



Timboon Boutique Distillery and Cafe

Business Plan 2004



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Working together for results.

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TIMBOON BOUTIQUE DISTILLERY & Café - BUSINESS PLAN

1. INTRODUCTION

The Principal of Timboon Fine Ice cream proposes to establish a boutique distillery and cafe in a disused railway shed at the centre of Timboon, on Bailey Street (next to Power's Creek) the main connector route from the Great Ocean Road to Cobden, Camperdown and the Princess Hwy. It is the alternate route to or from Melbourne.

The site is 20 minutes from the Twelve Apostles, in the hinterland of the Great Ocean Road and Shipwreck Coast Tourism Regions of Victoria.

The building will be restored and further developed to provide the necessary infrastructure for the operation.

The concept has arisen from many years of involvement in the local food and tourism industry and in community groups. The concept includes:

- A working distillery display open to the public, with talks of how the spirits are produced
- Spirits made out of local cream, berries and other produce
- Tasting of the spirits
- Tasting of local cheeses and other produce such as gourmet eel pate
- A Café that serves light meals using the local produce such as; cheese platters, trout quiche or focaccia, Devonshire tea using local berry jams.
- An ice creamery and juice bar using the local produce.
- An adjacent railway shed will house a display interpretation of the Timboon Rail Trail and tourism information
- An events program in the summer months.

The proposal is unique to the area. There are no other existing or proposed boutique distilleries in Victoria. The region has a history of illicit distilleries at the turn of the century, however none of those still exist. This history will be interpreted at the facility and will be promoted to attract interested visitors as well as the heritage enthusiast.

The local Councils and tourism organizations are in the process of establishing a food trail of the hinterland. This proposal will fit in with this initiative as well as being a stand alone tourism facility.

2. INDUSTRY BACKGROUND – THE GREAT OCEAN ROAD

The Great Ocean Road (GOR) Tourist Region

The GOR has the highest visitation of any Victorian region outside Melbourne, attracting 7.8 million visitors per annum, with 8.25 million domestic visitor nights in 2002¹. Including 4.77 million domestic day trippers and 162,000 international visitors per annum. The Twelve Apostles on the Great Ocean Road is a major international icon for Australia.

Please see Appendix 2 for a summary table of the tourism statistics and characteristics of the region.

Through the marketing strategies and effective signage it is intended to attract a proportion of these 7.8M visitors to explore the region further, stay longer or make a return visit. The marketing strategy is designed to attract 1 % (78,000) of the current 7.8M visitors per year.

The project overall also has the potential to increase visitor numbers and the length of stay by providing additional experiences and by attracting more visitors that have an interest in these.

Linking with the local industry

The facility will work in cooperation with the local industry to develop the product and promote the facility as part of the region and especially the food trail.

The consultation and research undertaken with the local accommodation establishments and coach tour operators strongly support the proposal. Please see this analysis in the appendix.

Local producers and suppliers will be invited to supply their products and services such as:

- Produce farmers
- Cheeses and other gourmet products
- Wineries
- Boutique beers
- Boutique oils
- Natural aromatherapy products
- Works of local artisans

¹ ¹ Bureau of Tourism Research, *National Visitor Survey 2002 & International Visitor Survey 2002* produced by Tourism Victoria

- Local performers
- Local tour operators.

Level of support

Discussions have taken place with Economic Development of Corangamite Shire Council, Shipwreck Coast Tourism Association, Green Triangle Area Consultative Committee and Infrastructure Development of Tourism Victoria. All of these bodies expressed a welcome and support for projects such as this that have the potential to assist:

- Diversify the local economy
- Disperse GOR tourism into the hinterland
- Value add to existing tourism with local produce
- Attract more higher yield and overnight visitors
- Create more jobs and economic benefits
- Create social opportunities
- Interpret heritage.

Shire of Corangamite

Mr. Terry Binder, Economic Development Manager, advised that Council supports the development and it fits within its tourism strategy and the Timboon Development Plan. The Council particularly welcomes opportunities such as this to diversify its economic base and spread the benefit of its tourism to as many of its constituencies into the hinterland as possible.

Council has recently facilitated the Rail Trail walking track and is working towards development of the food trail in association with the Colac Otway Shire.

The Council through the Port Campbell Visitor Information Centre and signage, encourages visitors to return to Melbourne in a loop fashion through the hinterland (Timboon and Cobden) and Princes Hwy, rather than doubling back on the Great Ocean Road. The Tourism Information Centre at Port Campbell, will encourage visitors to return home by visiting Timboon.

Supporting reports:

Corangamite Shire Tourism Strategy September 2001
(attached)

The report lists this as its 3rd major strategy the following:

“use signage, brochures and improved roads to better link the hinterland with the coast and attract visitors into the hinterland and support initiatives to increase visitor numbers into the hinterland generally”

The report lists a number of actions to achieve this strategy.

Ochre Consultants Pty Ltd, Timboon Development Plan 2000 - 2010
(attached)

This is a comprehensive development plan for the township. It includes strategies to:

- ? Develop the township as a vibrant tourism destination
- ? Diversify the Economic base
- ? Produce a greater variety of gourmet foods

The report includes the idea of a whiskey distillery as one of the strategies.

....“ Encourage the development of industries relating to the agricultural heritage of the area such as forestry, hops and apples. One idea was to develop a whiskey distillery. (Timboon has an abundant supply of high quality water and a history of illicit distilling in the district). “ p30

It can be seen that the proposal is very consistent with local strategies, thus adding to the base of support.

The Great Ocean Road Tourism Region

The Great Ocean Road Development Plan 1996 and 2000 update
(attached)

Whilst this region is the highest performing region in terms of visitor numbers, the visitor average spending is considerably less, than other regions;

This can be attributed to various factors including:

- ? High levels of day trippers
- ? Touring by car (and staying in the car)
- ? Low levels of quality accommodation and eateries
- ? Very little expenditure 1% on wine sales
- ? Not enough value adding in Food and Beverages.

The report recognizes the importance of:

- ? Developing high quality food and wine attractions
- ? High quality accommodation

- ? Hinterland natural walks and trails and heritage experiences
- ? To develop experiences that will encourage visitors to leave their cars
- ? Strategies that will increase the length of stay and expenditure
- ? Improving visitor dispersal geographically through the region and seasonally through the colder months.

The report also identifies the following target markets:

- ? Socially Aware
- ? Visible Achievers
- ? Independent international tourists
- ? Back packers and adventure.

It can be seen that the proposal is consistent and fits in with the regional tourism themes, concepts and strategies. The distillery will add more of the quality food experiences that are lacking in the area at present.

Department of Sustainability and Environment (Infrastructure) , The Great Ocean Road Strategy 2003

This report identified the heavy use and traffic congestion issues of the Great Ocean Road and its negative impact on the environment and infrastructure.

Strategies were identified to minimise the negative impacts of the growing traffic issues related to the GOR, some of these are:

1. Cultural, heritage and food tourism developments in the hinterland
2. New tourism initiatives away from the GOR coast
3. Supports upgrading of Princes Hwy and alternative travel routes (from the GOR).

This report is very important and the basis of extensive expenditure on upgrading the GOR region. The initiatives to divert the return journey through the hinterland will greatly benefit Timboon and the distillery.

It is recommended that the local Food Group with the Councils lobby for these initiatives to be implemented as soon as possible.

The Green Triangle Area Consultative Committee

Tourism Synergy, The Great South Coast Marketing Strategy 2003. This report was funded through the Green Triangle ACC, and also identified that the region has opportunities to:

- ? value add to its primary production and dairy industries
- ? further develop food based tourism: such as more gourmet producers, wineries, boutique beers
- ? further develop quality tourism attractions such as eateries, food festivals and food trails through the hinterland.

Tourism Victoria

The proposal has been discussed with Tourism Victoria - Infrastructure unit.

It has advised that the proposal is in line with the Victorian Tourism Strategic Plan 2002 – 2006.

Noting that it is based on adding to the tourism strengths of the state in:

- ? Boutique food and drink
- ? Heritage and Culture
- ? Natural Attractions
- ? Regional Tourism development
- ? Promotion of small towns.

The proposal is also in line with the Great Ocean Road Development Plan which Tourism Victoria supports.

Generally it was discussed that the proposal and the region has great potential to develop and promote gourmet foods and boutique beverages and link these with the natural beauty of the hinterland and the stunning coastline.

The new Otway Fly, treetop walk will also assist the proposal, to attract repeat visits to the region to see these new attractions.

3. CONSULTATION AND RESEARCH REPORT

Tour operators

In order to gauge the support of the coach tour operators bringing tourists and elderly club travelers to the region, a questionnaire was developed (please see in the appendix) that explored the interest in the elements of the distillery, the frequency of visitation and what the needs of the visitors and operators are.

20 companies were contacted, 3 major operators catering to tourists and bringing at least 2 coaches to the Great Ocean Road daily and 17 companies focusing on the elderly market.

The overall majority of the operators were supporting of the proposal, citing that they could always use new tourism product. Also commentating that visitors are interested to try new experiences and that they would consider including the distillery in their route subject to agreement on prices and so forth. Please see the appendix for detailed statistics.

2 out of 3 major operators indicated that they would be prepared to consider modifying or extending their existing tours to include the distillery. 14 out of 17 'elderly' market operators will consider including the distillery subject to price and conditions.

The 'elderly' market operators are much less frequent visitors however there are many more of these than tourist operators.

The operators suggested:

- Pricing to be value for money; for example \$5-\$7 for Devonshire Tea and small gifts, \$10- 12 for light lunch and \$15 - \$18 for smorgasbord spit roast dinners.
- Parking and access to be easy for coaches
- Public amenities and refreshments are important, so is a welcoming and warm atmosphere
- The talks and presentations need to be of a high quality
- History is important and to be highlighted in the marketing
- Whilst the nature and scenery of the GOR is stunning, people cannot sit in a bus or car all day, they need to do activities, which this facility will provide
- Develop new day tour and weekend package focusing on the Otway Fly, 12 Apostles, the Distillery and local food.

It can be concluded from this feedback, that given the right product development, pricing, marketing strategies and negotiation, the Distillery can aim to achieve within the 1st year of operation; 1 coach load (20 –30 people) of tourists per day

for lunch or dinner spending approximately \$20 each on food and a gift, and 1 busload of elderly citizens per day for Devonshire morning tea spending approximately \$10 each on refreshments and a gift. Making it an approximate takings of \$600 from tourists and \$300 from the elderly a total of \$900 per day.

This represents the 'bread and butter' market of the facility, whilst it is lower yield it is still important for viability and to fill the midweek void. Higher yield will come from independent visitors, usually on the weekend.

Accommodation

The higher yield overnight markets of weekend, short break and longer holiday travelers stay at local accommodation, it was thus important to gauge the response of the operators. Guest interest in the proposal was explored and whether the operators would support the distillery by recommending it to their guests.

Seven local accommodation operators were interviewed and without exception were thrilled with the proposal. They often cited that this type of facility focusing on local produce is badly needed, it is complementary to the existing product offering and it was long overdue. Cheese is not enough to sell Timboon as a destination. All the operators will be happy to display brochures and recommend the facility to their guests.

It was also confirmed that most of their guests were tourists from Melbourne, and International destinations, in the age groups of 25 – 60 years.

Suggestions included:

- Very much needed in the area
- Clients are a mix of international and domestic tourists
- Brochures with colour pictures are needed
- Excellent customer service is needed, (noted some had bad experiences in the past)
- Good to have another outlet for Timboon Cheese and other products
- Higher social economic groups would love to try local boutique whiskies

Local clubs

As stated above club markets may be low yield, however are important to viability of weekday operations. To gauge the response from clubs, 30 sporting and social clubs were contacted, of those 12 responded. The local clubs in Timboon, Camperdown and Warrnambool were all supportive and would visit as a group subject to price. Clubs further away were more hesitant and about 50% indicated that they would be interested in a visit.

Suggestions included:

- Big dinner nights held regularly
- Cost a big factor for the elderly and pensioner clubs
- Include local crafts and flowers
- Very exciting for Timboon – do not forget the locals

Thus it can be concluded that local clubs would be a strong market for the distillery and important to viability in the initial opening period. As the distillery grows clubs further away can be approached to visit.

4. SWOT ANALYSIS

Strengths

- 20 minutes from the 12 Apostles on the Great Ocean Road, the most successful tourism region in Victoria and a world wide recognizable land mark
- Timboon is an established brand for the Melbourne and Victoria public
- The location is the centre of town, on the main connector route to the Princes Hwy for the return trip to Melbourne
- The building is a heritage site and the starting point to the Timboon Rail Track Walk, which will be promoted by Council and the Tourism Industry
- Ample grounds to provide coach parking with easy circular drive through and to house the infrastructure that is needed as well as events.
- Natural creek setting
- Both Corangamite and Colac Otway Councils are supporting the development of a Gourmet Food Trail through the South Coast Food Group
- Strong support from the tourism industry; coach operators and accommodation
- The proposal is a unique development for Victoria, this could be its unique selling position and attract publicity from the media
- Plentiful quality produce in the region such as: dairy, cheeses, meat, lobster and other seafood, trout farms, eel farms, quality chocolates, berries, fruit, flowers, jams.

Opportunities

- To work with the industry to develop a new 3 day short break package featuring Otway Fly, 12 Apostles, Timboon (food and nature).
- To work with coach companies to develop a new tourist day tour featuring Otway Fly, 12 Apostles, Timboon.
- Promote the uniqueness of the proposal
- To attract 1% (78,000) of the people that visit the region
- To customize a variety of packages for tourist and club group travel
- Develop strong alliances with local government, tourism industry, food producers to promote Timboon and the gourmet food trail.

Challenges

- No time. The established day tour coach and independent travelers have minimum time to explore other attractions in the hinterland of the GOR.
- The GOR obsession. To encourage travelers to leave the GOR and use the Princes Hwy and other alternate inland routes.
- To raise the funds to promote Timboon and other hinterland attractions
- To balance pricing so that it is affordable for the public yet viable for the business.

5. MARKETING

TARGET MARKETS

The target markets for the proposal are based on a 7 day and all seasons visitation and are consistent with regional tourism plans attached;

- ? Socially Aware and Visible Achievers – short break market
- ? Day trippers from Melbourne - families
- ? International Tourists (independent and groups)
- ? Back packers
- ? Wholesalers and tour operators
- ? Clubs and Social groups from the region and Victoria wide
- ? Senior citizen and Probus groups
- ? Food and drink special interest segments (wine clubs, food clubs and cooking schools)
- ? Heritage special interest segment
- ? Distilleries special interest segment.

Increase niche markets

This proposal will also assist in attracting additional specialist niche markets that are interested in fine foods, wines, boutique beers and spirits. The market segments, often described as 'Socially Aware' and 'Visible Achievers'² tend to appreciate heritage attractions, natural settings and fine food, thus there is an excellent fit of the proposal with these two strong market segments.

In Victoria there is an explosion of boutique wine and beer producers and this proposal reflects this positive trend. It will add another interesting dimension to the boutique range of beverages available as well as enhancing Victoria's and Australia's reputation as a 'fine food' destination.

This point of difference with the spectacular natural attractions of the region will provide a strong viability for the project and attract more visitors to the region.

Increase yield

The markets as discussed above, are interested in exploring the regional country side and discovering fine foods and beverages, these tend to be young professionals or slightly older, in the 40+ age groups and have a higher socio economic demographic.

This type of visitor tends to spend more on quality food, eating out, gifts and also tend to stay overnight or on a short break, thus increasing the yield not only for this proposal but for the region.

PRODUCT DEVELOPMENT

Signage

Signage is crucial to attracting the current substantial visitation to GOR. Road signs are needed from the 12 Apostles and Port Campbell to indicate the direction to Timboon Distillery.

Attractive signs, based on the graphics of the brand image, need to be produced and installed at the in a prominent location at the 2 entry points to the site (in both directions)

Distillery display and presentation talks

It is important that the working distillery is in a prominent location within the building, to enable easy viewing of the process.

² Value segmentation by the Horizon Group and Roy Morgan Research

The presentation talks must be of high quality, that is; the presentation to include the history of the area, the process of distilling, local ingredients that are used, questions time. The talk must be presented in good humour and in a welcoming.

The décor of the facility to be a mix of rustic / industrial ambience with splashes of the sleek and modern; for example the use of natural woods with a durable finish, with a little wrought iron, glass and stainless steel for shelving. It is recommended that the décor is designed by a professional decorator.

Tasting

Tasting of spirits, cheeses and produce must also be undertaken in a knowledgeable manner, where the attributes of each variety is explained. It is recommended that tasting is limited to five per visitor.

Sales: Product, Gifts and hampers

After tasting the visitors are explained the variety of produce and gourmet products on sale, these could be:

- The range of spirits; Whiskey, Cream Liquor, Schnapps, individual packs of various sizes, gift packs and hampers
- Local wines and boutique beers
- Timboon Farmhouse Cheeses in individual and gift packs
- Local dairy, cream and deserts – a fridge will be required
- Gourmet eel and yabbie pates and roulades
- Smoked trout and other trout products
- Olive oil and olive oil products
- Berries and other fruit
- Home made jams, chutneys, sauces
- Fine chocolates from local cream
- Vegetables box packs
- Lavender and other natural body care products
- Local flowers
- Local arts and craft products.

The products can be sold in individual packaging, small gift packs of 2 or 3 items or in larger gift hampers. Especially at special occasion seasons such as Christmas, Fathers Day, Mothers Day, Easter. Hampers can be promoted to the regional business market.

A postal gift and hamper delivery service must be in place to facilitate purchases from tourists.

Café

In order to accommodate tour groups of (30 – 40) people and space for individual visitors, it is recommended that the café have a capacity of at least 60 seats, that is 10 tables by 4 which can be joined for groups and 10 tables for 2 for individual visitors. In order to accommodate 20 tables the verandah needs to be expanded to fit 3 rows of five tables and the remainder 1 row of 5 tables be placed in the building.

It is recommended that the verandah is made weather proof and heated, so it is the main area to accommodate group visitors for refreshments.

The menu;

The feedback from the research suggests that the following light meals may be appropriate for the various segments:

Elderly and clubs: Devonshire Tea, soups, country pies , quiche and salad and other traditional light meals, using the local produce as much as possible are appropriate. The meals will need to be pre prepared in a commercial kitchen and warmed up for serving at the café.

Fixed meal packages will need to be negotiated with the tour operators.
Recommended group prices Devonshire tea \$5, soup \$5, quiche with salad \$10.

International interstate tourists: more modern light meals and snacks for lunch. Items that do not have to be cooked in the premises are recommended such as; gourmet sandwiches, focaccia, frittata, cheese and fruit platters, sushi and California rolls, vegetable and meat lasagna, country pies and gourmet quiches, variety of salads.

Recommended group prices: Gourmet sandwiches, sushi, focaccia \$5. Lasagna, pies, quiche with salad, Cheese and fruit \$10 - \$12.

For dinner: Spit roasts with local vegetables and salads using the local lamb and beef was requested by a major tour operator. Soups can be added as a winter entree. Local cheese and fruit platters, gourmet pates, dairy deserts and ice cream can also be added to produce a mouth watering smorgasbord.

Recommended group prices: 2 course; soup and spit roast with vegetables/ salad \$18 per person. 4 course; soup, roast, vegetables/ salad, deserts, cheese & fruit platter \$25 per person.

Beverages can be bought individually by the visitors.

It is recommended that a chef develops the menus and packages for four groups such as;

- Elderly market
- Back packers
- Group tourists
- Business Meetings.

Inline with the above feedback from the operators.

The a la carte menu for the individual tourist also be developed by the chef and to focus on gourmet light sandwiches, cheese and fruit platters, gourmet pates, roulades with toast and light meals featuring the local produce.

All cooked items will be pre cooked and warmed up for serving in the café, thus the cooking equipment needed will be minimum. It is recommended that the warming up process is with a commercial warming oven not a microwave oven. The spit roast can be supplied by a local caterer. The salads, cheese platters and ice cream deserts can be made in the café.

Functions and meetings

A business function lunch and meeting menu be developed at 3 levels using as many of the local produce sold at the distillery. Spirits , boutique beers and wines can be included in the package.

Ice creamery and juice bar

It is recommended that an ice creamery using the Timboon Fine Ice cream range and juice bar is established as a kiosk to cater to the family and health market. It is recommended that this bar/ kiosk is located outside of the main building, however connected to the café and in a location that passing traffic and walkers can easily see it and be served, without having to enter the building.

This will encourage, quick drive through sales and from walkers of the Rail Trail.

Sunday Jazz

It is recommended that a jazz performances be implemented through the colder winter periods to encourage visitation in the slower season. This would cost in the vicinity of \$300 - \$500 per week for the musicians and local paper advertising.

Events

In the second year of operation, it is recommended that the Timboon tourism stakeholders with the Timboon Boutique Distillery in a facilitating role, develop a summer weekend program of ticketed food and music events at the distillery grounds surrounding the creek. Where:

- Tickets for seats are sold based on cost recovery
- Develop options where food and drink are included
- That the program includes:
 - Sunday Jazz³
 - Classical harmonies
 - World music
 - Local whiskey, boutique beer, wine and cheese tasting
 - Gourmet food tasting
 - Cabaret and comedy.

The costs of staging these events is determined by the quality of artist and marketing, however as an example, a two-hour jazz performance event can be organized for the following direct costs:

• Performer	\$300 –700
• Sound	\$400 - 600
• Marketing	\$300 - 500
• Coordination	\$250 -500
• Miscellaneous	\$ 300
Total	\$1650 per event

Selling 250 tickets at \$6.60 each can recoup this amount. The price of tickets will be determined by the costs of performers. Food and Drink packages can also be developed to cover the costs. Promotion and coordination costs will decrease as the events become well known and established.

The costs of the event program could also be funded by the Timboon tourism stakeholders as a whole. For example a summer program of 12 weeks could cost \$19, 800 for production which is redeemed through ticket sales and a further \$17,000 for marketing in Epicure to attract the Melbourne gourmet market. This amount could be shared by 5 tourism sponsors, contributing \$3,400 each.

³ These musical styles have been identified as most in demand from earlier tourism research; Maribyrnong River Tourism Strategy 2000 and Frankston Tourism Strategy 2003.

MEASURING DEMAND

The National Visitor Survey 2001 conducted by the Bureau of Tourism Research identified that the most frequent activities undertaken by tourists while in the region were:

- ? Dining out 49% of overnight and 41% for day trippers
- ? Beach 46% and 25% respectively
- ? Sightseeing 38% and 29%.

Dining out and sightseeing are activities that indicate demand for the proposed project since it is a product associated with food and as part of a sightseeing trip.

When we associate the proportion of sightseeing and dining out as part of the overall visitation of 7.8 million visitors, it indicates substantial regional demand for food experience (3.58 million visitors) and sightseeing (2.96 million visitors).

The challenge for this food attraction, as for others is to attract at least 1% of this visitation. Awareness is more the issue rather than lack of demand. Thus the marketing strategy will focus on developing the right product and developing the awareness of these markets.

Converting demand into sales and long term viability

The process of converting demand into sales is achieved through an effective marketing strategy which is aimed to increase awareness and attract the required level of customers. The aim is to attract a high yield weekend or short break market and lower yield mid week markets in order to be a viable seven day a week operation.

Marketing Strategy outline

The following possible strategies are designed to attract at least 78,000 visitors to the proposed facility within 1 -2 years.

- An up market brand development, logo, product packaging, tags, stationery
- High quality DL brochure for distribution to the tourism industry and clubs
- A high quality post card for distribution to GOR cafes, accommodation, other tourism attractions, tourism information centre
- A high quality web site
- High profile launch of the redeveloped facility when completed with a publicity campaign in regional and metropolitan media in publications that are read by the socially aware and gourmet market e.g. The Age - Epicure

- A specialized public relations and publicity program with the food and drink journalists and media, highlighting the strengths of the local boutique gourmet products, produce and the distillery as part of the food trail package
- Familiarization tours of the facility for regional tourism industry, information centre staff, media, tour operators and wholesalers
- Advertising and promotions in regional tourism publications, web sites and at the tourism information centers, in niche market publications / web sites for backpackers and other target markets.
- A special introductory offer to all guests at regional accommodation facilities, from B & B's to resorts.
- Direct marketing (mail, email and personal contact) with the industry, tour wholesalers, tour operators, organized group tours, clubs and associations, seniors and Probus clubs (especially good for mid week business), social and special interest clubs.
- Events such as Sunday Jazz will be publicized through local media, metropolitan gig guides, local metropolitan newspapers, 'what's on' columns and signage
- Linking in to promotions and activities promoting the Timboon Food Trail, such as trail signage, interpretation and brochures.
- Signage on the property which is well located on the main road from Port Campbell to Cobden and the Princess Highway. The local authorities will be lobbied to provide effective signage at Port Campbell and along the Great Ocean Road.

The budget required to deliver this marketing program is approximately \$52,500 per year. Please see promotional plan for the first year, it will be further refined as part of the initial establishment and as the business grows in the longer term.

Year 1 – promotion campaign

Market Segment ⁴	Activity	Cost inc GST
Socially Aware and Gourmet Market	Up market brand identity – logo, product labels & packaging, tags and stationery	\$5,000 once only expense
	- Web site	\$3,000 once only expense
Tourism Industry, clubs	DL brochure , packages and tours	Design \$1500 Print 3,000 copies \$1500

⁴ Please see in appendix 3, the Roy Morgan and Horizon Group – Value Segments

	Distributed by direct mail And email brochure	Postage Total \$3,000
Existing visitors GOR Distribution by email and Brochure Distribution company to cafes, tourism information centers, accommodation, attractions	Post card Front – strong visual image, same as DL front cover Back – map and essential information	Design \$300 (map) Print 25,000 copies \$1700 Distribution \$1000 per year Total \$3000
Gourmet food market and media	Opening launch Food media publicity Local media Press releases Follow up with journalists	specialist PR \$5,000 Catering \$2,000 Entertainment \$500 Photography \$500 Total \$8,000 -
Independent tourist market	GOR tourism brochure Contribution as part of the food trail	\$3,000
Local market residents Warrnambool and Geelong	Local paper advertising and feature story package	Initial 26 weeks through summer @ \$50 per week Local \$1300 Warrnambool \$1300 Geelong \$1300 Total \$3900
Melbourne Short break Market (Socially Aware and Gourmet)	Epicure Feature and advertising Promoting the Timboon Gourmet weekend In association with the food group, Councils, accommodation and Shipwreck Coast Costs to be shared by 5 contributors @ \$3,300 each	3 weeks in early summer (1 st week – full page approximate cost \$11,500 2 nd and 3 rd week advertising 5cm bottom page strip \$2400) Design costs \$400 Total cost \$16,700 Contribution

		@ \$1100 per week Total \$3,300
Existing GOR tourists	Billboard High quality billboard at a strategic location at the GOR turn off to Timboon from the 12 Apostles and Port Campbell. This will require planning permit from relevant authorities.	2 billboards design \$500 production and installation costs of \$2,500 each Total \$5,500
Existing GOR tourists	Food Trail signage and map brochure In association with the food group, Councils, and Shipwreck Coast	Contribution of \$1500 towards the project
	Marketing Coordination of; - branding, brochures, advertising design and costing - billboard permits, costing & design - cooperative promotion - event promotion	\$10,000 per year
Major Tourism industry (AAT, APTC, Grey Line etc) and media	Familiarizations - Invitations - hosting - catering	\$2,000 per familiarization
Coach Companies – elderly market	Direct mail and email of brochure Membership of Industry bulletin	\$700 postage and handling initial mail out \$550 yearly fee
	Total	\$52,450

All promotional campaign activities will be measured by the following methodology. The campaign will be amended to reflect the evaluation.

In the following year, design and marketing costs will decrease due to the existence of branding and marketing collateral, however design adjustments may need to be made. These savings (approx \$10,000) can be used to activate the events program as a cooperative marketing initiative with the other tourism stakeholders.

MANAGEMENT AND OPERATIONS

Timboon Fine Ice Cream has had an association with the dairy industry for 11 years. It operates as an active member of the Timboon business community, as part of the South Coast Food Group, part of the Timboon Food Trail experience and as a tourist attraction. The current product, includes a full range of gourmet up market ice creams and it appeals to the same discerning adult market that the proposed distillery is aimed at.

The current business strategy is to cater to tourist sales from the current outlet as well as taking the product on the road and participating at many festivals and food events. This increases brand awareness and sales. As the market has become more familiar with the Timboon brand and product, part two of the operational strategy is to open a local 'factory door' selling outlet. The distillery will compliment such an arrangement.

The proprietor Tim Marwood has had six years as a dairy farmer operating a 400 cow herd and the previous five in value added manufacturing of super premium ice cream. His back ground and expertise of the business includes:

- ? Bachelor of Arts - Manager
- ? Hospitality Management (managed a hotel)
- ? Advertising and marketing (worked in the advertising field for many years)
- ? Event Management (currently organize the local Jazz festival)
- ? Dairy manufacture
- ? Retail sales at our outlet
- ? Retail sales at Festivals and events
- ? Business management
- ? Financial management.

The Distillery, whilst it is a different product, it builds and expands on the current operation and product range and it fits in to the business strategy of manufacturing products using local produce (berries, milk) that have a connection with the local culture and heritage and is another point of interest in the Timboon experience. The proposal thus fits in to the current operation as a gourmet food / beverage manufacturer, part of the Food Trail and as a tourism facility.

The current management and staff includes 3 partners: 1 partner undertakes overall management of operations and marketing, 1 partner undertakes financial management and 1 partner staff management and events.

There are 4 employees who undertake manufacturing and sales tasks. For the proposed expansion of the business, specialists will be engaged as part of the development process, however ultimately permanent staff will be employed to fill most of the operational roles.

The heritage building will be shared with the Rail Trail Community Group, who will be assisting in interpretation of the local heritage and other tourism information.

It is recognized that specialist expertise will be needed to establish the facility.

A distillery consultant has been engaged to assist in the manufacturing process.

A tourism marketing consultant will be engaged to assist the business prepare our Business and Marketing Plan as well as assist with the implementation of the marketing campaign.

Please see below the project implementation plan.

Timboon Boutique Distillery Proposal – Project Plan

Phase	Milestone	Start Date	End Date
Planning	Complete internal fit out plans (Building Construction Plans completed before project start)	1 December 2004	30 January 2005
	Obtain all permits Building permits already completed before project start	1 February January 2005	30 March 2005
	Obtain quotes from builders, suppliers and		

	specialist equipment	1 February	30 February
Construction of restoration works	Contracts signed	1 April	15 April
	Building Works completed	15 April	30 July
	Internal fit out and operational set up completed	1 August	30 September
	Sourcing local suppliers	1 August	30 September
Staffing	Recruitment completed	1 August	30 August
	Training of staff	1 September	30 September
Business Planning & Marketing	Preparation of Business & Marketing Strategy	1 April	30 June
	Commencement of Pre – opening marketing	1 July	30 September
	Road and facility signage	1 July	30 September
Opening of Facility	Opening Launch	1 October	
	Marketing campaign	1 October	30 December 2005

- Building approval

Building approval for the restoration and refurbishment works is required only. All building regulations will be adhered to.

A planning permit is not required, because the property is owned by the State Government. Permission for the project works has been given by the Department of Natural Resources and Environment

Currently, concept plans are being prepared by the project architect and these will be lodged to the local Corangamite Shire.