

Kary's Brewery Financial Training Program

Course Outline

Course Overview

The [Brewery Financial Training Program](#) is for craft brewery owners, managers and staff who need practical financial training so that they can improve financial results in their business.

The course is taught by a CPA with over 20 years of experience working in the beer business as a chief financial officer. Course materials include only proven and effective real-world ideas and tactics.

During the COVID-19 pandemic, financial training is a survival skill. This course will provide you with tools and strategies to navigate the financial challenges and build a strong brewery business for the future.

Moreover, the course is perfect for brewery owners and managers who are focused on creating great beer and a great beer business. Our financial training program provides you with straight-forward, actionable tactics to build a stronger and more profitable company.

A more profitable brewery gives you a competitive advantage in the market by providing the ability to invest in new equipment to meet changing market demands, carry a sufficient safety stock of critical packaging materials (cans, raw materials, etc.), and have a cash cushion to weather future reductions in sales and cash flows due to the pandemic, or other market downturns.

The Brewery Financial Training Program delivers practical and actionable financial training for non-financial owners, managers, and staff.

Course Outline

Introduction to the Brewery Financial Training Program

- Benefits of the program
 - Increase brewery profits and cash flows
 - Stay current on the latest financial planning, implementation, and tracking techniques
 - Engage staff through online video training
 - Increase learning retention with easily digestible learning topics
 - Improve student accountability with testing and scoring
 - Take advantage of Live Q&A Sessions with the brewery CFO
- Course materials
 - Videos with step-by-step instructions

- Download materials to support the lessons: Templates, financial models, and checklists
- Action items and assignments to put the lesson material into practice
- Quiz on the material at the end of each module to improve learning retention
- About the course instructor
 - Kary Shumway, CPA, former CFO for a beer wholesaler
 - Currently a partner and CFO at Wormtown Brewery in Worcester, MA
 - Instructor for University of Vermont School of Craft Beer
 - Author at Brewbound, Beverage Master, Craft Brewing Business
 - Presenter at Craft Brewer's Conference, National Beer Wholesalers Convention, State Brewer's Guilds, Master Brewer's Association
- How this program can transform your brewery business
 - Implement financial planning strategies to weather the COVID-19 pandemic
 - Utilize proven training methods to enable managers to take financial responsibility for their department
 - Identify and correct common causes of financial errors in brewery financial statements
 - Realize consistent, timely and accurate financial reporting using a simple monthly process
 - Achieve increased profitability with financial literacy training – the ability to read and understand the financial numbers of your brewery business
- Overview of each Module
 1. Brewery Finances 101
 - Introduction to the brewery chart of accounts, financial statements and month-end process and routines to ensure timely and accurate reporting
 2. Deep Dive into Brewery Financial Statements
 - An in-depth look at brewery financial statements, with examples and illustrations of key financial metrics and ratios
 3. Common Brewery Financial Problems and How to Fix Them
 - How to identify and correct issues with inventory, accounts receivable and gross margins
 4. Beer Pricing and Cost of Goods Sold
 - Review of the major components of beer costs, and how to properly price beer to wholesalers, retailers, and consumers

5. Brewery Financial Planning and Forecasting
 - The five steps to build your brewery financial plan, with models and examples, and tactics to train managers in financial responsibility
6. Brewery Cash Flow Planning
 - Cash flow management best practices, the main drivers of brewery cash flow, and scorecards to track and measure key cash ratios

Module 1: Brewery Finances 101

- Chart of accounts
 - Common brewery account structures
 - Best practices to report on taproom, self-distribution, wholesale operations
 - Template to build your own chart of accounts
- General ledger
 - Practical uses to identify cost-saving opportunities
 - Quick steps to read and understand the information
- Brewery financial reports
 - Definitions, descriptions, and examples of financial statements
 - Income statement
 - Balance sheet
 - Statement of cash flows
- Month-end financial process/procedure
 - Checklist of best practices to follow
 - Steps to ensure complete and accurate financial reporting
 - Tools to train your team

Module 2: Deep Dive into Brewery Financial Statements

- Income statement, balance sheet, statement of cash flows
 - Quick process to read, understand and take action on the information
 - Best practices to set up the financial reports - what to include / exclude
 - Templates and examples for each brewery financial statement
- Key Financial Metrics and Ratios

- How to identify key metrics – the most important numbers
- How to calculate ratios and use benchmarks to compare results
- Scorecard Models to measure, monitor and improve key metrics
- The World Famous One-Page Financial Statement
 - All the financial numbers you need to see on one page
 - Summary information with comparisons to budget, actual results, and key metrics
 - How to build it - template to follow
 - How to read it - critical numbers to review

Module 3: Common Brewery Financial Problems + How to Fix Them

- Keg Inventory
 - Process to count and reconcile to test accuracy
 - Best practices to track and monitor keg assets
 - Tools to use to make the process more efficient and effective
- Product Inventory
 - Standard operating procedures with best practices for consistent and accurate inventory counts
 - Review of Cycle Counts, Full Physical Inventory, Pros and Cons of each method
- Accounts Receivable Collection
 - How to read and review the Accounts Receivable aging report
 - Tactics to quickly identify potential collection issues
 - Best practices to speed up collection and improve cash flows
- Product Margin variances
 - How to use trend analysis to identify problems with product margins
 - Common problems that cause margin variances and how to fix them

Module 4: Beer Pricing and Cost of Goods Sold (COGs)

- Beer Costing Fundamentals
 - Periodic and perpetual inventory simplified
 - Standard cost and weighted average cost
 - Variance analysis of beer costs

- Bill of Materials
 - Review of costs that are included (and excluded) in cost of your beer
 - Direct material (DM)
 - Direct labor (DL)
 - Overhead (OH)
- Kegs, Cans and Beer Loss
 - Review three major beer costs and how to reduce
 - Kegs: Option to lease or buy
 - Cans: Cost variances in printed, sleeved, labeled
 - Beer Loss: Cost examples and impact on margins
- Beer Pricing and Portfolio Margins
 - How to price your beer to wholesalers, retailers, and customers
 - Margin analysis and requirements for each stakeholder in the 3-tier system
 - Beer Pricing Model for analysis and decision-making

Module 5: Brewery Financial Planning and Forecasting

- Financial planning best practices
 - Plan outline: Timelines, to-dos, and deadlines
 - Key questions and considerations
 - Financial planning pitfalls to avoid
- How to build the brewery financial plan with models and examples
 - Sales forecast and gross margin plan
 - Operating expense plan
 - Capital expense plan
 - Loan schedules and debt plan
- Tactics to train department managers
 - Proven training methods to enable managers to take financial responsibility for their department
 - Reporting tools for review and analysis to ensure cost center budgets are properly monitored

Module 6: Brewery Cash flow planning

- Cash flow management best practices
 - Techniques to keep cash management front and center
 - Daily/weekly practices and cash flow routines
 - Strategies to create a financing plan
- Drivers of brewery cash flow
 - Inventory
 - Accounts receivable
 - Accounts payable
 - Capital expenditures
 - Debt payments
- Scorecards to track and measure key cash flow metrics
 - Inventory days on hand (DOH)
 - Days sales outstanding (DSO)
 - Average days to pay
 - Return on investment (ROI)
 - Debt service coverage ratio (DSCR)
- 3-Step system to improve brewery cash flow
 - How to identify where and when cash leaves the business
 - Techniques to insert yourself into the cash flow process
 - Tools to review past spending and make adjustments

Wrapping things up: Final Exam and Action Items

- Brewery Financial Training Final Exam
- Recap of lessons learned, action items, and next steps