

# The Winery Financial Blind Spot Report

*What Winery Owners Producing 5,000–10,000 Cases Often Miss*

Why many wineries at this stage experience financial pressure—  
even when sales look strong.

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- Blind Spot #1: Cash Flow Blind Spot
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# The Hidden Financial Challenge of Mid-Sized Wineries

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Wineries producing 5,000–10,000 cases often reach a turning point. The business has grown beyond the early startup phase, but the financial complexity of the operation increases dramatically.

- Inventory grows.
- Sales channels multiply.
- Labor expands.
- Capital needs increase.

From the outside, many wineries at this stage appear successful. Yet behind the scenes, owners often experience:

- Unexpected cash pressure
- Inventory building faster than sales
- Shrinking margins across sales channels
- Pricing that no longer reflects real costs

These issues are rarely caused by poor wine or weak demand. More often, they stem from **financial blind spots** that develop as wineries grow.

## 1 Sales Growth That Doesn't Improve Cash Flow

Many wineries focus heavily on increasing case sales. However, growth alone does not guarantee stronger finances.

Because of the wine production cycle, wineries can experience significant delays between spending and revenue generation.

Without careful financial visibility, increasing production and sales can sometimes create *additional* cash pressure rather than relieving it.

### Question to consider

*Do you have clear visibility into how today's production and sales decisions will affect your winery's cash position over the next 12–18 months?*

## 2 Channel Mix That Quietly Reduces Profitability

Wineries today often sell through multiple channels — tasting rooms, wine clubs, online sales, restaurants and retailers, and distributors.

Each channel operates under very different financial dynamics. When the mix shifts — even slightly — the impact on profitability can be significant.

Many wineries increase sales volume without realizing that the financial structure of their channel mix has changed.

### Question to consider

*Do you clearly understand which sales channels contribute the most to the financial strength of your winery?*

## 3 Inventory That Becomes Trapped Capital

Inventory is typically the largest financial investment inside a winery. Barrels, bottled wine, and aging inventory represent years of capital commitment.

As production increases, the amount of cash tied up in inventory can grow quickly.

When inventory grows faster than sales capacity, wineries may find themselves holding more capital in wine than the business can comfortably support.

Question to consider

*How much capital is currently tied up in inventory across your winery?*

## 4 Pricing That No Longer Reflects Costs

Wine pricing decisions are often influenced by market perception, competitors, and distributor expectations. But wineries also face rising costs in areas such as labor, packaging, compliance, barrels, and production. Over time, pricing decisions made years earlier may no longer reflect the true economics of the winery.

Question to consider

*When was the last time you reviewed whether your pricing structure fully reflects your winery's cost structure?*

## 5 Financial Reports That Don't Reveal the Real Issues

Most winery owners receive monthly financial statements. However, traditional accounting reports often do not highlight the financial indicators that matter most for wineries.

Understanding the financial health of a winery often requires looking beyond standard financial statements to identify patterns related to inventory, channel mix, and production cycles.

Question to consider

*Do your financial reports clearly show the indicators that matter most for winery performance?*

# Winery Financial Health Scorecard

Rate your winery on each dimension — 1 (Poor) to 5 (Strong). Be honest. The value is in what you discover.

## Cash Strength

Do you know your cash position 12–18 months out?

1 2 3 4 5  
Poor Fair Strong

## Channel Profitability Visibility

Do you know which sales channels are most profitable?

1 2 3 4 5  
Poor Fair Strong

## Inventory Discipline

Is your inventory level appropriate relative to sales velocity?

1 2 3 4 5  
Poor Fair Strong

## Pricing Awareness

Does your pricing fully reflect your current cost structure?

1 2 3 4 5  
Poor Fair Strong

## Financial Visibility

Do your financial reports surface the issues that matter most?

1 2 3 4 5  
Poor Fair Strong

## TOTAL SCORE (out of 25)

20–25

Strong foundation. Focus on optimization and growth.

13–19

Some gaps present. Worth examining specific blind spots more closely.

Below 13

Significant blind spots likely exist. A financial review is recommended.

## A Conversation for Winery Owners

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Every winery has a unique financial structure shaped by its vineyard costs, production model, and sales channels. Understanding how these factors interact financially can make a significant difference in the long-term health of a winery.

**Many winery owners are surprised by what becomes visible once these financial issues are examined closely.**

If you produce 5,000–10,000 cases and would like a second set of eyes on the financial structure of your winery, I'm always happy to have a short conversation.

**Donna Hutchings**

*Vintner CFO*

*Helping winery owners build financially strong wineries.*