

DISTRIBUTION MODELS FOR START-UP BREWERIES

CBC 2018 | MAY 3, 2018 | Nashville, TN

AGENDA

- Panelist Introductions
- Overview of Topics
- Panel Discussion
- Q&A

PANELISTS

- Barbara Gerovac – Anaheim Brewery
- Suzie Ford – NoDa Brewing Company
- Kimberly Clements – PINTS LLC
- Daniel Lust –PINTS LLC



BARBARA GEROVAC

- Professional brewer since 2004
- Twenty year Army veteran
- President, Orange County Brewers Guild
- Opened Anaheim Brewery in 2011



N·O·D·a
BREWING COMPANY®

SUZIE FORD

- Founded NoDa Brewing Company with husband in 2011.
- Current title: President
- Prior to the brewing industry, was involved in banking and marketing.



KIMBERLY CLEMENTS

- 26 year industry veteran
- Former Owner & President at Golden Eagle Distributors, a statewide beer distributor in Arizona



DANIEL LUST

- 14 year industry veteran
- Former VP Sales/Marketing at Golden Eagle Distributors

EVOLUTION OF A BREWERY

Building a solid plan from pen to profit

EVOLUTION OF A BREWERY

- Brewery Business Plan
- Opening for Business
- Operating a Successful Tap Room
- Self-Distributing
- Navigating the World of Distributors
- Avoid Learning the Hard Way

BREWERY BUSINESS PLAN

The Business of Brewing

THE BUSINESS PLAN

- Prepare a solid business plan and be realistic
 - Beer is big business and requires attention, it's not a hobby
 - Who is the “face” of the brewery
 - Measure twice and cut once
 - What is your brand story and how will customers relate
 - Your plan will evolve over time; it's a working document
- Understand the liquor laws in your state especially regarding distribution and taprooms. What are the limitations?

OPENING FOR BUSINESS

- Execute the business plan
- Know what else is going in your local marketplace
- Stay informed about industry trends
- Who are your competitors
- Build strategic alliances
 - State & local guilds
 - Brewers Association
 - Chamber of Commerce

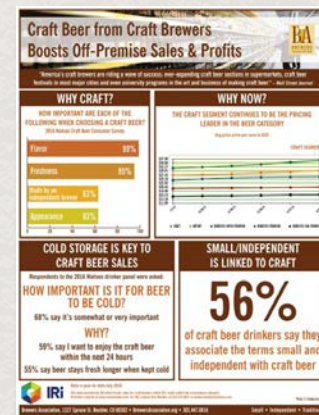
OPERATING A SUCCESSFUL TAPROOM

- Create experiences for guests to engage with your brand
- Be memorable
- Develop a culture of employees who think and act like owners
- Training, training, training
- Clean glassware
- Clean restrooms
- Customer service is top priority



SELF DISTRIBUTION

- Why self-distribute
- When to decide that distribution is needed
- Who is going to manage the outside distribution
- What are the expectations for sales outside of the tap room
- Synch sales with production schedule
- Know the account base where you are selling
 - On vs. Off
 - Chain vs. Independent



SELF DISTRIBUTION

Sales Team

- Pay structure
- Commissions
- Goals and Incentives
- Constant communication with production

Sales Territory

- Know your operational limits
- Create efficient routes
- Budget volume & revenue vs expenses
 - Don't sell more than you can produce

Equipment

- Vehicles for sales, delivery, service
 - Liftgate
 - Refrigeration
- Keg moving equipment
 - Dolly
 - Pallet jack
 - Forklift

SELF DISTRIBUTION

Cooperage

- Buy vs lease
- 4, 5 or 6 kegs per handle

Services

- Line cleaning
- Repairs and maintenance
- Merchandising
 - Know the laws

Accounting

- Accounting system for sales, inventory, deposits
- Develop process for orders, invoicing and fulfillment

NAVIGATING THE WORLD OF DISTRIBUTORS

- Where do you want to expand
- What are the wholesaler options
- Current alliances and portfolios
- Ownership succession plan



Graphic is for illustrations purposes based on industry averages

WHOLESALE CHECKLIST

DUE DILIGENCE

- Objective questionnaire
- Market research
- Formal presentation
- Current portfolio
- Marketing support

CONTRACT NEGOTIATION

- Ground rules for negotiation
- Ask them to spell out your responsibilities
- Define criteria that are important
- Ask questions and understand wholesaler perspective
- Accountability measures for both sides to adhere to
- Details and fine print

WHOLESALE CHECKLIST

MARKET ROLLOUT

- BUDGET
- SKU selection
- Market engagement
- Adjust brewing schedule
- Cooperage for new pipeline
 - Even more kegs per handle
- Package for chains
- POS & Swag

DISTRIBUTOR MANAGEMENT

- Distribution and volume goals
- Scorecard to measure
- Establish meeting schedule
- Prepare and present annual business plans
- Keep objectives simple
- Bring value and profitability
- One POC

AVOID LEARNING THE HARD WAY

- Sales and delivery schedule
- Set limits if you are providing credit (if allowed in your state)
- Distribution contracts
- Plan B with consolidation
- Don't get caught up with explosive short-term growth
- Design a plan for consistent, methodical growth that is sustainable over the long-term
- If you have a **PULL** problem, expanding territory or adding more brands only makes the problem worse

THANK YOU



- **Barbara Gerovac – Anaheim Brewery**
 - barbara@anaheimbrew.com
- **Suzie Ford – NoDa Brewing Company**
 - suzie@nodabrewing.com Twitter: @nodabrewing
- **Kimberly Clements – PINTS LLC**
 - kimberly@pintsllc.com | Twitter: @kcbeerchick
- **Daniel Lust –PINTS LLC**
 - daniel@pintsllc.com | Twitter: @lustywes