[01:00.5]

Hey, everyone, it's Guy here. So this week we're taking a quick break so our team can bring you lots of new episodes of the show. So we're bringing you a great one from the vault, the story of Dogfish Head Brewery. The founders high school sweethearts Sam and Mariah Calaggione came on the show back in 2022, and they shared how they turned Dogfish Head from this weird little brew pub in Delaware into one of the biggest brands in craft beer.

[01:25.6]

This year actually marks a pretty major milestone for the company. It's Dogfish Head's 30th year in business, and as you'll hear, it's been a fun and crazy ride. So enjoy the show. One of the cool moments was while I was trying to raise the money, Mariah and I went to this regional festival called Pumpkin Chunkin.

[01:48.9]

Right? I took my homebrew pumpkin beer there and kind of muscled the grannies and aunts out of the way that had their cakes and pies in the competition. And our Dogfish had pumpkin ale. Won the food competition. Wait, you. You hijacked a baking competition of old women grannies with your beer, which is not even a part of a baking competition, and you won?

[02:12.2]

That's amazing. But that's not fair. It didn't say it wasn't for beer. That's true. Don't hate the player, hate the game.

[02:25.9]

Welcome to How I Built this, a show about innovators, entrepreneurs, idealists, and the stories behind the movements they built. Built. I'm Guy Raz, and on the show today, how Sam and Mariah Calagione made some of the weirdest beers in America and turned them into a beloved craft beer brand, Dogfish Head Brewery.

[02:57.4]

Last summer, I had one of those black and white to color moments. You know, like in the wizard of Oz, when the black and white film switches to that Technicolor when Dorothy gets to Oz. Well, for me, it happened in a strawberry patch in Northern California.

[03:13.9]

It had been a long time since I picked strawberries. The first one I plucked was a small, shiny, bright red berry that I popped right into my mouth. And within what felt like light speed, I experienced that black and white to color moment.

[03:30.1]

Because to compare a store bought strawberry to one you pick is like comparing municipal tap water to freshly melted glacier ice. Just not the same. And once you eat a freshly picked strawberry, it's hard to go back to the plastic packs you buy at the store.

[03:48.4]

These are the kinds of moments that sometimes inspire a business idea. And for Sam Calagione, it happened at a Mexican restaurant that also specialized in beer. This was the early 1990s, and Sam was in his mid-20s.

[04:03.7]

And up to that point, beer, at least to him, mostly meant Budweiser, Coors, and Miller. Sam was a bartender at the restaurant. It was called Nacho Mama's Burritos. And they happened to serve craft beers from Europe. Belgian ales, saisons, beer infused with fruit and spices.

[04:23.8]

And when Sam tried them, it was like Dorothy entering that world of Technicolor. To say it changed his life sounds cliched, but that's what happened. Sam became a obsessed with unusual beer. So obsessed, he learned everything he could about how to make it.

[04:41.6]

He brewed beer with overripe cherries and peaches, even pumpkins. And by 1995, Sam and his high school girlfriend Mariah decided to co found their own craft beer company. They called it Dogfish Head, and they launched it in the small town of Rehoboth beach in Delaware.

[05:00.1]

And it just so happened that they caught a wave that would turn American craft beer into a massive phenomenon. Dogfish Head Brewery would go on to become one of the most popular and acclaimed craft beer brands. And in 2019, the company sold to Boston Beer Company in a deal worth around $300 million.

[05:20.9]

The story of Dogfish Head is also the story of two people, Sam and Mariah, who had a special connection and a truly lucky partnership, not just as a married couple, but as two entrepreneurs. Their business skills complemented each other so well, it was almost like they'd h each other first and then decided to get married.

[05:42.5]

After Sam grew up in western Massachusetts, Mariah grew up in Delaware. The two of them met in the late 1980s in high school. They both attended Northfield Mount Hermon in western Massachusetts, a boarding school that encouraged all of its students to have a job.

[05:59.8]

The kids had to work their way through school. And so the, you know, we'd be preparing the meals, people would be, you know, doing the farming, stoking the fires and in the power plant. And so, you know, I think really kind of that impacted, you know, influenced our decisions to be entrepreneurs, which is probably why that school is still such a big part of our lives.

[06:20.8]

Tell me how you guys met each other, because you're, you're still. You're still together. And this is like 40 years later. We've been making out with each other since the mid-80s. Yeah, I might be getting like, our meeting story mixed up with that scene in Ghost where Demi Moore and Patrick Swayze are molding wet clay together, but I Remember it being in an art class, but I know we also had work job together.

[06:42.4]

Yes. And I do remember us meeting in the dining hall while we worked in the kitchen together for our work job. And how soon after you met did you start dating? Well, dating when you're at a boarding school is kind of a loaded term because there's nowhere to go on a date, so.

[07:00.1]

And you probably were not allowed in the. In the girls dorms and the boys dorms. Right. That was verboten. There was an intricate dance guy. We had something called visiting hours where you had to essentially be a contortionist because the rules was door had to be open the width of a shoe.

[07:15.1]

You each had to have one foot on the floor. There had to be one light bulb on. So it was an awesome matrix of fun challenges for young people dating each other. All right, so you're. You guys are like, you know, high school couple, whatever that means really, in high school.

[07:31.4]

But Sam, you were. I'm kind of understating this. You were kind of a troublemaker in high school to the point where you And I'll just. I'll just give this part of the story away. You were kicked out before you graduated. But before we get to that point, what was going on?

[07:49.2]

Were you like, what were you doing that got you to that point where you were kicked out? Well, the technical term for when they did finally kick me out in March of my senior year was accumulation of offenses, which meant they didn't have me for one big thing.

[08:04.3]

They had me for lots of mid sized things. So I know the offenses included things like breaking into the hockey rink with a couple friends and playing hockey naked. Just. But I mean, just pranks. These were just pranks you were doing? Yeah, you know, some of them. Because they were funny.

[08:20.0]

Well, and just wanting to like, be, you know, I always did want to be like the class clown and kind of use my sense of humor to kind of bring my friends together. It was kind of a social thing. And. And you know, one of them was actually I would wait outside of liquor stores and because I was a day student, right.

[08:36.3]

And I would pay somebody that was of age extra money to get me a case of beer. And I'd throw it in my hockey bag and then bring it on to campus and at a premium, sell beer to the boarding students. Students. Until I got busted. So it was never really malicious at all.

[08:51.8]

And that's what made it so painful when I got kicked out is because I love that school. I didn't really show it In a positive way. But in that era, I was pretty unwieldy. There's a story that. That I've read about when your dad came to pick you up and drove you home, and he was.

[09:13.0]

Obviously, you were disappointed, Your parents were disappointed. What do you remember about that? Yeah, so I lived on the third floor of this boys dormitory that, for whatever reason, the administration school allowed all the troublemakers to be under one dorm.

[09:30.1]

So I was in there with a bunch of friends, and I had my record player on. My dad pulled up in his F150 pickup truck, and I just open up the window, just threw garbage bags of all my belongings down in the bed of the truck, you know, while my roommates played that's Life by Frank Sinatra, I guess, in homage to my Italian heritage.

[09:50.6]

And then my dad drove me from Northfield back to Greenfield, Mass. Like, a couple towns away where we lived. You could see him, like, you know, jaw, like, clenching, doesn't know if he should say anything. I didn't know what to say to him. And at one stop sign, he said, you know, Sammy, sometimes you're a tough kid to love.

[10:09.0]

And that was the only sentence I got on my. My way home. And it was a brutal night. You know, my mom, I got home and she had a book ready for me that was called When Bad Things Happen to Good People. And then literally the next morning, we go outside, and my Labrador retriever that was on a run outside, the run, recoiled, and he hung himself and died.

[10:30.1]

So. And within 24 hours, I got kicked out of high school. My dog. It sounds like a country music song come to life, but it was a true story and obviously a very traumatizing time, you know, in my life. Wow. You just needed a baseball bat to take out the headlights of the truck, and then you really would have a country music song.

[10:48.6]

Sounds like Footloose. Yeah. Wow. All right, you're kicked out. And Mariah, were you. He was your boyfriend, right? What did your parents think? Were they like, ooh, I don't know, Mariah, Sam, seems like trouble. You were going off to Brown University, I should mention. Like, you were studying hard and keeping your head down and doing all the things you had to do.

[11:07.1]

And meantime, your boyfriend's like, I don't know, he's kind of going in a different direction. Yep. As far as, you know, guy, I was studying every night and sort of on the straight and narrow. Although after he got kicked out was the first time I ever got in trouble because I got caught sneaking off campus to have A visit with Sam, but then I was also there the next whole year without him because he did end up going to college, which is the good news of the story.

[11:34.0]

So, Sam, you did manage to go to college. So you got your degree, your high school degree, and you went off to college in Pennsylvania, Muhlenberg. And Mariah, you went to Brown in Rhode Island. And did the two of you stay together those four years?

[11:49.1]

We did. We did. It was actually cool because we, our schools were very different, but we also knew each other's friends very well and enjoyed that different experience that we got to have every once in a while. While you weren't in college, Sam, at Muhlenberg College, were you a beer guy?

[12:09.6]

And I mean, everybody's a beer person in college at some point, right? You know, but did you think about beer? Did you appreciate. Notice it, appreciate it? Or were you like, kind of a typical college student, just pounding beers? More like that typical college student, I will say.

[12:25.6]

You know, when I left Muhlenberg the next day, I moved to New York City and English major, I wanted to go take, you know, courses at Columbia or, you know, Ginsburg and Jack Kerouac went. And so I started taking courses in the MFA program up there. But to pay my rent, I worked at a bar across the street from Colombia that was called Nacho Mama's Burritos, which is a pretty, you know, auspicious name for what actually was an amazing first generation craft beer bar.

[12:51.7]

And, you know, within weeks I had Chimay Red and Sierra Nevada Celebration. And that's really where I had my epiphany beers and started on the journey. You know, this is like in the early 90s when, I mean, Sam Adams was around. But it. Most bars served probably, you know, Budweiser, Coors, Miller Lite, etc.

[13:11.2]

Yeah, it was really kind of the opening moments of the craft beer renaissance in America. So there were some first gen craft breweries like you mentioned, Sierra Nevada, Anchor Liver Liberty, we, we sold from your neck of the woods and Chimay Brooklyn Lager Harpoon, I remember.

[13:28.6]

So, yeah, so we. That place specialized in the very finite number of, you know, diverse beers you could get at that time. And I, I learned that I had not only a pretty good palette for appreciating them, but I had a passion for, like, talking about how they paired with food and then. And. But what I do remember is being like a voracious reader.

[13:45.8]

I did get like my, you know, library card at the New York Public Library, and I found books like the Joy of Home Brewing by Charlie Papazian. And I just went deep into rabbit holes. And when you read the story of these monks and Belgium, you know, brewing with these local fruits and these Czech breweries, finding these size hops, I was like, holy shit, this is just as rich as a world of, you know, Fitzgerald short stories or Salinger short stories.

[14:11.5]

Yeah, But, Sam, a lot of people. I'm sorry to interrupt. A lot of young people go and work at a restaurant that sells beer or at a specialty store, and most of them enjoy it and then go off and do something else. What happened that you were like, wow, wow, I'm really interested in this?

[14:29.4]

Was there somebody there? I mean, because you were just hired to pull pints of beer and sell them. But clearly something clicked in your mind where you were like, this is interesting. What was it? Well, I think it was about, like, that same, like, rebellious reflection I had in high school of, like, screw the man kind of world view.

[14:51.1]

Like, what I think I found was, okay. As I read about the beer world, I was like, wait a second. There's all these super cool, very unique, very vibrant, different beers around the world, but you can't really find them in America. And America is dominated by these samey, you know, monolithic, generic.

[15:06.6]

Frankly, in my view, light lagers made by giant companies. This is. This could be a really cool thing to rebel against. Did you go into that job thinking that you wanted to start a business one day because you went to. To take writing classes? But it seems to me that maybe actually you really were already thinking about, what could I do?

[15:26.8]

Maybe I could, like, what kind of business could I do? Is that. Is that right? Yeah, I think so. Because, you know, my dad was really entrepreneurial and always kind of presented to that. He always sort of romanticized that. Not in, like, a corny, over the top way, but just he respected that sort of American dream, you know, land of opportunity to be an entrepreneur.

[15:46.6]

So that was in the back of my mind. But the other thing really was the owner of Nacho Mamas, Joshua Mandel, was only like four or five years older than me. He'd left, like, the start of a career in tech here in Boston, moved back to New York City and started a burrito takeout joint with no entrepreneurial or business experience.

[16:04.9]

So I didn't have to look that far from me to have this inspirational figure. And then he and I kind of both got into home brewing at the same moment when he was my boss. So it always felt very natural, like baby steps to go towards writing a business.

[16:20.2]

Plan. All right, so Sam, I remember this is like early 90s, and home beer brewing kits were like kind of becoming all the rage. Maybe they already were, I don't remember. But you bought like a home kit to, to brew your own beer in your apartment?

[16:35.9]

Yeah. You know, myself and Joshua Mandel tracked down in the New York Yellow Pages. There was one store, I think, in all the five boroughs, or at least in Manhattan, called Little Shop Hops. And you could buy these like prefab kits. And he walked out and went to the Upper west side where he lived with his kit.

[16:53.0]

And I started walking towards Chelsea. And as I was walking to my apartment, my homebrew kit, I passed a bodega that was having a sale outside on like all this moldy or just squishy, like fruit fly covered fruit. And for some reason I was like, oh my God, look at all those cherries.

[17:09.1]

Look how cheap that is. What if I take this pale ale kit and squish the cherries into it? You know, it's not the recipe, but I wonder how that would taste. It has fermentable sugars the Belgians brewed with fruit. So that was kind of the moment, you know, for me. I took that kit home and, and started boiling it in our little tiny apartment.

[17:28.5]

So that, that's interesting because you had been working at this restaurant that sold Belgian ales. And as you mentioned, there's a long tradition of using fruit in Belgian beers. Right. So you were, you were kind of inspired by that and thought, hey, I wonder if I could do something like that with my home beer kit.

[17:48.3]

Yeah. And it was kind of like a hot mess. Like I didn't bother to read the instruction manual or anything. And I bought all these used giant, like 32 ounce glass bottles. And the other thing is, it said you could either like sanitize the bottles with the solution or just heat them up in your oven to sterilize them.

[18:04.8]

So I remember I heated them all up in my oven while I was getting the beer ready to be bottled. And I took them out with like tongs and put them down on the floor to cool a half an hour or whatever. I came back to, to pick it up. I was like, what the. And they wouldn't come off the ground. Melted the carpet.

[18:20.8]

It not only melted the carpet, but it affixed the carpet to the bottom of the, of the bottles. Wow. So I remember getting like an exacto knife and ripping these circles out of the carpet of our rental apartment. But it was super cool because when we served the beer Every single bottle had like a built in coaster.

[18:39.0]

And that was a unique feature. Of course, when we moved out of the apartment, there was this like polka dots all over the kitchen. Who paid for that? That damage to the landlord. You know, we put another carpet over the circles in the carpet and just left. All right, so you kind of start this process and you leave it in there and you gotta wait for a couple weeks before you try it, right?

[19:01.3]

Yeah, yeah, yeah. You know, usually as a home brewer, it's awesome to do lots of bottles because every week you're so anxious to. To try it that you open one and it's so deflating to hear no noise. But that moment when a bottle opens and you hear that of carbonation is like, game on.

[19:17.9]

All right, so you finally have this beer ready to go. And by the way, I think you had a roommate. Was your roommate mad at you for destroying the apartment? Was your roommate like, dude, what did you do? Or did they just laugh? They mostly laughed. Yeah. And I do remember the first time, you know, because it was funny, because I lived randomly with a bunch of actors who are still making an awesome living as actors.

[19:42.1]

Ken Marino was there the first time. He was my roommate. And he's in a show called the Other Two on hbo. Wow. And Joe Latruglio, the short cop on Brooklyn Nine Nine was one of our. They were your roommates? Yeah, they were all in a show called the State on MTV when we were.

[19:58.1]

Oh, yeah. Great show. Exactly. And so the most surreal night was that Mariah came up from Providence the night I served that first homebrew. All these guys from the State on MTV came over. Some of them were my roommates.

[20:13.3]

And then Ricky Lake, randomly enough, the talk show host. I'd done some weird episode with her because I was doing a little night work as a. As a model or just side work. And they had me on the show, like on. They had an episode called When Good Girls Fall for Bad Boys.

[20:30.4]

And you were, wait, what'd you do on the Ricky Lake show? I played a bad boy. And I just remember I was. I didn't treat it very seriously, but she was laughing and I was like, hey, you want to come over to our house tonight? I made some homebrew. I didn't think we'd hear from her, but we got a knock on our third floor walk up.

[20:47.4]

That's amazing. Amazing. Just side gig that you had as a. As a model. But they, they hired him for Ricki Lake because it was before the show premiered, so no one knew what the show was. So they had to hire actors to play the talk show.

[21:03.4]

Guests just outed. Ricki Lake. Mariah. Oh, sorry, Ricky. Wow. Who knew? We just blew the lid off Ricky Lake. Oh, no, we love you, Ricky Lake. All right, so Ricki Lake, the cast of the state, and Mariah and you are all crammed into your apartment about to unveil this home brewed cherry English pale ale with carpet on the bottom of the bottle, with carpeting as coasters attached to the bottles.

[21:36.1]

And was it a big thing? Did you like, say, and now I'm gonna unveil? I mean, was it kind of this magical moment that you were introducing to everybody? It kind of was because I. I didn't know if the beer was good or not. And we opened it up and everyone was surprised.

[21:54.2]

I remember that when they were just like, wow, this is actually really good, Sam. And I do remember drinking one of those whole 32 thingies myself. 32 ounce things. Standing on the coffee table and saying, this is what I'm gonna do in my life, guys. I'm gonna to open a little brewery that makes beers like this.

[22:10.6]

Wow. So you've got. Everyone likes this beer. And was it. Did it have that, like a sweetness to it or like a sourness to it? I mean, these were sweet cherries. Do you remember whether there was a sweetness to the beer? I remember the cherry being pretty pronounced, and then the pits from the cherry gave it like a nice oaky wood sort of toasty character.

[22:31.4]

What? I wonder what Ricky liked out of the beer. Do you remember? I remember she liked it too. I don't think there was a single dissenting voice in that group of drinkers. When we come back in just a moment, Sam decides to open a brew pub, finds a location for it, gets it ready, puts up a sign just in time for someone to tell him, you know, you're breaking the law, right?

[22:56.1]

Stick around. I'm Guy Raz, and you're listening to How I Built this.

[23:10.0]

Hey, welcome back to How I Built this. I'm Guy Raz. So it's the early 1990s, and Sam has just taste tested his cherry infused beer for a group of friends. And everyone's kind of surprised at how much they like it. So when Sam wakes up the next day, he's still buzzing.

[23:27.5]

I remember that the next morning, I didn't have to work at Nacho Mama's until dinner shift. So I literally got up and with a hangover, walked to the. The biggest unit of the New York City library and started doing Lexis and Nexus searches about starting to write a business plan.

[23:43.7]

So you thought, right then and there, I'm gonna start, I'm gonna write a business plan. Before we get to the business plan, you had not yet understood the science of beer at this point. Now of course you do, but then you were kind of just throwing things into a bucket and mixing it and hoping it worked out at that point, Right?

[24:02.6]

To some extent. But I would. At that little shop of hops, I bought the book that I first read in the library called the Joy of Home Brewing. And Charlie Papazian wrote that book and it's considered sort of the Bible. And so Charlie did a really great job in the Joy of Home Brewing, of putting into layman turns the science of fermentation.

[24:21.4]

So by reading that, I had some level of confidence, because his rallying cry throughout the book was, don't worry, relax, have a home brew. Which is basically, yep, there's some serious science going on in your kitchen right now with these little single cell animals called yeast. But don't freak out. You know, this has been happening for thousands of years.

[24:38.2]

Trust the process and you'll make good beer. So you're, so you're learning about beer, but at this point, you know, you want to like, make a business out of this, and I guess you decide that you're going to start out by. By opening a brew pub, right?

[24:54.0]

Like a restaurant somewhere. Yeah, but why go in that direction with your business instead of like, you know, just making a brand that would bottle beer and sell it to stores or something like that? Well, you know, like I said, I came up in this big Italian family, both sides of my family.

[25:09.6]

My mom's famous for shrimp scampi, and my grandmother on my Yakavelli Calejoni side for these crazy chicken cutlets. And so I grew up with food and wine being like, central to bringing people together. And that was kind of the lens that I started doing the search.

[25:26.6]

How can I blend my love of food with my newfound love of. Of brewing? Yeah. You know, and it was a fairly unique business plan in that era because the whole concept, like in the first page and the business plan I wrote, Dogfish Head will be the first commercial brewing America committed to brewing the majority of our beers outside the Rhine Heitzge boat.

[25:46.3]

And the Reinheitsgeboat is like foreign. It's a German purity laws. You can only use like four ingredients. Right, Exactly. It basically says waryeuse, hops, barley. That's all you got to choose from. And you were saying, I am not going to adhere to that. Yeah. You know, and I even said, we're committed to breath brewing the majority of our beers using unexpected culinary ingredients.

[26:08.0]

Like our first beers, for example, out of the Gates were beers like Chicory Stout made with organic Mexican coffee, and Chicory and Licorice Root Immortal Ale made with maple syrup from my family's farm up in Massachusetts, juniper berries and aged on oak Raison d'etre made with raisins and beet sugars.

[26:27.5]

So right out of the Gates, we were brewing these beers that were not referencing modern beer styles because. Right. I mean, like, Sam Adams, for example, prided itself on the Reinheitz GE boat that it was a beer that could be sold in Germany because it did adhere to those standards.

[26:43.8]

Like, that was a point of pride for a lot of the smaller craft brewers. Yeah. And rightfully so. I mean, the first folks out of the Gates, the Jim Cooks and the Ken Grossman from Sierra, they're brewing these beautiful, fresh, local interpretations of modern, you know, European beer styles.

[27:03.3]

Yeah. And that was amazing. But Mariah and I, I mean, I knew we weren't gonna have a big marketing budget even to, you know, stand out in that first round of brewers. So that's why I was like, what can we do to really stand out? And reading about people like Alice Waters and James Beard who had very similar message, which is, America has an amazing agricultural base.

[27:24.7]

Let's stop genuflecting towards European food traditions. Let's create our own American traditions with our own ingredients. And that was sort of the. The epiphany moment that led me to kind of say, I want to go on this journey that really is about culinary inspiration for beverage recipes.

[27:42.0]

The restaurant business is, like, one of the riskiest enterprises you can get into. It is, like, very labor intensive and overhead intensive, and food spoils. Like, it is the riskiest, craziest business to go into. Like, didn't anybody say that to you about the restaurant business?

[27:59.9]

I know they did, because banks wouldn't give me any money, and that's what they would say. But where I think I was lucky is, you know, Mariah and I worked our asses off in our summer job. And so when I was raising that money, like, it was my.

[28:15.1]

My dad believed in us. Mariah's dad believed in us. My orthodontist put in money. He believed in us. A guy built stone walls for my summer job on golf courses believed in us, and his wife put in money. So, you know, sharing our passion and the business plan and the concept with a Number of people in our lives helped us get on our way.

[28:36.6]

And these are friends and family. Right, Because I think you raised about 200,000 bucks, right, to do this? Yep, yep. Cost 220,000. Yeah. And it was really. I did it. I structured as personal loans out of the gate. So it wasn't that initially that, you know, they had equity in the company.

[28:52.3]

So that also helped Mariah and I keep control of the company as we were getting our feet under us. Yeah. And I mean, you clearly have. Both of you now have amazing beer palates. Right. And there are people who have natural palates.

[29:08.0]

Like, you meet, like, wine sommeliers who are just, like, blind tasters. But then there are people who train their palates. But still, that takes time. How did you know at this moment, at this time, that what you were making was good? Did you have people around you who could kind of, I don't know, stress test it?

[29:27.9]

Well, I mean, certainly our friends getting free beer liked it. That is not the stress test I was expecting. I'd say one of the cool moments was while I was trying to raise the money, Mariah and I went to this regional festival called Punkin Chunkin, where a bunch of farmers and, you know, homespun engineers create these, like, Rube Goldberg esque machines that huck pumpkins in a field.

[29:54.7]

And a sort of sideshow of that competition is a baking competition. Right. I took my homebrew pumpkin beer there and kind of muscled the grannies and aunts out of the way that had their cakes and pies in the competition. And. And our Dogfish had pumpkin Ale won the.

[30:10.7]

The food competition. Wait, you. You hijacked a baking competition of old women grannies with your beer, which is not even a part of a baking competition, and you won that? That's amazing. But that's not fair. Don't hate the player, hate the game.

[30:26.8]

It didn't say it wasn't for beer. That's true. Yeah. I do remember there was a few judges, and they're like, it just says it's something that you can ingest that's made with pumpkins. That's all you need to do to enter this. So he's. We got to let him in. And he. He won. He won this comp. This.

[30:42.0]

I mean, it wasn't like a massive national, but it was a local little. But still, that's kind of cool. You won. Yeah. It didn't lead to, like, an SBA loan or anything.

[30:54.4]

And what was in your. Your pumpkin ale? That same as Dogfish had pumpkin Ale today. So it's fresh pumpkin meat, fresh crushed allspice, cinnamon, nutmeg. And then instead of fermenting it with, you know, regular sugar, I fermented with brown, you know, organic brown sugar.

[31:09.5]

And we still use brown sugar in the punk and Alex today. Wow. All right, so while you're writing this business plan, Mariah, while Sam is writing this plan, what were you thinking? I mean, you were coming out of this August Ivy League institution, and you had lots of options to do many different things.

[31:28.0]

And I wonder, did you immediately think, yes, this is it. This is a great business idea, or were you thinking, maybe Sam will move on, Maybe this will be interesting to him for a couple of months and then he'll figure something else out? No, I mean, I love the idea of opening the Peru pub, particularly, like, as he said, as a restaurant, because I had worked in restaurants every summer during high school and college, so I was familiar with that whole world of waiting tables.

[31:54.9]

And so the original plan was, yeah, he'll move to Providence and start looking for restaurant real estate while I was working in local TV news up there. Okay. And I guess you guys go ahead with that plan, but from what I understand, you sort of get cold feet when you find out that there's another brewpub about to open in Providence.

[32:17.9]

You guys were presumably, I think you were hoping to be the first ones there. So at that point, do you start to look elsewhere, like at another city? Yeah, yeah. So, you know, Mariah and I talk it through, and we were kind of like, well, let's see, what's another state close to New England, where we are right now that has yet to have a brewery opening post prohibition?

[32:39.5]

And it happened to be Mariah's home state of Delaware, where we worked in the summers of our college years. And at the same time, my dad called, and he said, hey, there was a group that was trying to open a brew pub in Rehoboth Beach, Delaware, but they're not opening.

[32:54.6]

So we said, okay, let's control alt, delete all the Providences in this business plan and replace with Robbins Beach, Delaware. Yeah, and I also knew that beautiful coastal Delaware is, you know, pretty much two hours from D.C.

[33:11.1]

baltimore, Philly, three and a half from Manhattan. So it actually be, like, an ideal hub to eventually distribute beer to major metro markets. So you get down to Delaware and what. What's available there, where in. And this is Rehoboth Beach, Delaware.

[33:27.1]

Yeah. Yeah. Mariah and I, you know, found a building that was just a few blocks off the beach in Rehoboth, where it was called, like, I remember Mariah. Do you remember what they used to call that part of town? The part of town where businesses went to die.

[33:43.6]

We like the sound of that. So that's for us, it was just far enough from the beach that everyone said, well, why do you want to be that far off? Which, I mean, it's, it's literally laughable now because it's only four blocks away. Yeah. All right, so, okay, you guys find this place and, and you come up with a name for it.

[34:03.0]

Dogfish Head Brewings and Eats. And, and by the way, how did you come up with that name? So my folks had a little summer place on an island that was in mid coast Maine. And it looked out at a jut of land called Dogfish Head. And I liked how that name kind of meant a place to me, a rustic, woodsy place, kind of like the rustic woodsy beers.

[34:22.4]

But I also liked how it just sounded like three kind of whimsical words, you know, put together in a creative way so that it wouldn't, it wouldn't reek of geography if we ever distributed our, our beer coast to coast. Right. So you didn't want to call like Delaware Brewing Company.

[34:39.0]

Yeah. Or like the First State Brewing or something like that. Exactly. Or Delaware Classic. Right. You could get that T shirt on the boardwalk guy. Exactly. All right, so you. So, so you find this location in Rehoboth beach to open up.

[34:57.7]

How many seats was it gonna have? I feel like it was like 120 and then plus the deck. So that's a, that's a big, decent sized restaurant. Yeah, it was two stories. So I mean it was, had a lot of space. Yeah. And we rented it from a woman, wonderful woman, who, her family had had a crab place that they ran there for like decades and then they started just renting it out to tenants.

[35:19.5]

And it had this reputation of, of not being a real well run place. But literally the day, like the day I got the wooden sign made that said Dogfish had brewings and Eats, I'd say, hey Martin, stand across the road so you can get a full view of me taking off the old restaurant sign from the facade of the building and putting our sign up on the building.

[35:40.8]

And so the first surreal moment was I unscrew their sign and I take it off and there's a sign of another failed restaurant behind that underneath. So this is a really good, good omen. Like one failed, two failed.

[35:56.0]

And now here you go. Worse. It gets worse guy. Because then I'm like, okay. And so I screw the dogfish brewings in each side. And Mariah's taking the old school analog photos of this whole hot mess. And literally some guy walks by and goes, brewings and eats. You know it's illegal to open a brewery in Delaware, right?

[36:15.0]

And if you remember, Mariah's dad said, oh, some other entrepreneurs are going to open a brewery in Delaware, and they just couldn't raise their money. Well, that person walking by, of course I should have done my homework, let us know brewing was not legal because he had some connection to the other brewery that failed.

[36:30.2]

And so he proceeded to tell me, oh, yeah, yeah, the statutes in Delaware law still say it's illegal to open a brewery in this. In the state. Wow. This is an old law. Probably goes back to prohibition. It seems like it was just a technicality. But even to, like, deal with that just sounds like a headache with all the things you're already dealing with.

[36:49.1]

You know, just the regulatory stuff and the filings and finding the employees and building out the kitchen and the space and then brewing the beer and, you know, so what did you do? So literally that same day that we ripped two restaurant signs off a wall, put ours up on the wall, I drove up to Dover and literally I was like, hey, Mariah, what do I do when I get to Dover?

[37:09.7]

And she's like, oh, go left onto Lockerman. Blah, blah, blah. So I found the right road and I rolled down my window windows, and I was kind of like, all right, which one of these is the House of Representatives? This is the state Capitol building. Yeah, I guess that's what it would be. And I walked through the little security thing and I get on the other side like, can we help you?

[37:25.1]

And I'm like, yeah, I'm under construction on a brewery and somebody told me it's illegal. Who do I talk to about that? And they were really sweet. I mean, they were like, well, son, you're gonna have to write a bill. And they opened their doors and.

[37:40.3]

And I think that's something that I want to give shouts to the state of Delaware. It's a super business friendly state. What do you think of its history? From dupont to Gore to agricultural shell companies. Yeah, maybe that too.

[37:55.7]

But they were super cool. Like, they're helping me. They're like, all right, so write this up. Get a lawyer who can stand with you and massage the language. And literally, guy, within a month, we were on the floor getting a bill that we wrote brought forward. And then Governor Carper, who's Now the senator, you know, signed that bill and it actually turned into this just kismet moment because all of a sudden our, our state's biggest newspapers are writing.

[38:20.0]

24 year old kid, you know, foolishly rents a restaurant to open a brewery. It's illegal. And he has to go to Dover to change the law. Yeah. So people were kind of rooting for us to get, I'm sure, I mean, what, what. You couldn't have bought better publicity around that. And then subsequently after that, we became really friendly with those good folks in Dover through the years.

[38:39.8]

All right, so you get this law passed. Brewing is legal in the state of Delaware. Yeah. That was an amazing moment. And I remember, like calling Mariah from a payphone, you know, like, let the faucets open. You know, it was kind of like one of those post prohibition moments of, wow, we made this happen.

[38:57.9]

Yeah. June 23, 1995, you open the restaurant. This is. It's now fully open. Right. How was business that first summer? It was good. I mean, people came in, people wanted to explore. We had a lot of people ordering their standard beers, and we'd explain that we didn't sell those beers.

[39:16.8]

We made our own beers. So every, every customer was a teaching opportunity, I guess. I mean, most people's palates at that time was like, you know, your standard Coors and Miller Lite and maybe Sam Adams, which is a great beer, but was not as radical as what you were.

[39:39.9]

You guys were doing. Were there people who were like, not for me. Yeah. I mean, especially once we open, you know, necessities of other inventions and the fact that we couldn't afford a full scale, you know, commercial brewing system and had to start with tiny little pots and pans, you know, making 12 gallons of beer in the corner of our, our restaurant.

[40:01.0]

It was actually a blessing in disguise because I would brew two or three batches per day. And let's say I was brewing raison d'etre Belgian brown ale with raisins and beet sugars. In the three brews that day, I would tweak one variable in that recipe through three times. And that was our first, like, de facto focus groups.

[40:18.2]

I would ask the customers who cared enough to visit this crazy little brewery, hey, did you like the batch that. More raisins, less raisins. And we kind of developed the recipes in concert with our original fans. And that's kind of how our brand grew. And they actually paid us to do that, which was kind of helpful.

[40:36.2]

And back then I would hand out like file cards when we, we'd hand people beers and ask them, what do you think of these? And I, I wish that we kept them. I remember we had one beer on tap called High Alpha Wheat that was made with lavender buds.

[40:51.6]

And one of the comic cards came back and says, this beer tastes like tongue kissing. Laura Ashley. I don't know if it's a good thing or a bad thing, but probably fair point. One of the things about what you were doing was that it was expensive, right?

[41:09.4]

You were using a higher volume of grains and expensive, you know, dried fruits and sugars. And so you had to sell your beer for more money. You know, a pint of beer might be like double the price of a pint of Budweiser or Miller Lite.

[41:27.3]

Did you have to educate people around that? Yeah, to a degree, but that's the education we were doing anyway to a. Explain to them what the different beer was in the first place. So I think it kind of worked hand in hand. You know, I think in the bigger context, you know, beer is pretty much an affordable thing to splurge on.

[41:44.3]

Right. So that worked in our benefit. And yes, it was more expensive than, you know, the regular beer that you would buy down the street. But you could only get our beer at our place. And I think people appreciated that it was going to cost more because they knew why, you know, they saw it being made.

[42:02.9]

Right. So from what I understand, in initially, maybe in the first, at least year, you were brewing all of the beer for this restaurant in 15 gallon kegs on propane burners. That's not a lot of beer for a restaurant that has 150 seats every night.

[42:21.4]

So what just helped me understand how, how you were brewing enough beer? What were you doing? Yeah, so I had a mattress in the cellar of the pub, so I would only go home to our house maybe three or four nights a week and then stay in the basement of the cellar and we would shut at midnight or 1.

[42:40.6]

And then I'd start brewing, you know, before the day would get hot. You'd want to start brewing by, you know, eight in the morning or so. So five or six days a week, I would triple, you know, 12 gallon batches. It worked fine. I would use the hose before people got there in the brewery for my showers.

[42:57.2]

And Mariah had a real job because we needed insurance. What were you doing, Mariah? What was your real job? I was working in local TV news in Salisbury, Maryland. On camera, mostly off camera. I prefer that. But you what were doing that in a day, daytime and coming in the Restaurant at night?

[43:15.3]

Yeah. I would come in and bus tables or work at the front door, do some dishes. Yeah, whatever needed to be done. And, Sam, you were doing. You were brewing the beer and doing payroll and doing the shifts and the schedules and stuff like that. Oh, he wasn't doing payroll. Trust me with the math.

[43:31.1]

Let's be clear. No one trusts me with a math guy. I was more. I was doing the front of house, basically, talking about the beer and the food and how they work together with the customers. I'd be getting ready to get the bands on stage and.

[43:46.4]

Oh, you would do live music. Yeah, like, the Holy Trinity was original beer, original food, original music. We also refused to have any cover artists, which, you know, 93% of the bands that play back then were Jimmy Buffett cover bands. So we were, like, finding all these indie rock bands from across the country, you know, so that was a big part of kind of the brand building as well.

[44:06.9]

And then, like, trying to foster relationships with other entrepreneurs, knowing that in the winter, the tourists were going to go away and try to get other sort of entrepreneurs to choose us as their preferred watering hole. Those were the kinds of work I was doing as well as brewing.

[44:22.1]

All right, so you've got the restaurant going, but it's very rare for any business, let alone a restaurant, to break even or become profitable in the first year. I'm assuming that you were not profitable in your first year.

[44:38.0]

The restaurant actually did pretty darn well, like, right out of the gates, bringing people in. But what did become challenging is I knew that our recipes were unique nationally by that focus on the culinary. I knew that if I could start distributing the beers to cities like D.C.

[44:57.4]

baltimore, Philly, Manhattan, and I could get the Washington Post to write about a beer made with raisins, or the Fully Inquirer to write about a beer made with chicory, or that would help our brand grow disproportionate to our tiny scale down in coastal Delaware.

[45:13.6]

Right, because you could not do that with just that Delaware market. You had to go to those huge media markets and consumer markets like Philadelphia, D.C. yes. And that kind of drove us to get our bottling line going in our building and buy a little box truck and get on the road.

[45:31.0]

And I would drop off two pallets at a distributor in New York or Philly, but then take a bucket of beers to Art for a magazine or interview or Food and Wine or. And, you know, usually people would let us in their door for say, hey, we want to throw an impromptu happy hour for your editorial Staff or your writers.

[45:48.8]

And that really helped us start getting. Getting national attention. So what, Mariah, what gave you the confidence to leave your job in television to. To go full time? Because I think full time. 1997. Yeah. You joined the company full time.

[46:04.8]

So right before I left my full time job to come to Dogfish, we opened a separate production brewery to brew and package beer that we could then distribute to these, you know, markets around us. My last job in TV news, I was working managing the assignment desk for the news department.

[46:23.2]

So I was like the receiver of all of the press releases and media alerts. And, you know, so I naively assumed that that meant, oh, I know how to do the opposite of that and put out all this information. And I'm, of course I know how to do marketing.

[46:39.8]

But quickly I realized that I was not needed as much to do marketing as I was. All of these other things that we needed to be able to do, like accounting. Accounting and HR and ttb, or Tobacco Tax Bureau were excise tax forms twice a month.

[46:56.3]

But I learned, I learned a lot. And while this is happening, we also went headfirst into starting a family. So. So it was definitely an intense time for, for us as a couple and as entrepreneurs. Yours. You know, it's remarkable to me when I meet people who met when they were teenagers or kids, because that is so rare.

[47:17.1]

Right? Like, your judgment as a, as a kid or teenager is just so different from your judgment. And even our judgment as adults is, you know, people, marriages don't last or whatever. Whatever it is. Right. But I mean, part of it is luck that the two of you guys happen to be compatible and liked each other.

[47:34.3]

But. But I'm just, just curious, Sam, from your perspective, because you married very well, right? Like, you married somebody very smart and who was like the brains of the operation at Dogfish Head, right? In Mariah, did you see somebody who could be like, you know, not just life partner, but like a business partner?

[47:53.0]

Yeah. Yeah. So I often use that analogy of, like a comic book universe as an entrepreneurial universe where there's all. All these mutants with complementary superpowers that take on the big bad guy, you know, a giant corporation or some monolithic industry. And so, you know, to use the Marvel universe, you know, I'd say I was a lot like Cyclops, where I just was like, spraying, you know, creative energy in a million directions out of my brain and eyes, and sometimes for good and sometimes recklessly and destroying stuff.

[48:23.6]

And Mariah is definitely always been more like the Professor X, like she could read my mind and could kind of see the lay of the whole land, you know, cultivating and nurturing creative ideas that I have into a direction that's, you know, positive for. For Dogfish, but, you know, just also for us as a family.

[48:42.9]

All right, so. So at this point, both of you are working at Dogfish Head full time. You're. And you're starting to take your beer outside of Delaware, trying to get some national attention. And. And so how. How exactly were you doing that? Like, were you. Were you marketing mostly the small bars, or were you also, I don't know, trying to get into, like, some.

[49:02.4]

Some big stores or like, some of the big restaurant chains? So we knew as we were growing, making these really exotic beers, it's not like the biggest chain Applebee's or chain Costco's was going to take chance on a beer made with raisins or a beer made with apricots.

[49:20.4]

So our goal at first was to find these, you know, much like. And I. I know you did a great story with Merge Records. And if you look at how much the indie music movement in America, essentially in the same era when craft beer was coming up, late 70s, early 80s, that whole concept of getting a van as a band, and you go across the country and you find this grassroots networks of un.

[49:41.7]

Other people, venue to venue. Yep. Yeah. Other people that give a shit in every city about this art movement that you're involved in. So really, I found that grassroots network of hardcore craft beer bars and restaurants that prided themselves on exotic lists.

[49:58.6]

And that's where I would drive to when I'd go to Pittsburgh or Hartford or wherever, and I'd try to do a beer dinner and talk to the local newspaper. And really, it was like this Sonic Youth, you know, model of growing a brewing company. Yeah, I read a story about a beer event that you were at, Sam, in 97.

[50:19.9]

So you're still in your late 20s, 28 maybe around then. And this was an August crowd of beer makers. And you stood up to talk about this new beer you were making with apricot puree. What.

[50:35.2]

What happened? Yeah, I was at the Brick Skiller, which was a mecca of crowd. Oh, in D.C. yeah, you remember that, don't you? Famous bar had like, the most beers available under one roof. And. Yeah, so I'm there and they were like one of the first places to host these brewers dinners.

[50:51.7]

Like, we'd all get our five minutes at the microphone. There'd be a room of 100 people, and you get up there and describe your beer, and then you'd go back, back to the brewer's table. And I remember very proudly saying, you know, getting up on the stage and being like, as a homage to, like, the fruit aromatics of Northwest American hops, I've decided to infuse the beer while it's fermenting with fresh pureed apricots.

[51:14.5]

And kind of made my passion plea to describe the beer. And I sit back down, and a little older brewer than me gets up on the stage and quiets the the audience with a spoon on his pint. And he says, I believe that fruit belongs in your salad, not in your beer.

[51:33.1]

Okay, all right. But. But at that moment, did you feel kind of, like, upset, or did you. Were you confident that you were onto something? Mariah and I were, I think, scared because we had bill collectors calling us. And I'd come home and we'd both be beat up and tired, but I'd be like, hey, I dropped off that beer in Pittsburgh.

[51:52.0]

And you remember how last time nine people showed up for my beer dinner? Guess what? Eleven people showed up this time. You know, she was supportive and was not like, this is crazy. We're not making money. Let's just shut this down. But there were some challenging years there where we thought we were going to go bankrupt, like, late 90s, right, Mariah?

[52:09.3]

Yeah, I got really good at disguising my voice when our grain purveyor would call and ask for money, and I'd be like, oh, no, they're not here. You know, what was it? Was it just you were running the business inefficiently or you just weren't selling enough beer or what was going on?

[52:27.8]

Well, anytime you want to make more beer, you need more capital because it's such a capital intensive process. It's like, you can't just make more beer without investing in more tanks and a more bottling line and more. So. So we were living hand to mouth, and any money that we got in, we were putting right back, whether it was into our people or our ingredients or our equipment.

[52:50.3]

And I'd add to that, you know, it was all crappy used. We had a bottling line that came from East Germany that I think made soda over there in the 1950s and was sent to America as part of a Cold War initiative to screw up American manufacturing.

[53:06.1]

And we literally paid a guy who was a very skittish and wore ski goggles to stand behind the bottling line and push valve number seven down as his job because the machine didn't work. And Literally, I think one fifth of the beer that came off that bottling line wasn't even a full bottle, and we couldn't sell it.

[53:24.9]

Not a very sustainable business model. And then that was really around the time that Mariah's dad, Tom Draper, could see that we needed some help. He's like, you know what? All right, I want to put in this amount of money, and I don't know if it was 100,000 or it was some meaningful amount, but I do want minority equity stake, and we're going to form a board of directors, and we're like, oh, okay, let's do that.

[53:46.3]

Okay. And that was awesome. But to your point of what was the cash flow like? One of our first board meetings where Tom Draper. I stood up and showed him, like, some magazine article about our beer that got national coverage, and he was quiet for a minute, and then he just said, sam, cash is king and you have no cash.

[54:04.8]

Which is true. When we come back in just a moment, how Sam and Mariah begin to turn things around with help from a famous beer journalist, a retro children's toy, and King Midas. Stick around.

[54:20.2]

I'm Guy Raz, and you're listening to How I Built this.

[54:38.0]

Hey, welcome back to How I Built this. I'm Guy Raz. So it's the late 1990s, and Dogfish Head has a strong cult following, but it also has cash flow problems, and it needs to start growing faster. Fortunately, the famous beer journalist Michael Jackson.

[54:55.6]

Yes, a different Michael Jackson starts saying some really nice things about the brand. Yeah. And telling people that were making fun of us or laughing at us. He said, hey, wait a second. Dogfish is a very traditional brewery. If you look thousands of years back, every culture in every region of the world was using local indigenous ingredients to make beer.

[55:16.2]

And in the beer world that gave us, you know, we were always thinking beyond beer. How can we recontextualize beer? And moments like that were impactful. I should mention that Michael Jackson to beers like Robert Parker to wine. Right. Like, he's that important. Yeah, that's great.

[55:32.3]

Meantime, there's, I think. I think another pretty pivotal moment was. Was around this time, sort of the turn of the millennium, around 2000, when you launch the 90 minute IPA, and then eventually the 60 minute IPA, these. This become signature beers for you.

[55:49.8]

What? What? First of, just. Can you explain what is the 90 minute IPA? Yeah, sure. So IPA is, you know, many centuries old English beer style. And basically it was India Pale Ale. Right. India Pale Ale. And it was basically processed, you know, an elimination.

[56:06.5]

The English would send beer to the troops in India and just learned through different shipments, if they sent regular mild or regular pale ale, the beer would be spoiled when it got there. So they kind of amplified the alcohol. They added extra hops, very hoppy, more bitter.

[56:22.7]

So those two factors made this more durable, more intense beer style called ipa. So that was already in existence, but what we did is kind of took. Took our culinary inspiration into that IPA space. So one morning, I think it was 99, I was heating up water to brew.

[56:39.6]

Then a chef show came on the television above the bar, and they were talking about if they added little pinches of cracked pepper to a soup the whole time the soup was simmering, that the flavor, the complexity, the nuances of the pepper would be woven into that soup, you know, more gracefully.

[56:55.4]

And then if. Hold on, because I, I remember do a lot of cooking. You're saying if you add grinds of pepper throughout the simmering process, it has a different effect than if you just add it all at once. Yeah. I distinctly remember them saying, if I took the same volume of pepper in one handful and added it, it would taste all dislocated and bitter.

[57:15.5]

But by adding little tiny doses, it can, you know, give more nuance and complexity. So I'm watching this chef talk about this, and I literally, I just had a epiphany. I shut off the gas burner on my brewery and I drove out to the highway to Salvation army store, because I remembered, like this is a place where you get used jeans and flannel shirts and cool stuff like that.

[57:36.1]

And they had one of those old vibrating football games from the 60s or 70s that the little guys would be on the field and it had a vibrating motor under it. And I bought the football game. I drove back to the brewery, I took a five gallon bucket and I bought perforate holes into it with a, with a hand drill.

[57:52.2]

And then I duct tape the bucket on some two by fours to the vibrating football game, and then filled the, the bucket with pelletized hops and just put a step ladder over my boil kettle and just changing the angle of the football game. I could vibrate the hops out of the bucket, down the vibrating football game into the boiling beer with a goal of could I make, you know, one pellet hit the boiling beer for the whole 90 minutes of the boil, one stream of pellets.

[58:20.0]

So it's just like one giant hop edition. This sounds like a very complicated experiment. Yeah. But by doing this little tiny, continual hopping method, it made our Beers really intensely, aromatically, beautifully hoppy without being crushingly bitter.

[58:38.3]

Like, if we added that same volume of hops on at once, the beers would have an unpalatable, lingering bitterness by that volume. Because IPAs can be prohibitively. They can. It's like an obstacle for a lot of people because there are people who do not like hoppy beer. A lot of people, especially when it's bitter.

[58:55.7]

But this was a way to get people into the hops door without the bitterness. Yeah, exactly. And to start with, everyone's like, you're the one and done brewing company. No one's going to drink more than, than one of these super strong, super hoppy beers. But when people tried it, they would buy it again.

[59:11.5]

I remember like being in our, in our house and Mariah like coming outside and being like, hey, these guys own a website called beer advocate and 90 minutes, the best, you know, reviewed the highest rated beer on their, on their website and they want to do an interview.

[59:27.1]

And I remember being simultaneously stunned that a 90 minute was the best selling or the highest rated beer on their website and really surprised that there were people that had a website that rated beer. That's how little I knew about the Internet, you know, back then. Yeah, there's something about beer, especially craft beer, that just like attracts a certain cult following.

[59:49.3]

And we know, we know from this show that when you create a niche product that attracts a cult following, it eventually becomes a mass product. Well, like, we also started as the anti mass product. Right. Like our whole craft industry started that way.

[60:04.8]

But we were at the right time coming up in that industry. And there was a shakeout in the late 90s that we navigated. And the shakeout meant that a lot of small brew pubs closed. They did not survive. I mean, I think a lot of people got into it who weren't like all about the beer.

[60:22.8]

They were more like, you know, I read about this microbrewery trend in the Wall Street Journal and I'm going to make a lot of money. And it's like podcasts. Yeah, a lot like podcasts. Yeah, but, yeah, so, so that, so you know, from a branding perspective. Yeah, what you did, I don't think this was like a cynical marketing move at all.

[60:41.0]

It was really just a passion. You carved out your niche by like not just experimenting with, with different ingredients and weird, but doing collaborations. Like one of the first unusual collaboration you did was with a professor at Penn to resurrect like an ancient Egyptian or, you know, Middle Eastern brewing method, because they were brewing beer, you know, 3,000 years ago.

[61:04.4]

Yeah. And that as fate would have it, there was a beer festival at the University of Pennsylvania. The guest speaker was Michael Jackson, who we've already talked about. Yeah. And Michael Jackson got a tap on his shoulder by this guy, Dr. Pat McGovern, who said, hey, I'm a molecular archaeologist and I basically can reverse engineer what they were drinking, you know, the night they buried King Midas.

[61:27.1]

Wow. And. And Michael Jackson, rest in peace, put us together with Dr. Pat. And it formed this awesome relationship where we've, you know, we've reversed engineered and kind of these liquid time capsules from ancient China, ancient Italy, ancient Turkey.

[61:44.0]

And that's been a big, big part of our journey. Wow. I mean, amazing. And I wish I mentioned Michael Jackson. I think he passed away in 2007. But I mean, what an incredible chance because, you know, I remember when this beer came out, because it was just a natural media story.

[62:01.7]

The beer King Midas drank is now being brewed by this company in Delaware. Yeah. And it's funny because it ended up with Sam on a full page spread of People magazine wearing a crown on his head. Like, we would have never thought People magazine would be interested in our beer.

[62:20.4]

But, like, that's something that afforded us a new audience. And, you know, it could have been a fly by night sort of, you know, oh, this is just a little gimmick. And I'm sure there were some snickers in the industry where people. People probably were like, just a gimmick, but it wasn't actually. It did.

[62:35.6]

It did start to sell. People started to buy it. Yeah. I think by 2004, I read Dogfish was doing like 7 million in revenue, $800,000 in earnings. So you were, you turned it around by then. You guys were definitely doing pretty well at that point, I will say, by that era.

[62:52.1]

Guy. One of the things that was fortunate for us, we were always really transparent with our customers. Customers and said, you know, this beer had three times the ingredients in it as a normal light lager, and we have to charge three times as much for it. So we did reap the benefit of that pricing premium we were able to command.

[63:11.0]

And that did help a lot with cash flow. So in general, we enjoyed at least a decade of double digit annual growth. And so that really helped us get our sort of financial feet under us. So as you grow.

[63:26.4]

There was an article that came out in 2008 in the New Yorker, which. You're in the New Yorker, right? That's a pretty awesome place to be, that article. It Talked about how you, by that point, you quadrupled in size from 2004, so you were doing, like, 40 million revenue, but you still could only meet 4/5 of demand.

[63:44.8]

Like, a fifth of your orders went. Would go unfilled. I mean, that's great to have such a high demand, but it's also a problem. Right. Because you don't want to not fill those orders. What was happening, we just didn't have the capacity to meet demand. Yeah. We called our sales team at the time, the sales prevention team.

[64:03.4]

You were telling to stop selling. Well, we pulled. At one point, we pulled out of a number of states. We found, like, we couldn't supply as many states as we had opened up, so we retracted a bit. We didn't want to get too far out over our skis.

[64:19.3]

That growth was great, but we didn't want to outgrow our people and our processes all the same time. So we kind of intentionally slowed things down a little bit. Yeah. How about your relationship, the two of you? I mean, now you're really growing.

[64:35.6]

You've got probably by 2008, at least 100, maybe 200 employees. You've got distribution channels, you're working with distributors, and you're also raising children. Did you guys ever sort of have any tension between the two of you over how to run the business, or was it just very clearly demarcated what Mariah did, what Sam did?

[64:57.4]

Well, I think we definitely had different focus areas, and that also meant we had natural time apart, which was probably a great thing, too. Our desks at the brewery are literally next to each other, so it's great when we're there together, but it's also great when either one of us is on the road and we get a little space there.

[65:15.7]

We joked the window between our two cubicles is actually bulletproof glass. No, I mean, I did want to say, though, it did put an interesting dynamic on our family as we're. As we're raising Sammy, our son, and Greer, our daughter, for family time.

[65:33.7]

Because we do get to travel a lot to do collaborations with breweries around the world, we would choose, you know, what trips we could bring Sammy and Greer on. Yeah. So that they could see, you know, what we were doing was not just about making a living, but we were trying to build this community and giving back to our community.

[65:51.7]

So having our kids be part of that, instead of feeling guilty about the challenges of quote, unquote, work, life, balance, I think was something we had to learn along the way. Yeah. No, I mean, there isn't a work life balance because there's no, like, demarcation between work and not work, really.

[66:07.1]

I mean, we, we go out to dinner at night. We're. It's. It's at an account. Like, we go to somewhere on the weekend. Like, pretty much everywhere. Sells beer. Right. So. So we're traveling and there is no, like, okay, at this moment, we're not going to talk about work anymore.

[66:24.0]

It's just. It doesn't happen. It's not possible. Yeah. I want to ask you about something that happened in 2010, which sounds amazing. You were approached by Zero Point Zero, an amazing production company. I know they made, famously, Anthony Bourdain's shows.

[66:40.8]

They approached you because they wanted to do a show with you, which they did. You eventually did a deal to make a show called Brewmaster Sam. You were the face of the show. It began airing on Discovery and didn't last for more than five or six episodes. What.

[66:56.6]

What happens? It was a pretty good show, right? You want to go? No, you go. You're the face of that show. Thanks. You're right. 0.0 beautiful storytellers. And Anthony Bourdain, an amazing inspiration. And so they did an amazing job.

[67:12.5]

And they. We were really proud of the show that we. We made kind of celebrating this blossoming global craft brewing movement. And then the show started airing, and Discovery's offices are actually right down the road from us in D.C. and they came and watched it with us.

[67:27.6]

And I'll be careful here, and I won't say the name of one of the international brewing conglomerates decided they were going to make custom ads to run during our show. And Mariah, our queen of social media. And I said, well, I guess we can't stop you from having them as advertisers, but, you know, when our fans talk about that, we're going to talk to them about, have a normal conversation about how we feel about that and how they feel about that.

[67:52.3]

And sure enough, after that first episode, the interwebs was a chatter. And we, we said, yep, that's not a indie craft brewery. It's. It's trying to look like one. And then, like, within two weeks, the executives at the network are saying, oh, a major beer brand is pulling their advertising.

[68:10.5]

Yeah, unless we stop running your show. And to Anthony Bourdain's credit, he jumped on his own social and let people know. He started talking about this. Yeah, yeah. He was like, big beer killed this show, but kind of. I mean, I'm not trying to take their side, but Big beer Companies saw that the craft beer revolution was well underway, and so they were making all these.

[68:30.2]

They would just throw Brooklyn or some cool word into a beer, but it was really made by, like, Budweiser and by Anheuser Busch and Coors, right? Yeah, there's a good amount of that going on. Hey, nothing wrong with it. They're trying to make money, too.

[68:46.1]

And if the beer's not bad and well branded, okay, more power to them. And that. And that when I mentioned that we're living in this great moment where this community of sort of misfits found each other, we actually do have a real home, which is we have a trade group called the Brewers Association.

[69:02.2]

And so as craft beer became this movement that left the margins and came towards the center, we saw these international breweries making beers and selling them as if they came from small, local indie breweries. So our trade group came together and I was on the board along with Jim Cook and Ken Grossman and Kim Jordan.

[69:22.4]

Now you're talking about. Everyone's been on how I built this. You got good taste, guy. You got good taste. And so a bunch of us, you know, recognize that we needed to come up with a definition of a true independent American craft brewery. So essentially, it means if you're over 3 million barrels or more than 25% owned by a brewery that's over 3 million barrels, you can't use our trade group's seal that says you're an indie craft brewery.

[69:48.2]

And 3 million barrels sounds like a lot until you put it in the context of market share. And that means, you know, you're less than, you know, like a 5% or 4% or even. Even less. Hey, Sam, you said 3 million a couple times, but isn't it actually 6?

[70:03.3]

Yeah, I think it is. Just fact checking you. Thank you for fact checking me, honey. But it's, it's very European, right? Like, obviously, champagne, you can't. Must come from champagne. Parma, ham, Parmesan. And so this is a version of that.

[70:18.6]

It's like saying, hey, if you want to call your. Of a craft brewery, but there's no, there's no real legislation backing that. Right. Like a big multinational company can brew and something and call it craft beer. They may not have your seal of approval on it, but they can still call it craft beer.

[70:35.5]

Right? And. And we're up against these international conglomerates, so that's why these smaller businesses really need this definition of, of what our businesses are alike. And then really beers, you know, the beauty's in the eye of the beer. Holder. And I guess it's up to the consumer to say I give a shit about that definition or I don't.

[70:56.6]

All right, you get to. I mean, I think at a certain point you were like within the top 10 craft brewers in the U.S. probably by 2018. Is that about right? Sound about right? It does. And May 9, 2019, announcement comes out.

[71:15.5]

You're being acquired as described as a merger with the Boston Beer Company, makers of Sam Adams. That you would become part of this bigger company. Help me understand why, why this was a good decision. I mean, there was going to be money involved, but you were doing great on your own.

[71:34.4]

Why did you feel like it was a better decision to merge with the biggest force in craft beer? So I was on the board with Jim Cook, you know, at the brewers association for over a decade. And I would see Jim at his booth at the Great American Beer Fest, you know, working his ass off serving the beer or listen to him on a radio commercial talking about the Reinheitz Kibot and the purity of, of the brewing.

[72:02.1]

Yeah. So I always admired him before we were friends. And then around 10 or 12 years ago, we did our first collaborative beer with Sam Adams. And I remember calling down to Delaware to talk to Mariah. I was like, oh my God. Now I've met other people from Sam Adams and they remind me a lot of our co workers.

[72:18.6]

They're fun, they're passionate, they're creative, they want to win in the marketplace. And so at some point in our journey, we just started looking at our, our companies and our, our values and saw that our values were very complementary, but also our portfolios.

[72:34.2]

Because Boston Beer Company, as Jim and the co workers built it, yes, it had Sam Adams, the number one craft lager in America, but it also had Angry Orchard, the number one cider in America. It had tea, it had seltzer, whereas dogfish had hoppy ales, it had sours, it had distilled spirits, Arcadia and cocktails as well.

[72:55.1]

Which is now, you know, the fastest growing category and the fastest growing part of Dogfish heads business. Yeah. And the values and sort of that portfolio drove Mariah and I's decision to do the merger. Well, let me, let me ask you about, because this is important, a lot of people listening, right?

[73:11.2]

They have companies, they get to a point where they have to decide, we take this fork or that fork and one fork could be we stay independent, like Gary and Kit Erickson, Clif Bar. They stayed independent, they continue to grow, but you could also take that fork and it could be A bad decision. Right. The market changes, things happen.

[73:26.8]

It can be scary. Yeah. And what we were also seeing as an independent craft brewery is that we looked around and we were one of the few independent mid sized craft breweries left. A lot of the big multinational breweries had been buying up a lot of our peers.

[73:45.6]

So we were like, okay, well, we can be independent, but we're at this really awkward, almost teenage size where we're not fully national, like really deep nationally, and we're too big to be just local, you know, and we're independent.

[74:01.2]

And all of our peers are now not independent. Not all of them. I would say the majority, maybe 80%. But it is incredible that this thing that you really did need that much money to start out with turned into a deal that went for $300 million to Boston Beer Company.

[74:18.9]

I mean, I'm sure that had you thought about that in 1995, you would have thought, that's going to be an amazing outcome. But you couldn't have imagined that you would build a brand worth $300 million. That was not part of the original business plan. And like, honestly, if we pulled into our brewery like I did yesterday in Milton Dell Air, and the big tanks that hold, you know, 10,000 cases of beer were just filled with 60 minute, I would feel like we failed in our.

[74:45.1]

Is this still your best seller, by the way? 60 Minute IPA? 60 Minute IPA is still our best seller, but what I'm most proud of is we come into this brewery that has some national scale, and the tanks are still filled mostly with beers that have sea salt and limes and monk fruit and pumpkin.

[75:03.6]

We're just brewing them at scale. So the community that we built, like, from the smallest brewery in the country in Delaware, that's the most rewarding part of it all right? There was pushback. Okay? Anybody who's seen Portlandia knows what that means, right?

[75:19.2]

Anytime the band goes from playing the indie club to the stadium, they're sellouts. What, you're collaborating with Elton John and Coldplay. How could you do that? You're not cool anymore. Especially because, you know, you guys were, you know, you got this punk rock aesthetic.

[75:35.1]

You have a brand called Punk and Ale. It's a punk pumpkins on the thing. And there's an aesthetic, you know, kind of fighting against the man, the big guys. And now you're part of a big company. And there were people who were like, you guys sold out.

[75:51.3]

Did you care when you heard that? Did that sting? Or were you like, no, those people just don't understand oh, of course we cared, but we also expected it. I mean, we hoped that over time they would see that the way we're operating, the partners that we're choosing do still fit into the dogfish that they know and loved.

[76:09.1]

And for those who that merger was a problem with, we had to earn it back. And I, I hope that we've done that. But the drinkers have to say, and thankfully now they world of social media, a lot of that sentiment is quantifiable. So as we went into the merger, we knew, of course, the smaller of the entities that merges is always going to take, you know, more of the arrows for the bigger.

[76:32.3]

And so we knew, monitoring our social channels, that the sentiment would be more negative for us. But it was up to us to continue that real dialogue with our fans to say, no. You know, we're still doing what we're doing in Delaware. We're adding jobs, not taking jobs away, investing in the community, and had those conversations.

[76:51.3]

And soon enough we could see that sort of uptick in, in positive sentiment back into our world. So it takes time and it kind of. You have to put your money where your mouth is and never really let the tail of, of inspiration be wagged, you know, by the dog of money.

[77:06.8]

That's how you say it. So, all right, now you are working as part of this bigger company, and I'm gonna make you uncomfortable here. This is the uncomfortable part of the show. There are a few others, but you both. I mean, this made you very rich.

[77:21.8]

You have a lot of money. Does that mean anything practically to your life? Does it change anything about the way you live your life? I would say no. And I mean, you know, pre merger, thanks to the hard work that we've put in, in and our co workers have put in and a fair amount of luck, we are already.

[77:41.9]

We made a good living. So nothing really about the merger moment other than the scale of the dollars has changed how we live our lives. And we know how lucky we are to be able to say that, but we also know that we love to get up and do the work we've done for 27 years today, just as much as we did when we were fighting to be one of the smallest breweries and not just the smallest brewery in the country.

[78:08.5]

All right, so, Sam, you answered my luck or skill question. Thank you for preempting it. Appreciate it. Can you tell we're avid listeners? Mariah, what do you think? I mean, I have my take on your story because, I mean, the fact that you met in the cafeteria when you were 15 or something, and that you're still together takes hard work, too.

[78:28.9]

But I think there's an element of luck there. I don't know. What do you think? What do you attribute the success of this business to? Oh, I don't think it can be either or. I think there was a lot of hard work, different hard work along the way, but there's so much that we've talked about today that is like, and then we had this amazing opportunity, and then this really cool thing happened.

[78:48.7]

So I think the luck kind of came to us because we were looking for it. You know, we didn't pass by opportunities that in hindsight, were really amazing lucky opportunities that we had. And I'll say, you know, I go for a paddle board or a bike ride pretty much every morning to earn my beer calories, and when I get all the way out, whether it's on water, on a bike trail, I always kind of say the same mantra, which is, thank you for this beautiful day, thank you for this beautiful place, thank you for my beautiful life, and thank you for my beautiful wife.

[79:21.5]

And that is from my days of being a pretty, you know, rebellious teenager, not knowing where I. Where things would go. The biggest part of luck for me was meeting Mariah. That's Sam and Mariah Calagione, founders of Dogfish Head Craft Brewery.

[79:42.3]

Is there anything, like, totally off limits when it comes to flavoring beers? Like, I don't know, like, would you use, like, raw tuna? Or, I don't know, like, well, we've used human saliva, Guy. You gotta come back the next time we do our chicha beer. We chewed the corn, and that was a good one.

[79:57.4]

I don't think I could drink human saliva beer. I just don't think I could do it. It's sold out. Sold out. Wow. We boil it. We boil it. Spit happens. Hey, thanks so much for listening to the show this week. Please make sure to click the follow button on your podcast app so you never miss a new episode of the show.

[80:16.3]

And if you're interested in insights, ideas, and lessons from some of the world's greatest entrepreneurs and some of my observations about the world, sign up for my newsletter@guyraz.com or on substack. This episode was produced by Alex Chung with music composed by Ramtin Arablouei.

[80:31.9]

It was edited by Neva Grant with research help from Kathryn Safer. Our production staff also includes Carla Estevez, J.C. howard, John Isabella, Chris Messini, Sam Paulson, Kerry Thompson, and Elaine Coates. I'm Guy Raz, and you've been listening to how I built this.