



Types of Breweries: The Brewpub, Part III More Complicated, Yes, But More Profitable

By Tom Hennessy, Colorado Boy Brewing



Note: You can subscribe to Tom's blog, [The Affordable Brewery](#), [here](#).

I must admit I am a fan of brewpubs. This of course is a brewery that is also a restaurant. Opening a brewpub was natural for me, since I was already in the restaurant business when in 1993 I decided to add a brewery to my pizzeria called IL Vicino on Central Avenue in Albuquerque. That's what got me hooked on breweries in general.

What are the positives about a brewpub?

- Almost every pint of beer you sell is by the glass so you are getting full retail price for the beer at the time it is consumed.
- Since you are not packaging your beer (in most cases) you can brew whatever you feel like and change up your taps as often as you like.
- Your customers will stay longer since they are having food along with their beer.
- Your customers have greater choices, so they are more likely to frequent you.

What are the negatives of a brewpub?

- You have to run a restaurant.

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When Sandy and I opened Colorado Boy in Ridgway, we wanted to just open a tap room and get away from the restaurant side of the business. That lasted about one year. We found that not having a brewpub license meant that we could only serve our beer: So no wine or anything else. A couple would come in and - usually, but not always - the wife would say something like "I don't drink beer, do you have anything besides beer?" Of course we didn't.

We served popcorn but after a beer people would leave to go have dinner some other place. And finally, Ridgway had a population of only 800, so we were limiting ourselves by only serving beer.

Having gobs of experience with pizza, we built a small kitchen with an electric deck oven and started making really good pizza, and sales shot up. Not only overall sales, but we were even selling more beer too. To this day that small brewpub in a tiny town is extremely busy.



Where to Begin?

If you want to do a brewpub (I realize I am starting to sound like a scratch LP) try to find an existing restaurant to purchase or lease. The restaurant business is notorious for its failure rate, so in most cases there is a good chance you could find one for lease.

With a restaurant you are starting off with so many advantages.

- It has all the correct plumbing.

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- It has enough parking (perhaps).
- It is already zoned the same as a brewpub needs to be.
- It has adequate restrooms that are ADA approved.
- It already has heating and air conditioning.
- It probably has an office.
- It has a grease trap.
- Correct kitchen roof penetrations are already in place, and may even still have an exhaust hood. Maybe even kitchen equipment.
- It probably has a bar already built.
- It might have a walk in cooler.
- It is probably in a good location
- There is already signage

All of these things I've mentioned are infrastructure that most customers are unaware of. In other words the money that you still need to spend will be on cosmetics that the customer WILL see, so you are getting a bigger bang for your beer bucks.

One more thing, if you are not doing anything structural, you might not even need to engage an architect or an engineer. That alone could save you enough money to pay for your brewhouse. The reason is because you are not *changing use*. With an existing use - going from restaurant to brewpub - it doesn't trigger any of these weird building codes.

How will you fit a brewery into the space that is already set up for a kitchen? That's where you need to use your imagination, but I will say I can squeeze a brewery into any space. Almost nothing is impossible. Write to me and tell me your situation and maybe I can offer some solutions.

What about the negative? Well, it is a restaurant and you need to operate one with all that entails. My first piece of advice is to keep it simple. I like pizza because everyone likes pizza and the food cost is great. In other words pizzas cost less to make than steak or fish. I also like tacos for the same reason. I helped a friend open a burger joint modeled after In n' Out Burgers, and by that I mean they only sell burgers, fries, cokes and shakes. Looking now at the business they do (they aren't open at night, and closed on Sunday) and I realize I probably spent 40 years in the wrong business. I would recommend simple burgers and a salad or two. Nothing could be more simple.

You may want to hire someone with some kitchen experience to run that part of your operation, however at some point within six months of you opening, you should schedule yourself for some kitchen shifts so you become an expert at that job. That way the kitchen manager you hire can't hold

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anything over on you. The same goes for bartending. You want to be good at everything, not just hiding in the brewhouse, which is really where brewers want to be.

I go back to the business system that I wrote about in [The Brewery Operations Manual](#) or if I can be so bold as to suggest an earlier book I wrote specifically for restaurants called [Become a Restaurant Owner](#), that would work also.

Either way, you need a solid business system to run this brewpub, and it is the same system that would run your tasting room brewery or your packaging brewery.

All these models I've covered over the past three weeks will get you brewing. It all depends on your comfort level and what you most want to do. I think the tap room brewery is the most budget friendly model. However, the brewpub will make you the most money. I really can't recommend going into the packaging brewery business however. It's like moving to Hollywood to become a star. It's possible but highly unlikely.

The best advice I can give to open a brewpub is to find an existing restaurant to take over. Put a 7 BBL system in it like I mentioned last week, have a very simple menu, and follow the business system I outline.

Well, there you have it. This is just enough information to whet your appetite. I hope you find it useful and as always I hope to get feedback from you, and I am always available for questions.



Contributing Author

Tom Hennessy

Founder, Colorado Boy Brewing

Tom Hennessy has opened seven breweries of his own and helped open over 100 more with his Colorado Boy Brewery Immersion Course. His video Frankenbrew, from 1995 has become a cult classic in the brewing world. His three brewing books include The Brewery Operations Manual, Colorado Boy SOP, and The Affordable Brewery. Tom lives, brews and writes in his mountain town of Ridgway, Colorado.