

 Marshville Alcoholic Beverage Control Board

Business Plan

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Executive Summary

In the first quarter of 2016, the Marshville Town Council voted to create a Marshville Alcoholic Beverage Control (ABC) Board. The Marshville ABC Board was charged with researching and establishing a local ABC retail store to serve the citizens of our area.

The Marshville ABC Board has spent approximately a year in the preparation of this proposed budget and business plan in order to provide a source of income to the Town of Marshville that will result in a positive impact for our citizens. We have researched possible locations, visited existing ABC retail stores, interviewed professionals familiar with establishing an ABC store and ABC sales, met with financial institutions, have informally met with six current ABC store managers, and researched the population projections shown in the North Carolina Department of Transportation Monroe Connector/Bypass Union County Growth Factors Technical Report in comparison with the 2010 Census. This year long process has culminated with the business plan that follows.

The next twenty-four months will be a critical time in the future of eastern Union County. Marshville must position itself to take advantage of this opportunity. One of the ways that is in our control is to establish a local ABC retail store in the Town of Marshville.

In this plan, you will find a projected ten-year budget, as well as a detailed description of our research and findings. We look forward to working with you as a team in this endeavor.

Business Description and Vision

MISSION STATEMENT

The mission of the Marshville Alcoholic Beverage Control Board is to establish an ABC retail store in order to control the sale of alcoholic beverages in the Town of Marshville; operate an efficient, conveniently located retail outlet; enforce the laws of the State of North Carolina pertaining to alcoholic beverages and to provide excellent customer service and a reliable source of revenue for the Town of Marshville.

With the projected future population growth of eastern Union County due to the Monroe Bypass Connector, according to the North Carolina Department of Transportation Union County Growth Factors Technical Report and the 2010 United States Census, the next eighteen to twenty-four months will be the prime opportunity to take advantage of the current and future economic benefits that other municipalities are and will receive.

VISION

The vision of the Town of Marshville Alcoholic Beverage Control Board is to enhance the quality of life for Marshville citizens by balancing control, service, and revenue, in the distribution, sale, and consumption of alcoholic beverages.

* Integrity

Marshville ABC Board members and employees are fair and truthful in our dealings with each other and with all those outside the agency with whom we interact. We obey the laws, rules and regulations governing our activities. We make our behavior an example of trustworthiness.

* Loyalty

Marshville ABC Board members and employees are committed to “do the right thing” for the welfare of the agency and the citizens of the Town of Marshville.

* Excellence

Marshville ABC Board members and employees demonstrate a passion to be the best. We provide quality, professional service, and expect it from each other. We strive for and encourage quality improvement through innovation. We try to exceed customer expectations. We perform our duties with enthusiasm.

* Teamwork

Marshville ABC Board members and employees empower and support each other to accomplish agency goals. We treat each other with courtesy and respect. We anticipate the needs of others, encourage them to take risks, and help them to improve their skills. We candidly share with each other necessary or helpful information.

Definition of the Market

Our target market includes all persons above the age of 21 that live in the 28103 and 28133 zip codes. Currently there are over 13,000 adults that populate these zip codes. Our financial projections do not include any benefits received due to the traffic flow resulting from the Monroe Bypass Connector, however, it is only logical that our market will include those residents of eastern Union County and western Anson County traveling home on the bypass. It is also logical that a portion of those traveling further east on Highway 74 can be considered a part of our market share.

Description of Products and Services

All products are distributed and all prices are set by the North Carolina Alcoholic Beverage Control Commission. We may customize our selections of spirits based upon our market demand.



Organization & Management

The Marshville ABC Board is an independent board that operates under the authority of the Marshville Town Council and is regulated by the NC ABC Commission. The Board consist of five members who are appointed by the Marshville Town Council.

Terms of board members consist of 3 three-year members, 1 two-year member, and 1 one-year member. One board member is designed as Chairman by the appointing authority. Board members are not salaried employees but may receive compensation not to exceed one hundred fifty dollars ($150.00) per board meeting unless the local appointing authority authorizes a different amount. Board members do not receive benefits. Currently the Marshville ABC Board does not receive compensation.

The powers and duties of the Marshville ABC Board include hiring employees. The Board has budgeted for one full-time general/store manager, one full-time employee who will serve as finance officer and two part-time employees. These budgeted employees are based upon gross sales projections and are indicated in the proposed budget.

The Manager reports directly to the Board members. This position manages, supervises and directs daily operations of the system. Under certain circumstances, the Commission may allow the general manager to assume the position of finance officer until it is filled by another employee.

The finance officer may be a part-time or full-time employee. This position should be an employee other than the general manager. This position is responsible for keeping the accounts of the local board, receiving and depositing receipts, disbursing funds, and any other duties assigned by the local board or Commission. This position is supervised by the general manager.

The budget officer is responsible for seeing that the budget is completed and presented to the board in a timely manner. The budget officer is responsible for determining the amount of salary increases and adjustment that will be recommended to the board. The general manager is designated as the “budget officer”.

Each ABC store is required to have a store manager. This position is responsible for overseeing the operations of the ABC store and store clerks. This position may to full-time or part-time. This position may be the general manager.

Each ABC store hires clerks who are responsible for alcohol sales and other duties assigned by the store manager. These positions may be full-time or part-time. These positions are supervised by the general/store manager.

Marketing and Sales Strategy

Currently, the Marshville and Peachland areas are served by the Wingate ABC retail store. The total population as of the 2010 US Census for Marshville, Peachland and Wingate is approximately 21,000 individuals. The numbers are broken down as follows:

Wingate: 8,600

Marshville: 10,100

Peachland: 2,100

Total: 20,800

The Marshville and Peachland areas make up 58% of the total area market share. Based upon the NC ABC 2016 Annual Report, Wingate ABC retail store gross sales were $1,464,047. Considering that the Marshville and Peachland areas are 58% of Wingate’s market share, it is logical that our initial first year sales will be in excess of $800,000, which is noted in our proposed budget.

In our proposed budget, gross sales are increased at a rate equal to the projected increase in population noted in the NCDOT Monroe Bypass Connector Population Forecast for eastern Union County. The study shows a 20% increase in population from 2016 to 2020. Our projections allocated the 20% increase over 4 years, which is equivalent to 5% per year.

**This projected increase in population is a factor of normal growth plus residential growth due to the completion of the bypass. However, we did not include any proposed revenue from nonresident motorists traveling through Marshville due to the bypass, any restaurants, bars or taverns that open in the 28103 zip code.**

Even though our business plan does not factor in any revenue from nonresident motorists using the Monroe Bypass Connector, we deem it vital that any store located in Marshville be situated on US Highway 74 This location should have easy access to those traveling both east and west on US Highway 74. This facility should be located adjacent to US Highway 74 and should be approximately 3,000 square feet, with easy access for tractor trailer delivery.

Finance Management

In order to maximize long term financial gain to the citizens of Marshville, the Marshville ABC Board strongly recommends the following course of action.

The Town of Marshville purchases an existing facility, constructs a new facility or converts an existing Town owned facility that satisfies the requirements set forth in the Marketing and Sales Strategy portion of this business plan. By using one of the above recommendations, the long-term return on investment will return the maximum amounts of dollars in comparison to a third-party lease arrangement. (See attached ten-year financial projection.)

To receive approval from the NC ABC Commission, a local ABC retail store must show profitability within three years. With the Town Council and Marshville ABC Board working as a team, this can be easily accomplished. For example, our conservative projections indicate a high possibility of profitability at the end of our second year while returning $48,000 in rent. Given the conservative gross sales projections, this profitability is only possible with an initial lease of $2,000 per month.

The ten-year long-term projection forecasts a possible total return of $273,000 in rent. This does not include any direct disbursements to the Town from Net Income. The local ABC Board is required by the Alcoholic Beverage Control Commission rule .0902 to set its working capital requirements at not less than two weeks’ average gross sales of the last fiscal year nor greater than four months’ average gross sales of the last fiscal year. A local ABC Board may distribute monies directly to their appointing authority once they meet the Alcoholic Beverage Control Commission rule .0902.

According to our projections, direct distributions to the Town of Marshville from the Marshville ABC Board will begin in year six with a possible total direct distribution of approximately $69,720.

Projected ten-year total return on investment to the citizens of Marshville:

 Rent $273,000

 Direct Distributions $ 69,720

 Total $342.720

Marshville ABC Board will establish a line of credit in the amount of $200,000 to purchase Inventory, hire staff and cover daily expenses until sales generate cash flow to cover costs.

In order to reduce the amount of time our location has to utilize a line of credit, we recommend opening in late summer or early fall to receive maximum benefit from the holiday season. The holiday season is the prime revenue generating period. NCDOT projects that the Monroe Bypass Connector will be completed in the summer of 2018. Therefore, the Marshville ABC Board recommends an opening date that coincides with the completion of the Monroe Bypass Connector.

To facilitate a proposed opening date of September 2018, we must have a proposed location by January 2018 as it takes approximately nine months to complete the process set forth by the NC ABC Commission.

Appendices

1. Ten-year projection
2. 2016 NC ABC Annual Report (Monroe/Wingate/Locust/Wadesboro)
3. Annual Average Daily Traffic
4. Estimated 2015 and 2030 Weekday Traffic Volumes