



THE BUSINESS OF CRAFT BEVERAGE

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The Distributor/Producer Partnership Part I: Finding the Right Distributor for Your Brand

The following are checklist items for completion prior to contacting potential distributors in a new/expansion area. We suggest you complete everything before you start the research section.

The Legal Side

Consult an attorney re:

- Trademarks
- Labeling
- Licensing
- Employment Law
- Alcohol Franchise Laws

The Practical Side (Business/ Strategic)

- Fantastic, consistent product - Tasted/evaluated by a wide range of people/labs...
- The right product combination—Variety is the spice of life!
- Access to sufficient ingredients—Hop contracts? Make sure you can get it all...
- Reliable equipment— Brewing, packaging, cleaning, forklifts, trucks...
- Storage for additional product—Not just beer, ingredients + packaging, too...
- Adequate supply of product—Can you make enough? How much is enough?
- Brewing staff—You'll need more people...maybe expanding hours, too.
- Administrative staff—Accounting, warehouse, maybe drivers...
- Sales team, trained—Both for new area and to support them in house...
- Creative branding/story—Needs to say it all in a cohesive nutshell...
- Effective marketing/POS—Give your story legs. Sell sheets are a critical piece!



The Distributor/Producer Partnership Part I: Finding the Right Distributor for Your Brand

(continued from other side)

The following are checklist items for completion prior to contacting potential distributors in a new/expansion area. We suggest you complete everything before you start the review of the new area.

The Practical Side (Business/ Strategic) - continued

Know & be comfortable with:

- Cost per bottle/case/keg - Essential to be able to effectively negotiate.
- Target margin— Comfortable working margin.
- Lowest possible margin—Only in rare cases would you go this low. Maybe never.
- Production capacity—Maximum growth with current equipment/space...
- Financial goals—Practical dreaming with a plan!
- Seasonal product plans—Which seasons are worthy?
- Limited release product plans - How often, producing how much?
- Plans for new product lines - Maybe? Not at all? Never say never...
- Logistical flexibility with ordering—How much can you help by flexng?

Tap Room sales if you can legally—Create your authentic atmosphere, bring in your people.
Self-distribution if you can legally—Make the margin, build your brand, learn the process.

Dedicated review of new area

- Image—Overall impression of the area, including weather.
- Price Point - What is the average price of your peer brands off/on-premise?
- Population—# of people living, eating, drinking, factoring in tourism
- Life Style - Luxury, hard-working, athletic, sedentary, adventurous, educated, etc.
- Transportation - Lots of interstate trucking? Trains? Other suppliers/distributors?
- Competition— Would you be the only one of your kind? Or tough competition?
- Distributor Research—Find out about ALL distributors servicing the area.