**Blog 3**

**BUSINESS SIDE OF THINGS**

Quick Update on Things …

1 Reply

I think back to the days when we were first getting started with the brewery, and I can’t help but think how much time I had to do things. It didn’t seem like I had a lot of free time, but in reality I did. What I really had was the ability to get on top of things, which I have completely lost now. Let me try to explain.

When you first start writing your plan, you have time to dream, think about your beers, your brand, name, etc. It is a natural part of things, and something that if we didn’t do, we wouldn’t be doing this. As time moves on, you tend to get to more of the meat of the operation, and you need to start figuring out some details. As time progresses, you think you have figured out a lot of the details of your space. Things like brewhouse, packaging size, general location of warehouse. You think you have made a lot of these decisions, but you haven’t.

You continue to work on your business plan, making what you think are decisions and changes of direction …. and then you do it. You find a space to lease and you take possession. This is when it starts to really happen. You actually start making decisions, like general contractor, architect, brewhouse size, etc. You think you are doing well, because you have made actual and concrete decisions.

What you don’t realize, is that you have only started on the tip of the iceberg. There are thousands of decisions to make. None of them are more or less important than any of the others. Think of details such as these: Size of cooler door to the inch, length of drainage trenches down to the inch, slope on concrete pour down to the degree, exact location of trade waste interceptor, etc, etc. There is so many small decisions to make, it can become overwhelming.

Coming full circle, each of these decisions take time, and trust me when I say, you have very little of it. Your funnel at the top is getting loaded faster than you can empty it. About a year ago, you could pound out a good 60 hour week and be back on top of everything, but that is a pipe-dream now. A 60 hour week will only mean that I have about 300 hours of unfinished work sitting around waiting for me to complete. There is no way of catching up short-term, it is a matter of prioritizing and getting small jobs done.

Add to all this the work around the brewery. I have been tying rebar and working around the brewery 7 days a week for the past few weeks, and there is still so much to do. Take for example a typical day in my life.

Get up at 5am to 530am

Work in front of my computer until 745am

Get kids off to school and lunches made 830 to 9am

Drive into brewery to do work 930am

Manual labour all day at brewery until about 930 am to 3pm

Home to do work in front of my computer (accounting, marketing, business planing, etc) 330pm to 5pm

Down time, hang with family, 530pm to 8pm

After kids in bed, back to computer for more work 8pm to 11pm

Off to bed to do it again

This is a pretty standard day, and I know one that my partner also goes through. If you are going to open a brewery, and you want to take an active role in starting it, be prepared for a day like this.

What you will find is that how badly you really want to do this will go a long way to making the above feel like work, versus feeling like a dream. Luckily for Iain and I, the long days are a dream and the passion is burning brighter than ever, so we know we have made the right decision.

This entry was posted in Business Side of Things, The Journey and tagged 33 Acres, Aaron Jonckheere, Bomber Brewing, Brewery Business Plans, Brewery Financials, clark drive, craft beer BC, East Vancouver, Growler Fills, How to start a Brewery, Iain Hill, Im Starting A Craft Brewery, New Breweries 2014, steel and oak, Storm Brewing, Strange Fellows Brewing, Tasting Room, the process of starting a brewery, Vancouver on June 11, 2014.

Best Practices … Writing a Business Plan

3 Replies

I spent the night on Sunday at Hoppapalooza, one of the best events for Vancouver Craft Beer Week, hosted by the amazing Alibi Room. I had the chance to speak with many amazing people at party, many of whom gave me great suggestions and advice on what choices to make with our brewery. I was asked numerous questions about our business and starting a brewery, which I found very interesting and flattering. One of the questions I was asked several times throughout the night, was about writing a business plan. It is also one of the questions that I get asked most often via email, by way of this blog.

So instead of going on and on about the business plan, what to put into it and what not to put into it, I figured it would be best to just give a few pointers and then a list of important points to consider when creating one.

Start with the end in mind: Yes, this is one of Stephen Coveys 7 habits of highly effective people, but I have always liked this point. So in other words, what are you going to use the business plan for? Your answer to this question will directly effect the scope of your plan. A plan to just figure out your operations might be a little different than one aimed at investors.

Put more into it, get more out of it: Our business plan was a real labour of love. We put excessive amounts of time and energy into our plan, as both Iain and I have personalities that make us overly fastidious about this kind of thing. So we spent a lot of time making sure that we planned every detail, and projected every scenario, good and bad.

No matter what, this is your roadmap: We refer to our business plan on a regular basis, and it has become a living document for our business. The great thing about having a plan is that it also allows any difference in opinion you may have with your partner to be vetted. Moreover, the roadmap ensures that when you opinion changes in the future on something, you can judge it against a baseline, of what you once thought.

Plan for about 6 months minimum: I can’t see how you could write a well thought out business plan in less time than this. Our business plan was a solid 12 months of writing, and then about 2 years of reviewing and revising every component of it. By the end of the 2 years, our plan had completely changed several times over to become what it is now. Moving forward, our plan will surely continue to change, and each time, we will take the time to update the details, so that our roadmap stays accurate.

Its all about the financials: Your cash flow is the most important part of the business plan. It has to be realistic and it has to prove that you can make money quickly and consistently. If you financials don’t add up, then you need to re-evaluate what you are doing and the approach you are taking. Our cash flow has become a monster, and it is something that without, we would be lost.

Keep it short and sweet: No matter what, but out all the crap. Your plan should be no more than 25 pages written and about 25 exhibits. For your financial projections, create a high, low and medium. Shoot for the stars with your high projections …. say Parallel 49 or Driftwood. Aim for realistic on the medium …. say Powell Street or Coal Harbour. Seriously tank on the low, so you know what could happen …. say Surgenor or other under performing brewery. The low will get you out of bed at 5am, the high will keep you dreaming of what could be, and the medium is likely where you will end up (I think).

Don’t use we, use your company name: Maybe this is just a stylistic thing or my personal preference, but you are not talking about you, or your life. You are discussing a business that you may or may not be a part of down the line. According to your lawyer and accountant, your business is an entity unto itself, so refer to it that way.

Have sub plans for various facets: We have a marketing plan that is about 25 pages, and a production plan, that is also about 25 pages, along with a few other plans we are working on. Each of these detailed plans will be shortened and augmented to fit within your plan. Just put a note in that section of the business plan, that there is more information if the reader so desires.

Non-disclosure: You may be handing out your business plan more than you think, so you will need to decide who needs to sign a NDA and who doesn’t. From what I read, anyone that is a seasoned investor, don’t bother asking them to sign one. It will be insulting. But for others who are already in the business, or locals who you might think will tell the world what you have planned, it is your call. We really never had anyone sign our NDA, other than some local brewery owners who we were going to partner with (but didn’t) several years ago.

Prepare a presentation: Maybe not if you don’t need any investors, but for those of you who need outside investment in your brewery, create a power point presentation of your plan, and summarize the key points. Make sure you let the people know what is in it for them. They will always want to know what they will get in return for allowing you to use their hard earned money. Practice your presentation over and over, until you feel at ease. Make sure you try it out on a few people before you go to any actual investors.

Prepare to get rejected: I didn’t track all my failures as much as could have, but I will tell you that I met with about 50 people over the course of 18 months, and we have only about 10 investors in our brewery. That meant I had a 1 in 5 success rate. You may be much better than this, but no matter what, expect some people to pass on your opportunity. Don’t take it personally, ask a lot of questions why they didn’t go with you, and learn so that you can minimize this moving forward.

Be proud, positive and confident: I am overly realistic, so one of my biggest challenges was that I didn’t sugar coat anything for anyone. I never promised that we would make it, never promised riches at the end of the journey, so if things did go off the rails, I would have my conscious clear. However, you can still be proud and positive about what you are doing. In fact, this is super important. No one else will believe in you, if you don’t believe in yourself.

Use a business plan guide: I have my business plan guide in storage, so I can’t tell you which one I used, but be sure to have a guide that will help walk you through each of the key facets of your business plan. A guide explains all the details that you need to know, and will help you determine how to best write your plan. I have written a total of 4 business plans in my lifetime, and I still wouldn’t consider writing a business plan without some sort of guide to help write the plan.

So that is my best practices on writing a business plan. I will gladly send you a copy of my business plan, should you want to see what we created. Just send me a message. Best of luck, and writing a business plan can be a lot of fun, so make sure you prepare yourself for an amazing journey.

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The toll this brewery is taking on me

5 Replies

There are so many amazing parts to starting your own business. Things like never having a boss again, being able to build a business and brand, making choices based on your own preferences and opinions, and how every day is a new and amazing adventure. These are experiences beyond words and they have helped to make the process of starting a craft brewery all that you think it would be. The other side of this equation involves many other experiences and instances that are less than glamorous, or things that become worse through this process.

One of these things is the relationship you have with family and friends. It is not that the business directly effects these relationships, rather the extra time and attention starting a business takes will eat into the amount of time you have for those close to you. It is a slippery slope to walk, and one that you will often find yourself on the wrong side of. There are many ways to get back to the other side, but it takes ingenuity and changing the established patterns you have …. and lots of coffee.

For me family is everything. I love spending time with my wife and kids. For the most part it is a release from the challenges and grind that makes up starting a business. However, that can become a challenge when you have a list of 40 or 50 hours of work sitting on your desk. Things like entering information into Quickbooks, marketing, ordering equipment, budget revisions, brewhouse work, manual labour, meeting with trades people, and even writing this blog. All these things help to chip away at any sense of release you can enjoy when not at your desk. In other words, your mind starts to wander when you let it, when sometimes what you need is to forget about the business. That is always easier said than done.

Starting a brewery also means that you have a LOT less time for family and friends. Saturdays become work days, early mornings are the domain of getting to-do’s checked off your list and late nights are for preparing for the following day. Sitting with my wife watching a little TV, figuring out who is working when, or even talking about life seems like something we rarely do anymore. Life is busy enough with all that is going on, but to think how much time I have taken away from focusing on my life partner is a little alarming. Same goes for my kids. I have been accustomed to being there for my kids over the past 7 years. I pride myself on coaching their sports teams, dropping off and picking up them from school, and helping with the myriad of chores around the house. All of these things become much harder to do when you are focusing on your selfish dreams.

This selfishness is something we all deal with at some point. Maybe you are looking for additional work to pay off some bills, or you are back in school trying to get a degree, or maybe you are starting a brewery! No matter how you break it down, being selfish results in different things at different times in your life. When you are in your 20′s, focusing on yourself is a lot easier that your 30′s, when family becomes a (really good) drain on your time. Now that Iain and I are into our early 40′s, the lack of time for family and friends is only made worse by a lack of energy.

So with all this in mind, I should officially take this forum to apologize to my dear family and my amazing friends. I am sorry that you don’t see me as much, or hear from me as much as you have in the past. Or when I am around I might be distracted or preoccupied with thoughts of my life. Just know that during this chapter of my life, my focus has changed and that I hope balance and normalcy will return one day. Until then, maybe tell me to lighten up or crack a joke when you can, it will help me be in the moment.

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The jobs involved in opening a brewery …

2 Replies

There are many things to do in starting a business, that much is for sure. But let me be the first to say that there are about twice as many jobs to get done as you first anticipate, when you are conjuring up your business plan months and years before actually taking that leap of faith. With the help of this post, you can plan ahead, learn some skills, mentor from someone who has experience, take a few classes, or just meet someone with a complimentary skill set to yours.

In no particular order, here are the things you need to be good at:

Salesperson: Maybe I put this first because I feel like there is so much of this process that you need to get buy-in on. Whether it be your spouse and why they should support you in opening a craft brewery, investors to see a bright future in your business, or even possible partners to believe in what you are doing, you are always pitching an idea to someone it seems. Not a lot of people have sales experience, so I would recommend Spin Selling by Neil Rackham

Janitor: Get really good at sweeping. This means finding a messy floor somewhere and getting a good broom and going to town. A couple techniques. There is the long stroke or the short stroke. I seem to prefer long strokes on smooth surfaces and short strokes on rough surfaces

Accounting: There is no way you want to get behind on this one. From the start, have a good idea of your plan for taking care of the books and reporting this information. We use an accountant and they have set us up on a system that works with their office. Essentially, we track everything in quickbooks, pay every bill and invoice, and then push this to them at the end of the year. Easy enough, but it was a long road to get here. My recommendation is to use Quickbooks, which is available online for $250.00 or so.

Digger: Another really important skill to have. I suggest you head to the beach, and try digging a couple holes and a trench. Do this a couple times a week, so that when it comes time to dig up floors, or shovel dirt, you are in prime shape to make this happen. A key here is to manage your shovel loads. Not too much dirt now …

Marketing: I have always kept marketing separate from sales as I think they are 2 very different things. In short, marketing is the long term plan and vision for your brand, and sales is the day-to-day activity. Read some books, look at other companies, brands and marketing whenever you can, and learn from others who specialize in this to get a better understanding of what you should (and shouldn’t) do. My book recommendation here is Permission Marketing by Seth Godin.

Steelworker: My hands don’t lie, you will need to get good installing and tying rebar and wire. I suggest you go get a job tying rebar for a week at a local construction site. Make a B-Line for the site super and tell them how your baby soft hands are in need of toughening up. Don’t forget to strengthen your lower back as well, as you will be bending over for most of the day. Just find your happy place, and try to think about how great it will be to serve your beer to the world when you are finished.

Decision Maker: You will need to to learn how to make decisions based on the advice of others. It will often involve a complex set of parameters with varying opinions, the exact answer you must decide on your own. Good examples is whether to lease that warehouse that is empty or what floor plan to use for your brewery. You will get opinions from realtors, bankers, lawyers, engineers, accountants, architects, and even your friends and family, but at the end of the day, you make the decisions, so don’t overlook or underestimate what is important to you and how this decision will play out long term. My book recommendation is Crucial Conversations by Kerry Patterson, a must read.

Painter: Up, down, up, down, repeat. Think of Mr Muyagi in the Karate Kid, and practice for painting with painting. This process should actually start with power washing, so find a dirty piece of concrete and let loose about 1,000 PSI to see what it feels like. When you have mastered use of the wand, you can move to painting. This involves a lot of cutting plastic poly, taping, and scraping. So get ready for the time of your life! Remember patience is the key to getting a good paint job.

Social Media: There are some breweries that open and they have put nothing out there, while there are others who tell everyone what they are doing every step of the way. I wouldn’t say one approach is right and the other is wrong, I would just say if you aren’t active in social media, at least understand what is happening and how you will take part in that down the road. My book recommendation here is Guerrilla Marketing

Psychologist: When you are dealing with trades people, construction workers, and general labourers you are going to hear stories that will make you cringe and make you smile all at the same time. Time to talk some sanity into these people!

Human Resources: you are going to hire people down the road, so its important that you understand what skills your team has, and what skills you would like to add to the mix. Without question, every person you hire is important, but the first couple out of the gate will truly make or break you. Hiring for Attitude is my book recommendation for this bucket

Bathroom Cleaner: Thats right! Get down on your hands and knees and scrub. Great preparation would be to head into your local Frat house and start cleaning the toilets. You see, trades people have the aim of a 3 year old boy, and the cleanliness of …. well a construction worker. So rubber gloves and eye protection are mandatory, while hazmat suit and respirator are optional.

Copywriter: A bit of sales and a bit of marketing in here, but that is not the point. You need to be able to convey information to others in written word. Whether it is your brand statement to consumers, a letter to your architects expressing your desire for changes to a plan, or the content on your website, you need to be able to write in concise terms. Personally, I am not the best at this, as those who read my blog with regularity can attest, but it sure is something you can work on … like I do in writing this blog. My book recommendation is Writing that Works.

Phone Hanger Upper: You will get good at hanging up the phone. This is a product of having a lot of phone calls, but also a lot of telemarketers call. I find the best way to get out of the conversation is to cut yourself off mid-sentence, that way the other person will think the line was disconnected. Don’t hang up while they are talking, as it is a giveaway you did the dirty.

Retail Manager: A huge portion of a new breweries sales take place at the tasting room and growler fill area. For a company like Brassneck, the experience they gained from their previous experiences only helped to make their retail experience what it is …. amazing. Same goes for Bomber and others, as their retail experience only helped them to make sure they got the retail area perfect. For us, we need to find help on that front. We need someone who will understand what we are doing, and help us to nail it. We are looking for this person and hopefully they can come on board at the right time.

Mechanic: We have yet to experience this one for the most part, but it would be wise to learn some basic skills around fixing things. I have heard the horror stories of things breaking down and needing repair in a brewhouse are too numerous to mention, so knowing what to do, or who to call is a very important component of keeping operations smooth. Remember, red is positive and black is negative.

Delivery Person: When the production gets going, we know that a good portion of time will be driving around and dropping off product. We view this interaction as very important, and something that we need to do in person.

Production: Maybe I put this last because it is the most important on this list. I still maintain that we can get everything else on this wrong, or not have any skills in those areas, but as long as you make a quality product that is consistent, you will do well. Maybe I am a little naive, but having good beer will make everything else easier. So this is where you need to make a choice: Either find someone who knows and wants to handle production, or learn the skills necessary yourself. Guys like Ben Coli are a good example of someone who wanted to handle production themselves. I would be antithesis of this, as I always knew there would be someone else handling this part of operations. I think at the end of the day, you need to decide what role in the business you want to have, and go for it. Book recommendation here is any and every book that has to do with brewing or production.

The most interesting thing about this list is that you will be doing all of these things on a daily basis. There are days I go from item to item to item, and then I repeat a few of them. That makes the job interesting, but also means you have to get really good at prioritizing, multi tasking, and working in several silos all at the same time. For instance, as I write this post I am also answering emails, texting my partner and yelling at my kids!

This entry was posted in Brewhouse, Business Side of Things, Financial, Marketing, The Journey and tagged 1345 clark drive, 33 Acres, Aaron Jonckheere, Bomber Brewing, Brassneck Brewing, coal harbour brewing, growler fills east vancouver, how to, Iain Hill, main street brewing, Microbrewery, off the rails brewing, old world, Parallel 49 Brewing, postmark brewing, powell street brewing, r and b brewing, Starting A Craft Brewery, steel toad brewing, Storm Brewing, Strange Brew, Strange Fellows Brewing, tasting room Vancouver on May 14, 2014.

A Crushing Day for Us ….

1 Reply

Well, the last 36 hours has been full of angst on behalf of both Iain and myself. We finally received a detailed budget from our general contractor, and to put it bluntly, we are going to be way over budget on building our brewery. It is an extremely bitter pill to swallow, especially after the increases we have made throughout this process to our budget. At the end of the day, we are building a much larger brewery than we anticipated, and with a larger brewery comes bigger costs.

When I look back at my old copies of the business plan, I have to chuckle to myself as I once thought the retrofit of a warehouse, not including equipment, was going to cost about $400,000. I look at that number and can’t help but think how naive I was. That is both a good thing and a bad thing. If I knew how much this endeavour was really going to cost I might have passed on following this particular dream. I thought the $400,000 was enough to put up some walls, trenches, upgrade power, and put all the equipment in. Boy was I wrong. This was about 2012 when I was really starting to get into planning this brewery

Fast forward to late 2012, and after much encouragement from other brewery owners that I met with, we increased this amount to about $550,000. In my mind, this was an increased of about 30% over my initial budget, and I thought this would be plenty. But as you learn more about what is required to retrofit a warehouse, the number keeps getting chipped away. All of a sudden, the additional money that came with a bigger budget seemed to have disappeared.

Fast forward again to early 2013, and it was time to increase the retrofit budget again. It just seemed impossible that with tasting rooms and their pending approval, along with the realization of additional costs with most spaces, that we could retrofit a space for any less than about $650,000. At the time, this seemed like a good number, and even included a sprinkler upgrade and water line upgrade. We figure we would be free and clear, so we charged ahead with this number in our mind.

It was at this time we started to inquire with investors about financing our brewery. We based many assumptions on this cost, including how much we needed to raise from angel investors. $650,000 seemed like our golden ticket to get everything we wanted. So we charged on and hoped that we could what we wanted for this amount.

Then in the summer of 2013 we found what would eventually become our warehouse. It was bigger than we really needed, but it gave us an excellent location, and most importantly a great landlord that wanted a brewery in his building. We had our architect in, a couple contractors, some sub trades, engineers, etc and they all pointed to a retrofit cost of about $725,000, depending on a lot of things, such as electrical upgrade and flooring. I have written about these items in the past, and they were huge uncertainties with out space. So we moved forward with a newly increased budget of about $725,000 for a retrofit.

So fast forward to this week. We met with our architect and general contractor to discuss the quotes they have received from sub trades (like mechanical contractor, electrical contractor, concrete slab specialist, etc) and also the budget from our general contractor on all the little things that make up our brewery. All of this information, along with our wishes and desires, was put into a spreadsheet and at the very bottom of a huge excel file, there sat what was the anticipated retrofit cost of our brewhouse. The total estimated cost for our retrofit was (drum roll) …. $925,000.

It is hard to put into words what was going through my mind when this was presented. It was like someone kicked me in the stomach …. and then kicked me again. It was awkward for our architect and our contractor, as they could see that what I had believed and what I had assumed was wrong. I must have looked like a deer in headlights. Even now, I am fully consumed by frustration and anger that I just can’t seem to shake. How is it possible that I ever thought $400,000 was enough? It just seems plain old absurd!

We are so deep into this process, so far down the road, that there is no option but to find solutions. For starters, it is very likely that the tasting room will have picnic tables and used chairs, be lacking any real artwork and design aesthetic, and have very little “extras” that other tasting rooms might have. We have also had to dial back a few optional pieces of equipment that we hoped to have for the brewery. Essentially, there will be a cascade of changes that are mostly out of our control, in addition to some extra cash that we need to raise from investors.

If I could pass some information onto others, I would make note of the following costs you might be looking at:

Electrical Upgrade – $75,000 and up

Mechanical – $125,000 and up

Tasting Room – $50,000 and up

Labour costs – $100,000

Development and Building Permits – $10,000

Concrete – $25,000 and up

Boiler and Installation – $35,000

Contingency – Easy 10% of your budget

Architect Fees – $25,00 and up

Engineer Fees – $20,000 and up

Management Fee (from General Contractor) – Cost plus 10%

Epoxy Flooring – $15,000 and up

Of course there is a long list of other small items, and they have all creeped up in cost, as we have a 9,000 square foot space.

In another few months, I will be sure to post all of our business plan online, so you can see for yourself what all the details in starting a brewery are. For now, just know that what you think things will cost, will likely double from your initial estimates. Just hope and pray that you have way more money than you need, or at least a network of people who would be able to offer some financial support to your business.

I hope to have some answers to our dilemma early next week, and I will pass along any notes I have on how to find savings in a budget that doesn’t seem to have a lot of wiggle room.

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Bottle vs Can for a Craft Brewery

25 Replies

One thing we have long struggled with is the type of packaging we are going to put our finished product in. Speaking with other craft breweries, we are not alone in the uncertainty we face in making this decision. I have summarized the pros and cons of each decision, and I hope at the end of the post, you can give me some feedback on what is the best in your mind. Starting your own brewery is a great thing, but it is important to have a firm sense of what you want, and merge that with the financial and marketplace dynamics you face. In other words, what you started out wanting may not be what you end up with.

Really there are 2 choices that you can put beer into. Either cans or bottles. Before I dissect each of the options, here are some general comments. I had long thought that cans were the clear environmental choice, but a few articles haver pointed me back in the direction of uncertainty. Click here to read one article. So with no clear winner on the environmental side, what about taste. I hear anecdotally that people can taste the plastic in cans. Does this mean they don’t pour the beer out of cans into a glass (yikes). Also there is the image. Is the wider market really ready for high quality craft beer in cans? I know Steamworks and Central City have their beer in cans, and by all accounts do very well, but could you imagine a much smaller player, like 33 Acres or Bridge Brewing putting their beer in cans? Would it make a difference at all to your perception of them.

Cans: Cans are a good option for a brewery for a variety of reasons, but there are some downsides to them, which I have tried tried to summarize below. Essentially, there are 2 options for can sizes 355ml or 500ml. The smaller can is more North American while the larger can has a much more European feel to it.

More transportable and lighter than bottles

Beer keeps better in cans than bottles

Per unit cost is less expensive than bottles

About 66% of all beer sold in BC is sold in cans

Government liquor stores want new listings in cans

Canning lines are more expensive than bottling lines and notoriously more finicky. We have quotes for a canning line at $90,000, and the price can go sky high from there

Minimum orders for cans are about $30,000

You need to figure out what beer you are going to sell and then hope the market likes it, as production time for cans is much longer

Image of someone drinking from a can doesn’t always conjure up quality craft beer

Lead time for can orders is much longer than a bottle label order

A couple different sizes of cans which completely change the look and feel of the marketing

Bottles: On the other hand, bottles are a great option for a new brewery, as the 650ml bottle is the standard size for craft beer, and is well established in the BC marketplace. Not unlike cans, there are both pros and cons to packaging beer in bottles.

About 33% of all beer sold in BC is sold in bottles

A beer bottle doesn’t put off any odd tastes, whether perceived or not

A beer label allows for more colours and detailed artwork

The amount of time needed for artwork and printing is much shorter than producing cans

Bottling lines are less expensive than canning lines, and you can buy change-over parts to switch between bottle sizes

We have quotes for bottling lines at about $60,000 and the price can go way up from there

There is a much wider variety of bottles available to put beer into (all are in ml): 330, 341, 350, 500, 650, 750, 1000

Government liquor stores are trying to get out of bottles, so a listing with BCLS is much harder to obtain

In my opinion, a bottle of beer put out a different image than a can of beer

So you can see how we are conflicted on the decision that we are going to make. We have flip-flopped back and forth from cans to bottles and we have really wrestled with the decision. What would you do? What would you want us to do? The trouble we now have is that we can no longer waffle on this decision. We need to place our order so that we can get our equipment in time for the launch of our brewery.

So vote here, and let me know what you think. I would love to hear from you as well.

if you were starting a Craft Brewery, what packaging would you put your beer into?

Can 355ml

Can 500ml

Bottle 341ml

Bottle 500ml

Bottle 650ml

Bottle 750ml

Vote

Polldaddy.com

This entry was posted in Business Side of Things, Packaging and tagged 33 Acres, Barrel Aged Beer, bottle of beer, Brewhouse, British Columbia, can of beer, Canada, East Vancouver, How much does it cost, How to start a Craft Brewery, How to write a beer business plan, Investment into Building a Brewery, Local, new breweries opening in BC, New Craft breweries, Parallel 49 Brewing, Sour Beer, Storm Brewing, tasting room Vancouver, Vancouver on April 10, 2014.

Marketing Update – Website, Blog, Social Media, etc

1 Reply

It seems there have been 2 buckets that I have been working in lately: Fixing the warehouse and building our brand. I love the physical aspect of working in the brewery, and I am sure you would too. What I have found is that when you build a company, its hard to see progress and win the little battles that make up the war. For instance, when it came to picking a name, it took literally hundreds of hours of work and effort, and you don’t see any milestones along the way. One day you just have a name. But when you have a physical project like constructing a brewery, its easy to see progress along the way, and I like that.

We have been busy painting the warehouse lately. The amount of time and energy this has taken astounds both of us. We have had great help from family and friends who are incredibly supportive of our journey. Without their help from the get-go, none of this would be possible, and I am sure this is going to continue onwards in the future as well. Even with this help, we have spent 2 weeks preparing the space for painting and first coat of primer. I guess that is what happens when you have a 9,000 square foot space, with 19 foot ceilings.

inside brewery pre paint

So when we are not going up and down the forklift preparing walls for paint, and applying paint, we have been busy with organizing what our brand will look like. That means meetings, meeting and more meetings. I have come to realize that it is incredibly important to express how you feel in a positive and straight forward manner. When it comes to the way I feel about something, I owe to my partner and the business to say what I need to say, all the while improving the relationship with my partner and leaving my influence on the business.

We have picked a logo, and it may not be finalized, it will look similar to this.

SF-logo#8-max-res

Online I can understand why people are torn between the 2 logos we had everyone vote on, but when you see them on a bottle printed out, the decision was quite easy. The text on the other option seemed too small, and didn’t stand out on the bottle like this logo. So thank you to everyone for your feedback and input into our decision. The results were virtually even on our blog and also the Vancity Buzz poll, so at the end of the day, we had to make the decision. There might be people who strongly dislike our image and brand, and we have quickly come to realize that we are ok with that. But we have also come to realize that our brand is so much more than a logo.

All of our social media is now live:

Twitter: Strange\_Fellows

Instagram: strangefellowsbrewing

facebook: strangefellowsbrewing

We are busy working on our landing page for the website, and it will likely be another couple weeks before we have something up and running. Until then, the main contact points are the above …. and of course this blog. As Iain so shrewdly put the other day, he is the one doing all the work in starting a brewery, and I am the one telling everyone about all the work he is doing in starting a brewery. Seems like a good set-up to me!

Your feedback is always welcome and helps us to know what we are doing well and what we can work on. Should you think of anything we can do to make this company better, we would love to hear from you.

This entry was posted in Brewhouse, Business Side of Things, Financial, The Journey and tagged Aaron Jonckheere, BC Breweries, BC craft beer, British Columbia, Craft beer, East Vancouver, Growler Fills, How to start a Brewery, Iain Hill, New Breweries BC, Process, Starting a brewery, Strange Fellows Brewing, Tasting Rooms, VCBW on April 5, 2014.

Another general update on progress and happenings at the Brewery!

1 Reply

It seems like I have been knee deep in the process of starting a brewery, that I have neglected to update the readers on our progress. From the brewhouse to tanks, and forklifts to logos, there is a lot happening at the brewery, and the level of activity seems to have picked up. In addition to the office and administrative items that have kept us busy for the past 6 months, you can add in the retrofit of our space to things to do.

For starters, Iain Hill has officially left his position at Yaletown Brewing Company to join operations full time. For several months Iain has been burning the midnight oil after a long day at the office, and he now has the ability to focus on starting our brewery, which is amazing on many levels. Finding a brewery (and in my case a business partner and equal) is a huge step in the process of starting a brewery. Its one thing to be a home brewer like many of you. You understand some of the components of brewing beer, and you have experience with the lingo and terminology, but its entirely another thing to be in charge of a commercial brewery. With a qualified partner, the beer we make will be of good enough quality that it will offer us a chance to have success. If you want to follow Iain Hill on twitter, his account can be found here.

We have sent out tenders for our warehouse to electrical and mechanical contractors. This has been a bit of a process for us. When you apply for building permit, you have a sense of where things are going to go, and this is reflected in the drawings your architect prepares for you. However, when it comes to the technical details of these aspects of the brewery, you engage with mechanical and electrical engineers to complete these drawings. Getting the details correct on these drawings is critical to getting accurate quotes from trades people that will be doing the work. If you hand over a set of drawings for tender and they change immensely, you will get dinged for additional expenses throughout the build-out phase. My advice would be to push ahead with these drawings at every opportunity, so that when you get your building permit, you are not at a standstill like we were. We will literally lose a month from our possible start-date as we were not ready the next step.

Doing things in the brewery that don’t need a permit is also something that is very important. We have decided to paint the inside walls of the brewery with a marine grade paint, to keep mould from becoming a problem. Well painting a house is a job, but painting 6 metre high walls in a brewhouse that is 9,000 square feet is a little bigger of a job. This is something that we really should have started earlier as well, but given the delays in getting started with the rest of the work, we will have this finished within the week. Once the walls are painted we can move forward with cutting floors open, and getting our brewery ready for building.

If you ever need advice on buying a forklift, I can tell you that we had a great experience and I would love to share it with you. At the end of the day, when you are spending so much money on everything at a brewery, trying to save money on items like forklifts can go a long way. We managed to save about $5,000 against our budget, and while that will get sucked up quickly elsewhere, the point is you need to save money when and where you can. We had a budget of $10,000 for a forklift, charger, and man cage (for doing work on the ceiling of the brewery). After about 30 hours of work, research and seeing what the options were, we purchased an electric forklift that will hopefully meet all our needs for now and into the future. Sure we might have to spend money on repairs, but we are not going to lose much money on this machine as it already has depreciated to nothing. If you are looking; side shift, electric drive, 40 inch forks, 180 inch lift height, and a smart charger that is compatible with your machine are all must haves.

In terms of the voting on our logo, it looks the voting has ended up at 50-50! After all that, we have a divided opinion on what we should be going ahead with! As such, Iain and I are going to meet and make a decision on what we should move forward with. We look forward to making a decision so that we can move forward with other aspects of our marketing.

Our landing page for the website should be up and running in about a week. I know there has been delays (like everything it seems), but we hope to have an interesting landing page that will continue with giving everyone a sneak peak into starting a brewery and our operations. More to come on that front shortly.

I have found an individual that has helped me with odd jobs at the brewery so far, and I would recommend to anyone else who is looking at starting a brewery, to find someone with some technical background in general labour … what I mean is find someone to help you that can do some electrical, plumbing, painting, heavy lifting, etc. We have found a man to help us, and he has been a saviour for us.

From an equipment standpoint, we have ordered our brewhouse and we are very close to ordering our packaging equipment and conditioning/fermenting tanks. We are trying to determine exactly packaging equipment we want, as the choice we make will help determine our entry point into the market. If you go cans, you come across as more of a middle of the road company. If you go with bigger bottles (650ml) then you come across as more of a craft operation. So we are wrestling with what exactly to do, and I hope we can make a decision in the next week. As for the tanks, we are grinding the suppliers on their price, and hope to get our ideal package within our budget. We think it is better to go a little bit smaller on the tank farm, knowing that you may run out of capacity quickly, than spend all your money on equipment and have very little left over for everything else.

Thats it for now. Should there be anything else you want an update on, as always, let me know and I will include it for my next blog.

This entry was posted in Brewhouse, Business Side of Things, Financial, Marketing, Packaging and tagged brewmaster, craft beer BC, East Vancouver, electrical contractors, Finding brewery help, General Contractor, how to buy a forklift, how to buy brewery equipment, how to find a head brewer, How to name a brewery, How to start a Brewery, mechanical contractors, Simcic and Uhrich Architrtects, Vancouver on March 29, 2014.

New Breweries Opening In BC

5 Replies

We are set to be part of an amazing community. It is the quality of people in this business that not only encourage new breweries, but also support the current breweries in the market. People like you to be honest. You read blogs about beer, you support craft breweries, you tweet about beer, you talk to all your friends about the amazing beers you’ve had, and you travel near and far to taste different beers.

The result of this is to encourage new breweries to open. In fact, I pulled this graphic from the Brewers Association in the USA to show how the number of breweries has skyrocketed over the past 25 years.

126-Brewery-Count-HR

It makes a person ask the question, how many breweries is the market capable of sustaining? Trying to guess this is like trying to figure out how much higher real estate prices can go in Vancouver. So I grabbed the closest comparison to beer …. wine! It made me wonder how many wineries are there now. I found this graphic from wines and vines and it shows the number of wineries in the USA over the past few years. As you can see, there are more than 7,500 wineries in the USA, which is about 5,000 more than the total number of breweries.

Winneries in USA

So when I see this, it makes me feel like there is a lot of room in the market for more breweries right?!?! If there are 5,000 more wineries than there are breweries, then there must be room for anther 2,500 to 4,000 breweries???

So what does all this mean to the number of breweries in BC? Well, the most excellent beer writer and blogger Jan Zeschky of the Province Newspaper recently published an article on new Breweries opening in 2014 in this great province. Click here for the full article. He identifies 19 new breweries that are set to open this year, which will surely be a record for British Columbia.

We are set to be part of this amazing community, and when I think pragmatically about things, I believe there is a lot of room for all the breweries opening up, and more. So if you dare dream about opening a brewery, or any other business for that matter, do it. Life is too short to put it off any longer.

I am living proof (and so is this blog) that your dreams can become reality, so long as you have a plan, you spend the time needed, and you surround yourself with amazing people. Of course, there are a few other details that need to go along with these big picture things, but don’t let them get in the way of following a passion.

So bring on the 19 new breweries this year, and I say bring on another 19 next year and 19 more the year after that. Lets fill the marketplace in BC with as wide a variety of breweries as possible. I also hope that these breweries continue to do wild and amazing things with the beer they make. Lets push the boundaries, lets challenge the ordinary and lets realize the potential that is within each and every brewery in this province.

This entry was posted in Business Side of Things, The Journey and tagged beer enthusiasts, Business, craft beer BC, East Vancouver, How to Open a Craft Brewery, Starting a brewery, Vancouver on March 2, 2014.

The Odds and Ends of this Process

1 Reply

One thing that takes a lot of time, especially of late, is the final layout and design of the space. It is quite easy to get approximate locations of the brewhouse, walls, grain room, bathrooms, etc., but it is another thing to lock in the exact location. This goes against what I ever thought would happen, and makes you choose between saving time, saving money, but only getting one of these at once.

Are you as confused as me? Maybe the words are not flowing from my brain to the keyboard this early in the morning, but the final location and final detail of things is taking a lot of time. Why are these things important? Well, without knowing how long of runs you need for mechanical engineers, electrical engineers, your general contractor and others, you can’t really get accurate quotes on work needed. If you can’t get an accurate quote, when it comes time for an electrician to do the work, and they need to do something that is not in the original package, there is an up charge for this. In other words, if the electrician needs to run power to 10 extra lights that were not in the plan, they charge extra. It is also the time that they can “bend you over the table so to speak.”

So in trying to button down all the details of what to put where, it makes life really difficult for the individual(s) putting together the final plans. For us that means our architect, our brewhouse designer, and our contractor are all working in tandem, with emails and phone calls going back in forth at the rate of about 10 per day, with weekly meetings, and with miscommunication at every step of the way. It is very difficult to orchestrate, as often people are not focused on our project alone, meaning sometimes it is not convenient for others to work on our project. There are also vision issues, time issues, communication issues, and issues with our issues.

One of the biggest issues you cross when it comes to the odds and ends, is saving money versus saving time. At the end of the day, we try to save both at every step along the way, but it has proven impossible. If you want something done quickly, you are going to pay more as you narrow the window of options you have. On the flip side, if you want things done economically, often the time needed to save the money is huge. For our project this means trying to balance out these 2 things, so that we can save a little time, but also a little money. Let me give you an example.

Should you build a cooler yourself or have one prefabricated and installed by someone else? There is something about a cooler that makes it very expensive to pay a company to design and install. It is not like the engineering is difficult, the materials are relatively inexpensive, and the amount of time needed to put it together is nothing exorbitant. So when you get a quote from a company that specializes in putting this into your brewery, the cost blows your mind. The cooler can literally cost $40,000 to supply. WTF. So this naturally leads us to look at designing and building our own cooler. Quickly you realize that you can build the same thing, and save yourself about $20,000 which is huge in the grand scheme of things. The challenge with this route is the time involved. The time needed to procure the pieces, put together design specs, meet code, coordinate trades, etc, etc. What we are now realizing that building our own cooler will save us money, but it will suck a lot of time from spending it elsewhere.

When you have time sucked away from certain things that need it, then you are delaying the process for other things moving forward. So in other words, there is always a delicate balance between time spent on a project, and time lost on another project. There is also a balance between money saved and time saved.

Let this be a lesson to other future brewery owners, the balance of these things is a hard thing to do, and you will spend a lot of time heading down a path, and then after a certain amount of time, backtracking and going down the other path, only to realize that you should have stayed down the first path. The key is to always be aware which path is the best to travel down, and to recognize when you are running into a brick wall ….. because as we have learned, there is never a brick wall to show you are on the wrong path, only a few hurdles, making recognition of this even harder.

My key learning is this: Sometimes getting overcharged is alright, so long as you spend the time you save elsewhere to move another aspect of the brewery forward, or save money. There are other times an owner needs to make a greater effort to save money, at the expense of time, as the cost savings outweigh the time spent. Choose wisely!

This entry was posted in Business Side of Things, Misc, The Journey and tagged BC craft beer, British Columbia, City of Vancouver, craft beer BC, East Vancouver, Follow Your Dreams, How to start a Craft Brewery, Im Starting A Craft Brewery, Microbrewery on February 27, 2014.