

Wild Child Brewing

Strategic Partnering Plan (SPP) Template

Executive Summary

Wild Child will launch a **referral partnership initiative** to form relationships with liquor distributors, brewery equipment manufacturers, technology companies, and beer ingredient suppliers in order to accelerate the awareness and adoption of the Tapped Out app. Wild Child will offer a 15% revenue share to partners for the first three years of revenue collected from breweries that subscribe to the Tapped Out solution. The “game changer” goal for this initiative is to achieve an annual recurring revenue (ARR) stream of \$500k in year 1 and \$1.5 million in year two, then accelerate thereafter.

Problem being addressed

The brewery industry has a massive communications gap between the rapidly expanding network of craft breweries and their end customers, the beer enthusiasts. Unlike most restaurants that have static menus, breweries constantly create new beers in search of the next "break out" prize winner. The lack of a convenient and consistent communications channel between breweries and beer enthusiasts diminishes the overall experience potential. An additional problem is the low average ticket of brewery visits. The majority of craft breweries do not offer food, which forces the patron to bring food, order direct food delivery, or simply leave the brewery. If breweries offered a convenient way to provide food to their patrons, one study showed average patron tickets increased by one beverage per person.

Purpose of the partnering initiative

The purpose of this partnering initiative is to create a referral program that includes relationships with liquor distributors, brewery equipment manufacturers, technology companies, and beer ingredient suppliers in order to accelerate the awareness and adoption of the Tapped Out app. By forming successful partnerships with these collaborators, Wild Child will more efficiently drive awareness, adoption, and revenue to its Tapped Out solution as opposed to an organic (direct sales) growth strategy. When successful, this program will deliver greater awareness and eventually revenue needed to further expand the Tapped Out app across North America and globally.

Approach

Wild Child intends to form referral partnerships with 30-40 top tier liquor distributors, brewery equipment manufacturers, technology companies, and beer ingredient suppliers across North America that will refer breweries to Wild Child's direct sales team, eventually become Tapped Out subscribers.



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1. Wild Child will offer a 25% revenue share of the initial setup fee (\$500) and 15% revenue share of the monthly subscription fee (\$100) for the first three years.
2. Wild Child will not share any other revenue streams, including food ordering or advertising revenue that Wild Child may sell on the app.
3. Referral partners must provide at least one qualified lead each quarter.
4. All agreements are non-exclusive and each party has a right to compel an immediate termination for convenience.
5. Each partner agrees to participate in monthly Partner Business Reviews.
6. Each partner will receive bi-weekly reports showing their referral performance, including an anonymous comparison to other referral partners. For example, ACME Hops provided 4 Partner Qualified Leads last month which was 7th most of the referral partners in this SPP program.

Strengths

1. Wild Child is regionally known for their award winning sours and meads.
2. We have a very strong culture of innovation and strategy execution.
3. We built and own the Tapped Out mobile app which is a first-of-its-kind communications platform connecting beer enthusiasts and breweries.
4. The Tapped Out app already has 200 breweries registered and 75,000 active users.
5. Wild Child has an industry recognized "partner-centric" culture and they have already leveraged partnerships to include a powerful food delivery service integration in the Tapped Out app.

Weaknesses

1. Wild Child is only 5 years old and the Tapped Out app is just over 1 year old. Larger breweries may be hesitant to form partnerships because of their relatively short track record of performance.
2. Wild Child has approximately 100 employees and only a few work in the business office. Because of the limited business office resources, they have limited capacity to operationalize large scaled growth initiatives.
3. Breweries, like other food services companies, are traditionally a low margin company. This limits the amount of innovation investments Wild Child can make, given their owners want to run a debt free and profitable business.
4. The majority of breweries using the Tapped Out app are concentrated in their local region. Therefore, Wild Child and Tapped Out are mostly unknown brands

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outside of their 6 state territory. They need a stronger national marketing footprint in order to grow the Tapped Out user base.

Opportunities

1. The quantity of breweries in the US has increased from 49 to 13,380 in less than 40 years.
2. Today there are more than 19,000 breweries across 209 countries and 94% are classified as "craft" breweries.
3. Industry analysts predict the volume of craft beer sold will continue to grow at a rate of 13% over the next several years.
4. New breweries experience, on average, a three-year survival rate of 60%. One of the leading causes of failures breweries is a lack of customer awareness and engagement. Breweries with customer loyalty and communications programs are more than twice as likely to survive the critical 3-year milestone.
5. Wild Child has an opportunity to create a global network of referral partners to reach up to 19,000 breweries across the globe through the Tapped Out growth initiative.

Threats

1. Some economists are predicting a recession in the near future. If it occurs, consumers are likely to reduce their discretionary spending, such as visiting craft breweries, which will put a financial squeeze on breweries.
2. A larger, better funded tech company could build a competing app that would have greater functionality and a faster launch plan than Tapped Out.
3. A global beer brand, such as InBev, could leverage its powerful global network and either create a competing app or partner with a competing app, resulting in massive headwinds for Tapped Out.
4. The craft beer craze may just be a fad and demand could plummet in the future, which would severely reduce the demand for the Tapped Out app.

Assumptions

1. Targeted brewery industry companies will be willing to participate in a referral partner program to help grow the Tapped Out business.
2. Targeted brewery industry companies will have the influence necessary to get their brewery customers to purchase a license to the Tapped Out solution.
3. Craft breweries will generally prefer to offer a food delivery service as opposed to adding their own kitchen or food truck service.

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4. Tapped Out app sales to breweries made to date, along with the associated adoption and usage from current beer enthusiast app users, will translate directly to the wider US and global markets.

Risks

1. The executive team may underestimate the human capital, resources, and support the referral partnering program will require.
2. The marketing team will need to support the partnering function, but the messaging and co-marketing motion is quite different with partners as compared to customers. This know-how must be learned.
3. The Tapped Out app has technical infrastructure that is optimized for use in North America. If the app expands to Europe and beyond, new investments be required.
4. Formal referral partnerships within the brewery industry are a fairly new concept. The partner recruiting process may take longer than desired because the Wild Child partnering team will likely need to educate each partner candidate on the program and the mutual benefits that can be created.

Requirements

1. Hire a full-time dedicated partnership director to lead the new partnering program.
2. Purchase a PARTNERNOMICS IQ license to manage the internal operations of Wild Child's partnering programs, including this new referral initiative.
3. Acquire licenses for LinkedIn Sales Navigator, [Dripify.io](https://dripify.io), and [Apollo.io](https://apollo.io) to expedite partner recruiting and outreach activities.
4. Allocated \$3,000 per month for legal, advertising, and other co-marketing opportunities with partners.
5. As the referral program scales, Wild Child will need to invest in additional software solutions such as account mapping, outreach automation, and a PartnerStack PRM system to best operationalize the partnering program.

Goals

1. The “game changer” goal for this initiative is to achieve an annual recurring revenue (ARR) stream of \$500,000 in year 1, growing to \$1.5 million in year two.
2. Increase the total number of monthly Tapped Out active users from 75,000 to 800,000 within 12 months of referral program launch.



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3. Add at least 30 "active" referral partners from top tier liquor distributors, brewery equipment manufacturers, technology companies, and beer ingredient suppliers across North America within 12 months of launching this SPP referral program.