



Case Study: Narmada Winery



Background

Narmada Winery, LLC is a family owned winery in Amissville, Virginia, and is the result of a lifelong dream by Drs. Pandit and Sudha Patil. Their vision began to take shape with the purchase of 50 hectares of land in the Rappahannock area of Virginia. After building a barn, creating a pond, and updating the landscaping, they began grape production in 2002. Due to equipment constraints, they were sending out their grapes to be processed elsewhere. While Narmada had built a small retail market selling their wines from their on-site tasting room, they intended to use a recently awarded VAPG Planning grant to analyze the potential of several new ideas:

- Expand operations to include crushing and processing their own grapes.
- Expand their offerings to include apple products.
- Expand the impact of their tasting room through local events and tastings.
- Expand their distribution to include local restaurants and other sales channels.



Matson Consulting

Narmada needed an objective expert to help determine the best course of action for their business expansion ideas. At Matson Consulting, we believe in working closely with our clients in order to understand their business needs and direction. Often this entails multiple visits to our clients to better understand their position. We worked with Narmada through several on site strategic planning sessions, customer surveys, and a feasibility study in order to determine their next steps. We were also able to assist them in the acquisition of a VAPG Working Capital Grant to capitalize their new equipment needs.



While the feasibility study is designed to answer the big questions that guide a venture, such as critical factors for success, assessment of management and operation options, operating costs, and possible financial models, there were many questions Narmada had that were addressed along the way:

- Are there enough grapes of the correct varieties to begin producing wine?
- Should the plan focus on wines or events? Should it focus on both products or in what order?
- Should initial production be limited since many wineries noted modest beginning sales of wines?
- Are there available grapes for purchase should the demand exceed its own supply of grapes?
- What additional equipment will be needed?
- What type of monetary investment will be required for each proposed product?
- Will monies be needed for staff training?

Solutions

Marketing: As a result of the feasibility study, there were several websites that were identified that could be used to promote Narmada's wines with minimal effort and expense; industry background and pricing structures were analyzed which gave Narmada key information regarding their target market; and several local key competitors were identified.

Financial Organization: The feasibility study also included a financial model for the business venture. This document allowed Narmada Winery to conduct the sensitivity scenario assessments that were needed to make decisions for the new winery venture.

Intangibles: Identifying and quantifying the unknown in any venture can give the owners the confidence to proceed to success.

Business Organization: Narmada Winery had been operating with minimal staff and equipment. Key staff positions and additions of necessary equipment were identified as necessary to support the expansion of the venture and its efficient operation in the future.



Narmada Winery is located at 43 Narmada Lane in Amissville, VA. Stop by the winery for a tour and tasting or check out their website at narmadawinery.com.