAKING DECISIONS IN AN INCREASINGLY UNCERTAIN INDUSTRY



YOU CAN'T SEE THE FUTURE THROUGH THE REAR VIEW MIRROR --PETER LYNCH, BEATING THE STREET, 1994



SOURCE: KPILIBRARY.COM



WHAT DO EXPERT ENTREPRENEURS DO? HOW CAN YOU BE STRATEGIC IN AN UNCERTAIN WORLD?

MARKETS THAT DON'T EXIST CAN'T BE ANALYZED -- CHRISTENSEN, 2003



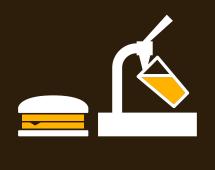
BUSINESS MODELS NOT BUSINESS PLANS

BREWER Wholesale Retail

TRADITIONAL 3-TIERED SYSTEM



SELF-DISTRIBUTION



BREWPUB



TASTING ROOM

EACH BUSINESS MODEL HAS A DIFFERENT PROFIT STRUCTURE

BUSINESS MODELS PARADIGM

<u>OLD - BUSINESS PLANS</u>

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NEW - BUSINESS MODELS

CONTROL THE PRESENT

MARKET RESEARCH

PREDICT THE FUTURE

MARKET ENTRY & EXPERIMENTATION

FULL SCALE MARKETING PLAN

SHORT TERM - HYPER CYCLE PLAN

FIRST TO MARKET

FIRST TO MINDSHARE

BUSINESS MODELSPARADIGM (CONT'D)

OLD - BUSINESS PLANS



NEW - BUSINESS MODELS

BE SECRETIVE & BE PERFECT:
HIDE IN YOUR OFFICE CONDUCTING MARKET
RESEARCH, WRITE THE PERFECT BUSINESS PLAN,
ONLY ENTER THE MARKET AFTER SECURING
OUTSIDE FUNDING

FAIL FAST & FAIL CHEAP:
TALK TO EVERYONE, GET OUTSIDE THE BUILDING,
LAUNCH THE BUSINESS AS SOON AS POSSIBLE,
EXPERIMENT, FAIL CHEAP, LEARN, TRY AGAIN

UPSIDE MARKET POTENTIAL DRIVES BUSINESS
PLAN FUNDING NEEDS

DOWNSIDE MARKET RISK DRIVES BUSINESS MODEL
NEEDS

RETURN ON INVESTMENT

Affordable Loss

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