

Strategic Decision Making Model

Alcoholic Beverages

With this end-to-end operational financial model our client has access to both production and sales forecasting helping them balance their production decisions with the levels of sales that they projected in the years ahead.



Client

Our client is an ASX-listed whiskey and vodka producer that owns and operates a distillery and bottling facility in Victoria Australia. The company has created its own portfolio of iconic alcohol brands and sells bottled spirits and premixed drinks to bars and bottle-shop distributors.

Purpose

The client needed a strategic decision-making tool for the operation of their rapidly expanding business. They also required financial projections that would support their investment pitch to brokers and the broader market for listing on the ASX. They required a detailed operational financial model that considered factors from all sides of the business including distillation, barrelling & maturation, bottling & canning and detailed international and domestic sales forecasting on a contract by contract basis.

Approach

We created an end-to-end operational financial model that included both production and sales forecasting. This allowed the client to balance their production decisions with the levels of sales that they projected in the years ahead. The tool was used to balance working capital levels and cash flow requirements for a product that can take over two years to mature. The tool was used for calculating:

- Optimal production and working capital levels
- Projected sales and cashflow
- Domestic and international sales splits which have different taxation treatments
- Varying margins on a product-by-product basis
- Debt funding and repayments
- Equity capital raising

Outcome

The dashboard enabled the client to provide a live and interactive presentation of their business forecast information to potential investors. This enabled investors to examine the key metrics of the business in detail through high quality visualisations without having to dig through equations in a full financial model.

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